



PO BOX 780, 5 WHARF ROAD
SOUTH FREEPORT, ME 04078

QUALITY YACHT SERVICE

INFO@STROUTSPOINT.COM

TEL 207.865.3899
FAX 207.865.4407

April 24, 2023

To: Joint Standing Committee on Transportation

Dear Senator Chipman, Representative Williams, and distinguished Members of the Committee on Transportation,

My name is Laura East, I am an eleventh generation Mainer and the Dockmaster of Strouts Point Wharf Company in South Freeport. I am writing today to testify against the proposed bill LD 1177. While I strongly agree that the Maine State Housing Authority could benefit from an increase in funds, I believe this bill will have unintentional adverse effects on our local communities.

I have the unique privilege and perspective of running a marina in Coastal Maine with a yachting background. Before taking this job, I studied at Maine Maritime Academy, worked on commercial vessels in Alaska, followed by a career on private yachts which cruised globally. I still race competitively and do yacht deliveries when scheduling allows. I see how the yachting industry in the State of Maine is on the rise and the benefits to local economies and citizens.

In 2020, more yachts, both large and small, came to the Gulf of Maine than ever before. The benefits of having these vessels in our waters spans farther than the marinas that host them. Our local economies greatly profit from a wide variety of services they use, such as grocery provisions, local farmers markets, flowers, fuel, catering, hotels, restaurants, airports, taxis, contractors and mechanics, retail shops, massage/spa therapists, local fisherman, tourism, and day workers (which are most often locals). Many years ago, I did the books for one of these vessels, I repeatedly processed grocery receipts totaling over 10k per month just for this single vessel. This did not include any other services, simply groceries alone. I have seen firsthand how much money these vessels can infuse into our community in one weekend, let alone an entire season.

In addition to the large economic impact these yachts bring, they also provide an unusual opportunity for Mainers. When these yachts come to Maine it opens a door for careers at seas, elite racing, and world travel. I've seen high school students to older adults employed by these yachts seasonally or full-time. Recently, I've had the privilege of watching a local high school student work part time on a yacht during its time in Maine. The Captain of this yacht has taken the student under his wing in order to teach seamanship, boat handling, engineering, and navigation, which is an opportunity that is rarely afforded in a professional capacity for youth in Maine. This student has since applied to Maine Maritime Academy. While this is the story of one individual, it is not an isolated opportunity.

When I first started shipping there were only a few marinas in the state that could accommodate private vessels over 100'. Today, the marina infrastructure which can berth vessels over 100' continues to grow, new marinas or marina expansions with power requirements, fuel and pump out are just part of the infrastructure that Maine



BREWER SOUTH FREEPORT MARINE



STROUTS POINT WHARF COMPANY



QUALITY YACHT SERVICE

PO BOX 780, 5 WHARF ROAD
SOUTH FREEPORT, ME 04078

INFO@STROUTSPOINT.COM

TEL 207.865.3899
FAX 207.865.4407

facilities are investing in. If LD 1177 is passed, these yachts will either 1) shorten their trips to Maine, 2) anchor out, avoiding any slip tax and pay no dock fees to the marina who would have normally profited from selling dock space or 3) choose another destination all together. How do I know this? Because I have spoken to several yacht owners who intend to visit Maine waters, they do not want to pay a "slip tax" and have confirmed they will look elsewhere should this pass. All these options are bad for the community and the State of Maine.

It's easy to think, "what's a few hundred or a thousand bucks to a megayacht for a week of dockage?" But what about the yachts who spend more than a week or perhaps the entire season here? I know of at least one vessel who is looking at upward of \$40,000 in "slip tax" to spend the season here, which almost double the dockage rate and does not include any services. I would encourage you to look at the state of Rhode Island, a world class boating destination with a thriving working waterfront. RI foregoes all boat sales taxes and boat property taxes, it also levies no taxes on boating services. Dockage, retrofits, repairs and mooring fees are not taxed in Rhode Island. This policy has encouraged yacht owners, large and small, to bring their business to RI.

The marine industry in the State of Maine is not for the faint of heart. In a state once known for its shipbuilding and commercial fishing, these coastal communities have had to adapt to constant change in order to survive. In the absence of a once booming commercial fishing industry, many have found a lost revenue source within the yachting industry. I find it incomprehensible that the State would now add a barrier between its already suffering working waterfront and a profitable revenue source.

I know the creators of this bill have good intentions, but they fail to have a full understanding of the repercussions of LD 1177 on coastal communities. I know they do not have a full understanding because I see the diligent work our state leaders do, and I don't believe they would show this much disregard for the hard-working waterfront communities of Maine, who have already been hit hard. There has long since been a conversation about the unfairness of vessels who use "overseas tax havens" to avoid paying higher federal corporate tax rates. However, this is not the way to seek justice or fairness for that issue or the way to fund the Maine State Housing Authority. It's easy to say tax the million and billionaires, but these yacht owners will pursue other options outside of Maine and the people that will suffer the consequences of LD 1177 are the citizens that you have sworn to protect.

I hope that you will reconsider LD 1177 and I hope that our state can find another way to support the Maine State Housing Authority.

I'd like to thank you for taking the time to hear my concerns. I appreciate all you do for our wonderful state.

Laura East
Dockmaster
Strouts Point Wharf Company
laura@stroutspoint.com (207) 865-3899



BREWER SOUTH FREEPORT MARINE



STROUTS POINT WHARF COMPANY