



**Alison Sucey, Director of Government Affairs
On Behalf of the Maine Tourism Association**

Neither For Nor Against

***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***

April 20, 2021

Senator Curry, Representative Roberts, and Members of the Joint Standing Committee on Innovation, Development, Economic Advancement and Business:

My name is Alison Sucey, and I am the Chief Operating Officer and Director of Government Affairs for the Maine Tourism Association. The Maine Tourism Association is the state's largest advocate for all tourism-related businesses. Incorporated in 1922, MTA members include lodging, camps, restaurants, campgrounds, retail, outdoor recreation, guides, tour operators, amusements, and cultural and historical attractions. MTA also operates the seven State Visitor Information Centers from Kittery to Calais, and annually produces the state's official travel planner, *Maine Invites You*. I offer this testimony Neither For Nor Against LD 1493.

This is one of those cases where the more accurate description of our position is that MTA is both For and Against parts of this Resolve. We greatly appreciate the sponsor's intentions; and we definitely support a DECD-run grant program using federal funds to help Maine's tourism businesses recover from the severe losses many have suffered due to the pandemic.

As you know, tourism is one of the hardest hit industries by the pandemic. With over 100,000 people normally employed in tourism, it is one of Maine's largest private industries. It generates hundreds of thousands of dollars for the Maine economy. Maine needs tourism to be successful, not just for the tourism businesses and workers themselves but for the benefit it brings to the entire state. A successful tourism industry is the key to economic recovery for the state.

The problems we see with the Resolve are that it too strictly defines the grant program before the federal government has provided guidance on how the funds can be used. The Resolve may detail uses that won't be permitted or it may exclude a structure that works better and serves more businesses.

Second, by using the same regulations as were used in the December grant program, this one also would exclude a number of types of tourism businesses—most of which are in tourism segments that will be last to recover. By using the sales tax data as a determining factor, businesses such as amusements, museums, historical attractions, bus and boat charter tours, and others are excluded as they aren't required to charge sales tax on their tickets. These types of businesses rely heavily on group travel, organized tours, youth camp day trips, and business travel—those that are reduced severely or non-existent at this time. The U.S. Travel Association predicts that it will be at least 2024 before business and group travel return to pre-pandemic levels. We don't want these businesses to close permanently or lose businesses to out-of-state competitors.

It is the position of the Maine Tourism Association that the Resolve as written directs DECD to create a grant program that excludes many of the types of tourism businesses most in need and is too strictly defined. We believe DECD should have the flexibility to craft a grant program that can assist all types of tourism businesses and is done with the knowledge of what the federal regulations are concerning use of these funds.

Thank you for your consideration of these comments.