



Town of Wells
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MEMORANDUM

Date: May 4, 2020
To: Board of Selectmen
RE: Short Term Rentals

Background:

Many surrounding towns have adopted ordinances to govern the use of homes and portions of homes as Short Term Rentals (STR's). The Board of Selectmen previously considered developing an ordinance and determined the level of complaints and concerns generated by the STRS's did not warrant the creation of government restrictions on private properties and that the vast majority of seasonal rentals are along the beach areas and have existed for many decades without significant issues.

The COVID-19 state of emergency and closure of the beaches resulted in a new concern which was how to contact the owners/managers of the STR's to inform them of local and state restriction on such units. The underlying purpose of these restrictions was to limit the impact of out of state visitors of highly infected communities from exposing Wells to the Corona virus. The COVID-19 situation has created the need for the Board of Selectmen to reconsider and ordinance for STR's.

Proposed Ordinance:

The Town Attorney has drafted an ordinance that creates a requirement for STR's to get a license from the Town. The ordinance is 9 pages and includes new definitions, licensing requirements, application requirements, fees, notice and posting requirements, renewals and enforcement.

Proposed Implementations:

The use of a third party software vendor and property research/investigator is proposed to do the following:

- Generate a list of property owners who advertise STR's on various websites.
- Mail a notice on Town letterhead informing all such owners of licensing requirements of the Town.
- Provide an on-line application process to submit the application to the Town.
- Provide an on-line license fee collection service.
- Mail a violation notice on Town letterhead to owners/managers that do not comply with the licensing requirements.

Impacts to Town Staffing/Workload:

- Review the list of properties generated by 3rd party
Lodging facilities will be included in the list but are not subject to the ordinance
- Initial notice will generate questions from the owners. The notice will be on Town letterhead and phone calls and emails will be directed to Town Staff. Each contact will require time and effort to respond to.
- Review of list of notices of violations prior to being issued on Town letterhead
- Responding to contacts/complaints/questions of owners served with violation notices
- Servicing the collection of fees for those that do not want to pay on-line.
- The list of STR's will be updated monthly and require coordination on all the above items each time the system is updated. The list will constantly add and subtract STR's based on the time of year.
- Coordination on the April renewal process with the Board of Selectmen approval requirements.
- Coordination on all new licensed and approval by the Board of Selectmen on a monthly basis
- If the owner does not comply with getting a license, time, effort and cost will be needed to pursue and 80K court action.
- Several restrictions within the ordinance (length of stay, posting license, number of guests, and number of parking spaces) will require investigation, documentation and notice if complaints are received.

Licensing Implications:

The ordinance is well drafted to state “The issuance of a license to operate a short term rental in the Town of Wells does not constitute a finding by the Town of Wells that the premises are in compliance with the applicable building, land use fire prevention, life safety, or other applicable codes or regulations.”

The issue exists that people do not read the fine print. The owners will promote the fact that they have a license to operate approved by the Town of Wells. The majority of the public will assume that means the property has been inspected and is safe to rent/occupy. The Town may open itself to liability by creating a license without safety inspections.

**All of the above will result in the need for additional staff in the Code Enforcement Office to keep the level of services the community currently receives and for this new program to be successful.*

Alternative:

If the current goal is to only create a contact list of owners of STR's for a COVID-19 type of situation, can the software firm create such a list at a lower cost. The firm could provide and update the list for the Town to keep on file in case needed in the future. No license to be granted and no fees collected.

