

Land Use Planning Commission Study of Short-Term Rentals

Community and Virtual Meetings 2023

Rangeley – July 13, 2023

This document compiles the notes recorded by LUPC staff on July 13, 2023, at the Rangeley Lakes Region School in Rangeley. The notes summarize discussion and comments from the open drop-in period and the community meeting, including the responses to discussion questions posed by LUPC staff.

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

Discussion Questions – Summary of Responses

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

- Benefits to Property Owners
 - Helps people afford increases in taxes and insurance and alleviates financial burdens, especially if on a fixed income*
 - Allows owner to earn extra income and put money back into the property
 - Allows legacy homes to stay in families
- Benefits to Local/State Economy
 - Increase in business for local vendors, restaurants, and businesses *
 - Adds a variety of lodging options in areas that may not have a lot of lodging options*
 - Needed to support the tourism economy in Maine
 - Short-term rental owners give many thousands of dollars to local organizations
 - The local economy would be devastated if owners decided not to rent because they feel targeted
 - The residents in the town and surrounding plantations are here full-time and end up feeling the positive economic impacts of short-term rentals
- Other Comments on Benefits
 - Lessens the need for more commercial development to accommodate tourism
 - None [*as in there are no benefits*]
 - Thousands of visitors use short-term rentals in the area and the majority are fine (no issues)

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

- Impacts on Neighbors
 - Trespassing: people and snowmobiles on neighboring properties*
 - People do not know their neighbors*

- Disruptions to abutters' peaceful enjoyment of home; Noise; Unruly occupants
- Lack of respect for neighbors; for example, trailers being off-loaded at midnight
- The burden of reporting problems falls on the neighbors unless cameras are installed in the short-term rental
- Increases in traffic in a quaint neighborhood
- Lights
- Management/operators not checking on issues
- Environmental Impacts
 - Septic Capacity
 - Over-use and failure of septic systems:* Smell and well-water contamination affect abutters. Rangeley Lakes Heritage Trust has examples of lake camps with failed septic
 - Biggest issue is when septic capacity is not matched with occupancy
 - Older subdivisions like Highland and Overlook have 1-acre lots with no alternate site for septic. It's only a question of time before these septic systems fail
 - Tents and campers on properties increase the number of renters beyond the septic capacity [*Example: a neighboring house with 4-6 bedrooms is regularly rented out. On a recent weekend, there were 26 guests with some sleeping in tents and campers. This is occurring on a sensitive waterbody.*]
 - Most rentals do not have septic issues because the level of activity is no different than if full-time residents were living there
 - Trash/Littering
 - Increases in trash*
 - People clean and take trash away, but littering is a huge problem
 - Has the amount of trash increased due to short-term rentals?
- Impacts on Public Services and Safety
 - Public safety issues* including issues with access for emergency vehicles* and renter safety if there is a fire in a unit
 - Unattended fires/Fireworks* – Renters do not know fire danger if dry and calls increase costs for the town
 - Landowners and property managers do not have de-escalation training, training to deal with issues like guns, violence, etc.
 - Additional trash is a burden on the transfer station
 - Very little law enforcement has been needed and few issues with emergency calls
- Impacts on Availability of Long-term Housing
 - Affordable housing is being impacted: workers/employees don't live locally; it's more profitable for owners to rent short-term than long-term

- In urban areas, short-term rentals reduce long-term rental stock
- It is a myth that short-term rentals impact local housing - these houses are expensive and would not be available for workforce housing due to cost
- Properties sell immediately as buyers intend to use them for short-term rentals
- Other Challenges/Issues
 - Parking issues*
 - ATVs and snowmobiles damage public and private roads* - increases road maintenance costs for associations and homeowners
- Other Comments on Challenges/Issues
 - Short-term renters do not know local codes/ordinances and state laws*
 - Wear and tear on the property is an issue for the owner*
 - The issues are the same as those among long-term residents who are neighbors. Complaints could just as easily be about full-time neighbors as about short-term renters
 - Large % of the tax base is non-residents, but it is the residents feeling the pressures from short-term rentals (nuisance, overburden)
 - When nuisances occur, neighbors tend to work with each other and do not necessarily lodge a complaint with the town or sheriff. Sometimes, it's better to just live with the impacts than go to the authorities
 - Some renters may feel like they can act differently on vacation than at home (louder and more activities), but others act the same. It really varies depending on who is renting the property. Renters are screened by the property owner (who ultimately is responsible for who is there)
 - Management agencies not doing their job to address problems (for example, cooking repeatedly causes the fire alarm to go off and the fire department responds, resulting in a cost to the town)
 - If the short-term rental is kept to its capacity, renting is not an issue. The issue is the abuse, the excess
 - Many of these issues are civil matters, liability is on the owner or property manager

