



HOUSE OF REPRESENTATIVES

2 STATE HOUSE STATION
AUGUSTA, MAINE 04333-0002

(207) 287-1400

TTY: Maine Relay 711

Rafael L. Macias

77 Fox Run

Topsham, ME 04086

Phone: (207) 891-1084

Rafael.Macias@legislature.maine.gov

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Testimony of Rep. Rafael Macias introducing

LD 1499, An Act to Revoke the Tax-exempt Status of an Organization That Fails to Report Sexual Assaults Committed by Employees, Board Members, Volunteers or Affiliates

Before the Joint Standing Committee on Taxation

Senator Grohowski, Representative Cloutier, and esteemed members of the Joint Standing Committee on Taxation. My name is Rafael Macias, and I represent House District 51, which includes part of Topsham. Thank you for the opportunity to introduce **LD 1499, An Act to Revoke the Tax-exempt Status of an Organization That Fails to Report Sexual Assaults Committed by Employees, Board Members, Volunteers or Affiliates**.

This bill comes from a place of deep conviction: that public trust is sacred, and that any organization receiving public tax benefits must be held to a standard of public accountability—especially when the safety of children and vulnerable people is at stake.

For decades, under the protection of its nonprofit tax-exempt status, the USA Gymnastics organization looked the other way while Dr. Larry Nassar, the team physician, sexually abused more than 500 young athletes. Olympians like Simone Biles, Aly Raisman, and McKayla Maroney pleaded with adults to listen. But the system valued medals over truth, endorsements over justice, and reputation over safety.

The cost? Years of untreated trauma, failed dreams, and shattered lives. Taxpayers, through the organization's nonprofit status, subsidized a structure that silenced victims.

And it's not an isolated story.

- The Southern Baptist Convention report of 2022 documented how church leaders maintained a secret list of over 700 credibly accused individuals, while survivors were ignored and transferred ministers continued abusing in new congregations.
- The Catholic Church—from Boston to Los Angeles to Ireland—faced decades of internal documents showing a pattern: credible reports were buried, abusers were moved, and victims were left behind.
- The Boy Scouts of America, one of the most iconic institutions in the country, ultimately declared bankruptcy after over 80,000 claims of abuse came to light.

These are not rogue actors. These are institutions with mission statements built around service, trust, and care—but in each case, their power and privilege were protected at the expense of the vulnerable.

And in every case, they enjoyed tax-exempt status.

LD 1499 does not seek to punish organizations for isolated mistakes or unproven allegations. It sets a clear and fair threshold: If an organization fails to report allegations of sexual assault on two separate occasions over a ten-year period—and those failures are substantiated in court or administrative hearings—then that organization loses its state tax-exempt status.

This isn't about politics or religion or ideology.

This is about public safety.

This is about ending the era of silence and saying plainly that if you want the privilege of tax exemption in the state of Maine, you must meet your legal and moral obligation to protect the people you serve.

Plainly said, power without accountability becomes a weapon.

And when that power is institutional—when it's wrapped in the trust of a church, the prestige of a university, or the reputation of a charity—it can be terrifyingly difficult for survivors to speak out.

This bill recognizes that reality. It provides a clear consequence for institutions that protect abusers through inaction. And it provides a path to redemption: any organization that loses tax-exempt status under this law can reapply in five years—if it demonstrates full compliance, implements protective policies, and cooperates with law enforcement.

I know some will say this bill is too strong. But if you ask the survivors of Nassar, or the children ignored in church pews and summer camps, they'll tell you—it's not strong enough.

We should not wait for another report. Another headline. Another survivor standing alone.

Let Maine be the first state to say that our public tax code will not subsidize silence, nor reward institutions that fail their most sacred duty—to protect the people in their care.

LD 1499 is about integrity, accountability, and justice. I urge this committee to support it and send a message to every tax-exempt organization in Maine: Do the right thing—or forfeit the public's trust.

Thank you for your time and attention. I would be happy to answer any questions.