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THE MAINE SENATE
131st Legislature

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Testimony in Support of LD 2258
An Act to Create an Income Tax Credit for Investments in a Team's Qualified Minor League Baseball Facility to Keep the Team in the State

Presented to the Joint Standing Committee on Taxation
March 14, 2024

Senator Grohoski, Representative Perry and esteemed members of the Joint Standing Committee on Taxation my name is Troy Jackson. I have the honor of serving as President of the Maine Senate and proudly represent the good people of Aroostook County. I am here today to present LD 2258, "*An Act to Create an Income Tax Credit for Investments in a Team's Qualified Minor League Baseball Facility to Keep the Team in the State.*"

This bill would create a targeted tax credit to help the Portland Sea Dogs make critical upgrades to the city-owned Hadlock Field, including making the stadium ADA-compliant. This is necessary for the minor league team to not only retain its affiliation with Major League Baseball but also ensure Mainers and tourists with disabilities can enjoy this beloved American pastime.

The Portland Sea Dogs have become a well-known fixture across the state contributing to our communities and economy. A 2021 economic impact study determined that in 2019, the Sea Dogs Organization contributed \$28 million in total economic output, supported 447 full- and part-time jobs, and generated \$9.1 million in labor income.

The team's economic success and contributions are likely linked to their regular success on the field. Since partnering with the Boston Red Sox more than two decades ago, the Sea Dogs have advanced to the playoffs six times, celebrated a pair of division titles in 2005 and 2014, and captured the first Eastern League championship in franchise history in 2006. Over 100 Sea Dogs players have gone on to play for the Red Sox. Former Sea Dogs contributed to the Red Sox World Series Championships in 2004, 2007, 2013, and 2018.

As a result, the Sea Dogs receive high marks for attendance compared to other minor league teams. People like to see the home team win or at the very least play a game worth watching. Hadlock Field can seat 7,368 fans. Average attendance for the 2023 season was at 6,121 fans a night — up from the previous year. Recent data ranks the Sea Dogs 18 out of 120 minor league teams for the highest average attendance.

As important as the team's success is on the field, the Portland Sea Dogs are as invested in Maine as Mainer are in the team. This is reflected in their in-stadium fundraising, monetary donations, and in-kind gifts to local charities. "Strike Out Cancer in Kids" — the team's official charity — has raised over five million dollars for Maine children fighting cancer since 1995. Additionally, the team has donated to the Barbara Bush Children's Hospital, the Good Shepherd Food Bank, Through These Doors and so many others.

Maine has an economic and community interest in keeping the Portland Sea Dogs in Maine. The critical upgrades are essential to realizing these interests. When Major League Baseball took over management of Minor Leagues Baseball in 2021, they eliminated 43 teams. They also rolled out specific stadium requirements with a deadline of April 2025. This means the team risks relocation if MLB standards are not met. Sea Dogs President and General Manager, Geoff Iacuesa, estimates the cost to be about \$10 million to renovate the facility to meet the requirements. He shared that the organization is committed to staying in Maine for the long term and stated that a small incentive from the state will go a long way in making it a reality.

This bill creates a refundable income tax credit of up to \$200,000 per year with a lifetime cap of \$2 million. It would be available for a qualified investment of at least \$1,000,000 but no more than \$15,000,000 by a certified applicant in a qualified professional baseball facility in the State. The annual amount of the tax credit would be determined by the qualified investment.

There has been a lot of criticism regarding the use of public funds to finance in full or in large-part private sports arenas. I want to be clear that this bill does not seek to do that — Maine has significant needs, and huge giveaways like that would be disrespectful to working families, older Mainers and small businesses. Rather, this bill establishes a reasonable tax credit with benchmarks to support good-paying jobs, capital investments that generate substantial economic activity and a commitment to remain in Maine.

Maine has a history of enacting tax credits that support good-paying jobs and bolster the state's economy. Some good examples include the tax credits utilized by IDEXX in Westbrook, BIW in Bath and Penobscot McCrum in Washburn. This tax credit aligns with that work and the state's community and economic interests.

Baseball is often celebrated as America's favorite pastime. However, this can only be true if all Americans can navigate the stadium and sit in the stands. This bill brings us closer to that goal for Sea Dogs fans and all visitors to Hadlock Field.

Thank you for your time today. I hope you will join me in supporting this strategic tax credit that will incentivize economic investment, create good-paying jobs and make Hadlock Field more accessible to all Mainers. I would be happy to answer any questions.

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