

Carol Chappell
Bar Harbor
LD 746

Dear Members of the Taxation Committee,

I am Carol Chappell, a retired grade 3 Bar Harbor teacher writing in support of LD 746. I taught school, here in town, for 30 years and have watched many changes in our community.

I live in the downtown area of Bar Harbor and, with my husband, have provided affordable year round, in-town housing for 47 years. We currently use 2 of our 6 rental units for short term lodging and I support the institution of a local option tax on lodging. Adding a 2% local tax on top of Maine's 9% lodging tax will not deter short term rental guests from staying with me. According to an HVS 2023 study entitled Top 150 Urban Centers Total Lodging Tax Rate Ranking 2023 <https://www.hvs.com/article/10015-2024-hvs-lodging-tax-report-usa> Maine's 9% tax ranks us at the second lowest tax rate in the nation. A 2% increase, for a total of 11% lodging tax, is far from the top of the 17% to 20% paid by lodging customers in many other states.

Why is this local option tax important to the residents of Bar Harbor and my family? The 5,089 residents of Bar Harbor would benefit from a local option tax to help us pay for the infrastructure needs that have been put in place to serve the guests in 3,512 hotel and motel rooms and the guests in an estimated 3,000 campsite guests in Bar Harbor. The seasonal lodging rooms and campsites in our town exceeds the number of residents. Yet we, the residents, are paying, with our property taxes, for double the service capacity we are using.

- Water and sewer services

- Upkeep of sidewalks and roads used at high volumes

- The need for a large summer force of police, fire, and emergency medical services

- Provision and upkeep of public facilities; public restrooms, signage, the daily emptying of garbage cans, daily street cleaning to clear away the dropped ice cream cones and garbage left by the people who make up the 4,000,000 visits to Acadia National Park

In 2021, Bar Harbor generated \$236 million in restaurant and lodging sales tax revenue for the state, but less than 1% of that revenue came back to our town. We put in parking meters several years ago and that source of revenue is helping with some services, but there is a limit to how much we can charge for parking. Knowing that we residents are carrying a disproportionate cost of hosting tourists is leading to animosity in our community.

Bar Harbor lodging sales of about \$142 million in 2023, almost triple the 2007 amount of \$52 million, has the potential, with a 2% local option tax, of generating needed income to provide residential property tax relief for Bar Harbor and every town in Maine that provides lodging. In addition, this tax would provide needed revenue to support affordable housing in our state.

We, in Maine, offer our tourists many wonderful opportunities. I ask you to support this local option tax on lodging. Please let the visitors to Maine help carry the cost of infrastructure services that provide the tourists with a welcoming guest experience.

Sincerely,
Carol Chappell