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

- Definition of Short-term Rental
 - 2 types: sporting camps/remote lodging and residential subdivisions in the LUPC jurisdiction
 - A rental for less than 30 days/1 month is a short-term rental
 - Renting more than two times in a 12-month period makes it a nonresidential, commercial use
 - Renting for less than 3 months

- New Hampshire defines short-term as anything less than 6 months and charges substantial tax for short-term rentals
- Residential or Commercial Use?
 - Residential
 - Residential as long as owners are occupying the premises to some extent
 - Residential, generally speaking
 - A short-term rental is a residential property being used for a residential purpose; renting to people so they can live in a building is a residential purpose, whether long-term or short-term
 - Residential because most homeowners use their home more than they rent; this is a home they are sharing with others
 - Commercial
 - Should be commercial if the sole purpose is for rental income*
 - Commercial business* because any exchange of goods (home) or services for money is a business
 - Home-based business*
 - Short-term rentals are commercial because owners pay lodging taxes and file Schedule E on federal tax returns in which they write off certain expenses
 - Short-term rentals often operate as a Limited Liability Company (LLC)
 - Short-term rentals are commercial because they employ people for cleaning, management, etc.
 - The advertising can be similar to that of a commercial business
 - If rental income is considered in financing a property, it is an investment property
 - If it is non-owner occupied, then it is commercial
 - Renting for more than 90 days makes it a commercial property
 - If a short-term rental is active more than 25% of the year, then it should be treated as commercial and be regulated
 - Other Comments on Residential or Commercial Use
 - Long-term rentals are not commercial and are different from STRs because the renters are part of the neighborhood
 - Long-term rentals are the same as short-term rentals because, ultimately, it's just people in a house.
 - Transient occupancy classifies it differently – when it affects neighbors it does become their concern
 - Is there a happy medium between all residential and all commercial?

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
 - 'Yes' to requiring a notice/registry for short-term rentals*
 - Notice would benefit short-term rental owners as they can be easily contacted in the event there is an issue*
 - Might be a good idea for information collection of homeowners/managers but don't feel there is a need for anything else
 - Require a permit if not owner-occupied; an owner must be a resident and live there for at least 6 months
 - A notice would take too long, and requests may get lost in the shuffle
 - What would this mean for a property owner and property management company? Not sure if notice is needed

- Performance Standards
 - Septic capacity
 - Limit the number of allowed renters based on the design of the septic system*
 - Local plumbing inspector enforces septic issues – is another regulation needed?*
 - Overuse is not an issue because the house is not always rented or rented at capacity*
 - Overuse of septic systems is a major concern
 - Septic should be the only regulated component
 - Require updating of the septic system before a property is allowed to operate as a short-term rental; a home used as a short-term rental could have a modified septic design and increased septic capacity
 - Take extra steps to protect resources in the Rangeley Lake watershed – it's the most important asset in the region and some septic systems fail into groundwater which then finds its way into the lake

 - Other comments on performance standards
 - All performance standards as suggested should be implemented,* for impact on the environment and neighborhood safety
 - Fire danger awareness with fireworks and outdoor fires*
 - Local contact information* should be provided for a contact person that can be reached and respond
 - Rules or guidelines are needed since short-term rentals infringe upon everyone (noise, tearing up road)*
 - Provide to all renters good neighbor policies on noise, lighting, pets, trespassing, IFW regulations, ATV rules, fires and fireworks along with local access information*
 - Local emergency contact information should be provided at the house, including the address and town/plantation

