



RETAIL
ASSOCIATION OF
MAINE
Voice of Maine Retail

PO Box 301
Augusta, ME 04332
Phone: 207.623.1149
www.retailmaine.org



February 19, 2026

Senator Margaret Rotundo, Chair
Representative Drew Gattine, Chair
Members of the Appropriations and Financial Services Committee

Senator Chip Curry, Chair
Representative Traci Gere, Chair
Members of the Housing and Economic Development Committee

RE: Testimony in OPPOSITION to Part EE, LD 2122, Supplemental Budget

Dear Distinguished members of the Appropriations and Financial Services Committee, and the Housing and Economic Development Committee:

The Retail Association of Maine respectfully submits this testimony in opposition to Part EE of the supplemental budget, which directs the State Controller to transfer \$700,000 from available balances in the Tourism Marketing Promotion Fund to the Department of Economic and Community Development's Municipal Investment Fund.

The Retail Association of Maine was a founding member of the Maine Tourism and Hospitality Alliance and worked closely with policymakers to establish the structure of the Tourism Marketing Promotion Fund. The original agreement was straightforward: the tourism and hospitality industry supported an increase in the meals and lodging tax with the understanding that 5 percent of the combined tax would be dedicated to marketing Maine as a tourism destination. That partnership has functioned successfully for more than two decades and remains a defining feature of Maine's tourism model. We have consistently opposed any diversion of these dedicated funds for purposes outside tourism promotion and are disappointed to see a proposal to redirect \$700,000 from the Fund.

Part EE authorizes this transfer "notwithstanding any provision of law to the contrary," which underscores the seriousness of the proposal. The Tourism Marketing Promotion Fund was intentionally structured as a dedicated revenue stream to ensure stable, predictable investment in promoting Maine. That statutory dedication reflects a deliberate and long-standing legislative decision that tourism marketing is a core economic development strategy—not a reserve account to be accessed in times of fiscal pressure.

While the proposal characterizes the transfer as coming from “available balances,” those balances are not excess in the traditional sense. They are the result of a formula that has functioned as designed. As visitation increases, revenue grows. Those dollars are then reinvested to maintain Maine’s competitiveness in a highly competitive national and international tourism marketplace. Interrupting that reinvestment cycle—even on a one-time basis—introduces uncertainty and weakens the predictability that long-term marketing strategies require.

For retailers across Maine, tourism is not abstract. It is foundational. Seasonal visitation determines staffing levels, inventory decisions, and in many rural communities, whether small businesses remain viable through the off-season. Marketing drives demand. Demand drives sales. Sales support jobs, municipal revenues, and community vitality.

Equally important is the precedent this action would establish. The Tourism Marketing Promotion Fund has historically been treated as a dedicated revenue stream insulated from redirection. If those funds can be swept whenever fiscal pressures arise, the concept of statutory dedication becomes unreliable. A one-time transfer risks becoming a recurring solution in future budget cycles, eroding confidence in the stability of the program.

Other states provide cautionary examples. When tourism marketing investments are reduced or disrupted, the economic effects can be measurable and long-lasting. Rebuilding brand visibility and market share is often significantly more expensive than maintaining consistent promotional investment.

The Retail Association of Maine has consistently opposed the use of Tourism Marketing Promotion Fund dollars for purposes outside those established in statute. We respectfully urge the Committee to reject Part EE and preserve the integrity of this dedicated funding mechanism.

Protecting the Tourism Marketing Promotion Fund protects Maine’s tourism-driven retailers, sustains local economies, and reinforces a policy model that has delivered measurable returns for communities across the state.

Sincerely,

A handwritten signature in cursive script, reading "Curtis F. Picard".

Curtis Picard, CAE
President and CEO