



**Traci Gere**

7 Towne Street  
Kennebunkport, ME 04046  
Phone: (207) 710-3557  
Traci.Gere@legislature.maine.gov

# HOUSE OF REPRESENTATIVES

2 STATE HOUSE STATION

AUGUSTA, MAINE 04333-0002

(207) 287-1400

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**Testimony of Representative Traci Gere Introducing LD 1181,  
An Act Regarding the Designation of Short-term Rental Units as Commercial or Residential in Use  
April 15, 2025**

Good afternoon Senator Curry and fellow members of the Joint Standing Committee on Housing and Economic Development. I am Representative Traci Gere, and I represent House District 134, which encompasses Kennebunkport and coastal Biddeford and Kennebunk. I am before you today to present LD 1181, which would allow municipalities to assign a commercial or residential land use code to a short-term rental unit.

Over the past five years, we have made progress in empowering municipalities to tackle their housing challenges. The two legislative housing commissions<sup>1</sup> extensively studied the issues presented by short-term rentals (STRs). We heard testimony from communities across Maine regarding the prevalence of STRs, the challenges and opportunities they present, and the roles of the state and municipalities in regulating them. In the end, the November 2022 commission report noted that STRs are affecting Maine communities differently. Some communities have been thrilled to have a few STRs pop up to provide lodging options where there had been none. Other communities have been dealing with an explosion of STRs, some of which are located on the property of a resident of the community, and others that are operated by owners who are not residents on the property. In LD 2003, we acknowledged communities' varying experiences with STRs around the state and reaffirmed municipal authority to adopt ordinances regulating STRs.

As STRs have continued to proliferate, municipalities have begun to experience the impact on their property ratio studies of the sales of residential properties with a STR history. Based on a documented revenue stream, STRs that are no one's home often sell at higher prices than similar properties used as primary residences. The inclusion of all STR sales in the municipality's residential ratio study impacts the valuations of comparable properties. By not defining and designating the difference *in use* between a STR where the owner resides in or on the property and a STR that is not anyone's permanent residence and is being operated as a business, the process can unduly impact residential properties that are truly residences.

LD 1181 represents a next step in assisting municipalities in regulating STRs in ways that work best for their communities. The bill does two simple things:

- It defines two types of short-term rentals:

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<sup>1</sup> Final reports: Commission to Increase Housing Opportunities in Maine by Studying Zoning and Land Use Restrictions, December 2021, and the Commission to Increase Housing Opportunities in Maine by Studying Land Use Regulations and Short-term Rentals, November 2022.



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- "Commercial in use" means a short-term rental unit that is not claimed as the primary residence of the owner
- "Residential in use" means a short-term rental unit that is claimed as the primary residence of the owner.
- It allows municipalities to direct their municipal assessor to assign a land use code to a short-term rental unit that designates the short-term rental unit as commercial in use or residential in use.

By acknowledging and clarifying the fundamental difference in use between a commercial and a residential STR, this measure will help municipalities address the affects of STRs on their neighborhoods and communities, and it provides a tool to do so.

Thank you for your consideration, and I ask you to support LD 1181.

Respectfully,

A handwritten signature in cursive script that reads "Traci Gere".

Traci Gere  
State Representative