

Unregistered and Unregulated Large Short-Term Rentals (STRs) are Causing a Significant Surge in Property Assessments (and Taxes) for Single-Family Homes in York, Maine.

In May of 2024, an ordinance aimed at addressing this issue was narrowly defeated due to misinformation. The “vote NO” folks claimed taxes would increase if the ordinance should pass. In fact, we now have real data showing the opposite is happening. ***Voting NO has caused owner-occupied single-family taxes to unfairly increase.***

The Issue: York conducts an annual town-wide reevaluation to ensure every property is valued at 100%, as mandated by the state of Maine. This is done by analyzing sales from the past 1-2 years and comparing the sale prices to the existing assessments for those homes. The reassessment process is neighborhood-specific, meaning it relies solely on recent sales within the same neighborhood. However, this approach often falls short due to the limited number of sales, making it difficult to achieve statistically meaningful results.

The Complication: STRs classified as “single-family residences,” have been sold at prices far exceeding their assessed values. This trend has led to disproportionately high reassessments in neighborhoods with STR sales, unfairly burdening homeowners with elevated taxes. The problem can be seen below for Neighborhoods 135 and 130, where the only sales were of STR properties (**Table 1**).

The Solution: STRs often operate as commercial entities and should not be classified under the same use code as genuine single-family residences, especially for town reevaluations. The town must define and categorize STR properties and update the use code for those which clearly function as businesses disguised as single-family homes. These commercial entities should adhere to the same regulations as other commercial rental facilities. Furthermore, given that many of these STRs are situated in residential neighborhoods, additional controls must be implemented to address noise, parking, number of occupants, outdoor burning, and other community concerns.

Table 1: Neighborhoods where FY24 assessments were based on only sales of STR properties and the corresponding effect on tax increases for the entire neighborhood.

Neighborhood	Location	Sale Price	FY23 Total Assessment	Average FY24 Total Assessment / Tax Increase
130	61 Long Beach Avenue	\$650,000	\$428,700	+31%
	125 Long Beach Avenue	\$1,395,000	\$1,045,500	
	95 Long Beach Avenue	\$1,699,800	\$1,118,200	
135	15 Beechwood Avenue	\$1,750,000	\$797,800	+37%
	21 Bayview Avenue	\$1,149,000	\$588,300	
	57 Garrison Avenue	\$1,595,000	\$882,000	

For more details, see: <https://www.yorknotonmydime.com/services/videos>