

1298

Senator Grohoski
Representative Perry
Members of the Taxation Committee

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

My name is Debra Hart and I am a resident of Manchester, Maine. I am submitting these comments on behalf of my client, the Vacation Rental Property Owners of Maine in opposition to this legislation. VRPOM represents a group of property managers for Maine vacation rental properties. They advocate for these owners who rent their properties for a number of reasons. Many were renting their properties before national vacation rental platforms were even in existence, and these properties span the entire State of Maine from coastal towns, lakefront properties, hunting, and snowmobile rentals among others. Many of these properties have been in families for a number of years, and a large number can only be kept in the family if they can rent the properties to help pay taxes and maintenance.

The property managers work with their owners to ensure the properties are safe for rental, provide other services such as coordinating landscaping/yard work, trash removal and focusing on safety for their guests by ensuring all smoke and CO2 detectors are in working order. They try to ensure guests at these rentals are mindful of being good neighbors when they are renting in Maine. And most importantly, they make sure Maine state lodging taxes are remitted.

Back in 2015, VRPOM worked on legislation that defined a vacation rental as 'a residential property that is rented for vacation, leisure or recreation purposes for a week or a month, and typically under 30 days but not for more than an entire summer or winter season, to a person who has a place of permanent residence to which the person intends to return. (Title 22, Chapter 582).' Over the years, they have weighed in on a number of bills that impacted their rental properties.

LD 1298 allows a municipality to levy a local options sales tax if approved by the voters in that community. As with all local option sales tax options, this ultimately puts one community at an advantage over another. With this bill it also pits one vacation rental option against another. You would not pay an additional 1% to the lodging tax if you were a hotel, motel, or bread and breakfast. Many times, people choose a vacation rental to save money when families are traveling together or being able to include an elderly family member who otherwise might not be able to stay in a more expensive lodging facility.

In closing, we hope you will consider the inequity of paying an additional 1% on only one type of lodging to fund other housing options. This will be unlikely to have any significant impact on a municipal program to support affordable housing but will have a significant impact on the owner of a vacation rental who oftentimes is only trying to maintain the ability to keep a valued property in the family.

Thank you for your consideration of these comments.