

Commission to Increase Housing Opportunities in Maine by Studying  
Land Use Regulations and Short-term Rentals

Oct. 17, 2022 meeting

## Current law

### [“Lodging place” licensing by DHHS](#)

“Lodging places” need to be licensed by the Department of Health and Human Services. "Lodging place" means a fixed structure, or any part of a structure, used, maintained or advertised as a place where sleeping accommodations are furnished that offers stays that are temporary in nature and consist of fewer than 183 days in the aggregate per year.

**Includes:** hotels, motels, bed and breakfasts, inns and properties under common management at the same location where 4 or more rooms, cottages or condominium units are available.

**Does not include:** vacation rentals, youth camps, dormitories, fraternity/sorority houses, etc.

**Exceptions:** private homes when not more than 5 rooms are let in that home; cottages and rooms when not more than 3 rooms or cottages are let.

### [“Lodging house” licensing by municipalities](#)

Municipalities can enact ordinances for a “lodging house.”

“Lodging houses” means a house where lodgings are rented, but *does not include*:

- A. A house where lodgings are rented to fewer than 5 lodgers; (“lodger” does not include persons within the 2nd degree of kindred to the person operating the lodging house)
- B. The dormitories of charitable, educational or philanthropic institutions; or
- C. The emergency use of private dwelling houses at the time of conventions or similar public gatherings.

## Recent legislative proposals relating to short-term rentals

### 126th Legislature

#### [LD 330, “An Act To Require All Lodging Places To Be Licensed by the State” \(Sen. John Patrick\)](#)

- Removes exemption for private homes (when not more than 5 rooms are let in that home) and cottages and rooms (when not more than 3 rooms or cottages are let) from requiring a license as a lodging place
- Removes authority for municipality to license a “lodging house”
  - Licensing would be done by State

Commission to Increase Housing Opportunities in Maine by Studying  
Land Use Regulations and Short-term Rentals

Oct. 17, 2022 meeting

**127th Legislature**

[LD 436, “An Act To Require Providers of Short-term Lodging To Be Licensed by the State” \(Sen. John Patrick\)](#)

- Specifies that “lodging place” includes a property under common management where 4 or more rooms, cottages or condominium units are rented to the public, or where any number of rooms are rented to the public for overnight occupancy.”
- *“Overnight occupancy” means rental by the owner and occupation by the public of a lodging place for a period of less than 7 days for a fee.*

**129th Legislature**

[LD 1588, “An Act To Create a Registration Process and Permits for Vacation Rentals” \(Rep. Zeigler\)](#)

- Register with Department of Health and Human Services (DHHS) and obtain permit before “conducting, controlling, managing or operating a vacation rental for compensation, directly or indirectly.”
  - “Vacation rental” means *a residential property that is rented for vacation, leisure or recreation purposes for a day, a week or a month, and typically under 30 days but not for more than an entire summer or winter season, to a person who has a place of permanent residence to which the person intends to return.* (22 MRSA §2491, sub-§17).
- Permit cost \$50
- Applicant must provide proof of appropriate insurance from an insurance carrier
- Must be displayed in a place readily visible to customer or other persons using vacation rental
- Not assignable or transferable
- DHHS must issue within 30 days if vacation rental complies with law and DHHS rules
- DHHS must issue conditional permit, good for 90 days, if initial applicant is found not to be in compliance, unless conditions are found that present a serious danger to the health and safety of the public
- DHHS shall establish and maintain a registry of vacation rentals for which a person has sought a permit. Information must include, but isn’t limited to, ownership, violations and the resolution of those violations
- Fine for operating without permit: \$25-\$200, 1<sup>st</sup> offense; \$200-\$500, 2<sup>nd</sup> or subsequent offense
  - Each day any person operates without permit is separate offense
- LD 1588 makes it so private homes (when not more than 5 rooms are let in that home) and cottages and rooms (when not more than 3 rooms or cottages are let) are *vacation rentals* and require a permit as described above.