



Senator Grohoski, Representative Cloutier, and members of the Joint Standing Committee on Taxation, my name is Johanna Johnston, and I serve as the Executive Director of the Southern Aroostook Development Corporation. I am submitting testimony in opposition to LD 283, *"An Act to Expand Local Revenues by Including Meals and Lodging Sales Tax Revenue Under the State-Municipal Revenue Sharing Program."*

While I understand the intent of this bill to return revenue to municipalities, I urge the Committee to consider the broader implications for Maine's tourism industry and the economic health of communities—particularly rural regions like Aroostook County.

Tourism is one of Maine's most significant economic drivers. In 2023, visitors to our state spent over \$9 billion, contributing to an overall annual economic impact of \$16 billion. This industry does not just support the hotels and restaurants collecting lodging and meals taxes—it sustains thousands of small businesses, outdoor recreation providers, cultural attractions, and service workers across the state.

Aroostook County, in particular, relies on targeted marketing efforts funded by meals and lodging taxes to bring visitors to our region. Without continued, strategic investment in state-level tourism promotion, rural areas will struggle to compete for visitor dollars. According to the Maine Office of Tourism, summer visitation in Maine declined by 9% in 2024. Now is not the time to divert essential funds away from tourism promotion, which is necessary to stabilize and grow Maine's visitor economy.

As an economic developer in one of Maine's most rural areas, I can tell you that marketing is critical to our success. In 2023, with even a limited tourism budget, Aroostook County saw a 17.5% increase in visitation. That increased tourism spending generated a 6.3% rise in wages across the region and saved local residents \$893 in state and local taxes. For a county where the median household income is just \$57,000 and over 10% of the population falls below the poverty line, that tax relief is significant.

Yet despite these results, Aroostook County's tourism funding is so limited that we can only afford a part-time Tourism Developer for 13 hours per week. That is the entirety of our dedicated staffing to promote a region spanning nearly 7,000 square miles—larger than the state of Connecticut. I can only imagine how a decrease in direct funding would further limit our ability to compete for visitors and grow our economy.

This bill would shift a portion of state-level tourism funding to individual municipalities, many of which lack the staffing and expertise to execute large-scale, effective marketing campaigns. While additional funding for municipalities may seem beneficial in the short term, it will not replace the effectiveness of a cohesive, statewide strategy that markets Maine as a premier travel destination.



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Instead of fragmenting tourism dollars among towns with vastly different levels of tourism infrastructure and expertise, we should be reinforcing targeted, high-impact marketing that supports all regions—including those, like Aroostook, that have tremendous potential but need coordinated promotion to reach the right audiences.

I urge the Committee to reject LD 283 to protect Maine's tourism industry and the economic benefits it brings to communities across the state. Redirecting meals and lodging tax revenue to individual municipalities may seem beneficial at first glance, but in reality, it would jeopardize critical tourism promotion efforts, undermine rural economic development, and weaken the coordinated marketing efforts that have made Maine a top travel destination.

Please protect Maine's tourism dollars and continue to support a strong, statewide marketing strategy that ensures all of Maine—not just its largest municipalities—benefits from visitor spending. Thank you for your time and consideration.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Johanna Johnston". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Johanna Johnston
Executive Director
Southern Aroostook Development Corporation