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Via email only (<u>lio@legislature.maine.gov</u> & <u>casey.milligan@legislature.maine.gov</u>)

May 23, 2023

Joint Standing Committee on Innovation, Development, Economic Advancement & Business Cross Building, Room 206 Augusta, Me 04333

Re: Testimony in support of LD 1918 An Act to Modernize Maine's Business Incentive Programs by Creating the Dirigo Business Incentives Program and Eliminating Certain Other Tax Incentive Programs

Senator Curry, Representative Roberts, Distinguished Members of the Joint Standing Committee on Innovation, Development, Economic Advancement & Business,

The Sunrise County Economic Council respectfully submits this testimony in favor of LD 1918 *An Act to Modernize Maine's Business Incentive Programs by Creating the Dirigo Business Incentives Program and Eliminating Certain Other Tax Incentive Programs.* We also ask for two changes that will strengthen the program's impact in Washington County:

1. Clarification that aquaculture is an Eligible Sector and

2. Allowing new investments from businesses currently certified as Pine Tree Development Zone businesses to qualify for the new incentives.

The Council is a nonprofit corporation that works to create jobs and prosperity in Washington County; we are also the economic development arm of Washington County Government. Washington County's economy is built on natural resource industries and LD 1918 will encourage the investment needed to make our fishing, blueberry, and wood products businesses competitive and sustainable in

Main Office: 7 Ames Way, Machias, ME 04654 Calais Office: 330 North Street, Calais, ME 04619 * Milbridge Office: 87 Maine Street, Milbridge, ME 04658 Tel: 207.255.0983 * Fax: 207.255.4987 * <u>www.sunrisecounty.org</u> this period of rapid technological change. The Pine Tree Development Zones have only had a limited effect with only four Washington County based businesses currently certified. The Dirigo Business Incentives Program is simpler, and its clear focus on capital investment and workforce training will be more effective for a broader range of businesses in our county.

Aquaculture should be explicitly included as an Eligible Sector to reduce uncertainty for firms that are looking to invest in this key sector. Aquaculture currently supports over one hundred jobs in Washington County and is one of the most promising sectors for investment, innovation, and growth.

We ask that the legislation be changed to allow new investments and workforce training from certified Pine Tree Development Zone businesses (such as St. Croix Tissue and Kingfish Maine) to qualify for the Dirigo incentives. St. Croix Tissue is considering investing hundreds of millions of dollars in an additional tissue machine in Baileyville. Kingfish Maine is considering investing over one hundred million dollars in an aquaculture facility in Jonesport. Both projects are in the final stages of permitting and entering the capital financing stage. Their exclusion from the Dirigo Business Incentives Program may threaten these vital investments in Washington County's future.

Thank you for your thoughtful consideration of this important bill and your commitment to our state's future

Sincerely,

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Charles J. Rudelitch, Esq. Executive Director Sunrise County Economic Council

cc: Senator Marianne Moore Representative Tiffany Strout Representative Anne C. Perry Representative Kenneth Davis