

MAINE STATE LEGISLATURE

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*State Of Maine
122nd Legislature*

Second Regular Session

Bill Summaries

*Joint Standing Committee
on
Labor*

July 2006

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Maine State Legislature



Office of Policy and Legal Analysis Office of Fiscal and Program Review

122nd Maine Legislature Second Regular Session

Summary of Legislation Before The Joint Standing Committees

Enclosed please find a summary of all bills, resolves, joint study orders, joint resolutions and Constitutional resolutions that were considered by the joint standing committees of the Maine Legislature this past session. The document is a compilation of bill summaries which describe each bill and relevant amendments, as well as the final action taken. Also included are statistical summaries of bill activity this session for the Legislature and each of its joint standing committees.

The document is organized for convenient reference to information on bills considered by the committees. It is arranged alphabetically by committee name and within committees by bill (LD) number. The committee report(s), prime sponsor for each bill and the lead co-sponsor(s), if designated, are listed below each bill title. All adopted amendments are listed by paper number. Two indices, a subject index and a numerical index by LD number are provided for easy reference to bills. They are located at the back of the document. A separate publication, History and Final Disposition of Legislative Documents, may also be helpful in providing information on the disposition of bills. These bill summaries also are available at the Law and Legislative Reference Library and on the Internet (www.state.me.us/legis/opla/billsumm.htm).

Final action on each bill is noted to the right of the bill title. The abbreviations used for various categories of final action are as follows:

CON RES XXX.....	Chapter # of Constitutional Resolution passed by both Houses
CONF CMTE UNABLE TO AGREE.....	Committee of Conference unable to agree; bill died
DIED BETWEEN BODIES.....	House & Senate disagree; bill died
DIED IN CONCURRENCE.....	One body accepts ONTP report; the other indefinitely postpones the bill
DIED ON ADJOURNMENT.....	Action incomplete when session ended; bill died
EMERGENCY.....	Enacted law takes effect sooner than 90 days
FAILED EMERGENCY ENACTMENT/FINAL PASSAGE.....	Emergency bill failed to get 2/3 vote
FAILED ENACTMENT/FINAL PASSAGE.....	Bill failed to get majority vote
FAILED MANDATE ENACTMENT.....	Bill imposing local mandate failed to get 2/3 vote
NOT PROPERLY BEFORE THE BODY.....	Ruled out of order by the presiding officers; bill died
INDEF PP.....	Bill Indefinitely Postponed
ONTP.....	Ought Not To Pass report accepted
OTP-ND.....	Committee report Ought To Pass In New Draft
P&S XXX.....	Chapter # of enacted Private & Special Law
PASSED.....	Joint Order passed in both bodies
PUBLIC XXX.....	Chapter # of enacted Public Law
RESOLVE XXX.....	Chapter # of finally passed Resolve
UNSIGNED (Pocket Veto).....	Bill held by Governor
VETO SUSTAINED.....	Legislature failed to override Governor's Veto

Please note that the effective date for all non-emergency legislation enacted in the Second Regular Session (unless otherwise specified in a particular law) is August 23, 2006.

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LD 758

An Act To Increase Retired Teachers' Health Insurance Benefits

**DIED ON
ADJOURNMENT**

<u>Sponsor(s)</u> GLYNN		<u>Committee Report</u> OTP-AM		<u>Amendments Adopted</u> H-410
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LD 758 proposed to increase the State's contribution for health insurance for retired educators from 40% to 100%, phased in over 3 years.

Committee Amendment "A" (H-410) proposed to phase in the increase to the State's contribution for health insurance for retired educators over 11 years and to add an appropriations and allocations section to the bill.

See also Public Law 2005, chapter 12, part X and Public Law 2005, chapter 457, part TT, which increase the state's contribution for health insurance for retired educators from 40% to 45% as of January 1, 2006.

LD 1021

An Act To Implement Task Force Recommendations Relating to Parity and Portability of Benefits for Law Enforcement Officers and Firefighters

PUBLIC 636

<u>Sponsor(s)</u>		<u>Committee Report</u>		<u>Amendments Adopted</u>
		OTP-AM MAJ		H-1007
		OTP-AM MIN		S-660 MARTIN
		ONTP MIN		

LD 1021 proposed to implement the unanimous recommendations of the Task Force to Study Parity and Portability of Retirement Benefits for State Law Enforcement Officers, Municipal and County Law Enforcement Officers and Firefighters.

Part A proposed to create a state subsidy for the cost of retiree health insurance for municipal and county law enforcement officers and firefighters who retire from certain Maine State Retirement System retirement plans. To pay for the subsidy, the bill proposed to create a dedicated account funded from 2 sources: a 0.50% premium tax on certain types of property and casualty insurance policies, including homeowners insurance and commercial and personal car insurance, and a contribution of 1.5% of compensation from active municipal and county law enforcement officers and firefighters who participate in certain retirement plans and would be likely to be eligible for the subsidy upon retirement. Officers and firefighters would be eligible for the subsidy only if they have retired from a Maine State Retirement System retirement plan that provides for retirement after 25 years of service, with a benefit of at least 50% of average final compensation and a cost-of-living adjustment, or a better Maine State Retirement System retirement plan. The bill proposed to require the Department of Administrative and Financial Services to report on revenue and funding of the subsidy to the Legislature in 2011, and to require the Bureau of Insurance in the Department of Professional and Financial Regulation to submit a report to the Second Regular Session of the 122nd Legislature setting forth options for collecting contributions toward the cost of the retiree health insurance from businesses that do not purchase insurance for the types of property and casualty risks described in the bill.

