

Office of Policy and Legal Analysis

Date: April 28, 2021
To: Joint Standing Committee on Innovation, Development, Economic Advancement and Business
From: Rachel Olson, Legislative Analyst
Re: LD 1493, Resolve, Directing the Department of Economic and Community Development To Create and Administer a Fund To Provide Seasonal and Tourism Industry Recovery Grants (Emergency) (Rafferty)

Bill Summary

This resolve directs the Department of Economic and Community Development to create and administer a fund to provide grants to seasonal and tourism businesses to compensate for the loss of revenue and profits due to state-ordered closures or restrictions to prevent the spread of COVID-19, to be funded by any federal funds received by the State in 2021 eligible to be used for that purpose. The program is based on the Maine Tourism, Hospitality and Retail Recovery Grant Program operated by the department to disburse past federal stimulus and recovery funds to counter the adverse economic effects of the COVID-19 pandemic.

Testimony:

Proponents: Senator Rafferty, sponsor; Senator Baldacci, cosponsor; Brian Bickford, Maine State Golf Association; Marjorie Evans, Belgrade Lakes Golf Club; Nancy Calvert, Lake Kezar Country Club; Michael Dugas;

*Please note: Many who supported the bill did so because of the sponsor's suggested amendment to remove the exclusion of golf courses.

Opponents: None

Neither for nor against: Carolann Ouellette, Maine Office of Outdoor Recreation/DECD; Alison Sucey, Maine Tourism Assoc.; Gregory Dugal, Hospitality Maine; Dirk Gouwens, Ski Maine Association; Michael Sutton;

*Please note: Many who testified orally or through writing as NFNA, expressed support for the idea, but spoke of concerns around specific elements of the bill.

Information Requests:

1. The Committee requested more information around how funds made available as a part of the American Rescue Plan (2021) could be used.

At this time, additional guidance, outside the general parameters and dollar amounts, is still under development. The Rescue Plan Act provides \$350 billion in emergency funding for state, local, territorial, and Tribal governments to respond to the COVID-19 public health emergency, or its negative economic impacts, including by providing assistance to households, small businesses, and nonprofits, or aid to impacted industries, such as tourism, travel, and hospitality; respond to workers performing essential work during the COVID-19 pandemic by providing premium pay to eligible

workers of the State, territorial or Tribal government performing essential work or by providing grants to eligible employers that have eligible worker; provide government services, to the extent COVID-19 caused a reduction of revenues collected in the most recent full fiscal year of the State, territorial, or Tribal government; or make necessary investments in water, sewer, or broadband infrastructure.

The Recovery Fund provides funding for critical projects, and includes:

- \$195 billion for states
- \$130 billion for local governments, including counties, cities, and smaller local governments
- \$20 billion for tribal governments
- \$4.5 billion for territories¹

Additional Information:

- [DECD Maine Economic Recovery Grants](#) and [Resources for Maine Businesses Impacted by COVID-19](#)
- [Restaurant Revitalization Fund](#)

Possible Amendments:

The sponsor offered an amendment to strike “A country club, golf club” in Sec. 3. Listed as item #4 in line 16 on page 2.

Other Considerations:

In testimony submitted by DECD, they respectfully requested that this bill be carried over until next session so that the full scope of potential resources available could be understood. As it is currently written, the bill is an emergency piece of legislation.

The Maine Tourism Association expressed concern over how strictly defined the grant program is with the bill given that the federal government has not released guidance on how funds can be used. This sentiment was echoed by the Ski Maine Association. Additionally, they noted that by using the same regulation as used in the December grant program, certain types of tourism businesses would be excluded – particularly the sales tax data, as many businesses that sell tickets are not required to charge sales tax on those tickets.

Concerns over the revenue requirements for 2020 were also expressed.

Fiscal Impact: Not Yet Determined

¹ “Coronavirus State and Local Fiscal Recovery Fund,” U.S. Department of the Treasury, April 2021, <https://home.treasury.gov/policy-issues/coronavirus/assistance-for-state-local-and-tribal-governments/state-and-local-fiscal-recovery-fund>.