

2016 -- H 8242

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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2016

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A N A C T

RELATING TO STATE AFFAIRS AND GOVERNMENT - TOURISM AND
DEVELOPMENT

Introduced By: Representatives Carson, Fogarty, Carnevale, Azzinaro, and Marshall

Date Introduced: May 20, 2016

Referred To: House Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 42-63.1-3 of the General Laws in Chapter 42-63.1 entitled
2 "Tourism and Development" is hereby amended to read as follows:

3 **42-63.1-3. Distribution of tax.** -- (a) For returns and tax payments received on or before
4 December 31, 2015, except as provided in § 42-63.1-12, the proceeds of the hotel tax, excluding
5 such portion of the hotel tax collected from residential units offered for tourist or transient use
6 through a hosting platform, shall be distributed as follows by the division of taxation and the city
7 of Newport:

8 (1) Forty-seven percent (47%) of the tax generated by the hotels in the district, except as
9 otherwise provided in this chapter, shall be given to the regional tourism district wherein the hotel
10 is located; provided, however, that from the tax generated by the hotels in the city of Warwick,
11 thirty-one percent (31%) of the tax shall be given to the Warwick regional tourism district
12 established in § 42-63.1-5(a)(5) and sixteen percent (16%) of the tax shall be given to the Greater
13 Providence-Warwick Convention and Visitors' Bureau established in § 42-63.1-11; and provided
14 further, that from the tax generated by the hotels in the city of Providence, sixteen percent (16%)
15 of that tax shall be given to the Greater Providence-Warwick Convention and Visitors' Bureau
16 established by § 42-63.1-11, and thirty-one percent (31%) of that tax shall be given to the
17 Convention Authority of the city of Providence established pursuant to the provisions of chapter
18 84 of the public laws of January, 1980; provided, however, that the receipts attributable to the

1 district as defined in § 42-63.1-5(a)(7) shall be deposited as general revenues, and that the
2 receipts attributable to the district as defined in § 42-63.1-5(a)(8) shall be given to the Rhode
3 Island commerce corporation as established in Rhode Island General Law Chapter 42-64;

4 (2) Twenty-five percent (25%) of the hotel tax shall be given to the city or town where
5 the hotel, which generated the tax, is physically located, to be used for whatever purpose the city
6 or town decides.

7 (3) Twenty-one (21%) of the hotel tax shall be given to the Rhode Island commerce
8 corporation established in chapter 42-64, and seven percent (7%) to the Greater Providence-
9 Warwick Convention and Visitors' Bureau.

10 (b) For returns and tax payments received after December 31, 2015, except as provided
11 in § 42-63.1-12, the proceeds of the hotel tax, excluding such portion of the hotel tax collected
12 from residential units offered for tourist or transient use through a hosting platform, shall be
13 distributed as follows by the division of taxation and the city of Newport:

14 (1) For the tax generated by the hotels in the Aquidneck Island district, as defined in §
15 42-63.1-5, forty-two percent (42%) of the tax shall be given to the Aquidneck Island district,
16 twenty-five (25%) of the tax shall be given to the city or town where the hotel, which generated
17 the tax, is physically located, five percent (5%) of the tax shall be given to the Greater
18 Providence-Warwick Convention and Visitors Bureau established in § 42-63.1-11, and twenty-
19 eight percent (28%) of the tax shall be given to the Rhode Island commerce corporation
20 established in chapter 42-64.

21 (2) For the tax generated by the hotels in the Providence district as defined in § 42-63.1-
22 5, twenty eight percent (28%) of the tax shall be given to the Providence district, twenty-five
23 percent (25%) of the tax shall be given to the city or town where the hotel, which generated the
24 tax, is physically located, twenty-three (23%) of the tax shall be given to the Greater Providence-
25 Warwick Convention and Visitors Bureau established in § 42-63.1-11, and twenty-four (24%) of
26 the tax shall be given to the Rhode Island commerce corporation established in chapter 42-64.

27 (3) For the tax generated by the hotels in the Warwick district as defined in § 42-63.1-5,
28 twenty-eight percent (28%) of the tax shall be given to the Warwick District, twenty-five percent
29 (25%) of the tax shall be given to the city or town where the hotel, which generated the tax, is
30 physically located, twenty-three percent (23%) of the tax shall be given to the Greater
31 Providence-Warwick Convention and Visitors Bureau established in § 42-63.1-11, and twenty-
32 four (24%) of the tax shall be given to the Rhode Island commerce corporation established in
33 chapter 42-64.

34 (4) For the tax generated by the hotels in the Statewide district, as defined in § 42-63.1-5,

1 twenty-five percent (25%) of the tax shall be given to the city or town where the hotel, which
2 generated the tax, is physically located, five percent (5%) of the tax shall be given to the Greater
3 Providence-Warwick Convention and Visitors Bureau established in § 42-63.1-11, and seventy
4 percent (70%) of the tax shall be given to the Rhode Island commerce corporation established in
5 chapter 42-64.

6 (5) With respect to the tax generated by hotels in districts other than those set forth in
7 sections (1) through (4) above, forty-two percent (42%) of the tax shall be given to the regional
8 tourism district, as defined in § 42-63.1-5, wherein the hotel is located, twenty-five percent (25%)
9 of the tax shall be given to the city or town where the hotel, which generated the tax, is physically
10 located, five percent (5%) of the tax shall be given to the Greater Providence-Warwick
11 Convention and Visitors Bureau established in § 42-63.1-11, and twenty-eight (28%) of the tax
12 shall be given to the Rhode Island commerce corporation established in chapter 42-64.

13 (c) The proceeds of the hotel tax collected from residential units offered for tourist or
14 transient use through a hosting platform shall distributed as follows by the division of taxation
15 and the city of Newport: twenty-five percent (25%) of the tax shall be given to the city or town
16 where the residential unit, which generated the tax, is physically located, and seventy-five percent
17 (75%) of the tax shall be given to the Rhode Island commerce corporation established in chapter
18 64 of title 42.

19 (d) The Rhode Island commerce corporation shall be required in each fiscal year to spend
20 on the promotion and marketing of Rhode Island as a destination for tourists or businesses an
21 amount of money of no less than the total proceeds of the hotel tax it receives pursuant to this
22 chapter for such fiscal year.

23 (e) Notwithstanding the foregoing provisions of this section, for fiscal year 2017 only,
24 any distributions made pursuant to this section to the respective regional tourism districts
25 established pursuant to §42-63.1-5 shall be in amounts not less than the amounts distributed to the
26 districts in fiscal year 2015. In furtherance thereof, any sums required to be distributed to the
27 districts to meet the fiscal year 2015 levels (which are in addition to the amounts already
28 attributable to the districts) shall be disbursed from the distributions attributable to the Rhode
29 Island commerce corporation.

30 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
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1 This act would provide that for the fiscal year 2017 only, the distribution of hotel tax
2 made to the various regional tourism districts be in amounts equal to the distributions made to
3 such districts in fiscal year 2015.

4 This act would take effect upon passage.

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