

Only thing left, more and more talk about increasing fees and impact payments from seasonal businesses, which can pass along to tourist

But it's the tourist demand that is fueling the need,

Rather than saddle businesses, direct from people who create the need for these services saves paperwork and hassle.

About 550,000 in revenue sharing

Bar harbor generates approximately 5k per resident per year 2021 numbers

100 million more now

30 million annually

Bar Harbor Inn General Manager Jeremy Dougherty came to the meeting with pages of data and graphs. Each state has different ways of tax policies when they manage lodging taxes. In San Francisco, the state has no lodging tax, but the city has three taxes and assessments: transient occupancy tax (14%), tourism improvement district assessment (1%) and Moscone expansion district assessment (1%). Mystic, Connecticut visitors encounter a 15% state lodging tax and then a room occupancy tax.

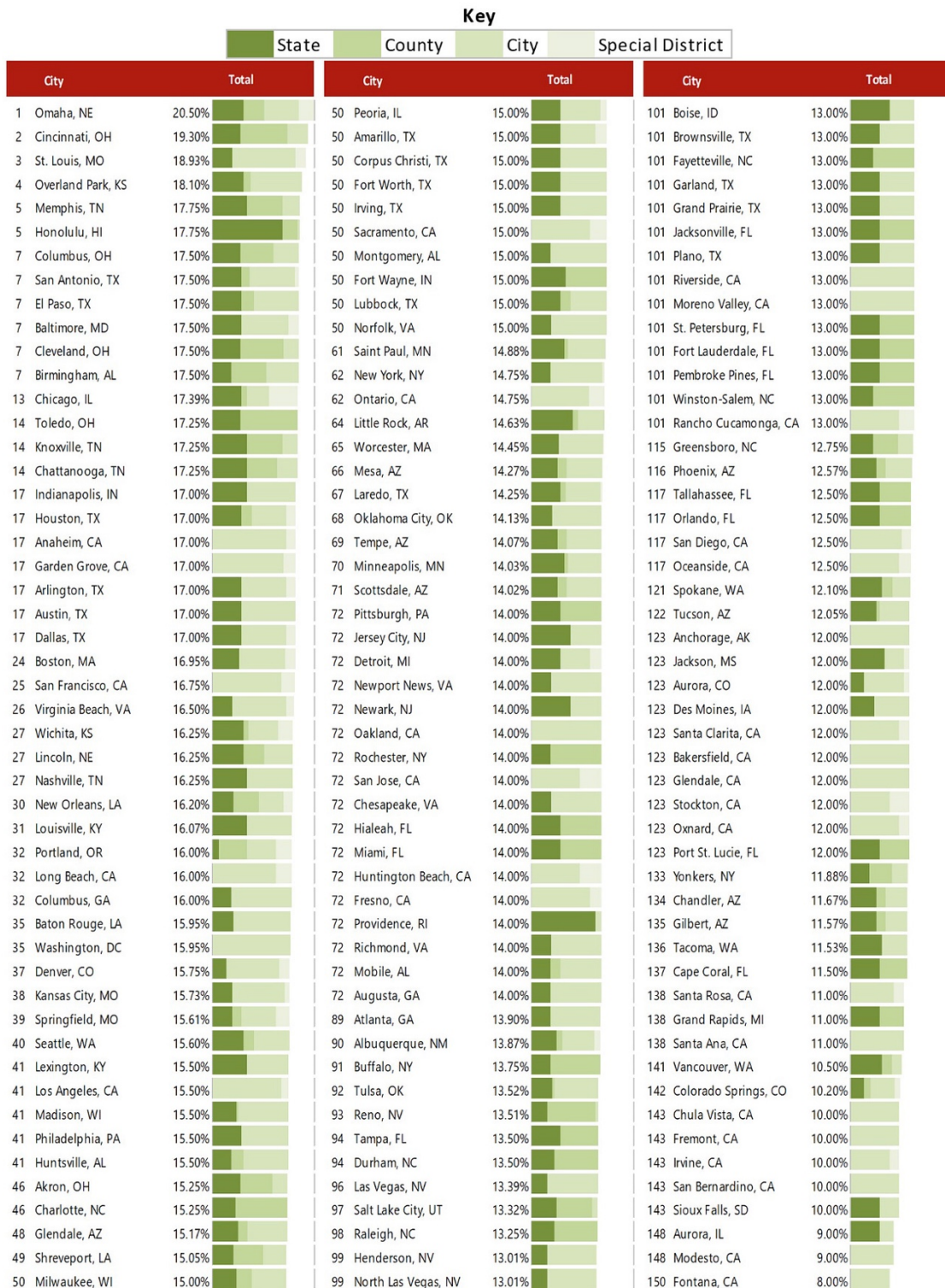
"We're one of the lowest tax burdens for visitors in the United States," Dougherty said, saying that just comparing lodging tax on a state-by-state basis doesn't tell a full tax story.

