



STATE OF MAINE
DEPARTMENT OF AGRICULTURE, CONSERVATION & FORESTRY
LAND USE PLANNING COMMISSION
22 STATE HOUSE STATION
AUGUSTA, MAINE 04333-022

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AMANDA E. BEAL
COMMISSIONER

Memorandum

To: LUPC Commissioners
CC: Stacie R. Beyer, Executive Director
From: Stacy Benjamin, Chief Planner
Date: March 5, 2025
Re: Short-term Rentals – Request to Post to Public Comment

After deliberating during several recent meetings on how best to approach a regulatory framework for short-term rentals in the Commission's service area, the Land Use Planning Commission opted for a phased approach at its December 11, 2024, regular business meeting. The first phase would be to make best-practice educational materials available and adopt a notice-only requirement without additional standards. If the Commission continues receiving complaints or identifies areas of concern in the future, a second phase could be initiated. The Commission requested that staff prepare revised draft rule changes reflecting this approach. This memorandum provides a brief background and summarizes the current proposal for rule changes to Chapters 2 and 10 to incorporate a new standard requiring notice for short-term rentals. At the Commission's March 12, 2025, regular business meeting, staff will present these changes and a recommendation to initiate rulemaking, including posting the draft rules to public comment.

Background

Seasonal and short-term rentals have a long history in rural Maine, including within the Land Use Planning Commission's service area. In response to changes in recent years that have allowed short-term rental use to become more intensive (i.e., more guests per dwelling, more frequent rental, and more rental density), the Commission initiated a study of short-term rentals in 2022. A conceptual regulatory approach was presented at the March 2023 Commission meeting, and public outreach to gather additional input and information occurred over the summer of 2023.

Public outreach and information gathering included in-person meetings in East Millinocket, Greenville, and Rangeley, one virtual meeting, and a written comment period. A summary of

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comments received, along with other information about the short-term rental study and other project documents can be found on the [project website](#).

A proposed set of regulatory changes was developed based on feedback gathered during the public engagement process and comments from the Commission at its November 2023 regular business meeting. At its February 2024 regular business meeting, the Commission voted to post the proposed changes to a public comment period. After reviewing the public comments received on the proposed rules, the Commission voted to table the rulemaking at its June 2024 regular business meeting in order to gather more information.

At its August 2024 regular business meeting, the Commission heard from two guest speakers: Alex Pugh, Senior Environmental Hydrogeologist and Manager of the Subsurface Wastewater Disposal Program and the Water Protection Section at the Maine Department of Health and Human Services, and Jeff Dennis, Biologist with the Maine Department of Environmental Protection and head of its Watershed Management Unit. These speakers presented information regarding subsurface wastewater disposal systems and potential impacts on water quality from overused or failing systems. Also at that meeting, the Commission voted to terminate the rulemaking process initiated in February.

The Commission discussed regulatory options at subsequent regular business meetings in September and December. At the December meeting, the Commission opted to implement a phased approach and directed staff to draft proposed rule changes requiring notice for short-term rentals and publish related best-practice information.

Current Practice

The Commission does not currently regulate short-term rentals as a separate use; instead, it treats them as either residential or commercial, depending on the other land use activities occurring in the building or at the site. Renting out an entire dwelling is allowed without a permit and is considered a residential use, even if the purpose of renting is to generate income.

Proposed Rule Changes

As requested at the December meeting, staff have drafted proposed rules to adopt a new standard requiring notice for short-term rental activity. Short-term rentals involving the rental of a single dwelling on one lot in subdistricts where residential dwellings are allowed would continue to be considered a residential use and allowed in accordance with the proposed standard. If adopted, the proposed rule changes would apply to all new and existing short-term rentals. Existing short-term rental owners would have 180 days after the rule's effective date to file notice with the Commission.

The following changes to LUPC rules are proposed (see attached Draft Redline):

- Define short-term rental in Chapter 2 and update other implicated definitions;

- Amend use listings as appropriate to reflect that short-term rentals are allowed in accordance with standards; and
- Adopt an activity-specific standard requiring notice for new and existing short-term rentals (*for the full language proposed, please see the draft redline*).

Concurrently with the rulemaking process, staff would create a notification tracking system, similar to the web portal created for accessory structure notices. Best practice guidance materials for short-term rental owners, renters, and neighbors would be developed, included in the notice form, and available via the LUPC website. This guidance would link to additional federal and state regulations that may apply to short-term rentals and let interested persons know how to report issues not regulated by the Commission, such as noise, unsafe fire practices or fireworks, unmanaged pets, etc.

