

4/14/2021



**Testimony in Opposition to LD 1590
An Act To Define Commercial and Noncommercial Purveyors of
Accommodations for Short-term Rental**

Chairman Hickman, Chairman Sylvester, and members of the Labor and Housing Committee;

My name is Elizabeth Frazier and I am an attorney at Pierce Atwood. The purpose of this testimony is to express the Maine Real Estate and Development Association's (MEREDA's) opposition to LD 1590, An Act to Define Commercial and Noncommercial Purveyors of Accommodations for Short-term Rental.

MEREDA is a statewide, membership-based organization founded in 1985, whose members include real estate owners, for profit and nonprofit developers, architects, engineers, bankers, property managers and other related professionals. The mission of MEREDA is to support responsible development and real estate ownership throughout Maine. Through the work of its Public Policy Committee, MEREDA pursues a more fair, predictable and practical policy environment. MEREDA is the state's only trade association supporting responsible commercial real estate development and the positive economic development that accompanies it.

LD 1590 proposes to treat certain short-term rental owners as commercial property owners. There may be a perception that all short-term rental properties are the second or third home of wealthy out-of-staters. This doesn't reflect reality, where most individuals taking advantage of their right to let are of average income. In fact, some younger first-time homeowners, and older homeowners on a fixed budget, may take advantage of short-term renting to cover mortgage costs or finance property improvements. Whatever the reason, an individual property owner has the right to occupy and convey rights to their property as they see fit, and the state must have a compelling reason to pass any laws that substantially undermine this important tenant of private property rights.

LD 1590 would impose a different tax scheme on residential property owners who choose to take advantage of letting their property in a short-term rental arrangement. Imposing additional taxes on individuals for specific uses of their property sets a dangerous precedent, particularly as Mainers look to recover from the pandemic. Entrepreneurial by nature, Mainers look for creative solutions to meet their economic challenges. We should not be penalizing them for their ingenuity.

MEREDA also suggest that LD 1590 would do little to resolve the issues related to short-term rentals that have arisen in some communities. To the extent that short-term rentals are having an impact on a community, a community may take action through their ordinance authority to regulate those short-term rentals. Reasonable, predictable, practical ordinances can provide municipalities guardrails around short-term rentals in their communities. LD 1590 would do nothing to change or improve that existing authority.

In closing, LD 1590 is unnecessary, and will impose an undue burden on certain Maine residential property owners.

Thank you for your consideration of this testimony. We urge the Committee to vote Ought not to Pass on LD 1590, and would welcome any opportunity to address your questions or have further conversations about our concerns.

Elizabeth M. Frazier
On behalf of the Maine Real Estate & Development Association (MEREDA)