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*Testimony of Rep. Maureen Terry introducing*

**LD 1918, An Act to Modernize Maine's Business Incentive Programs by Creating the Dirigo Business Incentives Program and Eliminating Certain Other Tax Incentive Programs**

*Before the Joint Standing Committee on Innovation, Development, Economic Advancement and Business*

Senator Curry, Representative Roberts and esteemed colleagues on the Joint Standing Committee on Innovation, Development, Economic Advancement and Business, I am Maureen Terry, representing part of Gorham in House District 108. I am thrilled to present **LD 1918, An Act to Modernize Maine's Business Incentive Programs by Creating the Dirigo Business Incentives Program and Eliminating Certain Other Tax Incentive Programs.**

This program is intended to fulfill the mission that the Pine Tree Business Incentive Program and the Employee Tax Increment Financing (ETIF) program initially sought to accomplish, but have so far failed to do so adequately.

I will never forget my first day on the job in the Legislature. I read the Pine Tree report and to say I was confused was an understatement. The report gave me absolutely no information about how the program was working, what metrics were used to measure success or if it was actually benefiting rural Maine communities as intended. Since then, I've spoken with folks who have been around for a long time who have helped explain the intent of these programs and the many ways they have evolved over the years.

What started out as specifically a rural development tool for businesses has turned into an economic development tool for the entire state, which deviated significantly from its initial purpose. Unfortunately, we were never really able to understand just how far off the rails the Pine Tree program went because there are no metrics to measure its successes or failures.

At its core, the Dirigo program is a business incentive for exactly the kinds of businesses that are growing fastest, nationally, and that we want to encourage to come and set up shop here in Maine. It's industries like aquaculture, biotech, software, professional services, among others that are getting national attention for their rate of growth. If Maine, and especially rural Maine, wants to be competitive in these burgeoning markets, we need to establish ourselves as an attractive destination. Dirigo accomplishes that.

This program would only cost the state \$50 million but the return on investment is estimated at roughly \$750 million - excluding the dollars brought in by more folks moving to Maine, starting families, buying homes, and contributing to the economy in their day-to-day lives. This is a smart decision for our state.

Not only will it attract the kind of industry we want and need, especially in targeted rural communities, it also better serves the goals of the ETIF program by tying the credit to skilled workers. This encourages businesses to invest in their employees' continued education and prioritizes hiring folks who are trained or who are highly motivated and seeking greater professional development opportunities.

My favorite part of the Dirigo program is that we will no longer be in the dark about the effect our investments are having on the state's economy. Included in this proposal are clear, annual, public reporting requirements. This will ensure that we are optimizing our investments in accordance with Maine's strategic plan while simultaneously creating space for bright, talented individuals and businesses in Maine's future.

I am incredibly excited about this program and look forward to working with the committee to make this a reality for Maine. Thank you, and I'm happy to take any questions you may have.