

Testimony of the Maine Municipal Association

Neither For Nor Against

LD 1177 - An Act to Assess a Slip Fee on Megayachts Registered in Overseas Tax Havens

April 25, 2023

Sen. Chipman, Rep. Williams and distinguished members of the Transportation Committee, my name is Rebecca Graham, and I am offering testimony neither for nor against LD 1177, *An Act to Assess a Slip Fee on Megayachts Registered in Overseas Tax Havens*, on behalf of MMA's 70-member Legislative Policy Committee (LPC) who are elected by their selectboards and councils in Maine's 35 senate district to establish positions on legislation impacting municipalities with the broadest understanding of the difference in impacts of policy on these vital services in all areas of the state.

While municipal officials support the intent of this bill, they have expressed some concern about the practical ability to collect the fee, and the proportional ability for the fee on boats over 100 feet that visit harbors in Maine to meet a level that would be proportional to the work required to collect the small amounts of potential income that is likely to be received.

Many of the boats that meet this size frequently anchor offshore and use smaller boats to reach the harbor, or in some cases personal aircraft. Even if anchoring a craft were to be considered mooring, of the known boats that meet this threshold who visited Maine last year such a task would have netted \$1,381 a day total statewide presuming they all arrived at the same time. In a normal year, two boats of this size may enter Penobscot Bay, however eight arrived last year.

As one municipal official from the Penobscot Bay area highlighted, it would take several hours in a dingy and a very long measuring tape to assess such a fee, which would far outstrip the proposed \$10 a foot collection for each anchored super yacht over 100 feet. It doesn't need seem like a good use of municipal time for their effort given their limited resources. They added that such boats are not able to dock near most municipal services except in Bar Harbor.

A possible solution may be to be permissive and allow municipalities with Super Yacht dockage and resources to collect that fee at the point of paying those dockage and mooring fees, especially when on slips that may not be municipally owned. The fee is unlikely to be too high to be prohibitive for the individuals who are owners of such boats, and only a very few marinas with dockage depth, strength, and capacity to service boats of this size. This may be the appropriate place to collect the fee and facilitate the marina to send in the fee with their tax receipts quarterly.

That said, officials appreciate the spirit of the law, and are willing to work with the sponsor to find a better solution to the collection mechanism and find a way to collect more from these often-seasonal visitors.