



Opposition to: LD 746



LD 746: An Act to Authorize a Local Option Sales Tax on Short-term Lodging to Fund Municipalities and Affordable Housing

Senator Grohoski, Representative Cloutier, and members of the Joint Standing Committee on Taxation:

My name is Audrey Miller, for the past 32 years I have owned and operated Cottage Connection in Boothbay. I'm here today to express my concerns regarding LD 746.

Over the past twelve years, I've consistently engaged with this committee on matters affecting Maine's tourism and lodging sectors. I understand the desire to address affordable housing. However, I believe LD 746 presents several significant challenges.

Firstly, this bill proposes a local option sales tax specifically on short-term rentals, while excluding hotels and other accommodations. This creates an uneven playing field. As you know, both short-term rentals, hotels, and other accommodations contribute substantially to Maine's tourism revenue. Singling out one segment of Maine's accommodations raises concerns about fairness and potential economic impacts.

Secondly, the implementation of a local option tax could lead to unintended consequences. It risks creating a competitive environment between municipalities, potentially discouraging tourism in towns that implement the tax. This could negatively impact the overall tourism economy, which is the largest economic driver in Maine.

Thirdly, I want to address the issue of representation. Many short-term rental homeowners are not registered voters in the municipalities where their homes are located. These homeowners contribute to the local economy by attracting visitors, maintaining their homes and generating revenue for local businesses. Should their voices be excluded from decisions that directly impact their homes?

Additionally, it is unfair to single out vacation rentals to fund the Maine State Housing Authority. All lodging sectors benefit from the state's tourism infrastructure, and therefore, all should contribute to its maintenance and development.

I urge the committee to consider these points carefully. While the goal of addressing affordable housing is commendable, I believe LD 746, as currently written, poses risks to Maine's tourism economy and raises questions about fairness and representation. I respectfully request that the committee explore alternative solutions that promote sustainable growth for all sectors of our state.

Please vote Ought Not To Pass.

Audrey Miller
Owner, Cottage Connection of Maine, Inc.
Vice President, Vacation Rental Professionals of Maine, Inc.