Staff Recommendation:

Staff recommends that the Commission initiate rulemaking on the proposed changes to Chapter 2 and Chapter 10 related to short-term rentals. Specifically, staff requests that the draft revisions be posted to a public comment process and recommends that the comment period remain open for 45 days and that a rebuttal period remain open for 14 additional days. Should five requests for a public hearing be received, a public hearing would be scheduled pursuant to Chapter 4 requirements and the Administrative Procedures Act.

Attachment: *Proposed Chapter 2 and Chapter 10 Rule Revisions: Short-Term Rentals*

Attachment to March 5, 2025 Commission Memorandum

AGRICULTURE, CONSERVATION AND FORESTRY

Maine Land Use Planning Commission

Proposed Chapter 2 and Chapter 10 Rule Revisions: Short-Term Rentals

March 2025 – Draft

The following amendments propose changes to Chapter 10, *Land Use Districts and Standards for Areas within the Jurisdiction of the Maine Land Use Planning Commission*. This document only includes relevant sections of Chapter 10 and indicates additions in underline, deletions with a ~~striketrough~~, and relocated text in double underline and double ~~striketrough~~. Most revisions are self-evident. Where necessary, further explanations of some changes have been included in [brackets]. These explanatory notes would not be included in the final rule.

Rulemaking Introduction and Overview

What are the goals of this rulemaking?

- Respond to public comments heard during community meetings on short-term rentals by initiating a phased approach that begins with providing best practice information and a notice requirement;
- Use the notice as one way to communicate best practice information to property owners; and
- Allow the Commission to collect data on short-term rental activity in the LUPC service area to determine if additional standards are necessary to ensure adequate protection of neighboring uses and resources.

Why make these rule changes now?

Seasonal and short-term rentals have a long history in rural Maine, including within the Land Use Planning Commission's service area. In recent years, short-term rental use has become more intensive (i.e., more guests per dwelling, more frequent rental activity, and more rental density), and the number of complaints has risen. Many towns and cities are enacting rules regarding short-term rentals, and the Commission believes it is appropriate and timely to adopt minimum standards for short-term rental activities within the Commission's service area.

How are the rules changing?

- A definition of short-term rental will be included in Chapter 2 and a few other related definitions will be refined as needed.
- Short-term rentals will be allowed with notice in zones that allow residential dwellings.
- An activity-specific standard will be added requiring written notice for new and existing short-term rentals.

How will the notice be administered?

If the Commission adopts the following revisions, a notice form will be developed that can be completed online or submitted on paper. The form would require basic information and include best practice information for short-term rentals. The owner would then self-verify the information by signing the notice.

Chapter 2 - Definitions

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[Revision notes: The following proposed terms and definitions, and amendments to current definitions, serve to define or clarify land use activities related to a "short-term rental". Condominium lots are proposed to be treated differently because other than lot ownership, individual condominium units are considered the same as single dwelling units in terms of minimum lot size, shoreline frontage, and road frontage requirements.]

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41. Commercial Use:

The use of lands, buildings or structures the intent or result of which is the production of income from the buying or selling of goods or services. Commercial use includes the short-term rental of more than one of the following on a single lot, unless the lot is part of a condominium where the dwelling units are individually owned: a dwelling unit; a portion of a dwelling unit; or a residential campsite. Commercial use does not include:

- a. a home-based business;
- b. ~~or the rental of a single dwelling unit on a single lot for 30 days or more; or~~
- c. ~~incidental sales of goods or services as may be allowed by permit or standard within a recreational lodging facility or forest management activities where such activities are otherwise exempt from review.~~

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65. Dwelling Unit:

"Any part of a structure which, through sale or lease, is intended for human habitation, including single-family and multifamily housing, condominiums, time-share units, and apartments." 12 M.R.S. § 682(11). ~~A structure or any part thereof that is intended for use or is used for human habitation, dwelling unit may~~ consisting of a room or group of rooms designed and equipped for use primarily as living quarters, including any minor home occupations, for one family. Accessory structures intended for human habitation that have plumbing for internal living spaces, such as kitchens or bathrooms, are considered separate dwelling units. Dwelling units do not include buildings or parts of buildings used as a hotel, motel, commercial sporting camp, outpost cabin, or other similar facility ~~which is rented or leased on a relatively short term basis.~~ Staff housing in such facilities is not considered to be a dwelling unit, unless specifically regulated as such as part of the permit approval. ~~However, the term shall include accommodations utilized by guests for transient occupancy that qualifies as a home occupation.~~

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198. Rental Unit:

A structure or any part thereof that is intended for use or is used for human habitation, consisting of a room or group of rooms designed and equipped for use primarily as living quarters for a single party, and which is rented or leased on a ~~relatively short term~~ regular or recurring basis.

