

Dear Members of the Housing and Economic Development Committee,

My name is Emily Coffin and I am submitting testimony on behalf of the Maine Coast Fishermen's Association in strong support of the proposed Small Business Savings Account Pilot Program. This initiative would be a vital tool for commercial fishermen, providing them with some financial stability and resilience in an industry marked by uncertainty and unpredictability. Maine's commercial fishing industry is a cornerstone of our coastal economy and heritage. Unlike many other industries, fishing is subject to significant income fluctuations due to factors such as weather conditions, regulatory changes, environmental shifts, and global market dynamics. The ability to set aside up to \$250,000 in revenue—shielded from income tax until it is needed for business expenses—offers fishermen a powerful mechanism for long-term financial planning.

The ability to set aside earnings in profitable years allows fishermen to reinvest strategically, rather than feeling pressured to spend excess income at year-end to mitigate tax burdens. Fishing is a high-risk industry with fluctuating income streams, and having a dedicated reserve enables fishermen to manage unexpected downturns, ensuring they can continue to operate even during lean years. The program ensures that funds are used for capital expenditures, allowing fishermen to upgrade vessels, invest in new gear, improve safety measures, and modernize equipment—enhancements that are critical for long-term sustainability and competitiveness. Presently, fishermen face new ropeless trap regulations due to conflict with the North Atlantic Right Whale. In order to comply with these regulations, fishermen will need to purchase many units of specialized gear that currently costs over \$1,000 a piece. The high cost of these units is a sticking point for many and may keep them from fishing in years to come but a savings program could mitigate such a roadblock. Many fishermen also struggle to access traditional financing options due to the unpredictable nature of their income. A tax-deferred savings account would provide them with a self-funded means to support their businesses without taking on excessive debt.

In addition to the inherent volatility of the fishing industry, Maine's working waterfronts and fishing businesses have been significantly impacted by recent climate events. The devastating storms of January 2024 caused severe damage to critical infrastructure. Many fishermen have had to rebuild from scratch while navigating rising costs, permitting delays, and limited financial support. This pilot program would provide a much-needed buffer for fishermen facing such hardships, allowing them to prepare for future emergencies and invest in the long-term resilience of their businesses. Without mechanisms like this in place, many fishing families remain vulnerable to economic shocks that threaten not only their livelihoods but also the working waterfronts that sustain Maine's coastal communities.

Unlike many other industries, fishing does not provide predictable paychecks or consistent revenues. Some years are prosperous, while others bring unexpected losses due to closures, regulations, or environmental changes. A savings account structured to align with these realities would give fishermen the flexibility they need to remain financially secure while ensuring that reinvestment is directed toward essential business growth and sustainability. We also appreciate the flexibility in the program that allows the Department of Economic and Community Development to certify businesses across the farming, fishing, and forestry sectors. Given the specialized nature of our industry, ensuring that at least ten eligible fishing businesses can participate is crucial for demonstrating the effectiveness of this initiative in addressing the unique financial challenges of fishermen.

The Small Business Savings Account Pilot Program is a forward-thinking solution that acknowledges the financial realities of Maine's fishermen. It provides them with a tool to manage income variability, invest in their businesses, and strengthen their ability to weather economic and environmental challenges. We urge the committee to support this program and recognize the critical role it can play in sustaining Maine's commercial fishing industry for generations to come.

Thank you for your time and consideration.

Emily Coffin

Seafood and Fisheries Policy Coordinator, Maine Coast Fishermen's Association