
Testimony of Nate Cloutier

Before the Joint Standing Committee on Labor

April 4, 2025

In Opposition to LD 115, “An Act to Assess Impact Fees on Megayachts”

Senator Nangle, Representative Crafts, and distinguished members of the Joint Standing Committee on Transportation, my name is Nate Cloutier, and I am here today on behalf of HospitalityMaine, representing Maine’s restaurant and lodging industries. I am also testifying on behalf of the Maine Tourism Association (MTA). MTA has been promoting Maine and supporting members in every type of tourism business, such as lodging, restaurants, camps, campgrounds, retail, guides, tour operators, amusements, and historical and cultural attractions, for over 100 years. HospitalityMaine and the Maine Tourism Association respectfully oppose LD 115, “An Act to Assess Impact Fees on Megayachts.”

Our sector is a critical engine of the state’s economy, generating billions in economic activity and supporting more than 130,000 jobs through vibrant waterfronts, welcoming communities, and a diverse array of tourism-related businesses—from hotels and restaurants to many local attractions. While we share the goal of strengthening Maine’s harbor infrastructure, we are deeply concerned that this proposal will have unintended negative consequences on our working waterfront and broader tourism economy. Our opposition is not about giving a break to the wealthy; it is about the harm that will come to our hardworking Maine citizens and our working waterfronts. It will be Maine workers and our small business owners who suffer should Maine lose these yacht dockings.

Please see our concerns in more detail below.

- **Shortened Visits and Offshore Anchorage:** Vessel operators may choose to shorten their trips or anchor offshore to avoid paying dock fees. This means fewer megayacht visitors will utilize local slip facilities, resulting in reduced spending in our restaurants, retail shops, and other local businesses.

- **Relocation to More Welcoming Destinations:** As evidenced by Rhode Island's success as a world-class boating destination—where no similar taxes on dockage, retrofits, repairs, or mooring fees exist—Maine risks losing potential visitors. These visitors are not only significant spenders, but their patronage benefits farmers' markets, hotels, local fishermen, day workers, and numerous small businesses.

- **Further Decline in Tourism:** With a noted 9% dip in tourism during the summer of 2024, additional disincentives like this fee could compound our challenges and further erode Maine's appeal as a destination for megayacht visitors.

When these individuals are visiting, they're patronizing local businesses, and so are their staff. When they dock in Portland, they are patronizing the small business across the street to rent vehicles, buying fresh and local food from food stands, spending money with the local artisans, and more.

Municipal officials have also expressed valid concerns regarding the practical ability to collect these fees, noting that the effort to collect relatively small sums could outweigh the benefits. Are individual municipalities adequately equipped to address sea level rise mitigation? And what guidance would they receive on how to spend the funds?

The Megayacht Fund as proposed in the bill is a new fund administered by the Department of Environmental Protection (DEP). DEP is assuredly overwhelmed by enormous programs, including product stewardship for packaging and implementing PFAS rules. Funding for public transit, including ferries and land-based public transportation, is administered through the MDOT's multimodal fund. Any potential benefits that could come from this bill are outweighed by the unintended consequences and impact to tourism that would result from the bill's passage.

For these reasons, we respectfully urge you to oppose LD 151. Thank you for your time and consideration, and I would be happy to answer any questions you may have.