



# HOUSE OF REPRESENTATIVES

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*Testimony of Rep. Lori K. Gramlich in opposition to*  
**LD 225, An Act to Reduce Property Taxes and Finance Public  
School Construction and Education Through a 3 Percent Sales Tax  
on Hotel and Lodging Place Rentals**  
*Before the Joint Standing Committee on Taxation*

Senator Grohoski, Representative Cloutier and esteemed colleagues of the Taxation Committee, my name is Lori K. Gramlich, and I represent the lovely seaside community of Old Orchard Beach, House District 131. Thank you for the opportunity to testify in opposition to LD 225.

Maine has many public K-12 buildings, including in York County where I live, that require significant and expensive renovations and new construction. I have had the opportunity to see firsthand the need for capital improvement projects at our local schools, as well as others in Maine, and I also know that such projects can put increased pressure on our local property taxes.

When I was approached to sign on to this legislation, I was heartened to consider a proposal that would mitigate school capital project costs without increasing property taxes, and I initially agreed to cosponsor the bill to help initiate an important conversation.

However, the proposed lodging increase included in this bill would have a significant negative impact on the local economy in my community and others like it that rely heavily on tourism. That is why I am speaking against LD 225. Folks in my community and, indeed, across Maine know that the tourism industry is the cornerstone of our economy. In 2023, visitors spent more than \$9 billion here, supporting an incredible 131,000 jobs.

I am especially concerned about any policy changes that could harm our tourism industry in light of the recent deterioration in U.S.-Canada relations. Many Canadian families have been visiting Maine for generations. According to the Maine Office of Tourism, the vast majority of Canadian tourists who visit Maine are repeat visitors — many of whom have traveled here more than 10 times. That's particularly true in Old Orchard Beach, as evidenced by Canadian Prime Minister

Justin Trudeau specifically referencing our community by name in recent remarks about U.S.-Canada relations.

The connection these folks feel to our beautiful state has been carefully cultivated for decades, but that doesn't mean it can't be unraveled. We know this from recent history, because the number of international visitors is still recovering from the challenges of the pandemic years.

If Canadians are unwilling or unable to visit Maine due to the current political and economic climate, it will directly harm Old Orchard Beach and communities like ours. Our local businesses are likely to see reduced revenues and higher levels of uncertainty. Local workers may have reduced hours and income during the busy season they rely on to make ends meet. Lodging, hospitality, retail and dining establishments are at risk, and businesses and workers in all sectors will feel the ripple effect through the economy.

I share this simply to illustrate that our tourism industry is already facing heightened uncertainty and increased challenges. Now is not the time to add to the anxiety and potential difficulties our small businesses and workers face.

Thank you for your consideration. I would be happy to answer any questions or if I can be helpful as you deliberate.