

# MAINE STATE LEGISLATURE

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**LAWS**  
**OF THE**  
**STATE OF MAINE**

**AS PASSED BY THE**

**ONE HUNDRED AND TWENTY-FIFTH LEGISLATURE**

**FIRST SPECIAL SESSION**  
**September 27, 2011**

**SECOND REGULAR SESSION**  
**January 4, 2012 to May 31, 2012**

**THE EFFECTIVE DATE FOR**  
**FIRST SPECIAL SESSION**  
**LAWS IS**  
**SEPTEMBER 28, 2011**

**THE GENERAL EFFECTIVE DATE FOR**  
**SECOND REGULAR SESSION**  
**NON-EMERGENCY LAWS IS**  
**AUGUST 30, 2012**

**PUBLISHED BY THE REVISOR OF STATUTES**  
**IN ACCORDANCE WITH THE MAINE REVISED STATUTES ANNOTATED,**  
**TITLE 3, SECTION 163-A, SUBSECTION 4.**

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**Augusta, Maine**  
**2012**

sampling of land enrolled under this subchapter to identify any differences in compliance with forest management and harvest plans based on location or type of parcel and to assess overall compliance with the requirements of this subchapter. For the purposes of this subsection, the Director of the Bureau of Forestry or the director's designee may:

A. With appropriate notification to the landowner, enter and examine forest land for the purpose of determining compliance with the forest management and harvest plan pursuant to section 574-B;

B. Request and review a forest management and harvest plan required under section 574-B, which must be provided by a landowner or the landowner's agent upon request; and

C. Request and review an expired forest management and harvest plan, which must be provided by a landowner or the landowner's agent upon request, if the expired plan is in the possession of the landowner or the landowner's agent.

A forest management and harvest plan provided to the Director of the Bureau of Forestry or the director's designee under this subsection is confidential. Information collected pursuant to this subsection is confidential and is not a public record as defined in Title 1, section 402, subsection 3, except that the director shall publish at least one summary report, which may not reveal the activities of any person and that is available as a public record. This subsection is repealed on December 31, 2014.

**Sec. 2. Report.** The Director of the Bureau of Forestry within the Department of Conservation shall provide a report to the joint standing committee of the Legislature having jurisdiction over taxation matters no later than March 1, 2014. The report must include: findings from the periodic random sampling of land enrolled under the Maine Tree Growth Tax Law performed pursuant to the Maine Revised Statutes, Title 36, section 575-A, subsection 2, including any findings related to any differences in compliance issues based on the location of parcels, such as coastal and waterfront properties as compared to other parcels; a summary of data concerning violations and enforcement activities; an assessment of the effectiveness of the Maine Tree Growth Tax Law in promoting the harvesting of fiber for commercial purposes and its impact on the fiber industry; and recommendations to address any problems identified and to ensure that parcels enrolled under the Maine Tree Growth Tax Law meet the requirements of the law.

See title page for effective date.

## CHAPTER 620 S.P. 428 - L.D. 1383

### An Act To Promote a Qualified Logging Workforce and Ensure an Adequate Wood Supply for Maine Mills

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

**Sec. 1. 26 MRS §872**, as amended by PL 2009, c. 637, §§3 to 9, is further amended to read:

#### **§872. Proof of equipment ownership for employers using foreign laborers**

**1. Definitions.** As used in this section, unless the context otherwise indicates, the following terms have the following meanings.

A. "Bond worker" means a person who has been described under 8 United States Code, Section 1101(a)(15)(H)(ii) and granted permission to work temporarily in the United States.

B. "Logging equipment" means equipment used directly in the cutting and transporting of logs to the roadside, the production of wood chips in the field, the construction of logging roads and the transporting of logs or other wood products off-site or on roadways.

