MAINE STATE LEGISLATURE

The following document is provided by the

LAW AND LEGISLATIVE DIGITAL LIBRARY

at the Maine State Law and Legislative Reference Library

http://legislature.maine.gov/lawlib



Reproduced from scanned originals with text recognition applied (searchable text may contain some errors and/or omissions)



122nd MAINE LEGISLATURE

FIRST REGULAR SESSION-2005

Legislative Document

No. 633

H.P. 466

House of Representatives, February 8, 2005

An Act To Relieve Small Payroll Companies from Excessive Regulation

(EMERGENCY)

Reference to the Committee on Business, Research and Economic Development suggested and ordered printed.

Millient M. Macfarland MILLICENT M. MacFARLAND Clerk

Presented by Representative LINDELL of Frankfort.

Cosponsored by Senator DOW of Lincoln and

Representatives: AUSTIN of Gray, CROSTHWAITE of Ellsworth, JACOBSEN of Waterboro, JODREY of Bethel, LANSLEY of Sabattus, ROBINSON of Raymond.

Printed on recycled paper

Emergency preamble. Whereas, acts of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

Whereas, this legislation needs to take effect before the expiration of the 90-day period to help prevent small payroll companies from going out of business; and

Whereas, in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now, therefore,

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

- Sec. 1. 10 MRSA §1495-D, sub-§4, as enacted by PL 2003, c. 668, §6 and affected by §12, is amended to read:
- 4. Fees. The initial application and annual renewal application must include a fee of \$250 \$100 if the payroll processor has fewer than 25 100 employers as payroll processing clients; \$500 if the payroll processor has from 25 100 to 500 employers as payroll processing clients; and \$750 for those payroll processors that have more than 500 employers as payroll processing clients. The aggregate of license fees and other fees and assessments provided for by this chapter is appropriated for the use of the administrator. Any balance of these funds does not lapse but must be carried forward to be expended for the same purpose in the following fiscal year.
- Sec. 2. 10 MRSA §1495-E, sub-§4, as enacted by PL 2003, c. 668, §6 and affected by §12, is amended to read:

4. Exception. A payroll processor that does not have the authority—to—access,—control,—direct,—transfer—or—disburse custody of a client's funds is not subject to this section.

Emergency clause. In view of the emergency cited in the preamble, this Act takes effect when approved.

SUMMARY

This bill amends the laws that provide an exemption for certain payroll processors from the requirement of surety bonding to provide that a payroll processor that does not have custody of a client's funds is not required to obtain a surety bond. It also lowers the initial application and annual renewal application fee for payroll processors to \$100 for a payroll

processor that has fewer than 100 employers as payroll processing clients.