

# MAINE STATE LEGISLATURE

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STATE OF MAINE  
126<sup>TH</sup> LEGISLATURE  
SECOND REGULAR SESSION



Summaries of bills, adopted amendments and laws enacted or finally passed

**JOINT STANDING COMMITTEE ON LABOR, COMMERCE,  
RESEARCH AND ECONOMIC DEVELOPMENT**

May 2014

**STAFF:**

NATALIE HAYNES, LEGISLATIVE ANALYST  
HENRY FOUTS, LEGISLATIVE ANALYST  
OFFICE OF POLICY AND LEGAL ANALYSIS  
13 STATE HOUSE STATION  
AUGUSTA, ME 04333  
(207) 287-1670

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**STATE OF MAINE**  
126<sup>TH</sup> LEGISLATURE  
SECOND REGULAR SESSION  
**LEGISLATIVE DIGEST OF BILL SUMMARIES AND**  
**ENACTED LAWS**

The *Digest* is arranged within each committee by Legislative Document (LD) number. The committee report(s), prime sponsor and lead co-sponsor(s), if designated, are listed below each LD title. All adopted amendments are summarized and listed by paper number. A subject index is included with each committee.

Final action on each LD is noted to the right of the LD title. The following describes the various final actions.

*CARRIED OVER*.....carried over to a subsequent session of the Legislature  
*CON RES XXX* ..... chapter # of constitutional resolution passed by both houses  
*CONF CMTE UNABLE TO AGREE*..... Committee of Conference unable to agree; legislation died  
*DIED BETWEEN HOUSES* .....House & Senate disagreed; legislation died  
*DIED IN CONCURRENCE* ..... defeated in each house, but on different motions; legislation died  
*DIED ON ADJOURNMENT* ..... action incomplete when session ended; legislation died  
*EMERGENCY* .....enacted law takes effect sooner than 90 days after session adjournment  
*FAILED, EMERGENCY ENACTMENT or FINAL PASSAGE*.....emergency failed to receive required 2/3 vote  
*FAILED, ENACTMENT or FINAL PASSAGE*..... failed to receive final majority vote  
*FAILED, MANDATE ENACTMENT*.....legislation proposing local mandate failed required 2/3 vote  
*HELD BY GOVERNOR*..... Governor has not signed; final disposition to be determined at subsequent session  
*LEAVE TO WITHDRAW*.....sponsor's request to withdraw legislation granted  
*NOT PROPERLY BEFORE THE BODY*.....ruled out of order by the presiding officer; legislation died  
*INDEF PP*..... indefinitely postponed; legislation died  
*ONTP, ACCEPTED, MAJORITY, MINORITY or REPORT X*... ought-not-to-pass report accepted; legislation died  
*P&S XXX*..... chapter # of enacted private & special law  
*PUBLIC XXX* ..... chapter # of enacted public Law  
*RESOLVE XXX* ..... chapter # of finally passed resolve  
*VETO SUSTAINED*.....Legislature failed to override Governor's veto

The effective date for non-emergency legislation enacted in the Second Regular Session of the 126<sup>th</sup> Legislature is August 1, 2014. The effective date for legislation enacted as an emergency measure may be found in the enacted law summary for that legislation.

**Joint Standing Committee on Labor, Commerce, Research and Economic Development**

**LD 1833      Resolve, Directing the Workers' Compensation Board To Further Study      Veto Sustained**  
**Improving Protections for Injured Workers Whose Employers Have**  
**Wrongfully Not Secured Workers' Compensation Insurance**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
	OTP-AM	S-491 H-848    HERBIG

This bill is reported out by the Joint Standing Committee on Labor, Commerce, Research and Economic Development pursuant to Resolve 2013, chapter 40, section 2. As required by the resolve, the Workers' Compensation Board submitted to the committee its report on the issue of improving protections for injured workers whose employers have wrongfully not secured workers' compensation payments. This bill incorporates the changes to law that the board has recommended in order to address the issue.

This bill amends the Maine Workers' Compensation Act of 1992 to create protections for injured workers whose employers have not secured workers' compensation insurance in accordance with current law. The bill creates liability for situations when an employee is injured while working for an uninsured subcontractor. In such situations, the general contractor will be responsible for payment of workers' compensation benefits as if it were the direct employer of the injured employee, unless there is an intermediate subcontractor with workers' compensation insurance coverage, in which case, the intermediate subcontractor is responsible for payment of all benefits due under the Act. These provisions would be effective January 1, 2015 and would be repealed July 1, 2017.

The bill also amends the laws governing the Employment Rehabilitation Fund. Until July 1, 2017, the fund will be used to pay workers' compensation benefits to injured employees working for illegally uninsured employers when there is no other general contractor or subcontractor liable for payment of benefits. Until July 1, 2017, the fund will not transfer a portion of its funds to the General Fund and penalties recovered for violations of the Maine Workers' Compensation Act of 1992 will be directed to this fund exclusively, instead of being shared with the Workers' Compensation Board Administrative Fund or the General Fund.

**Committee Amendment "A" (S-491)**

This amendment changes the title of the bill and replaces the bill with a resolve that directs the Workers' Compensation Board to study the issue of improving protections for injured workers whose employers have wrongfully not secured workers' compensation payments. The executive director of the Workers' Compensation Board is directed to convene a working group and to report to the joint standing committee of the Legislature having jurisdiction over labor matters with recommendations and draft implementing legislation by February 1, 2015.

