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Testimony of Nate Cloutier

Before the Joint Standing Committee on Judiciary
May 5, 2025

**In Support of LD 1224, “An Act to Comprehensively Protect Consumer Privacy”
In Opposition to LD 1822, “An Act to Enact the Maine Online Data Privacy Act”**

Senator Carney, Representative Kuhn, and distinguished members of the Joint Standing Committee on Judiciary, my name is Nate Cloutier, and I am here today on behalf of HospitalityMaine, representing Maine’s restaurant and lodging industries. I am also testifying on behalf of the Maine Tourism Association (MTA). MTA has been promoting Maine and supporting tourism-related businesses—from lodging and dining to camps, retail, guides, amusements, and historic attractions—for over 100 years. HospitalityMaine and the Maine Tourism Association support the bipartisan proposal in LD 1224 and respectfully oppose LD 1822.

Together, our industries employ more than 130,000 people and have an effect of nearly \$16 billion on the Maine economy. According to the Maine Office of Tourism, that impact helps lower the tax burden for every Maine household by nearly \$2,500. Maine’s hospitality and tourism businesses are fueled by small, independent, family-run establishments. In many ways, they’re what make Maine feel like Maine—for both people who live here and those who visit.

From small coastal inns to family-run restaurants, these businesses define the character of our communities. And right now, many of them are navigating real uncertainty. Between food and labor costs that have both increased 30% in the last five years, staffing challenges, and shifting travel patterns, small business owners are watching every dollar. Adding complex and inconsistent privacy regulations into the mix, especially those that don’t match what neighboring states are doing, only adds to that uncertainty.

We support LD 1224 because it strikes the right balance. It protects consumer privacy, gives people control over their data, and sets clear expectations for businesses. Just as importantly, it aligns with laws passed in 17 other states, including NH, RI, and CT. That consistency matters.

What we are trying to avoid is a situation like LD 1822 could create, where Maine becomes an outlier. As you know, this is modeled after a Maryland law that hasn’t even taken effect yet. It creates compliance burdens that even large companies would find difficult to manage, let alone the small businesses like I work with every day.

Take, for example, a small inn in Boothbay that depends on repeat customers and targeted outreach. Under LD 1822's standards on targeted advertising (particularly, the "reasonably should know" language), it's unclear whether that business could confidently run a Facebook ad aimed at families looking for summer getaways. Would someone in that audience be a minor? Possibly. Could that ad now be considered too risky to run? Quite possibly. That's a problem.

Or think about a local restaurant in Bar Harbor that sees thousands of digital interactions during peak season. Those are just folks checking the menu, making a reservation, or looking for directions. But under LD 1822, all of those website visits count toward a 35,000-consumer threshold—a number so low that many small and seasonal businesses could hit it without realizing it. Once they do, they'd have to conduct data protection assessments even if they don't collect much personal information at all. Maine's law should have a 100,000-consumer threshold like most other states with a data privacy law.

Even small businesses that don't meet that threshold could still have compliance obligations as "processors." They'd be required to modify contracts, conduct data mapping, and ensure any subcontractors meet the same standards. These are real costs both in dollars and time, and the more Maine's policy differs from those in other states, the higher those costs will be.

By contrast, we view LD 1224 as modeled on a bipartisan, regional framework that provides necessary clarity. It requires opt-in consent for the use of sensitive data, rather than ambiguous standards like "strictly necessary." It gives enforcement authority clear guidance, and it gives businesses a chance to comply with consistent regulations that are already being implemented across the country.

This is especially important in tourism. Hospitality businesses don't just compete with each other; they compete with neighboring states. If an inn in Conway, New Hampshire, can market itself more effectively than a lodge in Bethel, that's a real disadvantage. If a Portland restaurant loses out to a Portsmouth one because of different privacy requirements, that's revenue leaving our state.

Hospitality and tourism have helped carry Maine through challenging times. These businesses, many of whom are your constituents and neighbors, are eager to comply with thoughtful privacy protections. But they need a framework that's workable. LD 1224 provides that. LD 1822 does not.

Thank you for your time and attention. I would be happy to answer any questions now or for the work session.