

JANET T. MILLS GOVERNOR STATE OF MAINE DEPARTMENT OF AGRICULTURE, CONSERVATION & FORESTRY Land Use Planning Commission 22 State House Station Augusta, Maine 04333-022

> Amanda E. Beal Commissioner

Memorandum

To: LUPC Commissioners
CC: Stacie R. Beyer, Executive Director
From: Stacy Benjamin, Chief Planner
Date: December 4, 2024
Re: Short-term Rentals – Options for Discussion

At its regular business meeting on September 11, 2024, the Land Use Planning Commission discussed considerations for regulating short-term rentals and potential options for going forward. Based on the Commissioners' comments from that meeting and previous meetings, staff have developed options for further discussion and seek guidance from the Commission on the next steps.

BACKGROUND

At the September 11 meeting, there was consensus among the Commissioners that at least providing best practice information for short-term rental owners and neighbors is a good idea. Staff have compiled information and begun developing these materials, with the goal to have them publicly available early next year. At the same meeting, Commissioners expressed varying opinions about a regulatory approach for short-term rentals. Comments at the meeting included:

- Water quality and environmental impacts from short-term rentals are a concern, and some type of regulation is needed, perhaps by zone or in shoreland areas only.
- It might be more practical to emphasize education as a first step and then add regulations later if needed.
- It is important to balance the burden any new regulation might place on short-term rental owners and LUPC staff with the benefit/effect of that regulation.
- Several Commissioners expressed general support for the original rulemaking framework.

STACIE R. BEYER EXECUTIVE DIRECTOR HARLOW BUILDING, 4th Floor



PHONE: (207) 287-2631 FAX: (207) 287-7439 WWW.MAINE.GOV/DACF/LUPC LUPC Commissioners – Short-term Rentals December 4, 2024 Page 2

Based on the Commissioners' comments on September 11 and at previous meetings, staff believe further discussion is needed on the proposal as a whole, specifically regarding if and where notice may be required, and whether to include an occupancy limit or other standards.

The original proposed rule revisions, along with additional options for consideration based on Commissioner feedback, are presented below for reference and to facilitate discussion at the upcoming meeting. A staff recommendation follows the options.

APPLICABILITY

Original Proposed Rule Language (emphasis added)

SHORT-TERM RENTALS

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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 standards listed in Section 10.27,T,2 through 6 will be met. 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.

Options For Discussion

Commissioners expressed an interest in requiring notice only for short-term rentals in shoreland areas. Because the LUPC development zones encompass shoreland areas, using subdistricts as a filter is problematic. To include all short-term rentals in shoreland areas, the Commission must include the General Development subdistrict (D-GN) and the Residential Development subdistrict (D-RS), among others. This approach would expand the applicability of the notice requirement significantly beyond shoreland areas. Alternately, requiring notice only for properties within 250 feet of the shoreline would exclude many properties in some of the more densely developed shoreland areas (See <u>Appendix A</u> for examples).

An alternative possible option and considerations for applicability options identified to date are presented below, along with potential considerations for each option. These ideas are meant to spur discussion and there may be other approaches the staff have not yet identified.

Options:

- 1. All Short-term Rentals Notice Only No Standards
- 2. All Short-term Rentals Notice and Standards (previously proposed option)
- 3. Short-term Rentals in Shoreland Areas Only Notice and Standards
- 4. Notice Required for All Rentals Standards Apply to Shoreland Rentals Only

Applicability	Considerations
All short-term rental (STR) owners must file a general notice form (no other applicable standards)	 This incremental approach would allow the Commission to first collect general data on the numbers and locations of STRs in the service area. Additional rules could be added later if needed
	 No fee, automated online system reduces burdens on owners and staff and eliminates uncertainty about applicability
	 Equally applies to all STR owners (fairness issue)
	 Provides contact information for owners and a mechanism to share best practice information
	• Provides a basis for enforcement of notice standard

Option 1. All Short-term Rentals - Notice Only No Standards

Option 2. All Short-term Rentals – Notice and Standards (previously proposed option)

Applicability	Considerations
All short-term rental owners must file a general notice form and conform with standards identified by the Commission <i>(either as proposed or modified)</i>	 No fee, automated online system reduces burdens on owners and staff and eliminates uncertainty about applicability Equally applies to all STR owners (fairness issue) Provides a basis for enforcement when warranted for those standards included

