

Erica LaCroix  
Farmington  
LD 746

Dear Senator Grohoski, Representative Cloutier, and Members of the Joint Standing Committee on Taxation,

I am writing to express support for LD 746, which would allow municipalities, through local voter approval, to adopt a 2% local option sales tax on short-term lodging.

Every Maine community faces unique financial challenges, whether from seasonal population shifts, infrastructure demands, rising public safety costs, or ongoing workforce housing shortages. Here in Farmington, we have a small number of short-term rentals but are seeing more tourist traffic as we are the gateway to the mountains. Additionally, we are the service center for Franklin County, and we serve not only the Farmington community, but many of our neighboring towns. Though this bill may not have a significant impact for us immediately, we are anticipating that it will in the coming years. LD 746 provides a flexible, locally controlled tool that allows municipalities to decide for themselves whether this revenue source would help address their needs without increasing the burden on property taxpayers.

Why LD 746 is Important for Maine's Municipalities:

- Local Control – This is not a mandate; it simply gives towns and cities the option to implement the tax through local referendum.
- Fiscal Flexibility – Many municipalities are struggling with rising costs for roads, emergency services, waste management, and community development. This bill allows communities to diversify their revenue base and reduce reliance on property taxes.
- Adapts to Changing Local Economies – The growth of short-term rentals and seasonal lodging has introduced new dynamics in both urban and rural areas, often adding costs that towns did not previously anticipate.
- Supports Housing & Community Investment – 10% of the revenue is dedicated to affordable housing solutions, helping communities tackle the growing challenge of workforce housing.

LD 746 is a practical, locally driven approach that respects home rule and municipal decision-making. Each town and city have different needs, and this legislation gives municipalities the choice to determine if this tool is right for them.

I encourage the committee to support LD 746 and empower Maine's communities with a new, flexible option for addressing local financial sustainability.

Thank you for your time and consideration.

Erica LaCroix, MPA  
Town Manager  
Town of Farmington, Maine