



MAINE STATE LEGISLATURE

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May 16, 2025 - Testimony in support of LD 1694:

An Act to Provide an Income Tax Credit for Certain Disaster Mitigation Projects for Working Waterfront Property

Good Afternoon, Senator Grohoski, Representative Cloutier, and members of the Joint Standing Committee on Taxation. My name is Representative Billy Bob Faulkingham, and I serve as the House Republican Leader. I represent House District 12, which includes the towns of Franklin, Gouldsboro, Hancock, Sorrento, Sullivan, Winter Harbor, and Steuben. I'm providing testimony in support of ***LD 1694, An Act to Provide an Income Tax Credit for Certain Disaster Mitigation Projects for Working Waterfront Property.***

Maine's working waterfront is not only the backbone of our coastal economy, it is a way of life for thousands of our residents; from fishermen, to boat builders, wholesalers, co-ops, and marine service providers. These are not just jobs; these are family businesses and community institutions passed down through many generations.

In recent years, the frequency and intensity of coastal storms, flooding events, and shoreline erosion have increased and are causing real harm to critical infrastructure on Maine's working waterfront.

We've experienced serve weather related damage firsthand in my community. For example:

- On June 9, 2021, more than five inches of rain fell in just a few hours across Washington and Hancock Counties. Flash floods tore through Winter Harbor and Gouldsboro, washing out culverts and roadways, including Route 186 in Birch Harbor. That same storm left homes in Machias and Roque Bluffs completely cut off from access by motor vehicles.
- In January 2024, two consecutive coastal storms devastated our waterfront infrastructure again. The Hutchinson Family Wharf in Steuben was wiped out. The Chipman's Wharf in Milbridge, which served 32 fishing boats, was destroyed. Without those wharves, fishermen couldn't access fuel, bait, or even the waterfront. In Gouldsboro, the washed-out causeway meant the Corea Lobster Co-op couldn't transport its product to market.

LD 1694 offers a fiscally responsible solution by incentivizing working waterfront businesses to make critical infrastructure improvements before disaster strikes again.

This bill provides a 30% income tax credit, up to \$300,000, for projects that protect working waterfront assets. Prospective improvements include:

- Elevating buildings and wharves to reduce flood risk,
- Installing modern stormwater management systems,
- Stabilizing shorelines with vegetation and erosion-resistant materials,
- Reinforcing structures against wind and water damage, and
- Setting up hazard-warning systems like flood alarms and weather stations.

This legislation specifically targets the tax credit to businesses with a gross receipts cap of \$47 million or less, ensuring the focus remains on small to mid-sized Maine-based operations, not large multinational corporations.

This bill is not a proposed tax break or subsidy that would be considered a corporate handout. It is a strategic investment to preserve Maine's working waterfront. LD 1694 will provide Maine with an economic tool to strengthen our coastal economy and support the hardworking men and women who keep our working waterfront alive.

I urge the Committee to vote **Ought to Pass** on this common-sense, bipartisan legislation. Thank you for your time, and I'm happy to answer any questions.

Respectfully,

A handwritten signature in cursive script that reads "Billy Bob Faulkingham".

Rep. Billy Bob Faulkingham
House Republican Leader

Billy Bob Faulkingham
Winter Harbor
LD 1694

Rep. Faulkingham presents the attached testimony supporting LD 1694. Please let me know if you any issues with the attachment.

John McGough
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