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Part B proposed to allow state, county and municipal law enforcement officers and firefighters who change employers to purchase portability of their retirement benefits, if they are changing retirement plans and the plan to which they are moving does not provide portability. Portability would allow a person to count all or a portion of years of service from an earlier retirement plan when calculating a benefit or meeting the years-of-service requirement in a later retirement plan, and to count compensation from all years of service in determining average final compensation, one of the factors in calculating a retirement benefit. This provision would apply only to persons moving among the types of Maine State Retirement System retirement plans described above.

Committee Amendment “B” (H-1007), the majority report of the Joint Standing Committee on Labor, proposed to strike Part A of the bill and replace it with a new Part A that would allow retired county and municipal law enforcement officers and retired municipal firefighters who are enrolled in a county or municipal self-insurance health coverage plan to join the state group health plan under certain circumstances and would provide a state premium subsidy. Part A also proposed to create the Retired County and Municipal Law Enforcement Officers and Municipal Firefighters Health Insurance Program, which would provide for health insurance coverage when the retiree is eligible for a retirement benefit under certain conditions and participated in the county or municipal health plan while employed. The amendment also proposed a state subsidy, beginning July 1, 2007, equal to 45% of the cost of insurance premiums, or dollar equivalents, for each eligible retiree. Health insurance coverage under the program would not become effective until July 1, 2007 or the date of retirement, whichever occurs later. Eligible persons, including retirees, whose date of hire is on or before November 1, 2006, would have to enroll in the plan before January 1, 2007. Eligible persons whose date of hire is after November 1, 2006 would have to enroll in the plan no later than 60 days following the effective date of hire. Effective January 1, 2007, each county and municipal law enforcement officer and each municipal firefighter who participates as an active employee in a retirement plan and who has enrolled in the program would have to contribute 1.5% of gross wages to a fund to offset the costs of the program. Members of volunteer or call firefighters' associations in this State, as well as persons serving as county or municipal law enforcement personnel on a reserve basis, would remain eligible to participate in the program of health benefits coverage established pursuant to the eligibility criteria and other provisions set forth in the Maine Revised Statutes, Title 24-A, chapter 87 as long as they meet the eligibility requirements under that chapter. The amendment also proposed to add an appropriations and allocations section to the bill.

Senate Amendment “G” to Committee Amendment “B” (S-660) proposed the following:

1. To exempt from the General Fund appropriation limitation the state costs of the Retired County and Municipal Law Enforcement Officers and Municipal Firefighters Health Insurance Program;
2. To establish a minimum age of 50 years for participation in the program; and
3. To require a person to pay into the fund for at least 60 months before becoming eligible, upon retirement, to obtain a subsidy. A person who retires without making 60 months of contributions would be able to participate in the program by making a payment to the fund. The amount of the payment would be based on the person's age at the date of enrollment in the program, the person's average monthly final compensation and any payments made by the person to the fund prior to retirement. The percentage of average monthly final compensation payment would range from 2% for retirees who are at least 50 years of age to 1.5% for retirees who are at least 60 years of age. A retiree would be allowed to participate upon enrollment but would have to make the required payment within 12 months or be disenrolled.

Senate Amendment “A” to Committee Amendment “B” (S-607) proposed to strike Part A of the bill as amended by Committee Amendment “B” and replace it with a new Part A that creates the Retired County and Municipal Law Enforcement Officers and Municipal Firefighters Health Insurance Program, a self-funding

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program that would provide for health insurance coverage when the retiree is eligible for a retirement benefit under certain conditions and participated in the county or municipal health plan while employed. The amendment also proposed a premium subsidy, beginning January 1, 2012, not to exceed 45% of the cost of insurance premiums, or dollar equivalents, for each eligible retiree. The premium subsidy would be funded from employee contributions. Health insurance coverage under the program would not become effective until January 1, 2012 or the date of retirement, whichever occurs later. Persons whose date of initial hire is on or before November 1, 2006 would have to enroll in the plan before January 1, 2007. Persons whose date of initial hire is after November 1, 2006 would have to enroll in the plan no later than 60 days following the effective date of initial hire. Effective January 1, 2007, each county and municipal law enforcement officer and each municipal firefighter would have to contribute 2% of gross wages to a fund to pay for the costs of the program. An enrollee would have to make contributions to the fund for 60 months in order to be eligible for coverage under the program. Members of volunteer or call firefighters' associations in this State, as well as persons serving as county or municipal law enforcement personnel on a reserve basis, would remain eligible to participate in the program of health benefits coverage established pursuant to the eligibility criteria and other provisions set forth in the Maine Revised Statutes, Title 24-A, chapter 87 as long as they meet the eligibility requirements under that chapter. This amendment was not adopted.

