



**Testimony to the Joint Standing Committee on Taxation in Support of:**  
**LD 1217, An Act Regarding the New Markets Tax Credit and the Maine New Markets Capital Investment Program**

4/28/25

Senator Grohoski, Representative Cloutier, and Members of the Taxation Committee:

My name is Amy Winston. I am the state policy director at Coastal Enterprises, Inc. (CEI) - and I live in Edgecomb. My colleague, Traci Vaine, is the CEO of CEI Capital Management LLC (CCML). Traci lives in Cape Elizabeth. Together we are submitting this testimony on behalf of Coastal Enterprises, Inc. (CEI), a nonprofit CDFI (Community Development Financial Institution) and CDC (Community Development Corporation) based in Brunswick. CEI's mission is to build a just, vibrant, and climate-resilient future for people and communities in Maine and rural regions. We do this by integrating finance, business expertise and policy solutions in ways that make the economy more equitable. Since CEI's founding in 1977, the CEI family of organizations has invested \$1.75 billion in 3,503 businesses, creating over 52,000 jobs that are bringing positive changes to rural regions in Maine and throughout the U.S.

CEI's New Markets Capital Investment subsidiary, CEI Capital Management LLC (CCML), is a state and federal New Markets Tax Credit allocatee with a 20-year track record supporting lower income individuals working at innovative businesses located in rural areas. CCML has received 14 federal awards totaling \$1.173 billion, \$33.16 million in Maine's New Markets Capital Investment ("NMCI") program tax credits and has leveraged an additional \$1.57 billion in investments. In Maine, CCML has invested in manufacturing focused, people centered, i.e., "triple-bottom-line" businesses that have helped create and preserve 13,480 FTE jobs and supported 2,875 temporary construction jobs. Distributed geographically in Maine across 14 communities and 10 counties, these projects are bringing meaningful investments and opportunities to rural communities, suburbs, and gateway cities, creating jobs and spurring development in surrounding areas.

While CEI/CCML was not involved in developing this bill, we support LD 1217. The credit is cost-effective and has had a net positive fiscal impact here in Maine, benefiting the state's bottom line and creating jobs for residents in low-income communities by providing much needed capital to businesses. It is intended to attract investment, preserve jobs, benefit businesses in distressed communities and promote economic development. As a CDFI, we are a conduit for getting capital to small businesses that anchor rural communities, CEI is involved in business and sector-specific economic development. As a "CDE," or Community Development Entity, CCML's team has accrued relevant experience and a significant history working with both state and federal level New Markets Tax Credit allocations. The state New Markets Capital Investment ("NMCI") program mirrors and can be integrated with the federal New Markets Tax Credit program. Investors provide capital in the form of equity investments and loans with affordable rates and flexible provisions to diverse businesses in economically distressed communities.

The federal program uses the tax credit to incentivize impactful investments in projects that would not happen without the credit. The state program has this intent as well. CEI/CCML vets prospective projects that create good jobs, spur community development, align with [CEI's mission](#), and based in real partnership with qualifying businesses and communities.



CCML considers the level of a business's need in choosing projects and follows "best practice" by submitting a "but for" letter with its applications. This demonstrates up front that the need is critical and assures policymakers that there are no other financing options.

The businesses benefit from the operational expertise of their CDE lending partners. We respectfully suggest that the committee consider adopting *internal investment criteria*. CEI/CCML uses a "Good Jobs" strategy to optimize investments by providing operational advice derived from our expertise as a workforce intermediary. CEI/CCML apply a Good Jobs "scorecard" to ensure that quality jobs are created because of these investments. Good Jobs and livelihoods mark the economic health of a qualifying low-income community business.

The committee may want to consider tightening the program design to direct investment to the most impactful projects. It does not specify the preferred use of funds and it is not tied to existing state policy – e.g., the state's 10-year economic development strategy, climate action plan, or MTI's targeted technology sectors.

The state NMCI program has attracted new investment to Maine, demonstrated positive fiscal impact, created economic activity, and created and preserved jobs. With the right guardrails incorporated into statute, the NMCI program could support underserved businesses and communities, build housing, and expand access to affordable childcare, solving problems needing urgent intervention and investment that would not happen otherwise. Aligning investment needs/objectives with employment criteria and other characteristics to achieve the desired economic development results is not only the right thing to do, but necessary to grow a just and vibrant, climate resilient future.

Thank you for reading this testimony. We hope that you have found CEI/CCML's experience helpful. We hope you support LD 1217's reauthorization of this important economic development tool.