

# MAINE STATE LEGISLATURE

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STATE OF MAINE  
DEPARTMENT OF ECONOMIC  
AND COMMUNITY DEVELOPMENT



JANET T. MILLS  
GOVERNOR

MICHAEL DUGUAY  
COMMISSIONER

## (Small) Business Ombudsman Program

### Report to Governor Mills, Commissioner Duguay and the Legislature for 2025

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Office of Business Development

Summary of Statutory **Charge of Small Business Ombudsman Program**: “The program is established to: resolve problems encountered by businesses dealing with other state agencies; facilitate responsiveness of State Government to small business needs; report to the commissioner and the Legislature on breakdowns in the economic delivery system, including problems encountered by businesses dealing with state agencies; assist businesses by referring businesses and persons to resources that provide the business services or assistance requested; provide comprehensive permit information and assistance; and serve as a central clearinghouse of information with respect to business assistance programs and services **available in the State.**”

Statutorily, the ombudsman shall report to the Governor and the joint standing committee of the Legislature having jurisdiction over economic development matters about the program with any recommendations for changes in the statutes to improve the program and its delivery of services to businesses on an annual basis.

Overall recommendations: We do not have any specific statutory changes to recommend for this legislative session, as the DECD team, in partnership with the other appropriate State agencies, are still working to implement many of the elements of the ombudsman program that are outlined in statute, which are further supported by the Actions recommended in the [10-Year Economic Development Strategy](#) within Strategy Area F: Maintain Stable and Predictable Business Rules. As part of this work over the coming years, DECD and other partner agencies may come to the legislature with recommended statutory changes to better meet the needs of **Maine’s small businesses.**



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## 2025 Year in Review:

2025 was characterized by uncertainty with Maine businesses having to navigate national topics such as tariffs, tax changes, the quickly evolving landscape of artificial intelligence (AI) and relations with Canada. Some industries found it challenging to adapt depending on how regional/international their supply chains were. **Maine's unique** regions and business sectors moved through each of these topics in various ways.

At a state level, 2025 was the first year of the Dirigo Business Incentive Program. Maine sunset the Pine Tree Development Zone Program in favor of a simpler and more streamlined incentive program. The State also made investments in life sciences and conducted outreach regarding the blue economy. So, while there was national and global uncertainty, Maine continues to make key investments in supporting entrepreneurship and small businesses.

Federal tariff discussions at the beginning of the year created significant questions and confusion for Maine businesses. The back-and-forth rollout proved difficult for businesses to follow, and many turned to experts for guidance. The Maine International Trade Center (MITC) played an important role in deciphering and communicating developments so Maine businesses could stay informed. Wade Merritt, President of MITC, and his entire team worked exceptionally hard to provide context and support as businesses navigated this new reality.

The outcome of these tariffs has had an impact on the Maine economy with some businesses facing the brunt of the cost. Tracking the impact with Canada specifically, MITC reported that exports from Maine to Canada are down nearly 20%. Forest products were hit hardest as Canadians changed habits. Visitors from Canada accounted for 4% of overall visitation this summer (2025) down 3% points from 2024 when Canadians accounted for 7% of summer visitation. These **figures were reported to the Legislature's** Maine-Canadian Advisory Commission in December of 2025.<sup>1</sup>

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<sup>1</sup> <https://www.mitc.com/2025/12/maine-exports-to-canada-down-nearly-20-with-forest-products-hardest-hit-by-tariffs>



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The tourism numbers were not a surprise and, in fact, were feared to be much worse at the beginning of the traditional tourist season. While overall tourism numbers were down 6%, the trend of visitors staying longer continued. As a result, tourism spending in Maine declined less **than in other markets. Maine's reduction in visitors was primarily driven by fewer** day visitors, which the Maine Office of Tourism reports spend less than overnight visitors.<sup>2</sup>

While the tourism numbers are better than expected, many border towns are experiencing significant hardships. The Office of Business Development fielded inquiries from struggling business owners that depend on Canadian customers. Not only are these businesses facing tariffs, but they also have fewer shoppers visiting their stores. This decline followed Canada's response to the suggestion of being the 51<sup>st</sup> state. Governor Mills did attempt to alleviate tensions by visiting Canada and challenging an International Friendly soccer match between the Halifax Wanderers and the Portland Hearts of Pine. During Governor Mills visit to Canada she met with businesses with ties to Maine, Chambers of Commerce, and provincial and municipal leaders.<sup>3</sup>

While much of the macro economics discussion revolved around uncertainty stemming from federal policy, many CEOs and business executives were taking a serious look at artificial intelligence (AI). Although products like ChatGPT were released several years ago, the conversation in 2025 changed as implementation and use cases became clearer. No longer limited to early adopters, many individuals including small business owners and their employees are using it to be more productive. Businesswire reports on a national survey that found small businesses embracing AI went from 39% in 2024 to 55% in 2025. This is a 41% increase and shows over half of small businesses are utilizing AI in some capacity. Of the small business users, 63% use AI daily and 58% report saving 20 hours per month.<sup>4</sup> Anecdotally, Maine business leaders are matching this national trend as discussed at the Maine Visionary Leaders event co-hosted by the Roux Institute, Portland Chamber of Commerce, and the National Association of Corporate Directors (NACD) New England Chapter.

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<sup>2</sup> <https://motpartners.com/wp-content/uploads/2025/10/Maine-Office-of-Tourism-May-2025-August-2025-Visitor-Tracking-Report.pdf>

<sup>3</sup> <https://www.maine.gov/governor/mills/news/governor-mills-announces-maine-welcome-canadian-premier-league-soccer-team-nova-scotia>

<sup>4</sup> <https://www.businesswire.com/news/home/20250717239434/en/AI-Adoption-Among-Small-Businesses-Surges-41-in-2025-According-to-New-Survey-from-Thryv>



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**Looking internally at the State’s initiatives, 2025 marked a significant change in the direction** of business incentives. The Pine Tree Development Zone program sunset at the end of 2024 and was replaced by the Dirigo Business Incentive Program. This change shifted the State’s focus from job creation, a priority 20 years ago, to capital investment and worker training, aligning with the **Maine’s** 10 Year Economic Plan. Certified participants have planned capital investments of \$1,343,309,949 over the next 5 years. Notably, almost 50% of certified businesses are farming (crop production) and almost 80% of planned capital investment is from manufacturing businesses.

Additional initiatives worth noting are Maine’s investment in a Life Science Innovation Center<sup>5</sup> and continued outreach with the Blue Economy Task Force.<sup>6</sup> Creating hubs of excellence is a pillar of the 10 Year Economic Development Plan and the State continues to be proactive in identifying those areas. Together, these initiatives—the Dirigo Business Incentives, the Life Science Center, and the two stages of the Blue Economy Task Force that concluded in 2025 and is geared up for development in 2026—demonstrate how Maine is positioning itself to compete on both a national and international stage.

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<sup>5</sup> <https://www.maine.gov/governor/mills/news/governor-mills-announces-creation-maine-life-sciences-center-2025-09-25>

<sup>6</sup> <https://www.maine.gov/dec/d/business-development/blue-economy>