

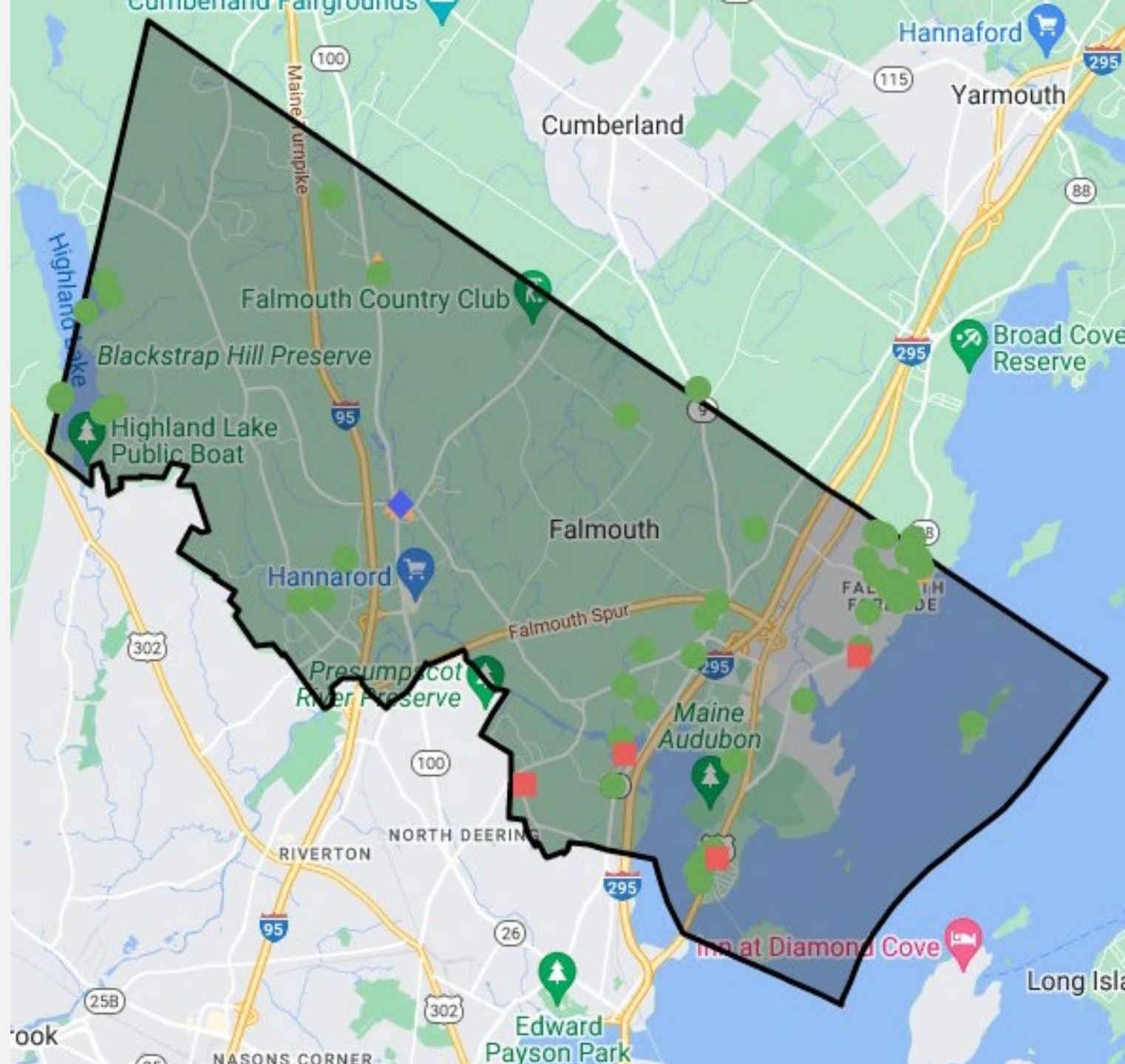
# Falmouth, Maine Short-term Rental Ordinance and Registration Program

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

September 23, 2022

# Falmouth STR Market

- Falmouth contracted with Granicus Host Compliance in Fall 2021 to assist with compliance monitoring
- As of 9/21/22, Host Compliance has identified 70 total active rental units in Falmouth
- There has been a drop in active rental units during the pandemic
  - November 2019-122 rental units
  - October 2020- 88 unique rental units



# Ordinance Development Process:

- The Town Council Ordinance Committee began discussing short-term rentals in 2018 after residents contacted councilors with concerns.
- Town staff conducted research on the short-term rental landscape in Falmouth, including initially contacting Host Compliance, as well as on Maine municipalities and select national municipalities' short-term rental ordinances.
- A public forum was held in March 2020 with 41 attendees.