When looked at this way, Dougherty reasons, "Bar Harbor, Maine goes from being tied as the third highest with 9% tax to being tied for the second lowest."

HVS, a global hospitality consulting firm that concentrates on that industry has similar research.

That research focuses on urban centers in the graphs below. Bar Harbor is not an urban center. When compared to those top total lodging rates of urban centers, Bar Harbor would be placed at 148, tied with Aurora, Illinois and Modesto, California.

"HVS researched the total tax rate applied to lodging accommodations in the 150 most populous US cities as projected from the 2010 census. The total tax rate comprises all state, county, city, and special district taxes levied on lodging facilities within the city's urban center, where the highest special district taxes may be applied. The following tables list the tax rate applied to overnight stays at lodging facilities at the state, county, city, and special district levels, as well as the total rate imposed on an overnight stay at a lodging facility in the urban center of each of the 150 largest cities in the United States," according to HVS.



Source: Respective Jurisdictions

Tax Rates in Top 150 Urban Centers 2023

‘We’re not going to lose anybody in the Bar Harbor area if there’s an increase,’ Dougherty said.

Others wondered about if that 2% proposed would be a static number.

“How do we prevent the 2% from growing?” Jennings asked. “What are the guardrails to prevent this thing from exploding.”

Friedmann said he couldn’t say what legislators in 2027 would do. However, the tax would have to go before voters in the individual towns thinking of using it and be approved by the town’s voters before it went into effect. Half of the legislature doesn’t want any new taxes currently, with the Democrats having a small majority, he said.

“There’s more people from the state of Maine who came to Bar Harbor than the year before,” Jennings said, referencing local data and a Bangor Daily News article that said the opposite. He wondered if there is a way to waive the proposed tax for Maine residents. Friedmann said that was an interesting idea.

include municipal populations, state valuations and tax assessments. The monthly revenue

746 state house room 127 1 p.m.

Not pass 632

Testimony, LD 746 By Earl Brechlin

Dear Chairs, Sen. Grohoski and Sen. Cloutier, members of the Taxation Committee, staff, and sponsors of the LD 746, Rep. Friedmann, Speaker Fecteau, Sen. Tipping, Rep. Ray and Rep. Sayre

I am speaking in support of LD 746, a bill to allow municipalities to impose a fee on short term rentals.

By way of introduction I am a retired 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 service center communities all across Maine.

Here are my salient points:

- *Complying with state mandates, such as eliminating sewer overflows and storm water releases required Bar Harbor 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, prompting \$61 million in bonding last year. Neither of these, totally more than \$100 million, has received a dime in state subsidies even though Bar Harbor is one of the top five sales tax revenue producing communities in the state.

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 broader local options tax, a targeted one 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 towns they visit.

*Bar Harbor taxpayers are caught between the proverbial rock and a hard place. A town of just 5,000 people has more than 60 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.

I believe the requirement of going to town meeting to ask 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!