

Senate Chair, Senator Hickman
House Chair, Representative Sylvester
Members of the Joint Standing Committee on Labor & Housing

Re: LD 1590, AN ACT To Define Commercial and Noncommercial Purveyors of Accommodations for Short-term Rental

Senator Hickman, Representative Sylvester and members of the Labor & Housing Committee, my name is Debra Hart and I am a resident of Manchester, Maine. I own Hart Public Policy and I am presenting this testimony in opposition to LD 1590 on behalf of my client, the Vacation Rental Professionals of Maine.

The Vacation Rental Professionals of Maine is an association that represents thousands of rental properties located here in the State of Maine. They provide assistance to their property owners in renting their properties and ensuring those properties are held to the highest standards of safety and being good neighbors in the areas they are located. The property owners that my clients represent pay the lodging tax, they pay property taxes and in addition they employ a number of Maine residents who clean the properties and provide a number of other services including landscaping, window cleaning, mowing, garbage removal, carpenters, plumbers, contractors, etc.

In 2013, the Maine legislature defined Vacation Rentals in Title 22, Health and Welfare in Chapter 562. A "Vacation Rental" means a residential property that is rented for vacation, leisure or recreation purposes for a day, a week or a month, and typically under 30 days but not for more than an entire summer or winter season, to a person who has a place of permanent residence to which the person intends to return.

In our opinion, LD 1590 would confuse the issue of what a short-term rental property is by defining commercial short-term rental purveyor and a noncommercial short-term rental purveyor, the owners of a short-term rental or who owns a portion of a short-term rental. Currently, none of the properties managed by my clients are defined as commercial properties.

These properties include a variety of rentals including, but not limited to, some sporting camps, ocean and lake front cottages, and single dwellings. The owner may have a property which they occupy during a period of time or a property that they once resided in but do not currently. A short-term rental unit is defined in tax law in Title 36, section 1752, sub 20-C 'transient rental platform' ~ ~ means an electronic or other system, including an Internet-based system, that allows the owner or occupant of living quarters in this State to offer the living quarters for rental and that provides a mechanism by which a person may arrange for the rental of the living quarters in exchange for payment to either the owner or occupant, to the operator of the system or to another person on behalf of the owner, occupant or operator.'

The Vacation Rental Property Professionals are comfortable with the definition in Title 22 of what a rental property is and do not believe that definition should be changed. Likewise, they are comfortable with the definition in the tax code which governs how a rental is defined for purposes of paying the sales and use tax. This bill sets up another set of definitions for rental properties for municipalities. It is possible to have 2 short-term properties but they are not necessarily 'commercial' properties, which have different requirements than residential rental properties.

In closing, they do not believe that having more than one rental unit should necessarily mean it is a commercial property, and now having three definitions in statute for a rental property is both confusing and unnecessary.