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**Testimony in Opposition to LD 1181
("An Act Regarding the Designation of Short-term Rental Units
as Commercial or Residential in Use")**

**J. Andrew Cashman on behalf of the Maine Association of REALTORS®
April 15, 2025**

Senator Curry, Representative Gere and members of the Joint Standing Committee on Housing and Economic Development, my name is Andy Cashman. I am the Founder of Resolve Government Relations. We represent the Maine Association of REALTORS®, a professional trade association established in 1936 with over 6,500 members statewide. REALTORS® protect private property rights, build Maine communities, and grow our state's economy. Our members represent buyers and sellers involved in both residential and commercial real estate transactions. Our membership also includes industry affiliates, such as lenders, closing agents, title agents, appraisers, building inspectors, surveyors, etc. The Maine Association is chartered by the National Association of REALTORS® (NAR), the largest trade association in the country.

The Maine Association of REALTORS® opposes LD 1181 because it would allow municipal assessors to assign a property a special "land use code" to easily designate an otherwise residential property as "commercial" if it is used for short-term rentals. We are concerned that this new approach to classifying use of property would lay the groundwork to impose additional taxes on some properties including on second homes which are often owned and used by Maine citizens and families. This is an underhanded method to implement use fees on private property which we have adamantly opposed in the past. It is a clear violation of private property rights to re-classify how one uses their residential property. Local option fees targeting owners based on their use of private property goes against the fundamental right of one's ability to acquire, occupy, use and dispose of real property as they choose within the law. Real property ownership has been and continues to be one of the highest personal priorities for most Americans. This proposal does not consider renting property for the short term as a means for owners to pay their property taxes to keep and use their property, many of which are seasonal, generational camps.

If passed, LD 1181 would:

- Challenge Maine's rich history of family-owned camps, targeting their use by means of a new land use code. 75% of second homes in Maine are owned by Mainers.
- Make the transfer of property more complex should there now be a change in "use", likely delaying the transaction which carries its own challenges in the marketplace when inventory and affordability are at historic levels.



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- Result in loss to needed local tax revenue. Owners leasing their property for short term use are contributing to the local municipal tax base through their property taxes but are not using those services, primarily public education. Increasing expense and limiting operation of these would not only drive property owners to other markets, but also
- Short-term rentals provide housing. Individuals renting these properties are contributing to the local economy through the use of services. It is not solely for tourists or local travel. Short-term rentals are a proven solution for short-term employment contracts or per diem work (such as health care professionals and construction workers), and transition housing between moves.

The Maine Association of REALTORS® is committed to protecting and preserving the constitutional right of every individual to acquire, occupy, and use their property as they chooses within the law. This bill goes against that right on many levels. We strongly urge the vote Ought Not to Pass on LD 1181. This bill is bad for Maine families. Thank you for your time and consideration.