

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:

Sen. Charles M. Begley, Chair

Sen. S. Peter Mills

Sen. Anne M. Rand

Rep. Pamela H. Hatch, Chair

Rep. John L. Tuttle

Rep. Gail M. Chase

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Rep. Vaughn A. Stedman

Rep. Tom J. Winsor

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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 & 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&S XXX</i>	<i>Chapter # of enacted Private & 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.

3. Delegate authority to establish the method of calculation and payment of the costs of early retirement to the Early Retirement Incentives Review Panel, established in the bill, through adoption of major substantive rules.

LD 1856 **An Act to Clarify the Early Retirement Incentives Law**

PUBLIC 541
EMERGENCY

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
	OTP MAJ	

LD 1856 was reported by the majority of the Joint Standing Committee on Labor pursuant to Resolve 1995, chapter 39. The bill proposed to clarify implementation of current law regarding payment of the actuarial and administrative costs of early retirement incentives offered by school administrative units to teachers since July 1, 1993. For prospective application to payments after the effective date of the legislation, the bill proposed to:

1. Establish the criteria for determining whether a payment in connection with retirement is an early retirement incentive;
2. Make the school unit responsible for demonstrating whether the criteria are met;
3. Create the Early Retirement Incentives Review Panel to rule whether a payment constitutes an early retirement incentive; and
4. Establish the procedure for calculation of actuarial and administrative costs and payment of those costs.

With respect to payments made in connection with retirement between July, 1, 1993 and June 28, 1995, the bill established the responsibility of 8 school units to pay the actuarial and administrative costs for early retirement incentives that they paid to their employees.

The bill was introduced as an emergency in order to take effect before the end of the moratorium relieving employers of the obligation to pay the costs of early retirement incentives enacted last year. The moratorium expired March 15, 1996. If this bill or a similar bill had not been enacted before that date, according to the Attorney General's office, all school units that made payments in connection with early retirement could have been liable for the actuarial and administrative costs resulting from those retirements. This bill limited the obligation to pay actuarial and administrative costs to 8 school units that offered early retirement incentives.

Enacted law summary

Public Law 1995, chapter 541 clarifies implementation of current law regarding payment of the actuarial and administrative costs of early retirement incentives offered by school administrative units to teachers since July 1, 1993. For prospective application to payments after the effective date of the legislation, the bill:

1. Establishes the criteria for determining whether a payment in connection with retirement is an early retirement incentive;
2. Makes the school unit responsible for demonstrating whether the criteria are met;

3. Creates the Early Retirement Incentives Review Panel to rule whether a payment constitutes an early retirement incentive; and
4. Describes the procedure for calculation of actuarial and administrative costs and payment of those costs.

With respect to payments made in connection with retirement between July, 1, 1993 and June 28, 1995, the bill establishes the responsibility of 8 school units to pay the actuarial and administrative costs for early retirement incentives that they paid to their employees.

Chapter 541 was enacted as an emergency measure effective March 14, 1996.

**LD 1862 An Act to Ensure That Employees Are Compensated for
Accrued Vacation Time in the Event of the Sale of a
Business**

PUBLIC 580
EMERGENCY

Sponsor(s)
TUTTLE
MILLS
HATCH

Committee Report
OTP-AM

Amendments Adopted
H-840

LD 1862 proposed to require that the seller of a business pay its employees any unpaid wages and any accrued vacation pay within 2 weeks following the sale of the business.

Committee Amendment "A" (H-840) proposed to permit the seller to comply with the requirement that employees be compensated for wages earned and accrued vacation time by entering into an agreement with the buyer for the buyer to assume that obligation to pay unpaid wages and honor accrued vacation time. The amendment also proposed adding an emergency preamble, an emergency clause and a fiscal note to the bill.

Enacted law summary

Public Law 1995, chapter 580 provides that the seller of a business is obligated to pay its employees any unpaid wages and any accrued vacation pay within 2 weeks following the sale of the business. A seller may comply with this requirement by entering into an agreement with the buyer for the buyer to assume that obligation to pay unpaid wages and honor accrued vacation time.

Chapter 580 was enacted as an emergency measure effective March 29, 1996.