Option 3. Short-term Rentals in Shoreland Areas Only – Notice and Standards

Applicability	Considerations
 Short-term rental owners within 250 feet of the normal high water mark, measured as horizontal distance landward of such high water mark, of: (a) those bodies of standing water 10 acres or greater in size, (b) coastal wetlands, and (c) flowing waters downstream from the point where such waters drain 50 square miles or more Potentially include STR owners within a P-AR subdistrict 	 Variable applicability introduces complexity and uncertainty among owners and staff about who must file a notice (for example, if the dwelling or septic system is beyond 250 feet from the shoreline)
	 A clearly stated applicability standard and an interactive map or parcel viewer layer displaying applicability could be helpful
	 Unsure how many short-term rentals in the LUPC service area are shoreland (current data are not readily available)
	 Applies to some but not to all owners, sometimes in the same neighborhood (fairness issue)
	 Provides a basis for enforcement when warranted but only in areas included
	 Water quality could be impacted by septic or runoff issues occurring beyond 250 feet

Applicability	Considerations
Require notice from all owners, but standards only apply to properties in the areas noted in Option 3.	 Variable applicability introduces complexity and likely uncertainty among owners and staff about whether standards apply to them
	 Notice requirement equally applies to all STR owners, but standards only apply to some (setting up potential fairness issues)
	• Other than the notice requirement, provides a basis for enforcement when warranted for the other standards only in areas subject to the standard(s)

Option 4. Notice Required for All Rentals - Standards Apply to Shoreland Rentals Only

OCCUPANCY

Original Proposed Rule Language (emphasis added)

2. Maximum allowable occupancy.

The maximum allowable occupancy **must not exceed two persons per number of bedrooms** in the short-term rental dwelling unit. Occupancy and sleeping accommodations are limited to authorized buildings (e.g., dwelling or bunkhouse) or authorized residential campsites. Notwithstanding Section 10.27,T,3 below:

- a. The maximum allowable occupancy for a residential campsite **must not exceed 12 persons**; and
- **b.** For authorized bunkhouses, sleeping accommodations for **every two persons count as one bedroom**.

Options For Discussion

А	No occupancy standard
В	Link occupancy to wastewater capacity: Allow 2 persons per bedroom (previously proposed)
С	Provide a little more flexibility to capture most rental situations: Allow 3 persons per bedroom; or possibly 2 per bedroom plus 2
D	Require a higher level of review for some situations: A permit is required if more than some number of guests allowed (e.g., 10)

OTHER STANDARDS (AS ORIGINALLY DRAFTED)

The standards below are presented as originally proposed to help provide context and facilitate the discussion.

3. Subsurface wastewater disposal system.

The short-term rental must have a subsurface wastewater disposal system that complies with all applicable Subsurface Wastewater Disposal Rules (DHHS Rules, Chapter 241).

4. Information posted.

The following information must be posted in a visible location both within the short-term rental and at an exterior location visible to emergency responders:

- **a.** Rental contact person and contact information. The rental contact person must be an individual who is personally available by telephone on a 24-hour basis and who has access and authority to assume management of the short-term rental. An owner-authorized agent or professional property management company that meets the availability requirements can serve as the local contact person.
- **b.** Property information. The E-911 address or other specific information describing the location of the property.

5. Parking.

Sufficient off-street parking must be provided on the property for guests to avoid violations of 17 M.R.S. § 3853-C. Parking in a manner that impedes access by emergency vehicles to the property or neighboring properties is prohibited.

6. Solid Waste Disposal.

Solid waste generated on site must be stored so as not to cause a fire, health, or safety hazard; stored in covered or closed containers; and stored in containers with adequate capacity to hold all waste generated between collections. Solid waste and recycling generated on site must be regularly collected and disposed of at a State-approved landfill or transfer station.

STAFF RECOMMENDATION

After much deliberation and internal discussion, and considering all comments made by the Commissioners and received through the public comment processes, staff recommend the Commission consider initiating rulemaking for Applicability Option 1. This option would require a notice for all short-term rentals, making it easier for the public and staff to understand the applicability. The online notice system will automate most notices and should only take a few minutes for an owner to complete. There would be no fee, and a notice would only have to be submitted one time rather than annually. This minimizes the burden on rental hosts and would allow the Commission to hold off on other standards until additional data is collected and the impact of the best practices educational materials can be determined. The Commission could re-evaluate in a few years to see if additional standards are necessary based on complaints and identified issues.

APPENDIX A. APPLICABILITY EXAMPLES



1. Rockwood – 250-foot Buffer -

Appendix A – Applicability Examples LUPC Commissioners – Short-term Rentals December 4, 2024



2. Harford's Point – 250-foot buffer -