

# MAINE STATE LEGISLATURE

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**STATE OF MAINE  
SENATE  
119TH LEGISLATURE  
FIRST REGULAR SESSION**

COMMITTEE AMENDMENT " A " to S.P. 562, L.D. 1629, Bill, "An Act to Ensure That Sales Free and Clear of Liens Through Bankruptcy Do Not Result in the Acquisition of a Predecessor Employer's Experience for the Purpose of Contribution Rate Determination"

Amend the bill by striking out everything after the enacting clause and before the summary and inserting in its place the following:

'Sec. 1. 26 MRSA §1221, sub-§5, ¶A, as amended by PL 1979, c. 651, §45, is further amended to read:

A. The executors, administrators, successors or assigns of any employer who acquire the business of such that employer in toto shall acquire the experience of such that employer with payrolls, contributions and benefits. Effective as of the date on which such the business was acquired, the commissioner shall for purposes of rate determination transfer to the successor employer the payroll record and experience rating records of the predecessor employer. This transfer does not occur for a business purchased free and clear of liens through bankruptcy if the contribution rate for that business is greater than the state average contribution rate. In that case, the employer must be assigned the state average contribution rate.'

Further amend the bill by inserting at the end before the summary the following:

**'FISCAL NOTE**

The bill will affect the experience rating for unemployment

**COMMITTEE AMENDMENT**

COMMITTEE AMENDMENT "A" to S.P. 562, L.D. 1629

2 compensation purposes of a minimal number of employers and as  
such will have no significant impact on the Unemployment  
Insurance Trust Fund.'

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### SUMMARY

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10 This amendment provides that a successor employer who takes  
over a business after bankruptcy does not acquire the  
12 contribution rate of the predecessor employer if the business was  
purchased free and clear of liens and the business contribution  
14 rate was higher than the state average. In such a case, the  
successor employer is assigned the state average contribution  
rate.