



**Testimony in support of LD 1276 – An Act to Create and Sustain Jobs and Affordable Housing through the Development of Cooperatives and Employee-owned Businesses**

**Before the Committee on Taxation | April 13, 2023**

Dear Senator Grohoski, Representative Perry, and Members of the Committee on Taxation,

We are a group of community loan fund and economic development nonprofits from all over Maine, tasked with supporting Mainers and Maine businesses to grow and thrive. Each of our organizations sees two looming challenges that need addressing in different ways if we are to minimize negative impacts:

- 1) Many small business owners and farmers retiring with no one to hand the business off to
- 2) An acute and urgent affordable housing crisis from the most urban to the most rural parts of Maine

Many of our organizations have worked with selling or retiring business owners, farmers, and property owners to explore all of their options for a planned exit, as they consider retirement or moving on to other important phases of life. The last thing any of us would want is for business owners, farmers, or property owners to decide to close or completely overhaul a key local business or housing property in a way that would not have the local community's best interests in mind.

One option we support exploring in many of these cases, but not all, is to sell the business to existing employees, by either forming 1) an Employee Stock Ownership Plan (ESOP), such as Bull Moose, or 2) an employee-owned cooperative, such as O'Donal's Nursery in Gorham. For selling or retiring property owners of apartment buildings and manufactured housing communities, one option to consider is to sell the property to the current residents or tenants, like for Medomak Mobile Home Cooperative in Waldoboro (and nine other mobile home communities in Maine) – preserving critical, unsubsidized *Naturally Occurring Affordable Housing (NOAH)*.

LD1276 would provide an added incentive to these business owners, farmers, and property owners to consider the option of worker, community, or resident ownership to help preserve our critical business resources, housing, and jobs here in Maine. LD1276 would also help establish and sustain a *Maine Employee Ownership Center (MEOC)*, which would work closely and in a complementary way with our local service providers, like SBDC and SCORE, as we all help business and property owners transition to retirement. Working within our existing economic system and not being heavy handed, LD1276 provides an incentive and advisory assistance to encourage owners to consider objectively local ownership for transitions.

We ask that you consider and ultimately support the passage of LD1276. We would all be more than happy to answer any questions you may have.

Amy Winston, Coastal Enterprises Inc. (CEI), Brunswick  
Hon. Nate Libby, Community Concepts Finance Corp. (CCFC), Lewiston & South Paris  
Micha Josephy and Chris Linder, Cooperative Fund of the Northeast (CFNE), Hampden  
Liza Fleming-Ives, Genesis Community Loan Fund, Brunswick  
Robert Clark, Northern Maine Development Commission (NMDC), Caribou