



**Testimony in Opposition to LD 1590: “[An Act To Define Commercial and Noncommercial Purveyors of Accommodations for Short-term Rental](#)”**

Senator Hickman, Representative Sylvester, and the distinguished members of the Committee on Labor and Housing, my name is Nick Murray and I serve as policy analyst for Maine Policy Institute, a nonpartisan, non-profit organization that advocates for individual liberty and economic freedom in Maine. Thank you for the opportunity to testify on LD 1590.

This bill would mandate that cities and towns adhere to a superfluous subset of definitions specifically made to carve out some short-term rental (STR) agreements, with no apparent reason for doing so. A rental in a building with 2 or more other units would be considered a commercial enterprise. If the building’s owner lives in one of those other units, the rented units would no longer be considered “commercial.”

What is the point? Maine law already defines commercial rental buildings as those with five or more units, an appropriate standard for understanding the difference between an individually-owned property and an apartment building.

As we have testified previously on this subject, limiting or restricting the use of short-term rentals, absent articulable concern for public health and safety, is simply unnecessary. Participating in this market has provided benefits to all sorts of everyday Mainers and visitors.

When people are struggling to make ends meet, few sustainable options are available. These are usually confined to finding another job or cutting extraneous expenses. Fortunately, in recent years, running a short-term rental has allowed millions of Americans to earn extra income for their families.

This market also supports thousands of Maine property owners, as well as tourists and visitors to the state who prefer to find a place to stay that is different or cheaper than a mainstream hotel room.

As hotel bookings just begin to creep above 50% of pre-pandemic occupancy, a majority (53%) of AirBnB customers use the service because it saves them money over the average hotel stay.<sup>1</sup> A recent poll found that 80% of Americans say they will travel this summer and many are doing so to explore the great outdoors.<sup>2</sup>

---

<sup>1</sup> [From Isolation To Connection— Travel in 2021](#) | Airbnb

<sup>2</sup> [Survey says most Americans will travel this year](#) | TravelWeekly.com

Fortunately, the prospects for a vibrant 2021 tourist season are bright. Our state is more dependent on tourism than New York, New Jersey, Massachusetts, and New Hampshire,<sup>3</sup> accounting for nearly 10% of Maine's total economic output and about 9% of all jobs in the state. According to the Maine Office of Tourism, it supports nearly one-in-six Maine jobs and provides \$2.5 billion in direct household income every year.<sup>4</sup>

Maine has much to offer for prospective tourists. At best, LD 1590 would be an unnecessary mandate imposed on municipalities to the injury of local property owners. There is no reason to limit the options available to Mainers and visitors alike in their attempts to have an active, fun, and fulfilling summer season.

In the course of enacting reasonable regulations on the use of short-term rentals in their borders, towns should not have to abide by overlapping definitions handed down from state legislators who don't know their residents.

What problem does this bill solve? At this current juncture, it reads as a way to disincentivize individuals from using their property in a potentially advantageous way, if they so choose. Why does the state have an interest in encouraging or discouraging this behavior if there are no public health or safety issues?

Please deem LD 1590 "Ought Not To Pass" to stop this unnecessary assault on private property owners and leave room for local management of the short-term rental market. Thank you for your time and consideration.

---

<sup>3</sup> [US Cities Most Reliant on Tourism](#), Source: Bureau of Labor Statistics

<sup>4</sup> [2018 MAINE OFFICE OF TOURISM HIGHLIGHTS](#)