**2. Proof of ownership required.** An employer in this State who applies for a bond worker in a logging occupation shall provide proof of the employer's ownership of any logging equipment used by that worker in the course of employment, including proof of ownership of at least one piece of logging equipment for every 2 bond workers employed by the employer in a logging occupation. The employer shall provide proof of ownership as required by this subsection on a form provided by the Commissioner of Labor. The proof required by this subsection must include, but not be limited to, a receipt for payment for the equipment purchased in a bona fide transaction and documentation of payment of any tax assessed on the equipment pursuant to Title 36, chapter 105 for the year in which the bond worker is employed by the employer. Proof of ownership must be carried in the equipment and, upon request by the department or its designee, the operator of equipment subject to this section shall provide proof of ownership. If proof of ownership is not provided within 30 calendar days of such a request, a fine of not less than \$5,000 and not more than \$25,000 may be assessed against that employer and collected by the Commissioner of Labor. Notwithstanding section 3, information regarding proof of ownership is not confidential and may be disclosed to the public. If the equipment is leased by the employer, the employer shall provide the name, address and telephone number of the leasing company

and its affiliates and subsidiaries; the names, addresses and telephone numbers of the leasing company's owner or owners, its agent and members of its board of directors; and a copy of the lease document. A lease is sufficient to meet the ownership requirement of this section only if it is a bona fide lease and:

A. The lease consists of an arm's length transaction between unrelated entities or is a transfer of equipment between affiliated companies;

B. The lease document contains a specific duration and lease amount;

C. The lessor is not an entity owned or controlled by a bond worker or a bond worker's spouse, parent, child, sibling, aunt, uncle or cousin or person related to a bond worker in the same manner by marriage, or by any combination of a bond worker and the bond worker's family members described in this paragraph; ~~and~~

D. The lessor is a ~~bona fide~~ leasing business as evidenced by a lease of logging equipment to at least 3 different, unrelated entities within each of the past 3 years; ~~and~~

E. The lessor provides proof of payment of personal property tax assessed on the leased equipment.

**2-A. Notification.** An employer filing for certification from the United States Department of Labor to hire a bond worker to operate logging equipment shall at the time of filing notify the Maine Department of Labor and provide, for the year in which the bond worker is employed, the number of bond workers requested; a list of each piece of logging equipment, including serial number, a bond worker will operate; receipts for payment for the logging equipment purchased in bona fide transactions; and documentation of payment of any tax assessed on the logging equipment pursuant to Title 36, chapter 105. An employer shall notify the Maine Department of Labor within 3 30 calendar days of the date on which a bond worker begins work in the State and shall specify the name of the bond worker and the anticipated locations where the bond worker will be conducting work and shall provide a copy of the United States Customs and Border Protections entry form for that worker. If the notification is not provided within 30 calendar days of the date on which a bond worker begins work, a fine of not less than \$5,000 and not more than \$25,000 must be assessed against that employer and collected by the Commissioner of Labor.

**2-B. Violation.** Upon an employer's conviction of a violation of subsection 2, an employer may not employ the Commissioner of Labor may prohibit the employer from employing bond workers in this State for 2 years.

**3. Equipment covered by federal prevailing wage exempt.** This section does not apply to equipment for which the United States Department of Labor, Division of Foreign Labor Certification has established a prevailing wage under the federal Service Contract Act of 1965 for persons using that equipment.

**4. Enforcement; rules.** The Commissioner of Labor shall may adopt rules to implement and enforce the provisions of this section, including rules regarding the receipt of documentation and the investigation and prosecution of employer proof of ownership of logging equipment. Rules adopted pursuant to this subsection are major substantive rules as defined in Title 5, chapter 375, subchapter 2-A.

~~**5. Penalty; enforcement.** An employer who violates subsection 2, 2-A or 2-B or the rules adopted pursuant to this section commits a civil violation for which a fine of not less than \$10,000 and not more than \$25,000 per violation may be adjudged.~~

~~In the event of a violation of the provisions of this section, the Attorney General may institute injunction proceedings in the Superior Court to enjoin further violation of this section.~~

**6. Assistance.** The Department of Conservation and the Department of Administrative and Financial Services, Bureau of Revenue Services shall provide interagency support and field information to assist the Department of Labor in enforcing this section.

