

# MAINE STATE LEGISLATURE

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**STATE OF MAINE  
117TH LEGISLATURE**

**SECOND REGULAR SESSION**

**BILL SUMMARIES  
JOINT STANDING COMMITTEE  
ON  
LABOR**

**JUNE 1996**

***MEMBERS:***

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*Sen. S. Peter Mills*

*Sen. Anne M. Rand*

*Rep. Pamela H. Hatch, Chair*

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**ONE HUNDRED SEVENTEENTH LEGISLATURE  
SECOND REGULAR SESSION**

***Summary Of Legislation Before The Joint Standing Committees  
June 1996***

We are pleased to provide this summary of bills that were considered by the 15 Joint Standing Committees of the Maine Legislature staffed by this office. The document is a compilation of bill summaries which describe each bill, committee amendments and other relevant amendments, as well as the final action taken on the bill. Also included are statistical summaries of bill activity this Session for the Legislature and each of its joint standing committees.

The document is organized for convenient reference to information on bills handled by the joint standing committees. It is organized alphabetically by committees and within committees by bill (LD) number. The committee report(s), prime sponsor for each bill and the lead co-sponsor(s), if designated, are listed below each bill title. All adopted amendments are listed by paper number. Two indices, a subject index and a numerical index by LD number are provided for easy reference to bills. They are located at the back of the document. A separate publication, History and Final Disposition of Legislative Documents, may also be helpful in providing information on the disposition of bills.

Final action on each bill is noted to the right of the bill title. The abbreviations used for various categories of final action are as follows:

<i>CARRIED OVER</i> .....	<i>Bill carried over to Second Session</i>
<i>CON RES XXX</i> .....	<i>Chapter # of Constitutional Resolution passed by both Houses</i>
<i>CONF CMTE UNABLE TO AGREE</i> .....	<i>Committee of Conference unable to agree; bill died</i>
<i>DIED BETWEEN BODIES</i> .....	<i>House &amp; Senate disagree; bill died</i>
<i>DIED ON ADJOURNMENT</i> .....	<i>Action incomplete when session ended; bill died</i>
<i>EMERGENCY</i> .....	<i>Enacted law takes effect sooner than 90 days</i>
<i>FAILED EMERGENCY ENACTMENT</i> .....	<i>Emergency bill failed to get 2/3 vote</i>
<i>FAILED ENACTMENT</i> .....	<i>Bill failed to get majority vote</i>
<i>FAILED MANDATE ENACTMENT</i> .....	<i>Bill imposing local mandate failed to get 2/3 vote</i>
<i>INDEF PP</i> .....	<i>Bill Indefinitely Postponed</i>
<i>ONTP</i> .....	<i>Ought Not To Pass report accepted</i>
<i>P&amp;S XXX</i> .....	<i>Chapter # of enacted Private &amp; Special Law</i>
<i>PUBLIC XXX</i> .....	<i>Chapter # of enacted Public Law</i>
<i>RESOLVE XXX</i> .....	<i>Chapter # of finally passed Resolve</i>
<i>UNSIGNED</i> .....	<i>Not signed by Governor within 10 days</i>
<i>VETO SUSTAINED</i> .....	<i>Legislature failed to override Governor's Veto</i>

Please note the effective date for all non-emergency legislation enacted in the Second Regular Session (unless otherwise specified in a particular law) is July 4, 1996.

**LD 1807      An Act to Exclude Services Provided by Direct Sellers from  
the Definition of Employment for Purposes of Unemployment  
Compensation**

PUBLIC 612  
EMERGENCY

Sponsor(s)  
JOY  
BEGLEY

Committee Report  
OTP-AM

Amendments Adopted  
H-781

LD 1807 proposed to exempt the remuneration paid to some direct sellers from unemployment insurance contributions under the Employment Security Law so that it would not be used to establish coverage for unemployment insurance. The proposed change was intended to exempt individual distributors such as Mary Kay, Avon, Amway and Tupperware. The proposal would not have exempted sellers of major renovations or improvements to the structure of a home, business or property.

**Committee Amendment "A" (H-781)** proposed to add an emergency preamble, an emergency clause and a fiscal note to the bill.

***Enacted law summary***

Public Law 1995, chapter 612 provides that services performed by certain direct sellers are not considered employment for the purposes of unemployment insurance taxes and benefit eligibility. Chapter 612 specifically refers to the definition of direct sellers provided in federal law and explicitly states that the exemption does not extend to sellers of major renovations or improvements to the structure of a home, business or property.

Chapter 612 was enacted as an emergency measure effective April 3, 1996.

**LD 1825      An Act Regarding Survivor Benefits in the Event of Divorce  
and Remarriage**

PUBLIC 604  
EMERGENCY

Sponsor(s)  
SMALL

Committee Report  
OTP-AM

Amendments Adopted  
S-495  
S-503

Under current law, a recipient of reduced retirement benefit from the Maine State Retirement System who is divorced may change the beneficiary from the original spouse to someone else only if the divorce occurs after retirement. LD 1825 proposed to permit a recipient to change the beneficiary from the original spouse to someone else even if the divorce occurred before the beneficiary was named.

**Committee Amendment "A" (S-495)** proposed to make the following additions to the bill.

1. It made changes to clarify that the bill deals only with retirement beneficiaries, not other types of beneficiaries.
2. It provided for the possibility that a member may have more than one former spouse.
3. It added an emergency preamble and an emergency clause to the bill.

**Senate Amendment "A" to Committee Amendment "A" (S-503)**, presented on behalf of the Committee on Bills in the Second Reading, proposed to make technical changes to a provision of

law that is parallel to another provision, Title 5, section 17805-A, subsection 1, paragraph B, already included in the committee amendment.

***Enacted law summary***

Under current law, a recipient of reduced retirement benefit who is divorced may change the beneficiary from the original spouse to someone else only if the divorce occurs after retirement. Public Law 1995, chapter 604 permits a recipient to change the beneficiary from the original spouse to someone else even if the divorce occurred before the beneficiary was named.

Chapter 604 was enacted as an emergency measure effective April 2, 1996.

**LD 1846      An Act to Combine Certain Reporting Requirements for Employees**

PUBLIC 657

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
RUHLIN	OTP-AM	S-520
REED G		S-584

LD 1846 proposed to change both the employment security laws and the tax laws to assist with the collection of unemployment contributions and income tax withholding on a single form. The bill proposed to change the reporting due dates, penalty provisions and appeal periods to facilitate the integration of these 2 processes.

**Committee Amendment "A" (S-520)** proposed to add a fiscal note to the bill.

**Senate Amendment "A" to Committee Amendment "A" (S-584)** proposed to remove the fiscal note from the bill and add a new one.

***Enacted law summary***

Public Law 1995, chapter 657 amends a number of provisions related to the employment security laws and the tax laws to enable the collection of unemployment contributions and income tax withholding on a single form. Reporting and payment due dates are set as the last day of the month following the close of the calendar quarter for both unemployment and income tax withholding reports. Late filing penalties are set at the greater of \$25 or 10% of the amount due, rather than separate penalties for each tax. Late payment penalties for unemployment are set at 1% of the amount unpaid for each month in arrears up to a maximum of 25%, which matches the income tax withholding late payment penalties. Chapter 657 also makes the provisions on waivers or abatements of penalties consistent and establishes a 30 day appeal period for both unemployment and income tax withholding determinations. The confidentiality statute applicable to income tax withholding is also modified to allow the Department of Labor access to the information related to unemployment insurance.