

# MAINE STATE LEGISLATURE

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Date: 6/12/13

Minority

L.D. 1369

(Filing No. H-475)

**STATE AND LOCAL GOVERNMENT**

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**STATE OF MAINE  
HOUSE OF REPRESENTATIVES  
126TH LEGISLATURE  
FIRST REGULAR SESSION**

COMMITTEE AMENDMENT "A" to H.P. 977, L.D. 1369, Bill, "An Act To Change the Way Legislators Are Paid"

Amend the bill in section 1 in the first paragraph in the 2nd and 3rd lines (page 1, lines 5 and 6 in L.D.) by striking out the following: "\$20,000" in the first year and \$7,725 \$20,000" and inserting the following: '\$18,000 in the first year and \$7,725 \$18,000'

Amend the bill by inserting after section 12 the following:

**Sec. 13. Executive Director of Legislative Council required to review the status of Legislators being considered self-employed and independent contractors by February 15, 2014.** The Executive Director of the Legislative Council shall determine the implications of considering Legislators self-employed and independent contractors and the effect of such a consideration on workers' compensation, unemployment insurance, retirement, Social Security and Medicare benefits, disability and withholding obligations. The executive director may consult with the Department of Labor, the Department of Administrative and Financial Services, Maine Revenue Services, the United States Social Security Administration, the federal Internal Revenue Service, the United States Department of Health and Human Services, Centers for Medicare and Medicaid Services and other entities as needed. The executive director shall report the executive director's findings and recommendations to the Joint Standing Committee on State and Local Government no later than February 15, 2014. The Joint Standing Committee on State and Local Government may report out a bill to the Second Regular Session of the 126th Legislature related to the findings and recommendations in the report.

**Sec. 14. Appropriations and allocations.** The following appropriations and allocations are made.

**LEGISLATURE**

**Legislature 0081**

**COMMITTEE AMENDMENT**

2. d. 2.

1 Initiative: Adjusts funding to reflect the change in the employment status and salaries of  
2 Legislators.

3	<b>GENERAL FUND</b>	<b>2013-14</b>	<b>2014-15</b>
4	Personal Services	\$0	(\$5,184,266)
5	All Other	\$0	\$3,447,000
6			
7	<b>GENERAL FUND TOTAL</b>	<u>\$0</u>	<u>(\$1,737,266)</u>

9 Amend the bill by relettering or renumbering any nonconsecutive Part letter or  
10 section number to read consecutively.

11 **SUMMARY**

12 This amendment is the minority report of the committee and provides that Legislators  
13 are paid \$18,000 in both the first regular session and the second regular session instead of  
14 \$20,000 in each session as provided in the bill. The amendment requires the Executive  
15 Director of the Legislative Council to determine the implications of considering  
16 Legislators self-employed and independent contractors and to report findings and  
17 recommendations on the effect of such a consideration on workers' compensation,  
18 unemployment insurance, retirement, Social Security and Medicare benefits, disability  
19 and withholding obligations to the Joint Standing Committee on State and Local  
20 Government by February 15, 2014. The Joint Standing Committee on State and Local  
21 Government may report out a bill in the Second Regular Session of the 126th Legislature  
22 related to the findings and recommendations in the report.

23 This amendment adds an appropriations and allocations section to the bill.

24 **FISCAL NOTE REQUIRED**

25 (See attached)



# 126th MAINE LEGISLATURE

LD 1369

LR 941(02)

## An Act To Change the Way Legislators Are Paid

Fiscal Note for Bill as Amended by Committee Amendment  
 Committee: State and Local Government  
 Fiscal Note Required: Yes

*A' (H-475)*

### Fiscal Note

	FY 2013-14	FY 2014-15	Projections FY 2015-16	Projections FY 2016-17
<b>Net Cost (Savings)</b>				
General Fund	\$0	(\$1,737,266)	(\$949,324)	(\$2,093,870)
<b>Appropriations/Allocations</b>				
General Fund	\$0	(\$1,737,266)	(\$949,324)	(\$2,093,870)

### Fiscal Detail and Notes

The change of the employment status and the payment of salaries will result in net savings to the Legislature beginning in fiscal year 2014-15. Estimated net savings for the 127th Legislature are projected to be \$1,737,266 in fiscal year 2014-15 for the first regular session and \$949,324 in fiscal year 2015-16 for the second regular session. A General Fund deappropriation of \$1,737,266 is included in the bill to recognize the savings in fiscal year 2014-15.

The Maine Public Employees Retirement System will incur additional costs to close the Legislative Retirement Plan. Whether the surplus funds currently in the Legislative Retirement Plan will be sufficient to cover these costs can not be determined at this time.

The Maine Public Employees Retirement System will incur some minor additional costs to develop legislation to close the Legislative Retirement Program. These costs can be absorbed within the existing budgeted resources of the system.

The net impact on the State Employee and Teacher Retirement Program and the amount, if any, to be refunded from the Legislative Retirement Program can not be determined at this time.