

Rafal Subernat
Veazie
LD 1181

Dear Senator Grohoski, Representative Cloutier, and Members of the Joint Standing Committee on Taxation:

I am writing to express my strong opposition to LD 1181, a bill that would allow municipalities to require local assessors to classify short-term rental properties as either commercial or residential for tax purposes. While I appreciate efforts to ensure fairness and clarity in Maine's tax code, I am deeply concerned that this bill would have significant unintended consequences for property owners, local economies, and Maine's vital tourism industry.

First, LD 1181 opens the door to increased taxes on short-term rental properties by permitting municipalities to label them as "commercial." This shift could lead to significant tax hikes for property owners, many of whom are local residents who rely on rental income to offset the high costs of property ownership in Maine.

Second, the bill introduces regulatory confusion by placing policy decisions in the hands of property assessors — professionals trained in valuation, not regulatory classification. Without clear statewide guidelines, assessors will face inconsistent expectations across municipalities, creating uncertainty and potential inequity for property owners.

Finally, and perhaps most concerning, this bill threatens to discourage tourism-supportive housing at a time when Maine's economy continues to benefit from visitors who seek out short-term rental accommodations. Increased taxation and heavier regulation may drive responsible short-term rental operators out of the market, reducing lodging options for tourists and harming the small businesses that rely on visitor spending in our communities.

Maine has long been a welcoming destination for visitors, and short-term rentals play a key role in supporting tourism, preserving historic properties, and helping property owners contribute to their local economies. I urge you to consider the broader economic impacts of LD 1181 and vote against this bill.

Thank you for your attention to this important matter and for your service to the people of Maine.

Sincerely,
Rafal Subernat