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To: Senator Grohoski, Representative Perry, Members of the Joint Standing Committee on Taxation

Testimony in Opposition to LD 1298, An Act to Allow a Local Option Sales Tax on Short-term Lodging to Fund Affordable Housing

I live in East Boothbay. I own and operate a small family business. I am also the founding president of the Vacation Rental Professionals of Maine and currently serve on the Board of Directors. I care about Maine, our tourism industry, and being able to live and work in Maine. I grew up here and my grandfather and uncle were both State Senators for Oxford County in the 1960s, 70s & 80s.

I am writing to oppose LD 1298. My small family business, Cottage Connection, has been offering private family homes for weekly rentals for the past 31 years! What is happening to our industry is now complicated because of COVID-19 and record numbers of people moving to Maine. Yes, people have loved working from home and getting out of the big cities. But that is not the fault of vacation rentals and we should not be the scapegoat for it. Tourism lodging brought in over \$1 Billion in lodging/sales tax in 2022 (according to the Maine Office of Tourism). The tax rate of 9% is competitive with other New England States. Guests who are paying this 9% are contributing to our economy in many ways beyond the \$1 Billion of lodging tax. They shop, eat, and recreate while they are here. They provide jobs for at least 150,000 people annually. This bill has no limit to what a municipality can charge nor is it fair to single out one sector of the lodging industry.

If we continue to increase costs for visitors it will most certainly hurt our industry. I am speaking up along with hotel operators and real estate professionals who understand how important this 100-year-old industry is to Maine's economy and the livelihood of thousands who live here. Vacation rentals are in demand and will continue to be. If guests can't find them here in Maine, they will go elsewhere. Too many towns are trying to ban or severely limit vacation rentals blaming them for the lack of affordable housing. Is a \$1 Million home on the ocean affordable housing? People moving to Maine and buying "affordable" properties to live in have helped create this problem, not vacation rentals. People appreciate all that Maine offers and they want to be here too. There has been research done that shows that Vacation Rentals are not causing the affordable housing problem that is occurring all over the country.

Please exercise caution and vote "ought not to pass". I know I can speak for hundreds of property owners and rental managers. Perhaps if all rental properties had local managers 90% of all complaints could be solved.

I welcome both your comments and the opportunity to discuss this issue further in the future.

Audrey Miller
Cottage Connection of Maine, Inc.
LD 1298

Please vote "ought not to pass" on this Bill LD 1298. My letter is attached.