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To: Senator Grohoski, Representative Perry, Members of the Joint Standing Committee on Taxation

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

I have lived in East Boothbay for 31 years. For the last 30 years, I have owned and operated Cottage Connection of Maine, Inc., our small family business strictly offering private whole house family homes (most of them are on the water) for rent during the summer. I am also the founding president of the Vacation Rental Professionals of Maine and currently serve on the Board of Directors. I care about Maine, our tourism industry, and being able to live and work in Maine. I grew up here and my grandfather and uncle were both State Senators for Oxford County in the 1960s, 70s & 80s.

I am writing to oppose LD 1298.

1. Affordable housing is a problem nationwide and the influx of people from away will surely increase this problem.
2. Tourism is vital to Maine's economy bringing in over \$1 Billion in lodging and sales tax in 2022 alone. (Maine Office of Tourism).
3. Vacation home rentals have been part of Maine's tourism industry for over 100 years.
4. COVID-19 and Airbnb have impacted affordable housing and vacation rentals. People found out they could escape the cities and work from home. Young families and retirees have been moving to Maine and buying "affordable" properties to live in. And, when not in them realizing they can earn revenue by renting them. It's a win/win/win.
5. The tax rate of 9% is competitive with other New England States. Guests who are paying this 9% are contributing to our economy in many ways. They shop, eat, and recreate while they are here. They provide jobs for at least 150,000 people annually.
6. What is this 9% being used for? I know it goes into the general fund but need further clarification.
7. Vacation rentals are in demand and will continue to be. If guests can't find them here in Maine, they will go elsewhere. Too many towns are trying to ban or severely limit vacation rentals blaming them for the lack of affordable housing and many other issues that are easily fixed with local managers like us.
8. There has been much research done that shows that Vacation Rentals are not causing the affordable housing problem that is occurring all over the country. 1% of vacation homes even qualify as "affordable".
9. **As was discussed in LD 1893's public hearing, the state constitution expressly states that only the state government can create a tax. Lodging and Sales Tax are the jurisdiction of the state not the towns.**

Please exercise caution and vote "ought not to pass". I know I can speak for hundreds of property owners and rental managers. Perhaps if all rental properties had local managers 90% of all complaints could be solved.

I welcome both your comments and the opportunity to discuss this issue further in the future.