**Sec. 2. 26 MRSA §873**, as corrected by RR 2009, c. 2, §§73 and 74, is amended to read:

**§873. Recruitment of qualified workers for logging occupations**

~~**1. Definitions.** As used in this section, unless the context otherwise indicates, the following terms have the following meanings:~~

~~A. "Bond worker" has the same meaning as in section 872.~~

~~B. "Recruitment clearinghouse" or "clearinghouse" means a system operated by members of the forest products industry and described in subsection 3.~~

~~**2. Employer requirements; clearinghouse and reporting.** An employer filing for certification with the United States Department of Labor to hire a bond worker in a logging occupation shall:~~

~~A. File a copy of all federal forms and reports relating to H2 visas with the Maine Department of Labor at the same time as the employer files the form or report with the United States Department of Labor; and~~

~~B. Be a member and active participant of a recruitment clearinghouse that complies with sub-~~

~~section 3. The Maine Department of Labor may consider failure to participate in the clearinghouse as failure to participate in good faith recruitment of workers who are citizens of the United States and a failure to meet the requirement that the employer accept qualified workers referred through the department under subsection 5.~~

~~**3. Clearinghouse requirements.** The Maine Department of Labor shall assist members of the forest products industry in establishing the recruitment clearinghouse, which must be financed and operated by members of the forest products industry. The clearinghouse must provide a centralized, streamlined process for applicants in the forest products industry.~~

~~A. The clearinghouse must provide a staffed, toll-free telephone number to receive telephone inquiries for logging employment.~~

~~B. For each applicant who contacts the clearinghouse directly or who is referred to the clearinghouse by the Maine Department of Labor pursuant to subsection 4, the clearinghouse shall gather any information necessary to assess the job applicant's qualifications for the job classification applied for, including but not limited to conducting a reference check. Following the assessment, the clearinghouse shall:~~

~~(1) Notify the Maine Department of Labor and the applicant that the applicant lacks sufficient qualifications or satisfactory references for the position sought and state the reasons for that determination; or~~

~~(2) Refer the applicant to a logging employer seeking workers in that job classification. To the extent practicable, the clearinghouse shall refer the applicant to the applicant's preferred geographic area of employment. Referral may be made to any employer with relevant job openings, regardless of whether the employer is seeking bond workers, if the applicant prefers such a referral.~~

~~**4. Department role.** The Maine Department of Labor shall:~~

~~A. Refer to the recruitment clearinghouse all applicants who meet minimum qualifications for employment with a logging employer. The referral must include information required of applicants who use the department's career center services;~~

~~B. Keep a record of the name, date of referral, preferred working location and job classification of each applicant referred to the recruitment clearinghouse;~~

~~C. Engage actively with the recruitment clearinghouse and with employers to assist them in understanding how to comply with their obligations un-~~

~~der state and federal law regarding recruitment and hiring of logging workers; and~~

~~D. Regularly review clearinghouse referrals and assessments and employer response to referrals in order to make determinations of compliance by employers with the requirements of 20 Code of Federal Regulations, Part 655, Subpart B. Failure of the clearinghouse to appropriately refer and assess applicants may be considered failure of each of the member employers to adequately recruit workers who are citizens of the United States.~~

**4-A. Department role.** The Maine Department of Labor shall:

A. In addition to enforcing federal requirements imposed by 20 Code of Federal Regulations, Part 655, Subpart B, through the Bureau of Employment Services assist members of the forest products industry to ensure logging employment opportunities for Maine workers, match qualified applicants with logging employers and provide such other assistance to logging employers as may be appropriate;

B. With input from representatives of the forest industry, provide educational and training opportunities in order for workers who express an interest in the logging industry to obtain necessary skills; and

C. In conjunction with the Department of Education and representatives of the forest and logging industries, develop an entry-level logger training program with the goal of providing new qualified workers to the logging industry. The training program must include classroom and on-the-job training and must be provided through existing community colleges, technical schools or the University of Maine System whenever practicable.

