

## **MAINE SERVICE CENTERS COALITION**

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### **Testimony of the Maine Service Centers Coalition**

#### **LD 632, An Act to Allow a Local Option Sales Tax on Short-term Lodging to Fund Affordable Housing, and LD 746, An Act to Authorize a Local Option Sales Tax on Short-term Lodging to Fund Municipalities and Affordable Housing**

Senator Grohoski, Representative Cloutier and esteemed members of the Joint Standing Committee on Taxation, the Maine Service Centers Coalition is submitting testimony neither for nor against LD 632, An Act to Allow a Local Option Sales Tax on Short-term Lodging to Fund Affordable Housing, and LD 746, An Act to Authorize a Local Option Sales Tax on Short-term Lodging to Fund Municipalities and Affordable Housing.

The Maine Service Centers Coalition, comprised of 26 towns and cities across the state, articulates the importance of healthy and thriving service center communities, advocates for public policy that supports and contributes to the economic and social viability of our communities, and collaborates with municipal officials, legislators, state agencies and nonprofits to pursue quality of life for all who live and work in our state.

Our Coalition appreciates the sponsors' proposals to allow municipalities to impose a local option sales tax, and we fully support this concept. Having the ability to levy such a tax would help our service center communities meet the ever increasing costs of municipal services while easing the property tax burdens weighing heavily on our homeowners and businesses.

If the Legislature ever passes a local option sales tax, we feel strongly municipalities should be given the authority to determine how the new revenues would be allocated. LD 632 and LD 746, as proposed, designate the municipal distribution of all or a portion of the taxes collected. These decisions would be best left to the local communities.

We appreciate the opportunity to provide testimony on LD 632 and LD 746. Thank you for your time.