

Testimony, LD 1893 By Earl Brechlin

Dear Chairs, Sen. Grohoski and Sen. Perry, and members of the Taxation Committee,

I am writing in support of LD 1893, a bill to allow municipalities to impose a fee on short term rentals.

By way of introduction I am a resident of Bar Harbor, a Registered Maine Guide, and recreational lobster license holder who has owned a single vacation rental on my property for 25 years. I am also a member of the Bar Harbor Town Council but I am not representing that body officially in these comments.

This law is a desperately-needed lifeline for communities all across Maine. Here are my salient points:

*Complying with state mandates, such as eliminating sewer overflows and storm water releases required the town to get a \$43 million bond two years ago. An aging 60-year-old elementary school required us to embark on the process of building a new one, requiring \$61 million in bonding last year. Neither of these will be getting a dime in state subsidies. The bond payments total almost \$3.75 million a year.

*Soaring tax rates threaten the very vitality of a year-round community. We have cut back on cruise ship visits and capped investor-owned vacation rentals to try and save the quality of life and year-round character of our town. But we also desperately need fiscal relief. It is the top town priority.

* Unlike a local options tax, a fee on short term rentals will not affect Maine residents in their daily lives as it won't apply to retail sales or meals (keeping restaurant sales robust.) Sure, Maine residents staying overnight would see a change, just as they do when they go anywhere else.

*The additional fee will not be a deterrent to visitation. We are past peak capacity. Throughout the summer our roads are gridlocked now. Mount Desert Island gets more than 4 million visits annually and no visitor has ever asked about, taxes and fees, or complained about, the state's 9 percent lodging tax. In fact, especially our repeat guests, frequently ask why we don't have a local fee, like so many of the other places and town they visit.

*Bar Harbor taxpayers are caught between the proverbial rock and a hard place. A town of just 5,000 people has 75 percent of its land area held by the federal government (Acadia National Park) which doesn't pay taxes. Add in Jackson Lab and other non-profit institutions and the total exempt property exceeds an estimated \$1 billion. Yet we struggle to provide the sewer, water, road, solid waste and public safety infrastructure and services those worthy organizations and millions of visits require.

* If in the wisdom of the committee allowing towns to set any amount is worrisome, a cap of say up to 5 percent could be included in the legislation with the ability for that to be adjusted by future legislatures.

I believe with the control over these fees engendered in the bill, the requirement of going to town meeting, whether or not to adopt them would be a reasoned and thoughtful decision.

We are more than happy to address our problems at the local level and not expect the state to pay. But we need the state's help on the regulatory front and that means you!

Please give towns that are hard-pressed the tools to have the folks that are causing the greatest impacts a chance to be part of the solution. Thank you for your time and attention and your service to the Great State of Maine!