

TESTIMONY SUBMISSION FOR LD 1181

Dear Senator Grohoski, Representative Cloutier and members of joint standing committee on taxation.

My name is Nancy Higgins. My husband Edward Higgins and I are seasonal Airbnb hosts in Eastern Central Maine, on a lake, in a rural setting. We are retired professionals, Penobscot county residents, and have rented our cottage seasonally for many years. We take much pride in providing guests with this unique “Maine Experience.”

We **Do Not** support the removal of short-term rentals or commercial designations placed on our property or the property of others.

If LD1181 succeeds, we expect many negative consequences as Maine is not only a summer tourism destination but now a year-round vacation destination. These consequences will affect residential homeowners, local and state economies, including family businesses, as well as our family.

Here are just some of those consequences that must be considered:

- 1) Short term rentals produce needed income for many retirees. Utility and other costs have skyrocketed. Have you calculated the risks to seniors not being able to make ends meet if this Bill succeeds?
- 2) MPUC – quote [“The Commission regulates electric, gas, telephone, and water utilities to ensure that Maine citizens have access to safe and reliable utility services **at rates that are just and reasonable for residential and business consumers** and public utilities, while also helping achieve reductions in state greenhouse gas emissions.”] The MPUC has failed miserably and Utility companies (CMP and Versant) have put thousands of seniors underwater financially. Do not punish them further by interfering with their short-term rental solution to stay financially solvent.
- 3) This income also helps to pay increased property taxes, increased liability insurance, needed repairs / improvements and general maintenance.

- 4) Most Seasonal rentals are not viable for long-term or even mid-term leasing and so using the premise that you are wanting to increase housing for the unhoused to justify this additional money-grab really cannot be justified! And, it should not be at the expense of
- 5) decent, law-abiding Mainer's, who faithfully pay their taxes, including the additional occupancy taxes, and are working hard to provide a needed service and pay their bills. If you have ever provided this type of service then you know there is no free lunch, short-term rental hosts work hard and happily pay their fair share to Maines Tax Base.
- 6) Our work as short-term rental providers have many advantages for our communities across Maine. Needed living space for Maine College bound families, staycation guests who prefer non-hotel atmosphere, and most importantly, these short-term guests boost Maine's tourism economy. Local restaurants, grocery stores, downtown "ma and pa" shops, and the like, all benefit. Do not punish one sector to promote another. Be smarter.
- 7) Our opinion is that short-term rentals play an integral part of Maine's housing needs and should not be abolished to accomplish your goal. A win-win solution should be for Maine's legislation to explore incentives for real estate investors to build affordable housing, rather than punish one sector to promote another. Hotels and Motels provide short-term rentals and we see no effort to impact their business model? Too big a lobby to mess with? Free market societies work; not government overreach and regulations.

In closing, we ask that the honorable people of the Maine Legislature do the hard work of finding better solutions to the housing problems without targeting short-term rentals. Now and for the future.

Respectfully Submitted,

Nancy J. Higgins and Edward M. Higgins