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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2021

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A N   A C T

RELATING TO STATE AFFAIRS AND GOVERNMENT -- TOURISM AND DEVELOPMENT

Introduced By: Senators Euer, DiPalma, McCaffrey, Goodwin, and DiMario

Date Introduced: March 04, 2021

Referred To: Senate Judiciary

It is enacted by the General Assembly as follows:

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2   SECTION 1. Section 42-63.1-14 of the General Laws in Chapter 42-63.1 entitled "Tourism

3   and Development" is hereby amended to read as follows:

4   **42-63.1-14. Offering residential units through a hosting platform.**

5   (a) For any ~~residential unit~~ rental property offered for tourist or transient use on a hosting

6   platform that collects and remits applicable sales and hotel taxes in compliance with § 44-18-

7   7.3(b)(4)(i), §§ 44-18-18, and ~~§~~ 44-18-36.1, cities, towns or municipalities shall not prohibit the

8   owner ~~of such residential unit~~ from offering the unit for tourist or transient use through such hosting

9   platform, or prohibit such hosting platform from providing a person or entity the means to rent, pay

10 for or otherwise reserve a residential unit for tourist or transient use. A hosting platform shall

11 comply with the requirement imposed upon room resellers in § 44-18-7.3(b)(4)(i) and § 44-18-36.1

12 in order for the prohibition of this section to apply. The division of taxation shall at the request of

13 a city, town, or municipality confirm whether a hosting platform is registered in compliance with

14 § 44-18-7.3(b)(4)(i).

15   (b) Any short-term rental property listed for rent on the website of any third-party hosting

16 platform that conducts business in Rhode Island shall be registered with the department of business

17 regulation. The registration shall provide the information necessary to identify the property

18 pursuant to subsection (d) of this section. For purposes of this section, the term "short-term rental"

1   means a person, firm, or corporation's utilization, for transient lodging accommodations, not to

2   exceed thirty (30) nights at a time.

3   (c) The department of business regulation shall contact all hosting platforms who list

4   property in Rhode Island on their website for rent and who submit hotel taxes to the division of

5   taxation and shall provide notice of the registration requirement, pursuant to this section, instructing

6   the hosting platforms to notify their listed properties to register with the department of business

7   regulation by December 31, 2021 or be subject to fines pursuant to § 42-63.1-14.1.

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

9   (1) The name and primary residential address of the owner of the property;

10   (2) The principal place of business of the owner, or if outside the state, the agent for service

11   of process or property manager for the owner;

12   (3) The phone number of the owner of the property and/or property manager;

13   (4) The email address of the property owner and/or property manager;

14   (5) The address of the rental property;

15   (6) The number of rooms for rent at the property;

16   (7) Whether the registrant rents or owns; and

17   (8) Intended use (entire space, private room or shared space).

18   (e) The assigned registration number shall consist of numeric and alpha characters, the

19   alpha characters shall correspond to the city/town where the property is located and shall be uniform

20   for the remaining properties in said city/town.

21   (f) The department of business regulation shall notify all hosting platforms to contact all

22   listed properties by December 31, 2021, to ensure compliance with this section and if the listed

23   properties are not duly registered after six (6) months, the hosting platform shall remove the

24   property listing from its website.

25   (g) The department of business regulation shall promulgate rules and regulations to

26   correspond with and enforce this section and § 42-63.1-14.1 and may charge a registration fee to

27   property owners registering with the department pursuant to this section.

28   (h) The department of business regulation shall create an online database to store all

29   registered short-term rental units, and each unit shall have an online identification number in said

30   database to correspond with subsection (e) of this section.

31   SECTION 2. Chapter 42-63.1 of the General Laws entitled "Tourism and Development" is

32   hereby amended by adding thereto the following section:

33   **42-63.1-14.1. Properties listed on hosting platform websites.**

34   (a) Notwithstanding the provisions of § 42-63.1-14(a), a hosting platform shall not conduct

1   business involving a short-term rental property if that property has not been registered with the

2   department of business regulation. Any future property that is added to the hosting platform website

3   for rent must first be registered with the department of business regulation before it appears on any

4   website for rent.

5   (b) If a hosting platform lists an unregistered short-term rental property on its hosting

6   platform website the hosting platform and the owner of the property shall be subject to civil fines,

7   as follows:

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

9   (2) Five hundred dollars ($500) for between thirty-one (31) and sixty (60) days of non-

10   compliance; and

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

12   SECTION 3. This act shall take effect upon passage.

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EXPLANATION

BY THE LEGISLATIVE COUNCIL

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1   This act would require a third-party hosting platform to register each short-term rental unit

2   listed for rent in the state with the department of business regulation. If a short-term rental is not

3   registered a third-party hosting platform would not be able to conduct business in the state using

4   such property(s). If a hosting platform lists an unregistered unit a fine would be imposed.

5   Additionally, this act would require the department of business regulation to create a database to

6   store all registered short-term rental units.

7   This act would take effect upon passage.

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