**5. Job offer; skills test.** Upon referral of an applicant under subsection 3 by the Maine Department of Labor, Bureau of Employment Services, a logging employer shall may offer employment to that applicant based on the following factors.

A. An employment offer may be conditioned on a skills test, but only if the employer requires the skills test of all new applicants in that job classification.

B. If a skills test under paragraph A is required, it must be conducted at the area of intended employment, at a central location designated by the recruitment clearinghouse in conjunction with the logging employer, the employer's place of employment or at another location within reasonable distance from the applicant's residence.

C. A contractor that requires a skills test under paragraph A in the preemployment hiring process shall submit a copy of the testing policy and pro-

~~cedure to the Maine Department of Labor at the time the contractor files the position on the state Job Bank.~~

D. An applicant who is rejected from employment due to failing a skills test under paragraph A must be given a written statement of the reason for failure of the skills test. The employer shall provide a copy of the written statement to the recruitment clearinghouse and the Maine Department of Labor.

**6. Contracts with landowners.** A contract for harvesting wood between a logging employer and a landowner must contain a provision that allows the landowner to terminate the contract if the logging employer violates this section or the applicable federal regulations regarding employment of bond workers.

**7. Penalties.** The Maine Department of Labor shall make good faith efforts to resolve alleged violations of this section or of the recruitment process. If such efforts are not successful, the following penalties apply:

A. Violation of this section is considered a violation of section 872 and is subject to the penalties as set forth in section 872, subsection 5.

B. An employer is subject to discontinuation of services pursuant to 20 Code of Federal Regulations, Section 658.500 et seq. if the employer fails to comply with this section or the clearinghouse fails to appropriately refer or assess applicants in the job classification in which the employer is seeking bond workers.

**8. Landowner contracts with employers.** This subsection governs contracts between logging employers and landowners.

A. The Maine Department of Labor shall maintain an approved list of employers consisting of those employers filing for certification with the United States Department of Labor to hire a bond worker in a logging occupation that are members of and active participants in a recruitment clearinghouse that complies with subsections 2 and 3. The list must also contain any employer under investigation by the Maine Department of Labor for a violation of section 872, this section or federal regulations applicable to foreign labor. The department shall publish the list on the department's publicly accessible website and forward a copy of the list and subsequent updates to the recruitment clearinghouse. Each landowner or other person that wishes to be notified of a change in status of a contractor must file with the department a request to be notified and contact information for the notification.

B. The Maine Department of Labor, after notice and hearing, shall remove from the list of ap-

~~proved employers under paragraph A any employer filing for certification with the United States Department of Labor to hire a bond worker in a logging occupation that is found to have committed a material violation of section 872, this section or the applicable federal regulations.~~

C. A person may appeal the placement or removal of an employer on the approved list under paragraph A to the State Board of Arbitration and Conciliation. If the appeal relates to removal of the employer from the list, it must be made within 15 days of notice of removal to the employer. The board shall conduct an arbitration session pursuant to chapter 9, subchapter 2 A. Board proceedings under this section must be conducted in Augusta, unless the board determines that this location is impracticable in the specific circumstances. Notwithstanding section 931, the costs of arbitration under this section must be paid by a nonlapsing fund to be established by the department.

D. The Maine Department of Labor shall notify persons who have filed a request for notification of the removal of any employer from the list.

E. A landowner who enters into or maintains a contract with an employer not on the approved list under paragraph A is subject to a fine of not more than \$50,000.

**Sec. 3. 26 MRSA §874**, as enacted by PL 2009, c. 637, §11, is repealed.

**Sec. 4. Logging Industry Advisory Group.**

The Department of Labor shall convene and facilitate the Logging Industry Advisory Group to address recruitment, training and educational opportunities for the logging industry. The group shall address recruitment and the matching of qualified applicants, classroom training, on-the-job training, inventory of potential training partners, opportunities for potential training locations and funding sources. The group shall report its findings and recommendations to the department. The department shall report the group's findings to the Joint Standing Committee on Labor, Commerce, Research and Economic Development no later than October 1, 2012.

