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Written Testimony Supporting (LD 1547)

From: Matt Stedman

Executive Vice President of Maine Snowmobile Association, Ashland Maine resident

To: Taxation Committee

Dear Senator Grohoski, Representative Cloutier & taxation committee Members,

I am here today to testify on behalf of the Maine Snowmobile Association in support of LD1547. Part of our mission statement includes encouraging the passing of legislation and regulations in the best interests of both snowmobilers and landowners.

The Maine Snowmobile Association represents 280 clubs across the state, all are groups of volunteers working to support the sport they love, their local communities and rural economy of the state. These volunteers maintain over 14,000 miles of trails from York to Allagash, Calais to Oquossoc and everywhere in between.

These individuals report out over 138,000 volunteer hours (5 yr avg 2019-2013) and put in what I can only assume to be 10,000 more hours doing fundraisers and landowner relations.

Economic Impact Study refresh April 2024 (UMaine, Prof. Jessica Leahy)

- 2022-23 season was \$710 million dollars (in 2024 dollars)
- 2023-24 season was \$582 million dollars (in 2024 dollars)

Snowmobiling in Maine added \$582,000,000 to the State economy in the winter of 2023-2024, which was a short season with reduced registration numbers and therefore reduced revenue. The season before when we had an average number of registrations was \$710,000,000. This economic impact provided by volunteers and funded by State trail grant programs **only** receive funds from snowmobile registrations in the amount of \$3,045,743 (2023-2024) and 0.87% or \$1,530,072 (2023-2024) from gas tax.

2019-2023 Municipal & Club In-Aid grants only funded 59% of reported expenses, this still left a \$2.66 million short fall of the club's reported cost.

2019-2023 Capitol Equipment In-Aid grants funded 24% of the equipment cost,\$13.4 million shortfall of the total equipment cost.

This funding formula is no longer working for our clubs. They need more funding.

We believe that the In-Aid Grant Programs for snowmobile trails and capital equipment need a long-term funding approach from avenues other than registrations and gas tax. LD1547 is proposing that 40% of the snowmobile sales tax collected annually be dedicated to the Snowmobile Trail Fund of the Department of Agriculture, Conservation and Forestry, Bureau of Parks and Lands, Off Road Vehicle Office, Snowmobile Program. Of that 40%, 80% be dedicated to trail maintenance program and 20% dedicated to capital equipment grant program.

This is derived from LD259 in last year's legislative session to direct sales tax revenue from automobile to the highway fund. That bill passed and was enacted.

In summary the Maine Snowmobile Association and its associated clubs and members know our program needs more funding to survive & thrive into the future. We need long-term funding solutions that we can count on for years to come so that we can continue to prepare for and maintain trails for our local residents and tourists to enjoy.

I ask that you take this into consideration and support LD 1547.

Matt Stedman

Exec VP, Maine Snowmobile Association