House Amendment “A” to Committee Amendment “B” (H-1028) proposed to strike Part A of the bill as amended by Committee Amendment “B” and replace it with a new Part A that creates the Retired County and Municipal Law Enforcement Officers and Municipal Firefighters Health Insurance Program, a self-funding program that would provide for health insurance coverage when the retiree is eligible for a retirement benefit under certain conditions and participated in the county or municipal health plan while employed. The amendment also proposed a premium subsidy, beginning January 1, 2012, not to exceed 45% of the cost of insurance premiums, or dollar equivalents, for each eligible retiree. The premium subsidy would be funded from employee contributions. Health insurance coverage under the program would not become effective until January 1, 2012 or the date of retirement, whichever occurs later. Persons whose date of initial hire is on or before November 1, 2006 would have to enroll in the plan before January 1, 2007. Persons whose date of initial hire is after November 1, 2006 would have to enroll in the plan no later than 60 days following the effective date of initial hire. Effective January 1, 2007, each county and municipal law enforcement officer and each municipal firefighter would have to contribute 2% of gross wages to a fund to pay for the costs of the program. An enrollee would have to make contributions to the fund for 60 months in order to be eligible for coverage under the program. Members of volunteer or call firefighters' associations in this State, as well as persons serving as county or municipal law enforcement personnel on a reserve basis, would remain eligible to participate in the program of health benefits coverage established pursuant to the eligibility criteria and other provisions set forth in the Maine Revised Statutes, Title 24-A, chapter 87 as long as they meet the eligibility requirements under that chapter. This amendment was not adopted.

Enacted law summary

Public Law 2005, chapter 636 allows retired county and municipal law enforcement officers and retired municipal firefighters who are enrolled in a county or municipal self-insurance health coverage plan to join the state group health plan under certain circumstances and provides a state premium subsidy. The law also creates the Retired County and Municipal Law Enforcement Officers and Municipal Firefighters Health Insurance Program, which provides for health insurance coverage when the retiree is at least 50 years of age, is eligible for a retirement benefit under certain conditions and participated in the county or municipal health plan while employed. The program provides for a state premium subsidy, beginning July 1, 2007, equal to 45% of the cost of insurance premiums, or dollar equivalents, for each eligible retiree. Health insurance coverage under the program is not effective until July 1, 2007 or the date of retirement, whichever occurs later. Eligible persons, including retirees, whose date of hire is on or before November 1, 2006 must enroll in the plan before January 1, 2007. Eligible

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persons whose date of hire is after November 1, 2006 must enroll in the plan no later than 60 days following the effective date of hire. Effective January 1, 2007, each county and municipal law enforcement officer and each municipal firefighter who participates as an active employee in a retirement plan and who has enrolled in the program must contribute 1.5 % of gross wages to a fund to offset the costs of the program. An enrollee must make contributions to the fund for 60 months, or pay a lump sum dollar equivalent that is computed based on the enrollee's age, in order to be eligible for coverage under the program. Members of volunteer or call firefighters' associations in this State, as well as persons serving as county or municipal law enforcement personnel on a reserve basis, are eligible to participate in the program of health benefits coverage established pursuant to the eligibility criteria and other provisions set forth in the Maine Revised Statutes, Title 24-A, chapter 87 as long as they meet the eligibility requirements under that chapter. The law exempts from the General Fund appropriation limitation the state costs of the Retired County and Municipal Law Enforcement Officers and Municipal Firefighters Health Insurance Program. The law also includes an appropriations and allocations section. Finally, the law provides for the purchase of retirement benefit portability for coverages under the program by law enforcement officers and firefighters.

Immediately after being chaptered, Public Law 2005, chapter 636 was amended in LD 2055, an errors bill, to remove the exemption from the General Fund appropriation limitation.

LD 1050 An Act To Promote Enforcement of Labor Laws Affecting ONTP **Employers**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
EDMONDS SMITH W	ONTP	

LD 1050 proposed to require the Attorney General to investigate violations of the labor laws, including wage and hour violations and unemployment fraud, and prosecute violators. The bill proposed to specify that, if the Attorney General determines that an employer has violated a labor law, the Attorney General must investigate all the employees and subcontractors of that employer.

LD 1276 An Act To Prohibit the Use of Foreign Labor Unless a Federal INDEF PP **Prevailing Wage Is Set**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
JACKSON MARTIN	OTP-AM MAJ ONTP MIN	

LD 1276 proposed to prohibit the Department of Labor from certifying to the United States Department of Labor that no U.S. citizens are qualified for or willing to fill a job opening in a forestry occupation, for the purpose of allowing an employer to hire a foreign worker to fill that job opening under what is commonly known as an "H-2B visa," if the job would require the worker to use the worker's own equipment and if the U.S. Department of Labor's Division of Foreign Labor Certification has not established a prevailing wage for workers performing that job using the workers' own equipment. This amendment was not adopted.

Committee Amendment "C" (H-748) proposed to add a provision to prohibit an employer from making a false representation to a government entity in an application to hire a foreign worker through a procedure commonly