

# MAINE STATE LEGISLATURE

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**STATE OF MAINE  
115TH LEGISLATURE**

**FIRST REGULAR SESSION  
AND  
FIRST SPECIAL SESSION**

**BILL SUMMARIES  
JOINT STANDING COMMITTEE  
ON  
BUSINESS LEGISLATION**

**AUGUST 1991**

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**ONE HUNDRED AND FIFTEENTH LEGISLATURE  
FIRST REGULAR SESSION  
AND  
FIRST SPECIAL SESSION  
JOINT STANDING COMMITTEE  
BILL SUMMARIES  
AUGUST 1991**

This document is a compilation of the bill summaries prepared by this office for the Joint Standing Committees and Joint Select Committees of the Maine Legislature. The volume is organized alphabetically by committee; within each committee, the summaries are arranged by LD number. A subject index is provided at the beginning of each committee's summaries.

All adopted amendments are listed, by paper number (e.g., H - 584 or S - 222), together with the sponsor for floor amendments. Final action on each bill is listed to the right of the title. Various types of final action are abbreviated as follows:

<b>PUBLIC XXX</b>	<i>Chapter # of enacted Public Law</i>
<b>P&amp;S XXX</b>	<i>Chapter # of enacted Private &amp; Special Law</i>
<b>RESOLVE XXX</b>	<i>Chapter # of enacted Resolve</i>
<b>CON RES XXX</b>	<i>Chapter # of Constitutional Resolution passed by both Houses</i>
<b>EMERGENCY</b>	<i>Enacted law takes effect sooner than 90 days</i>
<b>CARRIED OVER</b>	<i>Bill carried over to 2nd Session</i>
<b>FAILED EMERGENCY ENACTMENT</b>	<i>Bill failed to get 2/3 vote</i>
<b>ONTP</b>	<i>Ought Not to Pass report accepted</i>
<b>LVWD</b>	<i>Leave to Withdraw report accepted</i>
<b>INDEF PP</b>	<i>Bill Indefinitely Postponed</i>
<b>DIED BETWEEN BODIES</b>	<i>House &amp; Senate disagree; bill died</i>
<b>VETO SUSTAINED</b>	<i>Legislature failed to override Governor's Veto</i>
<b>UNSIGNED</b>	<i>Not signed by Governor within 10 days</i>
<b>DIED ON ADJOURNMENT</b>	<i>Action incomplete when 1st session ended</i>

These summaries were prepared by the analyst or analysts assigned to the committee. But, this document was produced by the efforts of all the office staff, including secretaries: Charlene Raymond and Valarie Parlin, and especially Laurette Knox who coordinated preparation of the overall document.

If you have any suggestions or comments on these summaries, please let us know.

6. Provides a specific per diem for commissioners and eliminates any ceiling on per diem that can be earned in a year. Currently, they are restricted to \$1,000 in per diem a year but no per diem figure is given.

Committee Amendment "A" sets a limit of \$50 a year for all but promoters' licenses.

House Amendment "A" adds a necessary allocation section to the bill.

**LD 1008**

## **An Act to Require that Employee Leasing Companies Register with the State and to Amend the Employment Security Law**

**PUBLIC 468**

### **SPONSOR(S)**

GWADOSKY

GILL

CONSTANTINE

MITCHELL E

### **COMMITTEE REPORT**

OTP-AM

### **AMENDMENTS ADOPTED**

H-438

H-543 SHELTRA

### **SUMMARY**

This bill provides for registration procedures for staff management companies doing business in Maine. Such companies are also known as employee leasing companies. Staff management companies take over the employment function and the fringe benefits, especially health insurance, for small businesses.

This bill recognizes the dual employment relationship established by staff management arrangements and confirms that staff management companies may continue current practices relative to maintenance of benefit plans, payment of Maine unemployment contributions and satisfying workers' compensation insurance coverage requirements. The shared employment situation for such employees is also recognized for purposes of preserving immunity for both "employers" under the workers' compensation laws.

This bill prevents use of captive leasing companies and other means that could result in avoidance of proper payment of workers' compensation premiums by businesses using employee leasing arrangements. This bill deals only with staffing arrangements that are intended to be long-term. It does not cover temporary replacement workers.

Committee Amendment "A" replaces the bill and uses the nationally accepted term "employee leasing company" rather than "staff management company." This amendment requires submittal of additional registration information by employee leasing companies. It provides additional flexibility to the Superintendent of Insurance to promulgate rules applicable to the provision of workers' compensation insurance to workers involved in an employee leasing arrangement and places additional restrictions on employee leasing companies that offer workers' compensation insurance to their workers. The amendment also establishes that registration is with the Superintendent, provides for additional criminal penalties for violation of the requirements of the Maine Revised Statutes, Title 32, chapter 125, precludes employee leasing companies from making unemployment contributions on behalf of workers who are sole proprietors or partners of client companies, imposes certain reporting requirements on employee leasing companies for purposes of unemployment contributions, establishes a surety bond procedure for employee leasing companies, provides a retroactive effective date for certain provisions and ensures that the provisions dealing with unemployment compensation do not affect the temporary help industry.

House Amendment "A" to Committee Amendment "A" eliminates the requirement that employee leasing companies maintain a surety bond and instead permits them to do so.