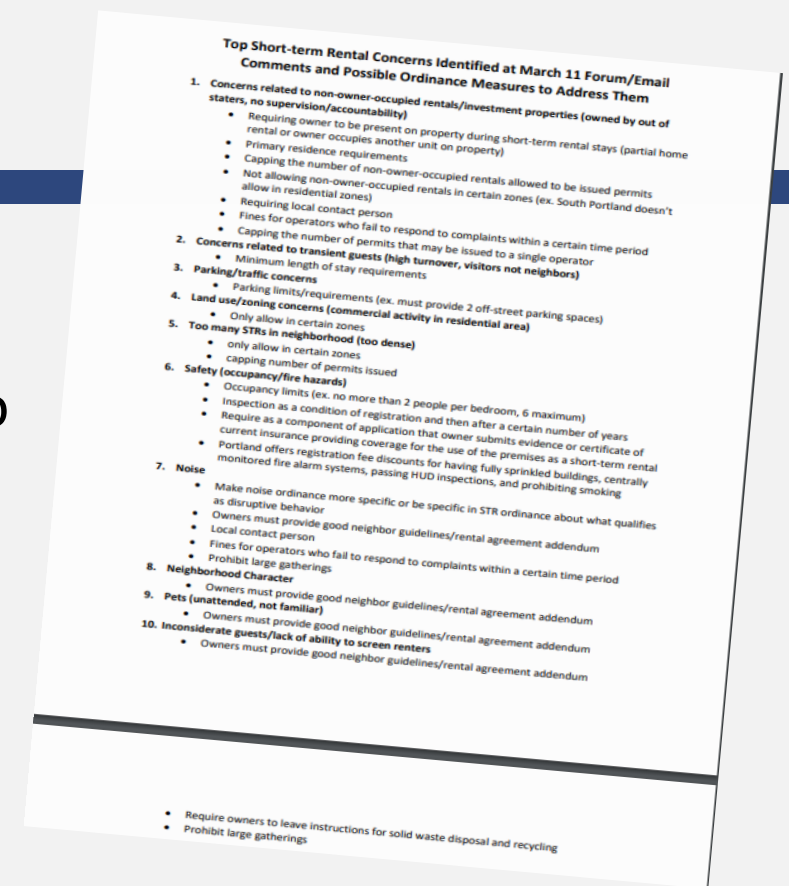
# Top STR Pros and Cons Identified at Public Forum

PROs	CONs
Short-term rentals are a revenue source for owners (help owners afford their mortgages)	Concerns related to non-owner-occupied rentals/investment properties (owned by out of staters, no supervision/accountability)
Short-term rentals provide an affordable local lodging option-Falmouth only has one motel	Concerns related to transient guests (high turnover, visitors not neighbors)
Having short-term rentals in town benefits local businesses	Parking/traffic concerns
Town exposure to potential visitors/new residents	Land use/zoning concerns (commercial activity in residential areas)
Short-term rentals positively impact property values	Too many STRs in the same neighborhood
Most short-term rental operators are responsible and properly screen their guests.	Safety (occupancy/fire hazards)
	Noise
	Neighborhood Character
	Pets (unattended, not familiar)
	Inconsiderate guests



# Ordinance Writing Considerations

- Does Falmouth have a short-term rental problem?
- Wanted to facilitate data collection to better understand who is renting, where are they renting, and rental patterns
- Did not want to restrict people from renting their properties
- Enforcement
  - Staff capacity to monitor and enforce
  - Budgetary implications (staff time, Host Compliance (\$12,888.50, based on number of units), legal fees)



# Ordinance

Approved July 2021

**Purpose:** to monitor the impact on residential neighborhoods by the operation of short-term rentals within the Town and to provide a registration program that enables the Town to monitor and track short-term rentals within its borders.

