

The Maine Heritage Policy Center Testimony to Support LD 209

“An Act To Prohibit Municipalities from Prohibiting Short-term Rentals”

Senator Claxton, Representative Martin, and distinguished members of the Committee on State and Local Government, my name is Adam Crepeau. I serve as the policy analyst for The Maine Heritage Policy Center. Thank you for the opportunity to provide testimony regarding LD 209, “An Act To Prohibit Municipalities from Prohibiting Short-term Rentals.”

Limiting or restricting the use of short-term rentals, unless for public health and safety concerns, is unnecessary. This kind of regulation suppresses the entrepreneurial spirit of individuals who want to generate supplemental income by using their property to do so. The Maine Heritage Policy Center supports policies that are beneficial to everyday Mainers.

Prohibitions on short-term rentals unfairly restrict individuals and families who share their homes responsibly. To be clear, The Maine Heritage Policy Center is not suggesting that municipalities cannot reasonably regulate short-term rentals; we are most concerned with their outright prohibition, the unintended consequences of such bans, and the erosion of private property rights in Maine.

Municipal bans on short-term rentals chip away at the private property rights of individuals. It is our prerogative that government should not be dictating what individuals can or cannot do with their homes or property as long as public health and safety are not a factor. Enacting prohibitions on short-term rentals and regulating them outside of the scope of health and safety is a slippery slope that results in the diminishment of private property rights.

Further, some home sharing sites and companies have mechanisms for neighbors of short-term rental properties to report annoyances through platform-specific tools. For example, if a complaint is recorded with Airbnb, they reach out to the host so they can address it. If the host does not address complaints, they are subject to being banned from using Airbnb as a medium for renting out their property.¹ This shows the private sector has and is continuing to create solutions to these problems without hindering entrepreneurship, and without the directive from government.

Policies that encourage home-sharing can be inspiring. When Arizona passed protections for short-term rental properties, individuals were free to use their homes to create supplemental income and fulfill their entrepreneurial dreams. Glenn Odegard bought an old, vacant, and structurally unsound house in Jerome, Arizona, and with his skills in carpentry, he restored the house to create a historical experience for folks who wanted to visit. In 2015, the Jerome town council tried to prohibit short-term vacation rentals, which would have stopped Mr. Odegard

¹https://2sqy5r1jf93u30kwzc1smfqt-wpengine.netdna-ssl.com/wp-content/uploads/2016/12/National_PublicPolicyTool-ChestReport-v3.pdf

from fulfilling his dream.² Through the state of Arizona's intervention, a state law was passed to stop prohibitions on short-term rentals, encouraging folks like Mr. Odegard to pursue their aspirations.

Some Mainers have already been subjected to prohibitions on short-term rentals in other Maine towns.³ Like Arizona, we believe it is the state's obligation to prohibit municipalities from banning short-term rentals and eroding property rights. Proponents of short-term rental bans will surely cite Airbnb as the primary reason why they want these prohibitions. However, there are other operations, large and small, in addition to Airbnb that are directly impacted by such bans and are often forgotten during these debates.⁴

One of the many reasons The Maine Heritage Policy Center was created was to encourage economic prosperity and to protect individual liberties in the state. If this bill passes, short-term rental owners would be protected from aggressive and misguided policies enacted at the local level that have unintended consequences. To that end, The Maine Heritage Policy Center urges the committee to vote "Ought to Pass" on this bill. Thank you.

² <https://indefenseofliberty.blog/2018/08/16/preserving-history-with-home-sharing-in-jerome-arizona/>

³ <https://www.themainewire.com/2018/11/ordinance-diminishes-rights-property-owners-south-portland/>

⁴ Ibid.