

2023 -- H 5645

LC001398

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2023

A N A C T

RELATING TO STATE AFFAIRS AND GOVERNMENT -- TOURISM AND DEVELOPMENT

Introduced By: Representatives Sanchez, Morales, Kislak, Potter, Ajello, Cortvriend, Henries, and Speakman

Date Introduced: February 15, 2023

Referred To: House Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 42-63.1-14 of the General Laws in Chapter 42-63.1 entitled "Tourism
2 and Development" is hereby amended to read as follows:

3 **42-63.1-14. Offering residential units through a hosting platform.**

4 (a) For any rental property offered for tourist or transient use on a hosting platform that
5 collects and remits applicable sales and hotel taxes in compliance with §§ 44-18-7.3(b)(4)(i), 44-
6 18-18, and 44-18-36.1, cities, towns, or municipalities shall not prohibit the owner from offering
7 the unit for tourist or transient use through such hosting platform, or prohibit such hosting platform
8 from providing a person or entity the means to rent, pay for, or otherwise reserve a residential unit
9 for tourist or transient use. A hosting platform shall comply with the requirement imposed upon
10 room resellers in §§ 44-18-7.3(b)(4)(i) and 44-18-36.1 in order for the prohibition of this section to
11 apply. The division of taxation shall at the request of a city, town, or municipality confirm whether
12 a hosting platform is registered in compliance with § 44-18-7.3(b)(4)(i).

13 (b) Any short-term rental property listed for rent on the website of any third-party hosting
14 platform that conducts business in Rhode Island shall be registered with the department of business
15 regulation. The registration shall provide the information necessary to identify the property
16 pursuant to subsection (d) of this section. For purposes of this section, the term "short-term rental"
17 means a person, firm, or corporation's utilization, for transient lodging accommodations, not to
18 exceed thirty (30) nights at a time.

1 (c) The department of business regulation shall contact all hosting platforms that list
2 property in Rhode Island on their website for rent and that submit hotel taxes to the division of
3 taxation and shall provide notice of the registration requirement, pursuant to this section, instructing
4 the hosting platforms to notify their listed properties to register with the department of business
5 regulation by December 31, 2021, or be subject to fines pursuant to § 42-63.1-14.1.

6 (d) The state registration pursuant to this section shall include:

7 (1) The principal place of business of the owner, or if outside the state, the agent for service
8 of process or property manager for the owner;

9 (2) The phone number of the owner of the property and/or property manager;

10 (3) The email address of the property owner and/or property manager;

11 (4) The address of the rental property;

12 (5) The number of rooms for rent at the property;

13 (6) Whether the registrant rents or owns; and

14 (7) Intended use (entire space, private room, or shared space).

15 (e) The assigned registration number shall consist of numeric and alpha characters, the
16 alpha characters shall correspond to the city/town where the property is located and shall be uniform
17 for the remaining properties in said city/town.

18 (f) The department of business regulation shall notify all hosting platforms to contact all
19 listed properties by December 31, 2021, to ensure compliance with this section and if the listed
20 properties are not duly registered after six (6) months, the hosting platform shall remove the
21 property listing from its website.

22 (g) The department of business regulation shall promulgate rules and regulations to
23 correspond with and enforce this section and § 42-63.1-14.1 and may charge a registration fee to
24 property owners registering with the department pursuant to this section.

25 (h) The department of business regulation shall create an online database to store all
26 registered short-term rental units, and each unit shall have an online identification number in said
27 database to correspond with subsection (e) of this section.

28 (i) Any owner of the property who or that fails to register with the department of business
29 regulation as prescribed herein and lists the property as a short-term rental on a hosting platform
30 website shall be subject to a civil fine as follows:

31 (1) Two hundred fifty dollars (\$250) for the first thirty (30) days of non-compliance;

32 (2) Five hundred dollars (\$500) for between thirty-one (31) and sixty (60) days of non-
33 compliance; and

34 (3) One thousand dollars (\$1,000) for more than sixty (60) days of non-compliance.

1 (j) For any rental property offered for tourist or transient use on a hosting platform that
2 collects and remits applicable sales and hotel taxes in compliance with §§ 44-18-7.3(b)(4)(i), 44-
3 18-18, and 44-18-36.1, as set forth in subsection (a) of this section, an additional ten percent (10%)
4 surcharge of the rental fee shall be collected and deposited into a restricted receipt account,
5 established pursuant to the provisions of § 42-128-2(3) to provide for homelessness initiatives
6 including housing production, lead hazard abatement, housing rental subsidy, housing retention
7 assistance, and homelessness services and prevention assistance with priority to veterans.

8 SECTION 2. This act shall take effect upon passage.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

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RELATING TO STATE AFFAIRS AND GOVERNMENT -- TOURISM AND
DEVELOPMENT

1 This act would impose a ten percent (10%) surcharge on rental property offered on a
2 hosting platform, to be deposited in a restricted receipt account established pursuant to § 42-128-
3 2(3) to provide for homelessness initiatives.

4 This act would take effect upon passage.

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