## **Requirements:**

1. Ordinance established registration program-No person shall advertise, operate, or rent a short-term rental without first registering the short-term rental unit with the Town. Owners must renew their registrations annually on or before January 1.
2. \$300 Registration Fee
3. The owner must provide and emergency contact person who is able to respond within an hour to complaints regarding the condition, safety, or operation of the short-term rental, or the conduct of guests.
4. The owner must provide a certificate of insurance that expressly acknowledge that the property may be used for short-term rental business activity and evidencing (a) property insurance and (b) general liability insurance appropriate to cover the rental use in the aggregate of not less than \$1 million or proof that the owner conducts rental transactions through a hosting platform that provides equal or greater coverage.

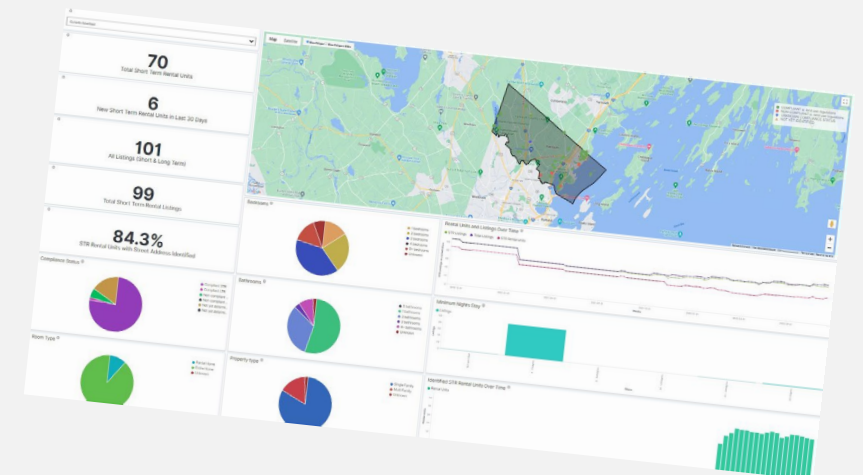
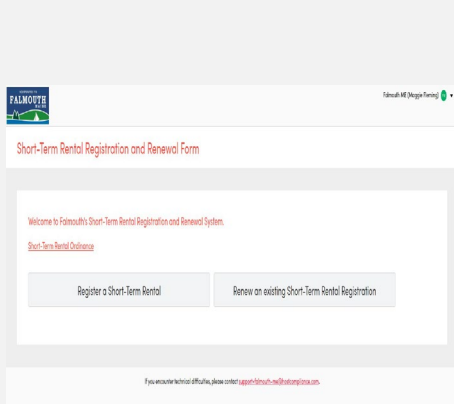
## **Enforcement/Penalties:\*\***

- Operating and/or advertising the rental of a short-term rental without a valid registration- per day fine of \$1,000 for first offense, additional per day fine of \$1,500 for each additional offense.
- For any other violation of the ordinance, the violator may be penalized with a fine of \$500 per day for each such violation.

\*\*The Town has been using a three-strike warning letter system and has not enforced fines for owners who have registered or removed their listings before receiving a third letter.

# Implementation

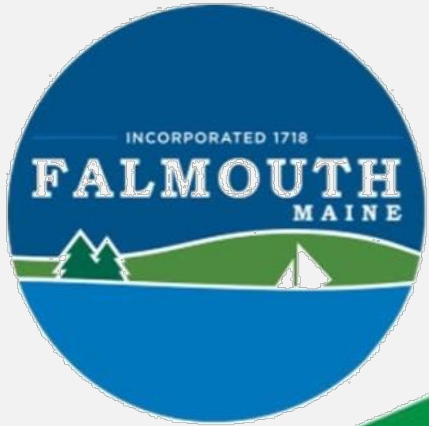
- Onboarding with Host Compliance took several weeks
- Online registration form maintained by Host Compliance
- Announced that registration was open by mailing letters to all identified operators and through the Town's bi-weekly newsletter, *The Falmouth Focus*, email alerts, and social media
- As registration period was new, offered a grace period for 2022 registrations-extended January 1 deadline until February 18
- Send warning letter through Host Compliance as new units are identified



# How It's Going One Year In

- 60 registered units
- Staff have been able to work with all identified owners to either register or remove their listings before the third warning letter
- Staff have received very few complaints
- Initially planned to use Host Compliance's 24/7 Hotline but decided not to due to concerns about staff capacity to manage
- Registration Data (Registrant Reported):
  - 22-partial home rental, 38-whole home rental
  - 46-single-family detached dwelling units, 8-accessory dwelling units, 6-two-family or multi-family dwelling units
  - 23 units are owners' primary residences, 37 units are not owners' primary residences
  - 4 owners own multiple short-term rental units in town





# Thank you!

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