

MAINE STATE LEGISLATURE

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**STATE OF MAINE
119TH LEGISLATURE**

FIRST REGULAR SESSION

**BILL SUMMARIES
JOINT STANDING COMMITTEE
ON
LABOR**

JULY 1999

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ONE HUNDRED NINETEENTH LEGISLATURE
FIRST REGULAR SESSION

Summary Of Legislation Before The Joint Standing and Select Committees
August 1999

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

The document is organized for convenient reference to information on bills considered by the committees. It is organized 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. These bill summaries also are available at the Law and Legislative Reference Library and on the Internet (www.state.me.us/legis/opla).

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:

CARRIED OVER.....Bill carried over to Second Regular Session
CON RES XXX..... Chapter # of Constitutional Resolution passed by both Houses
CONF CMTE UNABLE TO AGREE.....Committee of Conference unable to agree; bill died
DIED BETWEEN BODIES.....House & Senate disagree; bill died
DIED IN CONCURRENCE..... One body accepts ONTP report; the other indefinitely postpones the bill
DIED ON ADJOURNMENT.....Action incomplete when session ended; bill died
EMERGENCY..... Enacted law takes effect sooner than 90 days
ENACTMENT FAILED..... Bill failed to get vote required for enactment or final passage
NOT PROPERLY BEFORE THE BODY..... Ruled out of order by the presiding officers; bill died
INDEF PP.....Bill Indefinitely Postponed
ONTP..... Ought Not To Pass report accepted
OTP ND..... Committee report Ought To Pass In New Draft
OTP ND/NT..... Committee report Ought To Pass In New Draft/New Title
P&S XXX..... Chapter # of enacted Private & Special Law
PUBLIC XXX..... Chapter # of enacted Public Law
RESOLVE XXX..... Chapter # of finally passed Resolve
UNSIGNED.....Bill held by Governor
VETO SUSTAINED.....Legislature failed to override Governor's Veto

Please note the effective date for all non-emergency legislation enacted in the First Regular Session (unless otherwise specified in a particular law) is September 18, 1999.

LD 1943 proposed to require employers to notify their employees when the employer's workers' compensation insurance policy is canceled or expires without being renewed, unless the employer has obtained insurance coverage from another insurance company.

LD 1970

An Act to Address the Solvency of the Unemployment Compensation Fund

PUBLIC 464

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
	OTP-AM MAJ	H-681
	OTP-AM MIN	

LD 1970 was submitted pursuant to a law directing the Department of Labor to submit legislation recommending a plan to provide for long-term solvency of the Unemployment Compensation Fund. With respect to unemployment compensation taxes, the bill proposed to raise the taxable wage base from \$7,000 to \$12,000 effective January 1, 2000; establish an array system for determining employer contributions to the Unemployment Compensation Fund; and provide additional authority for the Director of Unemployment Compensation to collect money owed to the Unemployment Compensation Fund by employers.

With respect to unemployment compensation benefits, the bill proposed to base the benefit for persons who begin receiving benefits after January 1, 2000 on the average of the wages from the 2 highest quarters of the base period rather than the highest quarter of the base period; change the types of misconduct for which a person becomes ineligible to receive unemployment compensation; change the provisions related to overpayment of benefits to allow a greater deduction from future benefits when the claimant refuses to repay the amounts due and provide for interest on overpayments; provide for a penalty against benefits obtained through false statements or failure to disclose information when the statement or failure to disclose is knowingly made; and allow the department to withhold benefits for up to 14 days after new information or new issues arise with respect to the claimant's eligibility or benefit amount.

Finally, the bill proposed to allow the department to use the Special Administrative Expense Fund to fund activities that improve the solvency of the Unemployment Compensation Fund.

