

Testimony in Support of

LD 1181: An Act Regarding the Designation of Short-term Rental Units as Commercial or Residential in Use

April 15, 2025

Chairpersons Senator Curry and Representative Gere and honorable members of the Housing and Economic Development Committee:

My name is Jeremy Martin, and I am the Planning and Development Director for the Town of Camden and have been a planner and Certified Code Enforcement Officer (CEO) in the State of Maine for over twenty-five (25) years. Prior to working for the Town of Camden I was the Zoning Administrator and Development Coordinator for the City of Bangor and served as the Director of Code Enforcement for the City of Bangor for the last eight years that I was there. I have worked for small, medium-sized and large communities from Central Maine to Eastern Maine and now in the Midcoast. I am testifying today in support of LD 1181.

Not unlike most coastal communities in Maine, the Town of Camden has been struggling with a lack of affordable, let alone available housing opportunities. This lack of housing poses significant challenges for our community. The housing crisis has only become more acute and widespread since the Covid pandemic. For years the local lodging industry (B&B's, hotels etc.) has complained about the impacts that short-term rental (STRs) have had on their businesses. Often seen as an unregulated business that did not require state and local licensing and inspections, that were required of licensed lodging facilities. It is worth noting that licensed lodging facilities and STRs are providing the same or similar service of overnight accommodations for "transient guests"

As the housing crisis intensified around 2020, the community began to look deeper at the impacts that STRs were having not only on the character of neighborhoods, and the impact on public services, but on the availability of housing. After nearly two years of studying the issue, the Planning Board and Town staff determined approximately 225 STRs were operating in Camden, with the overwhelming majority of those being operated on solely to provide overnight accommodation for transient guests. It was also noted that historically many of Camden's affluent property owners had second or third homes here in Camden and visited the community in the summer used to rent their homes for nine months to Camden residents and those homes served as those tenants' primary residence. With the rise

in the number of STRs in Camden we also so the significant decline in those homes that were rented for nine months out of the year. This also has contributed to the housing crisis in Camden.

Finally, last year after two years of holding workshops on regulating STRs, Town staff drafted zoning and licensing rules for STRs to put to voters. It just so happened that when these rules were going to voters, we are also sending the State-mandated LD2003 Housing Rules to voters. The Planning Board and staff felt that in order to adequately address housing needs and opportunities, not only did we need to address lot size, density, and accessory dwelling units – all of which we addressed prior to the passage of LD2003, which required us to again tweak density, affordable housing incentives, as directed by the State, but we needed also to tackle the STR issue as well. Voters overwhelmingly approved not only the new housing rules, but they approved new zoning and licensing regulations for STRs. LD2003 provided further clarification that municipalities could regulate STRs.

What the Town did was to do just what LD 1181 is allowing for. The new voter-approved regulations created three types of STRs; Residential STRs (primary residency on the lot), Seasonal STRs (camps on the lake) and Commercial STRs (non-seasonal and non-primary residences.) Not only did we create licensing and inspection requirements for all STRs, but we also created “permitted residential and commercial” land uses in all of our zoning districts. “Commercial STRs” were now permitted as “commercial uses” in the respective zoning district.

LD 1181 is a simple but important bill in that it allows but does not mandate or require that towns treat commercial short-term rentals as commercial property, separate from residential properties.

As it is now, in Camden when a single-family home is sold, that sale becomes part of the calculation that is used to determine market value for single-family homes. The Town’s assessors do the same calculation for many property types: single-family residences, multi-unit residences, office buildings, hotels, B&Bs, etc. They use that determination to compare how our assessments are relative to market value.

As the Town’s Planning and Development Director, I field calls almost weekly were an out of state individual inquiries about purchasing a home to operate it as an STR. Prior to last year, all I could do was try to recommend that they don’t do that, as we are in the throes of a housing crisis. Based on our research the average annual revenue that is generated by an STR in Camden is about \$80,000 per year. Based on the assessing records and sales numbers it is clear that investors are willing to pay

more for single-family homes than would an individual resident. It also is clear that the amount of revenue is driving the STR train. With your support of LD 1181, towns can decide on their own how they want to treat STRs in terms of residential or commercial properties for zoning and assessment purposes.

LD 1181 will allow but not mandate the creation of a land use code specific to commercial or residential short-term rentals.

Thank you for your consideration.