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**Testimony of Michael Roland,
Bureau of Labor Standards, Maine Department of Labor
In Opposition to LD 1496,
An Act to Prohibit Noncompete Clauses
To the Joint Standing Committee on Labor and Housing Public Hearing, Wednesday,
April 19, 2023**

Good morning Senator Tipping, Representative Roeder and members of the Joint Standing Committee on Labor and Housing. I am Michael Roland, Director of the Bureau of Labor Standards for the Maine Department of Labor (Department). I am here today to speak on behalf of the Department In Opposition to LD 1496, An Act to Prohibit Noncompete Clauses.

Just over four years ago the Department supported a bill to restrict the use of non-compete agreements and to prohibit employers from requiring or permitting certain workers to enter into them. The bill was enacted and is now Maine's 26 MRS section 599-A.

For several reasons, the Department is reluctant to support further amendment of the existing statute at this time. First, the current statute seems to be working well, and we have had few inquiries about it or complaints of violations. In addition, the Federal Trade Commission is currently promulgating rules regarding noncompete agreements, and we would like to learn the results of that process before venturing into the same territory again.

Specifically regarding LD 1496 as written, Section 3-C rendering out-of-state agreements unenforceable may prove difficult to interpret or implement. Adding a poster on the subject to the many already required will further dilute the impact of them all. There is no provision for the separate enforcement of the poster requirement. Were the bill to be enacted, the Bureau would likely require additional resources to implement.

In all, we believe the timing is not right for amending section 599-A, nor are we convinced that amending it in this way is necessary.

Thank you for your time and attention. I would be happy to answer any questions you may have now or at a future work session.

The Maine Department of Labor is committed to serving Maine workers and businesses by helping employers recruit and train a talented workforce, providing workers with skills needed to compete in our economy, assisting individuals when jobs are lost, aiding people with disabilities reach career goals, ensuring safe and fair workplaces for people on the job and providing research and analysis of employment data to support job growth.