

# MAINE STATE LEGISLATURE

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# 121st MAINE LEGISLATURE

## FIRST REGULAR SESSION-2003

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Legislative Document

No. 561

H.P. 424

House of Representatives, February 6, 2003

**An Act To Improve Standards for Public Assistance to Employers in  
the State**

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Reference to the Committee on Labor suggested and ordered printed.

*Millicent M. MacFarland*  
MILLICENT M. MacFARLAND  
Clerk

Presented by Representative HUTTON of Bowdoinham.  
Cosponsored by Senator EDMONDS of Cumberland and  
Representatives: HATCH of Skowhegan, JACKSON of Fort Kent, JENNINGS of Leeds,  
PATRICK of Rumford, PINEAU of Jay, SMITH of Van Buren, Senator: STANLEY of  
Penobscot.

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

Sec. 1. 5 MRSA §13070-J, sub-§§2-A and 2-B are enacted to read:

2-A. Wage and benefit standards. Each recipient of an economic development incentive described in subsection 1, paragraph D must comply with the following wage and benefit standards.

A. For an economic development incentive described in subsection 1, paragraph D, subparagraph (1), (3), (5) or (6), the recipient must:

(1) Certify upon application for or upon renewal of benefits under the economic development incentive that every employee of the recipient receives a living wage and that the recipient is in compliance with all federal, state and local laws. For purposes of this subsection, "living wage" means a wage, calculated on a calendar-year basis, that is greater than the average annual per capita income in the labor market area in which the employee of the job is employed;

(2) Pay a living wage to every employee of the recipient. This paragraph does not apply if the economic development incentive received is pursuant to Title 36, chapter 915 and the recipient does not qualify for more than \$10,000 in a year from that economic development incentive;

(3) Demonstrate that every employee of a recipient of an economic development incentive is covered by a retirement program subject to the Employee Retirement Income Security Act of 1974, 29 United States Code, Sections 1001 to 1461, as amended; receives group health insurance of which the recipient of the economic development incentive pays at least 50% of the premiums; and receives a living wage; and

(4) Comply with all federal, state and local laws.

B. For an economic development incentive described in subsection 1, paragraph D, subparagraph (2), (4) or (7), the recipient must provide the same wages and benefits to all employees that the recipient provides to qualified employees.

An agency administering an economic development incentive described in subsection 1, paragraph D may adopt routine technical rules pursuant to chapter 375, subchapter 2-A to

2 implement the provisions of this subsection. Such an agency  
3 shall suspend or terminate benefits of a recipient if that  
4 recipient fails to file a certificate as required by paragraph A  
5 or if the agency determines that the certificate is false or  
6 inaccurate. A recipient who violates the living wage standard  
7 shall reimburse the State for any benefits received during the  
8 period of noncompliance. A recipient who willfully violates a  
9 provision of this subsection shall reimburse the State for any  
10 benefits received during the benefit period in which the  
11 violation occurred plus a penalty equal to the amount of any  
12 benefits received during that benefit period in addition to any  
13 other penalty required by law.

14 2-B. Relocation to another municipality. An employer that  
15 relocates from one municipality in the State to another  
16 municipality in the State within 100 miles does not qualify for  
17 an economic development incentive under subsection 1, paragraph  
18 D, subparagraph (3) absent a clear and convincing showing that  
19 the relocation involves a significant expansion that could not  
20 have been made in the former municipality.

## 22 SUMMARY

24 This bill expands wage and benefit standards in several  
26 economic development incentive programs to cover additional  
programs and employees.