



# 131st MAINE LEGISLATURE

LD 1177

LR 2063(02)

## An Act to Assess a Slip Fee on Megayachts Registered in Overseas Tax Havens

### Fiscal Note for Bill as Amended by Committee Amendment " "

Committee: Transportation

Fiscal Note Required: Yes

### Fiscal Note

#### Potential State Mandate - Unfunded

	FY 2023-24	FY 2024-25	Projections FY 2025-26	Projections FY 2026-27
<b>Appropriations/Allocations</b>				
Other Special Revenue Funds	\$500	\$500	\$500	\$500

#### State Mandates

##### Required Activity

Requires certain municipalities to assess and collect an impact fee on privately owned pleasure vessels over 150 feet in length and remit 90% of all fees collected to the State.

##### Unit Affected

Municipality

##### Local Cost

Moderate limited scope

The required local activities in this bill may represent a state mandate pursuant to the Constitution of Maine. If the bill does require a local unit of government to expand or modify its activities so as to necessitate additional expenditures from local revenue, the state mandate provisions of the Constitution of Maine require either: (1) General Fund appropriations be provided to fund at least 90% of any additional necessitated local costs of the mandate; or (2) a Mandate Preamble be added to the bill and two-thirds of the members of each House vote to exempt the mandate from the funding requirement. If the bill does represent a state mandate and neither one of these actions occurs, the local units of government will not be required to implement the mandated activities.

#### Fiscal Detail and Notes

This bill establishes the Megayacht Fund (MF) within the Department of Environmental Protection (DEP). The bill creates an impact fee of \$10 per foot of length over 150 feet per day for up to 30 consecutive days assessed by municipalities on privately-owned pleasure vessels. Municipalities may keep 10% of the total fee collected and must remit the remaining 90% to the state to be deposited into the MF. The bill directs that 50% of the revenue deposited into the MF be distributed to municipalities to support harbor and sea level rise mitigation infrastructure and 50% to support public transit infrastructure. Because of the limited number of private yachts that may qualify for the fee, an estimate of the revenue cannot be determined at this time. The bill includes allocations of \$500 to the MF beginning in fiscal year 2023-24 to establish the program and allow for future disbursements of the revenue generated by the fee. The DEP has indicated that depending on the amount of funding available for disbursement, additional staffing may be needed to manage the disbursement program; this staffing is not included in this fiscal note but would be reflected in future budgets.

Sufficient Other Special Revenue Funds allocations currently exist within the Multimodal - Transit program to allow expenditure of any funds received.