



Testimony of
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Before
The Joint Standing Committee on Transportation

Neither For Nor Against
LD 1177 "An Act to Assess a Slip Fee on Megayachts Registered in Overseas Tax Havens"

Senator Chipman, Representative Williams, I am Erik Jorgensen, Senior Director of Government Relations and Communications at the Maine State Housing Authority (MaineHousing) and I am submitting this testimony neither for nor against LD 1177 "An Act to Assess a Slip Fee on Megayachts Registered in Overseas Tax Havens"

MaineHousing has been helping Maine people own, rent, repair, and heat their homes since 1969. We are an independent state authority (not a state agency) created to address the problems of unsafe, unsuitable, overcrowded, and unaffordable housing. We are authorized to issue bonds to finance single family mortgages for first time homebuyers and for affordable multifamily housing.

We are also authorized to administer a number of state and federal programs, including rental subsidies, weatherization, fuel assistance, two housing block grants, the low-income housing tax credit program, and homeless grant programs. We receive state general fund revenue for homeless programs and receive a dedicated portion of the real estate transfer tax for the Housing Opportunities for Maine (HOME) Fund.

MaineHousing has reviewed LD 1177 and we appreciate the opportunity to testify "neither for nor against" this measure. The bill proposes to assess a slip fee of \$10 per day for yachts operating in Maine but flagged to "overseas tax havens". The first 100 feet of yacht length would be excluded. This fee, assessed in addition to regular dockage, would accrue to a non-lapsing "Megayacht Fund" that would be split among different uses, with 50% of the proceeds being directed to affordable housing programs through the Maine State Housing Authority.

MaineHousing is not able to offer an official opinion on the funding mechanism, which is a policy decision to be made by the Legislature. We don't know how many megayachts meeting these specifications visit Maine in a typical year, or how much revenue this fee would generate, so we feel that if this bill were to move forward, it would be important that these fees be applied to programming that is scalable.

We can say that if this bill did advance and funds from such a fee were made available to our agency, they could be used as specified, for homelessness prevention and diversion programming. The State of Maine does not currently offer an emergency rental assistance program and we would be hesitant to start a new program based on this single funding source. We would instead suggest that the remainder of the MaineHousing portion of this fund be directed either to general affordable housing creation or to the shelter operating subsidy program, which provides direct operating support to homeless, youth and domestic violence shelters around Maine. This, we feel would most efficiently achieve the aims of the bill, which are to serve people in or at risk of homelessness.

We appreciate Representative Lookner for bringing this bill forward, and for his interest in helping to promote affordable housing.

Thank you.