

MAINE STATE LEGISLATURE

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R.S.

L.D. 253

DATE: 5/8/01

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MINORITY
LABOR

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
120TH LEGISLATURE
FIRST REGULAR SESSION

COMMITTEE AMENDMENT "A" to H.P. 218, L.D. 253, Bill, "An Act to Amend the Law Pertaining to the Solvency of the Unemployment Compensation Fund"

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-§4-A, ¶A, as enacted by PL 1999, c. 464, §9, is amended to read:

A. The standard rate of contributions is 5.4%. A contributing employer's rate may not be varied from the standard rate unless the employer's experience rating record has been chargeable with benefits throughout the period of 24 consecutive calendar months ending on the computation date applicable to such a year. A contributing employer newly subject to this chapter shall pay contributions at a rate equal to the greater of the predetermined yield or 1.0% until the employer's experience rating record has been chargeable with benefits throughout the period of 24 consecutive calendar months ending on the computation date applicable to such a year. For rate years thereafter, the employer's contribution rate is determined in accordance with this subsection and subsection 3.

(1) Notwithstanding this paragraph, the rate calculated pursuant to this paragraph is reduced by 15% for the first calendar year in which an employer becomes subject to this chapter.'

COMMITTEE AMENDMENT

R. S.

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

4

FISCAL NOTE

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2001-02 **2002-03**

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REVENUES

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Other Funds \$950,000 \$950,000

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14 Reducing the unemployment compensation contribution rate for
new employers will reduce revenue to the unemployment
16 compensation clearing account in the Employment Security Services
program. The estimated reductions of dedicated revenue are
\$950,000 and \$950,000 in fiscal years 2001-02 and 2002-03,
18 respectively.'

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SUMMARY

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24 This amendment provides for a 15% reduction in the rate
applied to a new contributing employer for the first calendar
year, or applicable portion of a calendar year, in which the
26 employer becomes a contributing employer. It also adds a fiscal
note to the bill.