

## Land Use Planning Commission Study of Short-Term Rentals

Community and Virtual Meetings 2023

Greenville – June 29, 2023

*This document compiles the notes recorded by LUPC staff on June 29, 2023, at the Bartley Center Cove Event Center in Greenville. The notes summarize the discussion and comments from both the open drop-in period and the community meeting, including the responses to discussion questions posed by LUPC staff.*

### Discussion Questions – Summary of Responses

*~ Note: An \* indicates that multiple commenters made the same or similar statements ~*

*What are the benefits of short-term rentals, in your opinion or experience?*

- Benefits to Property Owners
  - Income/revenue for owners\*
  - Motivation and financial ability to maintain property/pay taxes\*
  - Keep property from being vacant\*
  - Ability to keep inherited property in a family
  - Property values rise for owners
- Benefits to Local/State Economy
  - Increase in business for local vendors, restaurants, and businesses \*
  - Creates jobs\*
  - Provides overnight accommodations in areas where there is a shortage of hotels, motels, inns, and campgrounds\*
  - Adds to the local and state tax base because short-term rental owners are paying lodging and income tax\*
  - Tourism is the most essential part of the Moosehead Region economy\*
  - Motivating employers to provide housing for employees
- Benefits to Visitors
  - Allows visitors to enjoy nature-based recreation opportunities in the region\*
  - Attracts new residents\*

*What are the challenges or issues with short-term rentals in your opinion or experience?*

- Impacts on Neighbors
  - Noise and loud parties with a lack of respect for neighbors\*
  - Light pollution and additional outdoor lighting, especially in parking areas\*
  - Fires and fireworks\* are used by renters year-round, increasing the potential for fire danger
  - Increase in traffic\*

- Decrease in safety due to alcohol and drug use by visitors\*
- Loss of community/neighborhood character\*
- Issue with unmanaged pets
- Trespassing and improper use of neighboring private property
- The roads and parking at camps or houses being rented out aren't always set up in a way that's easy for emergency services to access – particularly when the driveway is full of cars/ATVs or snowmobiles/trailers/boats/etc.
- If roads are damaged, other residents in the association have to pay for maintenance.
- ATVs or snowmobiles unloading and loading constantly is a nuisance (noise, lights, fumes)
- Loud parties with music blaring from outside speakers and people congregating
- For rentals near water, noise can echo across water, and lighting can reflect off the surface
- Neighbors don't always have a good way of dealing with these nuisances. Legal action is expensive and exceedingly slow. Many places in the UT are served by the county sheriff but are frequently remote, so response times are long.
- Sometimes renters on ponds bring jet skis or motorboats and conflict with other uses on the waterbody.
- Environmental Impacts
  - Septic system and water quality concerns from over-occupancy\*
  - Excessive trash and littering\*
  - Water quality issues and lake impacts\*
  - Overuse of pathways to the shoreline
  - Trees being cut for fires
  - Beaver Cove Association is 40-50 homes on a community well and a common septic system built in the 1970s. Occupancy of a home with 10-12 renters stresses the system. The same problem has occurred in Lily Bay with advertisements for 16 people with septic not built for that.
  - Nutrient inputs from septic systems are the #1 reason for accelerated lake aging; concern that Moosehead Lake may get ruined in some areas from phosphorus input leading to algal blooms
  - Septic tanks can be overworked and end up leaching into the lake or other resources or be a smelly nuisance to neighbors
- Impacts on Public Services
  - Increase in calls for first responders/emergency services\* [*Note: Sheriff's staff was present and noted three incidents involving short-term rentals that were responded to September-June*]
  - Increase in solid waste handling and disposal costs\*
  - Increase in traffic / ATV and snowmobile use impacts roads/trails\*

- Services are stressed, local communities are not receiving financial support to respond\*
- Accessibility of properties for first responders – both rentals and neighboring properties
- Impacts on Availability of Long-term Housing
  - Limits availability of long-term housing for the workforce\*
  - Affects affordability
  - Impacts on workforce housing mean that employers are having a difficult time finding help

*How would you define short-term rental? Do you consider them residential or commercial, and why?*

- Definition of Short-term Rental
  - A short-term rental is rented for 30 days or less (comments ranging from a few days to 30 days)\*
  - A short-term rental is less than 60 days; less than one year
  - Other definitions included:
    - Paying a third party for cleaning or ground maintenance, paying a platform to book stays, etc.
    - A short-term rental is a residential home available for the private use of visitors
    - A residential home that can be rented out at the owner's will
    - STRS are rentals that are done for more than four weeks/year with the exchange of money
    - Transient occupancy is a hotel – if only used for transient occupancy, then it is a hotel
- Residential or Commercial Use?
  - Residential
    - My rental is a camp that we rent to supplement expenses, so it is residential, not commercial.
    - Residential – it's individuals living in a home, whether that's four days a year or for four years, it's the same use
    - One rental on one property is residential, and more than one is commercial because the rentals become a managed business
    - STRs are residential. Families stay at these places to have a home away from home.
    - Residential = single family dwelling
    - STRs are residential. Some are people's homes or second homes still used by the owner.
    - They are residential for the owners that can use them and be able to help cover the costs for their family camp/house.
    - It is not commercial – most rental owners live at the property at some point or have plans to
    - It is residential because it is someone's home, not a facility
    - Residential if 1 unit