**House Amendment "A" To Committee Amendment "A" (H-848)**

This amendment removes the emergency preamble and emergency clause from the committee amendment.

**LD 1835      An Act To Improve Maine's Ability To Attract Major Private      Accepted Report A**  
**Investments      (ONTP)**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
CUSHING WILLETTE	ONTP OTP-AM OTP-AM	

## ***Joint Standing Committee on Labor, Commerce, Research and Economic Development***

The purpose of this bill is to improve Maine's overall competitiveness and ability to attract major private investment to the State by creating a mechanism for competing for major business expansion and creation projects, referred to as transformational business expansion projects, which are the construction, development, rehabilitation, expansion, modernization or acquisition of any building, structure, system, machinery, equipment or facility in a military redevelopment zone that has a projected cost of \$50,000,000 or more and the operation of which is projected to result in a net gain of at least 1,500 job opportunities. An applicant who is certified by the Commissioner of Economic and Community Development as a transformational business expansion project is eligible for the following incentives and benefits:

1. A 20-year corporate income tax credit that includes a 100% credit for the first ten years that the project is in operation and a 50% credit for the next ten years that the project is in operation;
2. A sales tax exemption and reimbursement for expenditures made for the project for up to 20 years;
3. An annual reimbursement for up to five years from the Efficiency Maine Trust for electric rates that exceed the national average industrial rate as determined by the United States Energy Information Administration and certified by the Public Utilities Commission;
4. Employment tax increment financing benefits for qualified investments. The reimbursement is equal to 80% of Maine income tax withheld each year for which reimbursement is requested and attributed to qualified employees for a period of no more than ten years. For years of operation beginning after the 10th year until the 20th year, the certified applicant is eligible for a reimbursement of 50% of Maine income tax withheld each year for which reimbursement is requested. This benefit expires after December 31, 2034;
5. Access to a pool of up to \$500,000,000 in bond funding for transformational business expansion projects to provide long-term, credit-enhanced financing at taxable bond rates. Financing assistance for a single project may not exceed \$400,000,000;
6. Access to workforce development assistance, training and recruitment by the Commissioner of Economic and Community Development and the Commissioner of Labor, who are required to work with agencies across State Government involved in employment or skill training to identify and marshal financial resources to help a transformational business expansion project recruit and train workers; and
7. Access to the benefits available under the Governor's Jobs Initiative Program, including access to funds from the Competitive Skills Scholarship Program.

Additionally, this bill prohibits requiring a person, as a condition of employment or continuation of employment at a transformational business expansion project, to join a labor organization or pay any labor organization dues or fees and establishes, in a manner similar to laws governing the shipbuilding facility credit, a preference for Maine workers, companies and bidders as part of the contractual inducement for the qualified applicant to make a qualified investment and for the State to provide the incentives.

### **Committee Amendment "A" (S-516)**

This amendment is a minority report of the committee and makes the following changes to the bill.

1. It adds language restricting the amount of bond proceeds used to fund capital reserve funds for revenue obligation securities issued relating to loans for transformational business expansion projects.
2. It transfers the statutory provisions governing the certification as a qualified transformational expansion project business in a military redevelopment zone from the tax code to the section of law governing Pine Tree Development Zones.

***Joint Standing Committee on Labor, Commerce, Research and Economic Development***

- 3. It requires that, prior to certification as a qualified transformational expansion project business, the business must first become certified as a qualified Pine Tree Development Zone business.
- 4. It changes the process by which the Commissioner of Economic and Community Development determines that a qualified transformational expansion project business is eligible to receive a certificate and the terms for revocation of the certificate and clarifies the term "incentives".
- 5. It changes the term "transformational business expansion project" to "qualified transformational expansion project business" in all the provisions of the bill except those affecting the Finance Authority of Maine Act.
- 6. It clarifies that if a business's certificate is revoked, the business is still responsible for fulfilling its responsibilities under any long-term, credit-enhanced financing that it received as a transformational business expansion project from the Finance Authority of Maine.
- 7. It clarifies the reimbursement process in the provisions governing the annual reimbursement for certain electricity supply costs for qualified transformational expansion project businesses.
- 8. It adds language in the provisions in the bill governing the right to refrain from joining a union in transformational expansion project businesses to clarify that the prohibitions are limited to employment in a military redevelopment zone in a qualified transformational expansion project business.
- 9. It adds an exemption from sales tax for tangible personal property and for the transmission and distribution of electricity to the incentives for a qualified transformational expansion project business.

**Committee Amendment "B" (S-517)**

This amendment, which is a minority report of the Joint Standing Committee on Labor, Commerce, Research and Economic Development, is identical to the committee's other minority report except for two changes. It removes the "right to refrain" provisions that prohibit requiring a person, as a condition of employment or continuation of employment at a qualified transformational expansion project business, to join a labor organization or pay any labor organization dues or fees. Additionally the amendment removes the provision in the bill and Committee Amendment "A" that allows a qualified transformational expansion project business engaged in workforce training under the Governor's Jobs Initiative Program to be eligible for funds under the Competitive Skills Scholarship Program.

**LD 1836      An Act To Establish the Commission on Promoting Manufacturing in      ONTP**  
**Maine**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
JACKSON T HERBIG	ONTP	

This bill establishes the Commission on Promoting Manufacturing in Maine. The commission is charged with establishing a plan to promote Maine as a more desirable place in which to develop manufacturing businesses, to provide education and training to prepare workers for new manufacturing and to make manufacturing in Maine more promotable.