This term includes short-term rentals and recreational lodging facilities but does not include outpost cabins or remote rental cabins.

##. Short-term Rental:

A legally existing dwelling unit, portion of a dwelling unit, or single residential campsite that is rented for a fee or other compensation to a person or group for a period of tenancy of less than 30 consecutive calendar days. The term excludes land use activities regulated as other use listings, such as, but not limited to recreational lodging facilities, home-based businesses, and commercial uses.

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##. Use Notification:

A written or digital submission provided to the Commission pursuant to Chapter 4 Section 4.05(C) or other applicable requirements, providing notification or self-verification that a specific use, activity, or development will be conducted in compliance with applicable standards.

Chapter 10 – Land Use Districts and Standards

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10.21 DEVELOPMENT SUBDISTRICTS

Pursuant to 12 M.R.S. §685-A and consistent with the Commission's Comprehensive Land Use Plan, the following development subdistricts are established:

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[Revision notes: The following revisions would add “short-term rental” as a use allowed without a permit subject to standards and would add “short-term rental” as a use allowed by permit in cases where the standards would not be met. The edits illustrated below for Section 10.21,C are also proposed for the following development, management, and protection subdistricts:

- Extended Settlement subdistrict (D-ES) – Section 10.21,B
- Community Center Development subdistrict (D-GN2) – Section 10.21,D
- Rural Settlement Development subdistrict (D-GN3) – Section 10.21,E
- Low Density Development subdistrict (D-LD) – Section 10.21,F
- Maritime Development subdistrict (D-MT) – Section 10.21,G
- Rural Business Development subdistrict (D-RB) – Section 10.21,J
- Residential Development subdistrict (D-RS) – Section 10.21,M
- Community Residential Development subdistrict (D-RS2) – Section 10.21,N
- Residential Recreation Development subdistrict (D-RS3) – Section 10.21, O
- General Management subdistrict (M-GN) – Section 10.22,A
- Highly Productive Management subdistrict (M-HP) – Section 10.22,B
- Accessible Lake Protection subdistrict (P-AL) – Section 10.23,A
- Aquifer Protection subdistrict (P-AR) – Section 10.23,B
- Flood Prone Area Protection subdistrict (P-FP) – Section 10.23,C
- Fish and Wildlife Protection subdistrict (P-FW) – Section 10.23,D
- Great Pond Protection subdistrict (P-GP) – Section 10.23,E
- Semi-remote Lake Protection Subdistrict (P-GP2) – Section 10.23,F
- Special River Transition Protection subdistrict (P-RT) – Section 10.23,J
- Shoreland Protection subdistrict (P-SL) – Section 10.34,L
- Unusual Area Protection subdistrict (P-UA) – Section 10.21,M

In all cases, subsequent use listings in each subdistrict will be renumbered accordingly.]

C. GENERAL DEVELOPMENT SUBDISTRICT (D-GN)

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3. Land Uses

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b. Uses Allowed Without a Permit Subject to Standards

The following uses are allowed without a permit from the Commission within D-GN subdistricts subject to the applicable requirements set forth in Sub-Chapter III:

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(#) Short-term rentals, in conformance with the standards of Section 10.27,T;

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10.27 ACTIVITY-SPECIFIC STANDARDS

The documents referenced within this section may be obtained from the Commission's office in Augusta, or any of its regional offices.

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T. SHORT-TERM RENTALS

Short-term rentals allowed in a subdistrict without a permit must comply with the following standards. Short-term rental activities within legally existing dwelling units and residential campsites in D-PD or P-RP subdistricts must comply with the following standards.

All existing or new short-term rentals allowed without a permit subject to standards must meet the following standards and conditions:

1. Written Notice Required.

Notice pursuant to Chapter 4, Section 4.05,C must be completed prior to the commencement of short-term rental activities. Notice must include self-verification by the landowner that the information submitted is factual. For short-term rentals in existence prior to [insert the effective date], written notice must be submitted within 180 days of [insert the effective date]. Such notice must conform to the requirements of Chapter 4, Section 4.05,C.