



Senator Grohoski, Representative Cloutier, and members of the Joint Standing Committee on Taxation:

My name is Alexis Miller, Experience Curator for Cottage Connection of Maine, a second-generation family business. I am here today to express my strong opposition to LD 632, "An Act to Allow a Local Option Sales Tax on Short-term Lodging to Fund Affordable Housing."

As someone who's worked in Maine's tourism sector all their life, I've observed the repeated introduction of bills like LD 632 over the years, with several being introduced this session, including another one today. These proposals, while well-intentioned, consistently threaten the hospitality and tourism industry, Maine's largest economic driver.

My primary concern is that LD 632, like its predecessors, will negatively impact Maine's tourism industry – the largest industry in our state. It introduces a local option sales tax that will create unfair competition among towns, harming the industry as a whole, not only economically, but by creating a fundamental shift in the spirit of Maine (which is why people both visit and move to Maine): the spirit of "A rising tide lifts all ships" will be killed if this bill is passed, by creating a dog-eat-dog mentality across our local communities. Is that the Maine you want to live in? I don't.

In addition to that change in our psyche, this bill will put added financial strain on the tourism industry. Adding additional taxes, especially in a time where the Maine Office of Tourism has already reported a 9% drop in visitors from 2023 to 2024, will harm the largest industry in our state. This in turn will drive the number of visitors down further, shrinking the industry as a whole (and the tax revenue the state accrues from it, which totaled \$1,431,365,400 in 2023, per the Maine Office of Tourism.) What happens when this industry shrinks? Jobs, and even whole businesses, disappear. People move out of state to find work. And when those folks move, they stop paying taxes in Maine, further increasing the tax burden on the rest of us, making this state an even less affordable place to live than it currently is. Are you able to explain to your constituents how that helps create affordable housing in our state?

In summary, I oppose LD 632 because it poses a significant threat to Maine's vital tourism industry, creating the potential for a massive economic and tax impact that will make life in Maine less affordable for everyone. I urge the committee to reject this bill and instead focus on solutions that support sustainable growth for all sectors instead.

Please vote Ought Not To Pass.

Cottage Connection
675 Wiscasset Rd
Boothbay, ME 04544
reservations@cottageconnection.com 207-633-6545