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HOUSE OF REPRESENTATIVES

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Testimony of Rep. Lynn Holland Copeland introducing

LD 1476, An Act to Support Maine's Homeless Shelter Programs by
Imposing a Fee for Booking Hotels, Short-term Rentals and
Recreational Vehicle Camping Reservations
Before the Committee on Housing and Economic Development

Good afternoon, Senator Curry, Representative Gere and esteemed members of the Committee on Housing and Economic Development. My name is Lynn Holland Copeland, and I am proud to represent House District 130, which is part of Saco. I am here today to introduce LD 1476, An Act to Support Maine's Homeless Shelter Programs by Imposing a Fee for Booking Hotels, Short-term Rentals and Recreational Vehicle Camping Reservations.

Both the State of Maine and the nation are experiencing dramatic increases in the number of individuals and families who are experiencing homelessness. The constant crisis for those seeking emergency shelter has placed an increased demand on Maine's emergency shelter operations. At the same time, a lack of adequate financial resources has created strains on the 40 nonprofit emergency shelters, who provide 1,194 beds nightly. Many shelters around the state are facing the consequence of scaling back operations and bed capacity and without further financing, some may be forced to actually close. They may no longer be able to provide shelter for those experiencing homelessness, sending them to live in the streets. Cities throughout the state have experienced the burdens and dilemmas regarding homelessness encampments in public spaces.

The causes of homelessness are obviously multifactorial. The State has many programs in place to address the root causes of those experiencing homelessness, including efforts supporting the creation of 84,300 new housing units by 2030. The current extent of those experiencing homelessness in our state highlights the need to maintain and contribute to the operational viability for those experiencing homelessness throughout the state.

Operational problems exist in the states for those who are experiencing homelessness because the available public funding only provides an operational share per bed of \$7.50 per night. MaineHousing's 2024 Shelter Cost Study found that the average bed cost per night in the state of Maine is \$99.07, which includes building operations costs, heat, electricity, maintenance, staffing, shelter meals, and other operational expenses. The nonprofit agencies that operate for those experiencing homelessness shelters must fundraise or identify alternate funding for an average of 92% of actual shelter operational costs. Much of the additional operational funding is acquired through foundation grants, charitable donations, and fundraising events. Some shelters, such as the ones operated by the City of Portland, attempt to fill funding gaps using General Assistance funds,

but this practice is necessarily limited by the Department of Health and Human Services' regulations. Even the best fundraising efforts of nonprofit organizations leave most emergency shelters operating with annual deficits, staff and service cuts, bed reductions, or the reality of the eventual closure of an entire shelter for those experiencing homelessness.

To bridge this financial gap and to keep the shelters operational for those seeking shelter and to sustain shelter bed capacity for several more years, this legislation would generate additional funding for shelter operational costs through the use of a very small \$2 fee per booking of hotel rentals, Airbnb rentals, RV campsite rentals, and vacation home rentals. This fee would not apply to tent campers. These newly generated funds would be administered by MaineHousing through the existing programs that provide funding to the shelters for those experiencing homelessness in the state. Combined governmental and private funds received in support of shelters are administered through MaineHousing (Maine State Housing Authority).

Since COVID, Maine has experienced some of the largest increases in home sale prices, and housing unit rental costs have skyrocketed, reducing the availability of affordable housing. The state also has a significant percentage of housing that is used for seasonal housing and tourism. Coupled with the necessary time that it will take to achieve Maine's housing production goals, the lack of affordable housing will continue to exacerbate the need for those experiencing homelessness and are in need of shelters and emergency housing.

Maine sees significant annual activity in both hotel stays and Airbnb rentals.

- Hotel stays: In 2023, Maine's lodging revenue reached \$1.32 billion, with an average occupancy rate of 76.5% during peak summer months.
- Airbnb Rentals: Airbnb hosted approximately 542,000 guests in 2019, accounting for about 10% of Maine's total accommodation spending that year.

While exact annual counts for both categories are unavailable, these figures highlight the robust tourism-driven accommodation market in Maine. There are 630 hotels in Maine with 32,105 hotel guestrooms. Maine has nearly 10,000 active Airbnb listings, defined as those that have been either booked or available for at least one day in the month. The Maine Campground Owners Association (MECOA) lists over 175 Maine-licensed campgrounds, and annually the state has an average of 3.28 million visitors to Maine state parks, accounting for 319,000 nights spent at one of the 12 parks with campsites.

The \$2 fee per booking would not significantly impact the cost to tourists Mainers, or other visitors to Maine. However, the funds would significantly support the operations of shelters for those experiencing homelessness in our state. Additionally, both tourists and Maine citizens are impacted by encampments for those experiencing homelessness in public spaces. The operation of shelters for those experiencing homelessness meets the needs of all communities to provide compassionate care for those experiencing homelessness and provide shelters that reduce the risk of harm to communities and to vulnerable populations.

Thank you for your kind attention and consideration. I am happy to answer any questions you may have.