Associated General Contractors of Maine ♦ HospitalityMaine ♦ Kennebec Valley Chamber of Commerce
Maine Automobile Owners Association ♦ Maine Bankers Association ♦ Maine Energy Marketers Association
Maine Food Producers & Grocers Association ♦ Maine Forest Products Council ♦ Maine Hospital Association
Maine Jobs Council ♦ Maine Motor transport Association ♦ Maine State Chamber of Commerce
Maine Tourism Association ♦ National Federation of Independent Business ♦ Retail Association of Maine
Professional Logging Contractors of the Northeast ♦ Retail Lumber Dealers Association of Maine

April 2, 2026

To: Sen. Peggy Rotundo and Rep. Drew Gattine, co-chairs
Members, Committee on Appropriations

President of the Senate Mattie Daughtry
Senator Teresa Pierce
Senator Jill Duson
Senator Trey Stewart III
Senator Matt Harrington

Speaker of the House Ryan Fecteau
Representative Matt Moonen
Representative Lori Gramlich
Representative Billy Bob Faulkingham
Representative Katrina Smith

From: Ad Hoc Coalition of Concerned Business Groups

Re: **LD 599** – An Act to Raise the Salary Threshold for Overtime Pay

We are writing to urge that LD 599 not be taken off the Special Appropriations Table without more in-depth consideration for the impact of a higher overtime payment salary threshold on Maine employers.

LD 599 – which proposes a salary threshold of $58,656 or higher – would place into Maine law the significant overtime salary threshold contained in federal regulations adopted by the U.S. Department of Labor in April 2024 but subsequently blocked by federal district courts.

- **OUTLIER STATE** … Maine already is an outlier state nationally and in New England, being one of only 6 states to set a salary threshold higher than the federal level:
  - Maine $45,300.32
  - Alaska $54,080
  - California $70,304
  - Colorado $57,783.96
  - New York $62,353.20 (New York City area higher)
  - Washington $60,168.40
- **OTHER STATES** … All other states – including Connecticut, Massachusetts, New Hampshire, Rhode Island, and Vermont – adhere to the federal salary threshold of $35,568.
  - Note that Maine's threshold is nearly $10,000 higher and covers a wider range of workers than our neighboring states.
  - Note, too, that Maine's threshold is indexed annually to the minimum wage; as our minimum wage increases, our salary threshold increases (3000 x $15.10 = $45,300 in 2026).

- **NO STATE AGENCY PROCESS OR DETERMINATION** … No process or determination has been conducted by a state agency to determine whether the overtime salary threshold in Maine should be increased and if so, by how much.
- **NO STATE AGENCY ECONOMIC ANALYSIS …** No state agency analysis of the economic effects of establishing a much higher salary level for all Maine employers.
    - No state analysis of the economic effects on rural area employers.
    - No state analysis of the economic effects on economic activity sectors.
    - No state analysis of the economic effects of a much higher salary level in combination with other employment costs imposed on employers such Paid Family & Medical Leave.
    - No state analysis of how a much higher salary level may affect affordability for customers, taxpayers, patrons and so forth.
    - No state analysis of added compliance costs for employers or added labor law enforcement costs.
    - No state analysis of potential adverse effects on employees whose jobs are downgraded from salaried to an hourly wage.
- **WIDESPREAD EFFECTS ON ALL EMPLOYERS** … A significant increase in the salary threshold will affect all public and private employers, and the impact will vary by employment size, economic activity of the employer, and location.
    - Over 33,000 comments from a wide variety of interests were received in 2023 by the U.S. Department of Labor on the proposed federal rules.
    - Public employers expressed concern about the steep threshold increase and effect on taxpayers.
    - Private employers funded by public grants, contracts, or charitable contributions expressed concerns.
    - Private and public education institutions likewise expressed concern about the effect on costs and tight budgets.
    - Comments about compliance and labor costs also came from groups representing various industry sectors as well as small employers.

Affordability is a doubled-sided equation. We respectfully request that LD 599 be deferred until more information is gathered – until more is known about the cumulative effects of various cost drivers currently impacting economic conditions.

Thank you for considering our concerns.