

MAINE STATE LEGISLATURE

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L.D. 356

DATE: 5-23-01

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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. 278, L.D. 356, Bill, "An Act to Adjust the Unemployment Compensation Fund Cap"

Amend the bill in section 1 in subparagraph (3) in the 9th line (page 1, line 15 in L.D.) by striking out the following: "14" and inserting in its place the following: '18'

Further amend the bill in section 2 in the 4th line (page 1, line 24 in L.D.) by striking out the following: "14" and inserting in its place the following: '18'

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

FISCAL NOTE

2001-02

2002-03

REVENUES

Other Funds (\$20,000,000) (\$50,000,000)

The amendment would reduce the amount of revenue received from employer contributions to the Employment Security Services program that funds unemployment compensation benefits. Currently, the schedule is designed to cap the fund between 20 and 21 months of benefits. Lowering the cap to 18 months of

COMMITTEE AMENDMENT

benefits, the minimum reserve standard recommended by the United States Department of Labor, is estimated to reduce employer contributions between \$45,000,000 and \$55,000,000 for calendar year 2002.

The amendment also requires the Department of Labor to submit legislation to the First Regular Session of the 120th Legislature no later than November 15, 2001 and requires the department to publish notice of the planned yield and schedule in such a manner that employers are aware of their obligations for the period beginning January 1, 2002. Routinely, the department provides such notification in conjunction with the Bureau of Revenue Services within the Department of Administrative and Financial Services prior to the beginning of the calendar year. In order to meet the requirements in the amendment, the department will need to issue a 2nd notification during the first calendar quarter and before employer reports are due on April 30, 2002. The additional costs associated with notifying employers of any changes to the tax schedule can be absorbed by the Department of Labor utilizing existing budgeted resources.'

SUMMARY

This amendment is the minority report of the committee. It provides for an 18-month limit on the Unemployment Compensation Fund. The amendment also adds a fiscal note to the bill.