

Testimony of Linda Caprara The voice of Maine business On Behalf of the Maine State Chamber of Commerce In Opposition to L.D. 115, "An Act to Assess Impact Fees on Megayachts."

April 4, 2025

Good Afternoon Sen. Grohoski, Rep. Cloutier and Members of the Joint Standing Committee on Taxation. My name is Linda Caprara. I am the Vice President of Advocacy for the Maine State Chamber of Commerce. I am here today to testify in opposition to L.D. 115, "An Act to Assess Impact Fees on Megayachts."

The bill as drafted would provide an impact fee of \$10 per board ft of length on recreational boats over 150 feet for up to 30 consecutive days that the boat is secured in a slip in a municipality that collects slip fees. We feel that these fees will do nothing but disincentivize these ships from staying longer in Maine ports, ultimately shortening the length of visits to Maine.

This bill will have huge economic implications that will impact towns and cities across the state that depend largely on the influx of tourists to sustain their local economies and businesses. Tourism supports local jobs in retail establishments, hospitality and other tour related businesses. Ports that depend on these tourism revenues are located in towns such as Bar Harbor and Boothbay and cities like Portland. While the impacts will most directly affect the communities hosting these boats the economic ramifications will extend beyond these ports as tourists travel all over the State. This bill is similar in nature to efforts we have seen around the state to halt or scale back tourism related to the cruise ship industry. The potential implications to the local economies, such as the limiting of disembarkations on cruise ships in Bar Harbor is likely to be significant and it's very unfortunate.

Tourism is a huge driver of Maine's economy and the state depends on these revenues. The economic figures related to this industry are staggering. According to the Office of Tourism, the tourism industry is responsible for supporting over \$130,000 jobs here in the state, supporting over \$5 billion in wages and bringing in over \$9 billion in revenue. In fact, in 2023 alone, there were over 15 million visitors to Maine who spent more than \$9 billion, savings Maine households over \$2,400 in state and local taxes. Those are pretty impressive figures that we cannot afford to disregard.

Last year, however, unfortunately tourism dropped about 9% statewide. With the potential trade wars with Canada looming on the horizon, those figures have the potential to drop further. It is more important than ever and essential for the state to invest in tourism to support our local businesses and communities that depend on these tourism dollars and we continue to be supportive of our critical tourism industry.

I would be happy to answer any questions, and we urge you to vote No on L.D. 115.