- Life safety standards are most important but use existing insurance guidelines on these standards and don't reinvent the wheel; Providing a copy of the short-term rental insurance policy would confirm that the building meets standard life safety requirements (but may need to distinguish between liability and property insurance). The insurance carriers can enforce and essentially do the work of a code enforcement officer
 - Animal control
 - Drinking water quality and testing
 - Off-street parking; Adequate parking for trucks with trailers; No parking in snowplow turnaround
 - Some regulation is appropriate for public health and safety: 1) keeping renters off neighbor's property/preventing property damage; 2) requiring someone onsite or nearby to manage renters and address any problems is a good thing. Will there be rules on garbage?
 - Follow codes for renting rooms like hotels or B & Bs; B & Bs and other forms of lodging are heavily regulated; short-term rentals are unregulated but provide the same service
 - Make enforcement part of this rulemaking – need to increase fines and include “3 strikes and you're out”
 - Put the onus on the owner – make sure they sign a best practices/rules document
 - Health, safety, and welfare are reasons for inspections
- General Comments on Regulations
 - Property rights
 - Regulating short-term rentals violates private property rights; It's a person's right to rent out their property, and LUPC should not be involved; Regulations cannot infringe on individual rights; Against overreach of government
 - Owner is ultimately the one who determines what the property is used for; regulations mean that the owner surrenders property rights
 - What right does LUPC have to pass and enforce certain restrictions, especially when there are state statutes already in place (for example, for noise; for pets)? Would LUPC restrictions in this region deprive people of rights?
 - Rental owners police themselves; it is in their interest
 - Depriving landowner(s) of voting on issues
 - Want everyone to play by the same rules vs. infringement on property rights
 - Other comments on regulations
 - No one is monitoring short-term rentals, so who is going to enforce regulations?
 - Why would short-term rental owners be singled out? Long-term residents can also produce nuisances; Short-term rental owners are being targeted for no reason; I would like more research to be done to establish if there are actual issues
 - Important to remember the distinct functions of LUPC and other agencies, or if matters are civil vs. LUPC concerns

- What would be the cost of adopting regulations for the LUPC? There are fiscal implications for any regulations
- Right now, renters need more accountability for their actions impacting neighbors.
- Bed and Breakfasts are licensed by the state and the owner lives in the same house. Some of the regulations that apply to B & Bs are: 5 rooms or less and must live on-site; a maximum of 8 people can stay; abutters had to agree per the town's conditional use permit; and have inspections for public safety, including water tests
- Septic design – most short-term rentals are on town water and town sewage and not in an unorganized area overloading a septic system
- The LUPC's proposal is good and reflects responsible short-term rental ownership
- The LUPC has to allow short-term rentals even if they are commercial by definition; can't use the number of properties owned as a metric; There could not and should not be a cap
- I do not think there should be heavy-handed regulations; Regulations – NO

Miscellaneous Comments

- COVID prompted growth in short-term rentals*, but demand may be going down now (look at last quarter using AirDNA data services)
- The real estate lobby is very strong so the state can't take any action/regulate at the state level; the LUPC is in a better position
- Check out Depot Road
- 88% of Rangeley's population is seasonal; Second-home owners don't use services full-time but are getting more demanding about the services; the residents are the ones impacted
- Homeowners' associations can restrict short-term rentals; some have strict covenants prohibiting commercial use
- Dallas Plantation uses/leases from Rangeley Plantation for solid waste disposal, and Sandy River Plantation has its own facility
- Follow up with service providers, like the fire and police chiefs, in towns that service the UT, like Rangeley
- Clientele for B&Bs and short-term rentals are typically different (couples, girlfriends, skiers; B&Bs don't get the snowmobilers). B&Bs attract older visitors and people who want more services than are provided at a short-term rental. B&Bs host multiple groups at one time; not everyone is related or of the same party. Short-term rentals do not really seem to take away business from B&Bs for these reasons
- July to October – get a lot of wedding people; Get a variety of people – maybe the same type of behavior when they are at home
- LUPC's materials are using the same misleading rhetoric as the proposed ordinance in the town of Rangeley
- Rangeley's history and heritage involves tourism and people coming to the region and staying over multiple days to hunt, fish, recreate, etc.

- Oxford County has seen an increase in road maintenance costs but does not know if that is a result of short-term rental activities
- Rangeley recently had an election, and two select persons were replaced because of their support for the ordinance on short-term rentals
- Regulators are not paying attention to the non-vocal majority
- Some associations have up to 60% out-of-state ownership
- The town of Brownfield recently voted down or tabled a short-term rental ordinance
- Many of the things the LUPC is considering regulating around short-term rentals are already illegal or otherwise regulated, so why would the LUPC take them on?