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Testimony of Nate Cloutier

Before the Joint Standing Committees on Appropriations and Financial Affairs
and Housing and Economic Development

February 19, 2026

In Opposition to LD 2212, Part EE, “An Act Making Supplemental Appropriations and Allocations from the General Fund and Other Funds for the Expenditures of State Government and Changing Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Years Ending June 30, 2026 and June 30, 2027”

Senators Rotundo and Curry, Representatives Gattine and Gere, and distinguished members of the Joint Standing Committees on Appropriations and Financial Affairs and Housing and Economic Development, my name is Nate Cloutier, and I am here on behalf of HospitalityMaine (HM) and the Maine Tourism Association (MTA). HM represents Maine’s hospitality industry, including lodging establishments, restaurants, and related businesses. MTA has been promoting Maine and supporting tourism-related businesses for over 100 years. Both organizations oppose Part EE of LD 2212, “*An Act Making Supplemental Appropriations and Allocations from the General Fund and Other Funds for the Expenditures of State Government and Changing Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Years Ending June 30, 2026 and June 30, 2027.*”

I want to begin by recognizing the strong working relationship we have with the Maine Office of Tourism and Director Carolann Ouellette. The partnership between the state, industry associations, and the businesses that serve visitors every day has helped keep Maine competitive.

Part EE proposes to transfer \$700,000 from the Tourism Marketing Promotion Fund. That fund is a key piece of how the Office of Tourism markets Maine beyond our borders, particularly in other states. The out-of-state targeted advertising efforts are essential to remaining competitive within New England and attracting first-time visitors to Maine.

Tourism performance can shift quickly. In January, Maine’s lodging occupancy was 37%. The New England regional average was 46%. For 2025, lodging occupancy averaged 57%, down 5.5% from 2024 (Smith Travel Research).

Those figures are a reminder that we're competing in a regional market and can't take visitation for granted.

Other states continue to invest heavily in tourism promotion. The Tourism Marketing Promotion Fund is one of the primary tools Maine has to compete in that environment. Maintaining a stable and protected funding structure allows the Office of Tourism to plan campaigns strategically and maintain visibility in key markets.

As you've heard, the TMF was established in statute in 2001 to dedicate a portion of meals and lodging tax revenue to marketing. Restaurant and lodging businesses generate those dollars with the understanding that a portion will be reinvested to keep visitors coming. Any change to that framework sends the wrong signal that the fund may be available for other purposes in the future.

Tourism supports more than 110,000 jobs statewide and generates a nearly \$15 billion annual impact to the Maine economy. Visitor spending also reduces the tax burden on Maine households. Sustained promotion plays a direct role in that economic activity.

For these reasons, we respectfully ask the committee to reject Part EE of LD 2212 and keep in place the framework that recognizes how much this industry contributes to Maine's economy across economic cycles, in strong years and more challenging ones alike.

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