

Testimony of Mary Small  
Before the Joint Standing Committee on Taxation  
January 23, 2024

**In Opposition of LD 1893, "An Act to Allow a Municipality to Impose a Fee on Short-term Rentals for the Benefit of that Municipality."**

Chair Grohoski, Chair Perry and members of the Taxation Committee, my name is Mary Small, and I am a former Representative and State Senator from Bath. I am submitting testimony today in OPPOSITION to LD 1893. This bill, as I read it, would allow the town where I have a summer cottage to impose an open-ended tax on any rental income I receive from the weeks I rent in the summer. This is in addition to the 9% rental tax I collect for the state and the almost \$7000 in property taxes I pay for a cottage that is only inhabited four months out of the year.

I do not rent my cottage for additional income. I rent it to pay for the upkeep and the taxes on a cottage I could not afford to keep otherwise. I would certainly prefer not to rent and to spend the entire summer at the cottage my grandmother built. However, the cost of paying almost \$15,000 in property taxes on my home and my cottage makes this impossible.

Adding insult to injury, many of us on the coast have just endured storm damage that has not been seen in 70 years. On top of the thousands of dollars I have paid out to repair storm damage (summer homes are not eligible for FEMA assistance or SBA disaster loans) done by tides washing under my cottage, this legislation would require me to collect a third tax on my property for the host town that we receive no services from except use of the dump.

You might think that this is just a tax we can pass on to our renters and for some, that is probably true. But all my renters are from Maine. They are people I know. They are not wealthy out-of-staters but working families and retirees who just want a week at the beach in the summer. If I am forced to increase the cost to them, it will make it harder to increase the rental fee when my costs go up. I have kept the same rent for at least ten years but if this bill passes, I will have to increase the cost to my renters for the first time in a decade and I will see absolutely no benefit.

This bill is ill-advised and deserves a unanimous Ought Not To Pass. Thank you.