

MAINE STATE LEGISLATURE

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DATE: 3/25/96

(Filing No. H-840)

LABOR

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

COMMITTEE AMENDMENT "A" to H.P. 1357, L.D. 1862, Bill, "An Act to Ensure That Employees Are Compensated for Accrued Vacation Time in the Event of the Sale of a Business"

Amend the bill by striking out everything after the title and before the statement of fact and inserting in its place the following:

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

Whereas, current law does not allow the Department of Labor to bring an action on behalf of employees for unpaid wages upon the sale of a business; and

Whereas, upon the sale of a business, employees should be given some assurance of fair treatment following that transaction; and

Whereas, certain employees affected by a pending sale are concerned that they will be denied vacation pay; 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,

COMMITTEE AMENDMENT

2 **Be it enacted by the People of the State of Maine as follows:**

4 **Sec. 1. 26 MRSA §626**, as amended by PL 1991, c. 162, is
6 further amended by adding at the end a new paragraph to read:

8 Within 2 weeks after the sale of a business, the seller of
10 the business shall pay employees of that business any wages
12 earned while employed by the seller. If the terms of employment
14 include provisions for paid vacations, vacation pay on cessation
16 of employment has the same status as wages earned. The seller of
a business may comply with the provisions of this paragraph
through a specific agreement with the buyer in which the buyer
agrees to pay any wages earned by employees through employment
with the seller and to honor any paid vacation earned under the
seller's vacation policy.

18 **Emergency clause.** In view of the emergency cited in the
20 preamble, this Act takes effect when approved.'

22 Further amend the bill by inserting at the end before the
24 statement of fact the following:

24 **'FISCAL NOTE**

26 This bill may increase the number of civil suits filed in
28 the court system. The additional workload and administrative
30 costs associated with the minimal number of new cases filed can
32 be absorbed within the budgeted resources of the Judicial
Department. The collection of additional filing fees may also
increase General Fund revenue by minor amounts.'

34 **STATEMENT OF FACT**

36 This amendment permits the seller to comply with the
38 requirement that employees be compensated for wages earned and
40 accrued vacation time by entering into an agreement with the
42 buyer for the buyer to assume that obligation to pay unpaid wages
and honor accrued vacation time. The amendment also adds an
emergency preamble, an emergency clause and a fiscal note to the
bill.