- STRs are residential
- STR guests are using the property for residential purposes – using it as a house
- Long-term rentals not subject to lodging tax
- Commercial
  - Short-term rentals are commercial\*
  - Commercial if it is used more than a large percentage of the time by paying guests (e.g. >75%) and not the property owner
  - Commercial because they pay excise taxes – it’s a business!
  - Commercial because they are making money but not living in the home
  - It is commercial because people staying in the home are not residents
  - Short-term rentals are defined under current LUPC rules as a "Recreational Lodging Facility" (minus the on-site attendant), which is a commercial use and, as such, are prohibited in a Residential Development Subdistrict. When a building or buildings are used as a short-term rental, they do not meet LUPC’s current definition of a "Dwelling Unit" or LUPC’s definition of a residence (single family). They therefore cannot be included in any waivers in LUPC’s definition of "Commercial Use."
  - Commercial because earning money
  - Homes/camps that are purchased and used exclusively for rental purposes should be considered commercial for LUPC purposes as well as real estate purposes
  - Any rental activity is commercial because they are making money
  - If it is a non-stop rental for more than a few weeks per season it should be considered commercial
  - More than 4 weeks/year = commercial if charged a fee
  - If STRs are never owner-occupied, and always rented for whatever length of time, they are not residences.
  - It is a business, period.
  - Only investment property is commercial
  - Before 10 or so years ago, this was residential, now with Airbnb it is commercial
  - The LUPC has no authority to alter or interfere with the protective covenants of homeowner’s associations such as the Lily Bay Island Maintenance Corporation. These protective covenants may exclude commercial uses within the association.
  - Commercial if multiple units
  - Paying lodging tax is proof that it is a business / if it pays lodging tax, business tax = commercial
  - Case law in Portland has found that short-term rentals are not residential
  - Some homeowner’s associations call rentals commercial
  - In a residential area, short-term rentals are an incompatible, commercial use.

- Commercial depends on number of days rented and whether owner lives at residence
- STRs = commercial operations involving transient occupation. Building used for vacation rental continuously should not be a dwelling unit – not allowed in residential zone
- What makes it commercial? # of days/year rented – owners don't reside there
- Short-term rentals are a commercial use because they are renting for transient occupancy; they often employ property managers and cleaners; they are investment properties rather than an owner's residence or second home; they advertise worldwide.
- Concerns about business model – multiple properties owned (not in state owners) vs one owner who rents property for supplemental income

*What do you think of the LUPC requiring a notice for short-term rentals? What performance standards, or other rules, specific to short-term rentals should be considered, if any?*

- Notice / Permit
  - Not in favor of regulations/having to report rentals\*
  - Should be handled at the state or county level\*
  - Require notice and permit fee to cover cost of staff/enforcement\*
  - Notice is fair/needed/reasonable\* - There should be records of complaints kept and nuisance rentals should be fined and contact information for neighbors
  - LUPC represents it as residential and allowed without a permit
  - Notice is not enough; a permit should be required
  - Not opposed to notice but to what end
  - Start small
  - I think it's a slippery slope with the notice requirements. It may be good in intention but there will ultimately be a segue to further regulation. How will LUPC differentiate between large families using their home; making noise, multiple cars, etc.
  - LUPC should have involvement but also, regulation on this is complicated
  - Other measures could be put in place before regulatory issues
  - I think it could have very negative effects on an economy that those complaining depend on
  - Full permit process – landowners have a timeframe to “change use” and meet all standards with a permit, and associated fee. If they are found to be running a short-term rental in D-RS without a change of use, there will be a triple fee for the “change of use” beyond the timeframe of allowance of conversion. Have exhibits like all other commercial/business development. Regular DP with short-term rental supplement exhibits
  - A notice to LUPC should be “OK;” however, more regulations to local Mainers usually shifts to more fees, and overall, these regulations typically become a government

oversight to burden “we the people”. I spend a lot of time on my beautiful [camp]. Most people love their stay. A lot of sweat built my own camp - and I should be able to do what I like to it and rent without fees and more regulation

- There needs to be some sort of oversight over renters that is not the business or online rental platform managing the rental

