

TO: Joint Health and Human Services Committee, Maine Legislature

FROM: Maine Professional Vacation Rental Managers

DATE: February 27, 2013

RE: LD 330

PRESENTED BY: Audrey L. Miller, Co-Owner, Cottage Connection of Maine, Inc. of Boothbay Maine

As Professional Vacation Rental Managers, we would like to present this information to the Committee regarding LD330 and its impact on our industry. Vacation Rentals are very different from hotels, motels, inns and B&Bs in what they offer and how they function. We have reviewed the proposed changes and the existing CMR regarding Lodging (copies attached) and made our comments on the impact to our industry. We would ask that you review these materials and reconsider this bill. We do not believe this bill will improve anything nor accomplish what was the original intent of the bill as we understand it.

We would be happy to sit with representatives from Health and Human Services and your committee to discuss our industry.

### **LD 330**

**This proposed new law would require all previously non-licensed short term rentals to be licensed by the state and subject, for the most part, to the same rules and regulations as hotels.**

#### **Our Main Points:**

**VACATION RENTALS ARE NOT HOTELS** - all cottages are as individual as the owners and all have been built at different times (some over 100 years ago) and because we are Maine, some have overboard discharge systems, closed systems, chemical toilets/baths, and because of this cannot have dishwashers or other equipment to satisfy some of the regulations. There is a huge variety of homes and that is the appeal of vacation rentals. We cannot comply with rules designed to standardize the hotel experience.

**ECONOMIC IMPACT** - Many of our cottages are owned by the same family that built them many years ago and the current generations, many of whom are elderly, rely on the rental income to be able to keep these cherished family summer homes. The income from vacation rentals allows them to pay taxes and upkeep on these homes and be able to pass them along to future generations. For some of these properties to be subjected to hotel type compliance codes, which if at all possible, would cost them more than they could realize from the income, which has been shrinking anyway because of today's economy.

**NOT PRO BUSINESS** – This bill has the potential to decimate the Vacation Rental Industry here in the State of Maine and seriously impact tourism. Total costs needed per cottage will force owners not to rent their cottages anymore, thus denying the State much needed Lodging Taxes (which is huge) as well as putting companies and people out of work and reducing the trickle down to each community that houses vacation rentals. It may also force people to go "underground" to rent their properties.

**DUPLICATION OF EFFORT** - The bill would create a needless, expensive duplication of effort because the types of things required under the bill are currently done by local municipalities. In my area, code enforcement officers are vigilant about standards and violations that this licensing would cover. Why do we need to have the State doing this as well?