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February 13, 2024

Mr. Charles Skold
State Representative
House Democratic Office
Room 333, State House
2 State House Station
Augusta, Maine 04333-0002

Re: LD 1298: An Act to Allow a Local Option Sales Tax on
Short-term Lodging to Fund Affordable Housing

Dear Representative Skold,

I am writing to oppose LD 1298, *An Act to Allow a Local Option Sales Tax on Short-term Lodging to Fund Affordable Housing*. My family's property in Georgetown has been in our family since 1936. Once my parents' permanent residence, it is now a summer vacation rental. Our family uses the house year-round, so it is not vacant when not in use as a vacation rental. We are active members of our local community.

Our vacation rental business (Merwick Cottage, LLC) is professionally managed by Cottage Connection of Maine ("CCM"), also a small family business. CCM does a great job of managing the many facets of our business and the hospitality we offer to our guests. We are part of the economic life of Maine.

Affordable housing is a problem everywhere, but I submit that LD 1298 is not its solution. Guests at my summer rental already pay a 9% state lodging tax – among the highest in the nation. Making that 10% seems based on the idea that people will pay anything to come to Maine, but that is not true – they have other options in other states. I believe that 10% would be a breaking point for many of them. Will killing my business really further the cause of affordable housing in Georgetown? I think not. Our house is on the water, with a tax bill to go with it. That is fair, and I work hard to keep our taxes paid. We are a middle-class family working to hold on to a beloved property. If we were forced to sell, our home would undoubtedly go to someone with far deeper pockets than ours. It would contribute to a fishing village turning into a Millionaires' Row rather than doing much for affordable housing.

I have written a detailed guide for our rental guests. In it I promote a variety of local businesses: restaurants, shops of all kinds, bakeries, cafés, tour operators, boat rentals, fishing expeditions, private ferry services, performance venues, festivals, markets, farm stores, museums, galleries, oyster farms, historic sites, antiquing, libraries, and thrift shops. I aim to get our guests off the beaten path to a deeper appreciation of Maine's local culture, *but they are spending money along the way*. I would like to stress that this is worth something to the State of Maine. People do vote with their wallets though, and they don't have to come here.

Please feel free to contact me if you would like to speak with me about these issues.

Respectfully,

/s/ Linda Tharp Tsao
Linda Tharp Tsao

cc: Audrey Miller, Owner
Cottage Connection of Maine