- Standards

- Contact Information/Neighbor Notice
  - Information packets should be required for properties so renters know how to visit a region and who to voice issues to/call\*
  - Notification of neighbors and owner contact information would be good to have\*
  - First, figure out how to create a space of open communication between rental owners, rental companies, and neighbors
  - Need to be one place for complaints and rule enforcement
- Septic Capacity
  - There should be rules for limits on occupancy based on septic capacity\*
  - Professional Engineers should be required to sign off on septic designs for STRs\*
  - Certify septic capacity and enforce
  - Regarding septic concerns, regulations shouldn't be placed unless there is data showing neighbors' wells are being contaminated
  - Septic issues can be complicated. Enforcement could become intrusive
  - Water quality is the short-term rental issue the LUPC should address through regulations, and dealing with shoreland septic systems is urgent
  - Not all owners are bad if one camp is packing and over-utilizing septic capacity, they should be notified/warned
  - Part of compliance should include water testing
  - Concerns about enforcement of septic capacity requirements should be elevated to DHHS
  - DHHS lacks resources, and its enforcement of septic issues is not sufficient. Local plumbing inspectors only get involved when a system fails and not when there is evidence that the wastewater flow exceeds the design flow (in the case of too many guests)
  - Does consideration of septic capacity include invited guests? (i.e., those visiting for the day)
- Trash/solid waste\* - a performance standard is needed to deal with trash removal
- Noise\* e.g., quiet hours or a noise ordinance
- Adequate parking for trailers and equipment\*

- Buffering\*, e.g., no removal of living vegetation, use of pathway to the shoreline, no activities allowed within the 100' setback
- Look at each LUPC subdistrict to determine what is appropriate e.g., / short-term rentals should be limited or prohibited in densely populated D-RS zones\*
- Lighting should adhere to night sky protection guidelines, whether residential or commercial since this is one of the last places you can see the stars
- Limit the number of short-term rentals on a single street/neighborhood and limit the number of short-term rentals owned by entity or individual
- The LUPC has an obligation to protect the health and welfare of all in the UT. There are so many safety issues associated with short-term rentals that the LUPC may be culpable/liable/negligent if it does not address safety and there is a tragic accident
- Suggest similar restrictions and requirements as bed and breakfasts
- Some lake or neighborhood associations are going to require a form of registration and have specific rules for renting
- Fines for non-compliance
- Consider random checking for compliance with the performance standards you establish
- Regulation may drive owners to either sell to short-term rental business investors or to convert back to a single-family dwelling

#### *Miscellaneous Comments*

- If people can afford to own 2-3 properties, why do they need to rent?
- Equal chance of local property owners causing problems, but if the neighbor does it, then they can talk with them
- Legislature never designated the LUPC to pass new laws/LUPC has no authority over legislation
- Beaver Cove has ordinances for firearms, snowmobiles, ATVs. Renters are “under-informed by local owner and these ordinances are rarely enforceable for short-term rentals because local officials don’t know whom to contact for the renter
- Local owner was upset that the warden did not inform her of an incident when it happened
- Condos at Sugarloaf as example– residential properties but rented most of the time. The key is that it is in a planned development zone
- The agencies responsible for enforcing safety regulations are limited. The Sheriff’s Offices, Inland Fisheries and Wildlife, and the Forest Service do not have the capacity to respond. The numbers of agents have not changed since the 1980’s, so these agencies are overwhelmed when it comes to responding
- Are homeowner’s associations empowered to enforce covenants? What is LUPC’s enforcement capability?
- Investors can outspend neighboring landowners and LUPC should help enforce covenants
- A lot of people buying homes for short-term rentals that don’t even live in the State of Maine
- Vacasa takes care of solid waste disposal as part of fees

- STRs are a driver of problems, not a solution
- One association has spent over \$5000 on mediation with one owner, but that owner refuses to sign the mediation agreement
- The LUPC should shut down short-term rentals while they figure out the process
- Some towns are pulling back on STR regulations because of difficulties with enforcement
- Priority to protect local residents rather than enable absentee property owners
- Talk with the local wastewater operator and the warden service
- Greenville Fire Department serves the UT
- Many local businesses that operate short-term rentals have an excellent track record, and it's rare that renters have been kicked out or asked not to come back because of bad behavior
- Economic benefits do not outweigh safety concerns and environmental impacts
- Has crime increased? What has been the impact on services?
- Have you communicated with the local sheriff? What is the capacity to respond? *[Note: a member of the Sheriff's staff was present and noted three incidents involving short-term rentals that were responded to September-June]*
- Short-term rentals are too easy to start
- There is a cost of services to the County
- Piscataquis County Commissioner noted they are having issues and hearing complaints and it is a county-wide problem. Currently looking at commercial tax rates for business properties
- How many times do we call 911? Feels there are more important things for law enforcement to respond to than complaints
- Neighbors reluctant to report issues and put demand on services; end up living with it
- Report of one firearm incident in Beaver Cove that a game warden responded to and resolved, but the STR owner was not notified
- The Greenville Town Manager noted that the number of people visiting the area has tripled, but it is not necessarily due to short-term rentals. They have not received a lot of complaint calls in Greenville. Trash is the number one expense
- Can file a complaint with Airbnb but the outcome depends on who you talk to
- Airbnb has a neighbor hotline for complaints and will de-list a property, but all is done by email, and you can't talk with anyone
- Real estate agents own or manage properties and get very defensive when issues come up
- Some lake or neighborhood associations are going to require a form of registration and have specific rules for renting
- Non-resident owners may be violating mortgage agreements that require residence
- Do short-term rentals have to be either residential or commercial? Is there another approach?
- The Shoreland Zone is the key
- One property management agency fines guests \$100 - \$150 if trash is left on the property and not dropped in the designated dumpster