**1. Membership.** The Logging Industry Advisory Group consists of the following members:

A. A representative of the Bureau of Labor Standards, appointed by the Commissioner of Labor. This member shall serve as chair;

B. A representative of the Bureau of Employment Services, appointed by the Commissioner of Labor;

C. A representative of the Department of Conservation, appointed by the Commissioner of Conservation;

D. A representative of the Department of Education, appointed by the Commissioner of Education;

E. A representative of the Maine Community College System, appointed by the President of the Maine Community College System; and

F. A representative of the University of Maine System, appointed by the Chancellor of the University of Maine System.

In addition, a representative of the Maine Logger Education Alliance, a representative of a large logging employer and a representative of a small logging employer serve at the invitation of the Governor. The president of the Professional Logging Contractors of Maine is invited to appoint a representative to serve on the group.

**Sec. 5. Maine Revised Statutes headnote amended; revision clause.** In the Maine Revised Statutes, Title 26, chapter 7, subchapter 9, in the subchapter headnote, the words "aliens" are amended to read "foreign laborers; logging" and the Revisor of Statutes shall implement this revision when updating, publishing or republishing the statutes.

See title page for effective date.

**CHAPTER 621**

**H.P. 1254 - L.D. 1702**

**An Act To Correct  
Inconsistencies and  
Ambiguities in the Maine  
Guaranteed Access**

**Reinsurance Association Act**

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

**Sec. 1. 24-A MRSA §2736-C, sub-§3,** as amended by PL 2011, c. 90, Pt. B, §6 and affected by §10, is further amended to read:

**3. Guaranteed issuance and guaranteed renewal.** Carriers providing individual health plans must meet the following requirements on issuance and renewal.

A. Coverage must be guaranteed to all residents of this State other than those eligible without paying a premium for Medicare Part A ~~and may be reinsured through the Maine Guaranteed Access Reinsurance Association established pursuant to chapter 54-A. On or after July 1, 2012, coverage~~ Coverage must be guaranteed to all legally domiciled federally eligible individuals, as defined in section 2848, regardless of the length of time they have been legally domiciled in this State. Except for federally eligible individuals, coverage need

not be issued to an individual whose coverage was terminated for nonpayment of premiums during the previous 91 days or for fraud or intentional misrepresentation of material fact during the previous 12 months. When a managed care plan, as defined by section 4301-A, provides coverage a carrier may:

(1) Deny coverage to individuals who neither live nor reside within the approved service area of the plan for at least 6 months of each year; and

(2) Deny coverage to individuals if the carrier has demonstrated to the superintendent's satisfaction that:

(a) The carrier does not have the capacity to deliver services adequately to additional enrollees within all or a designated part of its service area because of its obligations to existing enrollees; and

(b) The carrier is applying this provision uniformly to individuals and groups without regard to any health-related factor.

A carrier that denies coverage in accordance with this ~~paragraph~~ subparagraph may not enroll individuals residing within the area subject to denial of coverage or groups or subgroups within that area for a period of 180 days after the date of the first denial of coverage.

B. Renewal is guaranteed, pursuant to section 2850-B.

C. A carrier is exempt from the guaranteed issuance requirements of paragraph A provided that the following requirements are met.

(1) The carrier does not issue or deliver any new individual health plans on or after the effective date of this section;

(2) If any individual health plans that were not issued on a guaranteed renewable basis are renewed on or after December 1, 1993, all such policies must be renewed by the carrier and renewal must be guaranteed after the first such renewal date; and

(3) The carrier complies with the rating practices requirements of subsection 2.

D. Notwithstanding paragraph A, carriers offering supplemental coverage for the Civilian Health and Medical Program for the Uniformed Services, CHAMPUS, are not required to issue this coverage if the applicant for insurance does not have CHAMPUS coverage.