Short Term Rentals

Town Council Workshop

June 26, 2024

Discussion Recap

- **July 13, 2023:** Ordinance Committee reviewed short term rentals
- **September 14, 2023:** Ordinance Committee reviewed short term rentals
- **November 2, 2023:** Council Corner Live on short term rentals
  - Feedback included – Open to registration and inspection process, not open to limits on location or caps
- **June 26, 2024:** Short Term Rentals Town Council Workshop

Short Term Rental Overview

- What are short term rentals (STR's) - Terms & Definitions
- Goal Discussion – Why Regulate?
- How to Regulate – Options – Considerations (Neighbor Communities)
- Impacts – Pros & Cons
- Next Steps

What is a Short Term Rental (STR)?

Residential (or accessory) unit rented for <u>less than 30</u> days/nights

- **Primary Residence Hosted -** a dwelling unit, or portion thereof, that is the primary residence of the property owner or on the owner's primary residence property owner lives on site throughout the hosting period (ADU or extra room)
- **Primary Residence Unhosted -** property owner does not live on site throughout the hosting period
- **Non-primary Residence Rental -** an entire dwelling unit that is not the primary residence of the property owner

**Excludes hotels, bed and breakfast, and recreational lodging facilities



Step One – Define Goals of the STR Ordinance

- Protect Neighborhoods
  - Noise
  - Traffic
  - Character
  - Safety
- Increase Tourism Opportunities
- Create Accountability – Licensing/Permitting/Registration
- Safety – Inspections
- Prevent Proliferation of Corporate Investment
- Protect Housing Stock
- Create Penalties for Violations



Regulation Types

- Registration (Portland) – requires short-term rental units to be registered annually
- License (Kennebunkport) – issues a specific number of licenses per year and requires annual renewal

Potential Considerations….

- Zoning Compliance
- Ownership Verification (only one permitted or many)
- Tax Compliance
- Occupancy levels
- Parking Requirements
- Fees and how to use revenue
- Insurance & Liability
- Advertising – Signage
- Code Inspections
  - Water and septic
  - Electric
  - Pool Inspections
- Safety Inspections
  - Pets
  - Carbon monoxide
- Snow Removal
- Trash Service
- Noise
- Violations and Penalties

Town Staff Involved

- Town Clerk
- Assessing
- Public Safety
- Code Enforcement
- GIS
- Others…

Associated Costs & Benefits…

- Implementation
- Initial Inspections and Registration/Licensing
- On-going Tracking
- Annual Inspections
- Annual Registration/Licensing
- Annual License Fee
- Protect Neighborhoods

Existing Regulations

- **Accessory Unit – All zones allowing residential**
  - Does not allow SHORT term rentals:
  - Seasonal (3 months) ok – but must be longer than 28 continuous days
- **Bed and Breakfast – RF, Higgins, B1, TVC2 and TVC3**
  - No more than 6 guest rooms with lodging, food and beverage service
  - Contains a dwelling unit that is occupied by the owner or manager
  - No more than 28 days
- **Lodging House – B2 and B3**
  - 3 or more rooms are rented for living accommodations and no board
- **Hotel/Motel – Higgins, TVC, TVC2, TVC3, HP, CPD, B2, B3, BOR**
  - Six or more guest rooms
  - No more than 186 days

Communities Reviewed

- Bar Harbor - 11/1/2021
- Cape Elizabeth – 7/1/2021
- Falmouth – 1/1/2022
- Freeport – 7/1/2021
- Kennebunkport
- Kittery – 8/6/2020
- Saco - NA
- South Portland – 1/1/2019

Decisions – Who Can Rent

- Primary Residence Only
- On-Site Owner or Operator - All
- Owner Occupied or Corporate – All

Decisions - Timeframes

- Minimum nights (greater than 1) – Bar Harbor, Saco, South Portland (non-hosted)
- 1 rental per 7 days, or 2 per seven days – Cape Elizabeth
- No minimum nights – All others
- Upper limits – 28-30 days for all, except Saco – 4 months

Decisions – Where & When

- Town wide – Falmouth, Freeport, Kittery, South Portland
- Location Based
  - Specific Zoning Districts – Bar Harbor, Cape Elizabeth,
  - Specify Areas – Saco, Kennebunkport (exempts Goose Rocks)
- No Limit – Falmouth, Cape Elizabeth, South Portland, Saco
- Cap - max number per year – Bar Harbor, Kittery, Freeport, Kittery
- Time – Seasonal only or all year - NA
- Allow/prohibit non-permanent structures such as tents and recreational vehicles - NONE

Decisions - Inspections Required

- None – Falmouth, Kittery
- Self Inspection Only – Freeport, South Portland (hosted)
- Required at Initial – Bar Harbor, Cape Elizabeth, Kennebunkport, Saco, South Portland (non-hosted)
- Every 3 years – Bar Harbor
- Every 5 years – Cape Elizabeth, Kennebunkport, Saco

Decisions – Fees and Violations

- Fees Ranges - $50 - $500
- Bar Harbor - $275
- Cape Elizabeth - $250 existing, $500 new
- Falmouth - $300
- Freeport - $100
- Kennebunkport – NA
- Kittery - $50 owner occupied, $100 non-owner occupied
- Saco - Varies, $100 renewals
- South Portland - $200 hosted, $400 non-hosted
- Violations - $100 - $1,500

Decisions – Administration

- Annual Renewal with Deadlines – Bar Harbor, Cape Elizabeth, Falmouth, Freeport, Kennebunkport, Kittery, Saco
- Annual Rolling Renewal – South Portland
- Town Clerk – Falmouth, Freeport, Kennebunkport, South Portland
- Code Enforcement – Bar Harbor, Cape Elizabeth, Kittery, Saco
- Approval Authority, Staff – All

Staff Recommendations

- Annual Registration Process – Utilizing the new Code software (January 1, 2025)
- Initial inspections required –
  - Allow 6-12 months to complete after registering (life and safety)
- Generally allow where residential uses are permitted with no caps
- Define short term as under 30 days
- Ongoing Inspections – every 3-5 years or when property changes hands
- Annual fees - $100 - $200

Next Steps

- Define Council Goals for a Short Term Rental Ordinance
- Draft Ordinance
- Committee Review and/or Public Process
- Implementation Plan
- Public Outreach

Questions and Discussion