

MAINE STATE LEGISLATURE

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120th MAINE LEGISLATURE

SECOND REGULAR SESSION-2002

Legislative Document

No. 2206

S.P. 826

In Senate, March 27, 2002

An Act to Assist the Displaced Workers at Hathaway Shirt Company.

(AFTER DEADLINE)

Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule 205.

Reference to the Committee on Labor suggested and ordered printed.

A handwritten signature in cursive script that reads "Pamela L. Cahill".

PAMELA L. CAHILL
Secretary of the Senate

Presented by Senator GAGNON of Kennebec.

Cosponsored by Representative BUNKER of Kossuth Township and

Senators: DAGGETT of Kennebec, EDMONDS of Cumberland, KNEELAND of Aroostook, LEMONT of York, Representatives: CANAVAN of Waterville, MARRACHE of Waterville, MATTHEWS of Winslow, TESSIER of Fairfield.

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

Sec. 1. 26 MRSA §625-B, sub-§3-A is enacted to read:

3-A. Payments due from employer that received significant public benefits. Notwithstanding subsection 3, paragraph D or any other provision of this section to the contrary, an employer that has owned and operated a covered establishment for less than 2 years prior to termination or relocation of the covered establishment is liable for severance pay if the employer or its predecessors received significant public benefits in the 5 years prior to termination or relocation of the covered establishment.

A. For purposes of this subsection, "significant public benefits" includes, but is not limited to, favorable tax treatment provided specifically to an employer or covered establishment, rental or other use of public property or other assets and participation of a public entity in the risk of the business.

B. If severance pay is due solely as a result of this subsection, an employer is liable to each employee that has been employed at the covered establishment for at least 3 years prior to termination or relocation of the covered establishment. The amount of severance pay due to each employee is one week's pay for each year of employment by the employee in that covered establishment.

C. As an alternative to payment of severance pay under this subsection, an employer may elect to pay over to the director the full value of all significant public benefits provided to that employer or that employer's covered establishment during the 5 years prior to termination or relocation. The value must be determined by the director with the assistance of the Director of the Bureau of Revenue Services within the Department of Administrative and Financial Services, the Department of Economic and Community Development and any municipal authorities that have provided significant public benefits. The director shall hold the funds in a dedicated account and, to the extent funds are available, pay to each employee the amount the employee would have been owed in severance pay under this subsection. Any funds remaining must be paid over to the municipality or other governmental entity that provided significant public benefits to the employer or the covered establishment.

Sec. 2. Retroactivity. This Act applies retroactively to July 1, 2001.

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SUMMARY

4 This bill provides that an employer that has owned and
6 operated a covered establishment for less than 2 years prior to
8 the termination or relocation of that establishment owes
10 severance pay if the employer, its predecessors or the covered
12 establishment received significant public benefits in the 5 years
14 before the termination or relocation. As an alternative to
16 paying severance pay, the employer may pay over to the Department
 of Labor the value of all significant public benefits provided to
 the employer or the covered establishment in the past 5 years.
 The department would use those funds to make severance payments
 to employees of the covered establishment. Any funds remaining
 would be paid to the municipality or other public entity that
 provided the significant public benefit to the employer or the
 covered establishment.