Committee Amendment "A" (H-681), the majority report of the committee, proposed to redefine the term "misconduct" and change the amount that may be withheld from benefit payments to repay previous overpayments to provide a lower percentage of withholding on the first \$100 of a person's benefit. It also proposed to establish a planned yield and require the Department of Labor to report back to the Legislature by January 1, 2000 with legislation to impose a cap on the amount in the Unemployment Compensation Fund to prevent further increases in the contribution rates when the fund reaches a certain level. The amendment also proposed to delete language allowing the Department of Labor to stop making payments for up to 14 days when a question arises after benefit payments have begun.

Committee Amendment "B" (H-682), the minority report of the committee, proposed to increase the taxable wage base to \$14,000 and to cap contribution rates so that the amount in the Unemployment Compensation Trust Fund would not exceed 12 months' worth of benefits at any time. The amendment also proposed a lower planned yield than the bill, which would result in a lower tax rate. The amendment proposed to amend the definition of "misconduct", increase the maximum portion of benefits that may be withheld to recover overpayments, and provide an 18% interest rate on overpayments that begins accruing on the first of the month following the overpayment. The amendment proposed to change the benefit calculation to 2/47ths of the average of the 2 highest quarters of wages, reduced to 97%, with a maximum of 50% of the average weekly wage. The amendment also proposed to decrease the maximum amount of benefits payable in a benefit year, increase the dependency benefit, and lower the number of weeks that dislocated workers in training programs can obtain extended benefits, except in areas of high unemployment. The amendment proposed a 200% penalty for falsely obtained benefits and provided for 4 weeks of disqualification for each week of falsely obtained benefits. The amendment proposed a lower contribution rate for new employers, required the

department to conduct random audits of claimants and employers, and removed language imposing liability for contributions, fees and interest and penalties on officers, directors and members of an employer

Enacted law summary

Public Law 1999, chapter 464 makes several changes with respect to state laws regarding unemployment compensation, to improve the solvency of the Unemployment Compensation Trust Fund. With respect to unemployment compensation taxes, the law raises the taxable wage base from \$7,000 to \$12,000 effective January 1, 2000; establishes an array system for determining employer contributions to the Unemployment Compensation Fund; and provides additional authority for the Director of Unemployment Compensation to collect money owed to the Unemployment Compensation Fund by employers.

With respect to unemployment compensation benefits, the law bases the benefit for persons who begin receiving benefits after January 1, 2000 on the average of the wages from the 2 highest quarters of the base period rather than the highest quarter of the base period; changes the types of misconduct for which a person becomes ineligible to receive unemployment compensation; changes the provisions related to overpayment of benefits to allow a greater deduction from future benefits when the claimant refuses to repay the amounts due and provide for interest on overpayments; provides for a penalty against benefits obtained through false statements or failure to disclose information when the statement or failure to disclose is knowingly made; and allows the department to withhold benefits for up to 14 days after new information or new issues arise with respect to the claimant's eligibility or benefit amount.

Finally, the law allows the department to use the Special Administrative Expense Fund to fund activities that improve the solvency of the Unemployment Compensation Fund.

**LD 1988 An Act to Provide for Benefits to Surviving Dependents of Employees CARRIED OVER
Who Die as a Result of Work Injuries**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
HATCH CAREY		

LD 1988 proposes to amend the workers' compensation laws regarding compensation payable to the surviving dependents of employees who die as a result of work injuries. The bill provides for an annual adjustment of the weekly compensation so that it continues to have the same percentage relationship to the state average weekly wage as it did at the time of the employee's injury. The bill also proposes to remove the current 500 week maximum limit for receiving compensation and allows payment of compensation until the dependent spouse dies or becomes a dependent of another person. Upon the death of a surviving spouse, this bill proposes to continue compensation for any dependent child under 18 years of age until the child reaches 18 or marries, or longer if the child is physically or mentally handicapped. Weekly compensation that is equal to the same proportion of weekly payments provided to fully dependent people would be provided to dependents who were partially dependent upon the employee's support.

This bill has been carried over to the Second Regular Session of the 119th Legislature.