

March 2023

To: The Committee on Transportation

RE: LD 1177 – An Act to Assess a Slip Fee on Megayachts Registered in Overseas Tax Havens

Senator Chipman, Representative Williams and members of the Committee on Transportation,

My name is Stacey Keefer. I am a resident of Union, Maine and I am testifying today in my capacity as Director for the Maine Marine Trades Association (MMTA). MMTA represents over 120 Maine businesses and an industry comprised of boatyards, boat builders, marinas, boat dealers, marine retailers, and more. Boating is a major contributor to the value added to Maine's gross domestic product, and surpasses the value added by all other major recreation sectors. The federal government's Bureau of Economic Analysis reported that data shows that boating and fishing surpass the value added by RVing, hunting, snow activities, hiking, camping, ATVing, equestrian, bicycling, and recreational flying combined. (source <https://www.bea.gov/data/special-topics/outdoor-recreation>).

I have respectfully nicknamed this bill the Robin Hood bill. This is not a reference to our own Derektor Robinhood Marina member in Georgetown, Maine. It is a reference to a well-known character who heroically looked after commoners and aimed his bow in a noble gesture to take from the wealthy to help the less fortunate. We want to be absolutely clear that we do recognize that there is significant disparity in the world --globally, nationally, and locally. We are not against funding for housing assistance and helping people who are experiencing homelessness. However, we do oppose this legislation which appears to be a cash grab from wealthy tourists in an effort to alleviate complex, systemic issues that have no direct correlation to their visit to Maine waters via megayacht.

MMTA might consider supporting specific fees on megayacht tourism at public docks if the funds collected were somehow funding improvements for their accommodations such as improved piers, docks, waste handling, or shoreside services. Owners, crew, charterers, and guests on these yachts often stay on board. In many Maine harbors, these vessels can be too large to acquire dockage and then simply drop anchor. We do not believe there is any direct connection between visiting megayachts and local housing issues in Maine. In our opinion, short term vacation rentals would seem like a more relevant target to tax because those rentals have affected access to long term and affordable housing.

We believe the impact from visiting megayachts has an incredibly positive effect on the local economy. These visitors often desire to purchase local provisions, including Maine seafood. They support restaurants, artisan, shops, salons, spas, and galleries. These are the people who can walk into a small gallery and spend enough money on a piece of artwork that can then support a local Maine artist for the entire year. Their dockage supports both private and public marinas who have invested in costly infrastructure to accommodate these vessels. The revenue

they provide is critical for offsetting these investments. Florida has a study on the financial impacts of megayachts that we would be happy to share is desired.

Furthermore, we would like to add that megayachts are not just registered in certain places to avoid paying taxes. Many of them run charter operations and hire international crew. Unfortunately, the United States has some antiquated maritime laws that make employment and insurance challenging or prohibitive to run these vessels as a domestic business.

Lastly, we wish to point out that there are plenty of other ways that wealthy tourists visit Maine and also support our economy. However, we do not believe that the State collects extra taxes from luxury vehicles parked at premier resorts or from private jets. Though it feels awkward to oppose a bill that has good and noble intentions, we ask the Committee to vote ought not to pass on LD1177.

Respectfully,
Stacey Keefer
Maine Marine Trades Association, Executive Director

