

MAINE STATE LEGISLATURE

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M A J O R I T Y
BANKING AND INSURANCE

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
117TH LEGISLATURE
SECOND REGULAR SESSION

COMMITTEE AMENDMENT "B" to H.P. 664, L.D. 887, Bill, "An Act to Encourage Job Creation by Exempting Small Businesses from the Current Workers' Compensation System"

Amend the bill by striking out the title and substituting the following:

'Resolve, Establishing the Study Commission on Workers' Compensation Laws Relating to Small Business'

Further amend the bill by striking out everything after the title and inserting in its place the following:

'Emergency preamble. Whereas, Acts and resolves of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

Whereas, certain small employers are experiencing problems under the current workers' compensation system; and

Whereas, this resolve establishes the Study Commission on Workers' Compensation Laws Relating to Small Business; and

Whereas, to adequately study these issues prior to the next legislative session requires that this resolve be passed as emergency legislation; and

Whereas, in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now, therefore, be it

COMMITTEE AMENDMENT

2 **Sec. 1. Commission established. Resolved:** That the Study
Commission on Workers' Compensation Laws Relating to Small
4 Business, referred to as the "commission," is established; and be
it further

6 **Sec. 2. Membership. Resolved:** That the commission consists
8 of 17 members as follows:

10 1. The Superintendent of Insurance or the superintendent's
designee;

12 2. The Executive Director of the Workers' Compensation
14 Board or the executive director's designee;

16 3. The Commissioner of Labor or the commissioner's designee;

18 4. Two members representing the small business community:
one member appointed by the President of the Senate and one
20 member appointed by the Speaker of the House of Representatives.
The President of the Senate and the Speaker of the House of
22 Representatives may consider the recommendations made by the
National Federation of Independent Business and the Maine Chamber
24 and Business Alliance;

26 5. Four members representing the insurance industry: one
member representing the Maine Employers' Mutual Insurance
28 Company; one member representing the workers' compensation
self-insurance market, appointed by the President of the Senate;
30 and 2 members representing the insurance industry, appointed by
the Speaker of the House of Representatives. The President of
32 the Senate and the Speaker of the House of Representatives may
consider recommendations made by insurance companies and industry
34 associations;

36 6. Two members representing labor interests: one member
appointed by the President of the Senate and one member appointed
38 by the Speaker of the House of Representatives. The President of
the Senate and the Speaker of the House of Representatives may
40 consider recommendations made by the American Federation of
Labor-Congress of Industrial Organizations, AFL-CIO;

42 7. Four members of the Joint Standing Committee on Banking
and Insurance: 2 members appointed by the President of the Senate
44 and 2 members appointed by the Speaker of the House of
Representatives. The President of the Senate and the Speaker of
46 the House of Representatives may consider recommendations made by
the chairs of the Joint Standing Committee on Banking and
48 Insurance; and

50 8. Two members of the Joint Standing Committee on Labor:
52 one member appointed by the President of the Senate and one

member appointed by the Speaker of the House of Representatives.
The President of the Senate and the Speaker of the House of
Representatives may consider recommendations made by the chairs
of the Joint Standing Committee on Labor; and be it further

Sec. 3. Appointments. Resolved: That all appointments must be
made no later than 30 days following the effective date of this
resolve. The appointing authorities shall notify the Executive
Director of the Legislative Council upon making their
appointments. When the appointment of all members is complete,
the Chair of the Legislative Council shall call and convene the
first meeting of the commission no later than June 1, 1996. The
commission shall select a chair from among its legislative
members; and be it further

Sec. 4. Duties. Resolved: That the commission shall study the
current workers' compensation system as it affects small business
and examine the following issues:

1. The problems experienced by small business in the
current workers' compensation system and whether the problems are
being felt across industries or are limited to certain high-risk
industries;

2. Whether there are viable alternatives for small business
outside of the current workers' compensation system that
adequately protect both employers and employees in case of
workplace injuries, that address the liability issues between
employer and employee and that maintain the stability of the
workers' compensation market;

3. To what extent workers' compensation self-insurance
offers small business an option other than the purchase of a
workers' compensation insurance policy; and

4. Whether there can be more flexibility in experience
rating under the uniform classification system used in workers'
compensation insurance for small business; and be it further

Sec. 5. Staff assistance. Resolved: That the commission shall
request staffing assistance from the Legislative Council; and be
it further

Sec. 6. Reimbursement. Resolved: That the commission members
who are Legislators are entitled to receive the legislative per
diem, as defined in the Maine Revised Statutes, Title 3, section
2, for each day's attendance at meetings of the commission. All
members of the commission are entitled to reimbursement for
travel and other necessary expenses upon application to the
Legislative Council. The Executive Director of the

Legislative Council shall administer the commission's budget; and
be it further

Sec. 7. Report. Resolved: That the commission shall submit a
written report of its findings, together with any accompanying
legislation, to the First Regular Session of the 118th
Legislature by December 1, 1996; and be it further

Sec. 8. Appropriation. Resolved: That the following funds are
appropriated from the General Fund to carry out the purposes of
this resolve.

1996-97

LEGISLATURE

**Study Commission on Workers' Compensation
Laws Relating to Small Business**

Personal Services	\$2,310
All Other	5,400

Provides funds to the Study Commission on
Workers' Compensation Laws Relating to Small
Business for the per diem of legislative
members, expenses of all members and
miscellaneous commission costs.

**LEGISLATURE
TOTAL**

\$7,710

Emergency clause. In view of the emergency cited in the
preamble, this resolve takes effect when approved.

FISCAL NOTE

1995-96

APPROPRIATIONS/ALLOCATIONS

General Fund	\$7,710
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The Legislature will require a General Fund appropriation of
\$7,710 in fiscal year 1996-97 for the per diem of legislative
members, expenses of all members and miscellaneous costs of the

COMMITTEE AMENDMENT "B" to H.P. 664, L.D. 887

Study Commission on Workers' Compensation Laws Relating to Small Business.

The additional costs to provide staff assistance to the commission can be absorbed by the Legislature utilizing existing budgeted resources.

The Bureau of Insurance, the Workers' Compensation Board and the Department of Labor will incur some minor additional costs to participate as members of the commission. These costs can be absorbed within the respective agencies' existing budgeted resources.'

STATEMENT OF FACT

This amendment is the majority report and replaces the bill with a resolve. The amendment establishes the Study Commission on the Workers' Compensation Laws Relating to Small Business. The commission consists of 17 members representing the Joint Standing Committee on Banking and Insurance, the Joint Standing Committee on Labor, the Bureau of Insurance, the Department of Labor, the Workers' Compensation Board, the insurance industry, the small business community and labor interests. The amendment adds an appropriation section to the resolve. It also adds a fiscal note.

The resolve is an emergency and takes effect when enacted.