

March 24, 2017
Government Affairs Update
Diane Johanson

Minimum Wage: The Labor, Commerce, Research and Economic Development Committee scheduled public hearing dates for the numerous minimum wage adjustment and tip credit reinstatement bills introduced this session. The public and other interested parties will finally have their opportunity to weigh in on ten of these proposals on Wednesday, April 5th.

The day will be broken up into two segments. The morning session, starting at 10 am, will focus on three bills related to reinstating the tip credit in some fashion. The afternoon session, starting at 1 pm, will be dedicated to seven bills aimed at changing the minimum wage rate. It is expected to be a very long day, with countless people testifying on both sides of the issue.

Below is a brief summary of each of the seven minimum wage bills:

LD 774 – sets a minimum hourly training wage of \$1 above the federal minimum wage for a student who is 20 years of age or under

LD 775 - provides that the minimum wage may not exceed the average minimum wage paid in the New England states

LD 778 - eliminates the indexing of the minimum wage to inflation, which is scheduled to begin on January 1, 2021

LD 831 – provides that the minimum wage is the average minimum hourly wage in the New England states starting in 2018 and restores the tip credit

LD 971 - exempts minors from the minimum wage laws if they can be claimed as a dependent on someone else's income tax return and work for a seasonal employer

LD 991 - establishes a minimum hourly wage for minors at 75% of the minimum wage

LD 1005 – caps the minimum wage at \$9 per hour, eliminates indexing of the minimum wage, and restores the tip credit

Tip Credit Reinstatement: As mentioned earlier, the LCRED Committee will be tackling three tip credit reinstatement bills on Wednesday during the morning session. Those bills are as follows:

LD 673 – keeps the tip credit at \$5 per hour until the end of the year and then sets it as 50% of the minimum wage rate

LD 702 – sets the tip credit at 50% of the minimum wage

LD 1117 – establishes an eight-member commission for the purpose of determining the effect the changes to the tip credit have had on restaurants and their staff. The commission would not report out their findings until September of 2019.

We strongly encourage those of you who are impacted by the changes to minimum wage and the tip credit to contact your legislators and to testify on these bills. Additional information on the bills and contact information for legislators may be found by clicking the following link: <http://legislature.maine.gov/>

Sales Tax and Lodging Tax Updates: The Taxation Committee will be holding its final work sessions on the budget this week and is expected to vote on the lodging tax and sales tax expansion on Wednesday. As a reminder, the Governor's budget proposal increases the

lodging tax to 10% and expands the sales tax to a number of currently exempt items including amusements and recreation.

It is extremely important that committee members hear from you prior to Wednesday and that you voice your concerns to them. We also encourage you to contact your local legislators before Wednesday. I have listed their contact information below.

Taxation Committee members: http://legislature.maine.gov/house/jt_com/tax.htm

Senators and Representatives: <http://legislature.maine.gov/house/townlist.htm>

Campground Bingo: The Veterans and Legal Affairs Committee unanimously endorsed amended language on Friday that would allow bingo/beano games to be played at licensed campgrounds and state and federal campgrounds in Maine. Under the approved proposal, campgrounds would not need a license to hold these games for patrons and their guests so long as the value of any prize awarded for any one game is under \$25 and that any proceeds from fees charged to play are used only to pay for prizes and to cover the actual costs incurred to operate the games. The amendment also allows those under the age of 16 to participate.

Maine Tourism Association Advocacy Program. *If you would like additional information, please contact Diane Johanson at the Maine Tourism Association at 623-0363 Ext. 104; by cell phone at 207-897-8077, or via e-mail at djohanson@mainetourism.com.*