

2018 -- S 2512

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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2018

A N A C T

RELATING TO STATE AFFAIRS AND GOVERNMENT - TOURISM AND
DEVELOPMENT

Introduced By: Senator Maryellen Goodwin

Date Introduced: March 01, 2018

Referred To: Senate Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Sections 42-63.1-3 and 42-63.1-12 of the General Laws in Chapter 42-63.1
2 entitled "Tourism and Development" are hereby amended to read as follows:

3 **42-63.1-3. Distribution of tax.**

4 (a) For returns and tax payments received on or before December 31, 2015, except as
5 provided in § 42-63.1-12, the proceeds of the hotel tax, excluding such portion of the hotel tax
6 collected from residential units offered for tourist or transient use through a hosting platform,
7 shall be distributed as follows by the division of taxation and the city 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 chapter 64 of title 42.

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 64 of title 42, and seven percent (7%) to the Greater
9 Providence-Warwick Convention and Visitors' Bureau.

10 (b) For returns and tax payments received after December 31, 2015, [and prior to](#)
11 [December 31, 2018](#), except as provided in § 42-63.1-12, the proceeds of the hotel tax, excluding
12 such portion of the hotel tax collected from residential units offered for tourist or transient use
13 through a hosting platform, shall be distributed as follows by the division of taxation and the city
14 of Newport:

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

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

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

1 chapter 64 of title 42.

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

8 (5) With respect to the tax generated by hotels in districts other than those set forth in
9 subdivisions (b)(1) through (b)(4), forty-two percent (42%) of the tax shall be given to the
10 regional tourism district, as defined in § 42-63.1-5, wherein the hotel is located, twenty-five
11 percent (25%) of the tax shall be given to the city or town where the hotel, which generated the
12 tax, is physically located, five percent (5%) of the tax shall be given to the Greater Providence-
13 Warwick Convention and Visitors Bureau established in § 42-63.1-11, and twenty-eight (28%) of
14 the tax shall be given to the Rhode Island commerce corporation established in chapter 64 of title
15 42.

16 (c) For returns and tax payments received after December 31, 2018, except as provided in
17 § 42-63.1-12, the proceeds of the hotel tax, excluding such portion of the hotel tax collected from
18 residential units offered for tourist or transient use through a hosting platform, and including such
19 portion of the hotel tax collected from any and all hotels physically connected to the Rhode Island
20 Convention Center, shall be distributed as follows by the division of taxation and the city of
21 Newport:

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

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

1 42.

2 (3) For the tax generated by the hotels in the Warwick district as defined in § 42-63.1-5,
3 twenty-eight percent (28%) of the tax shall be given to the Warwick district, twenty-five percent
4 (25%) of the tax shall be given to the city or town where the hotel, which generated the tax, is
5 physically located, twenty-three percent (23%) of the tax shall be given to the Greater
6 Providence-Warwick Convention and Visitors Bureau established in § 42-63.1-11, and twenty-
7 four (24%) of the tax shall be given to the Rhode Island commerce corporation established in
8 chapter 64 of title 42.

9 (4) For the tax generated by the hotels in the statewide district, as defined in § 42-63.1-5,
10 twenty-five percent (25%) of the tax shall be given to the city or town where the hotel, which
11 generated the tax, is physically located, five percent (5%) of the tax shall be given to the Greater
12 Providence-Warwick Convention and Visitors Bureau established in § 42-63.1-11, and seventy
13 percent (70%) of the tax shall be given to the Rhode Island commerce corporation established in
14 chapter 64 of title 42.

15 (5) With respect to the tax generated by hotels in districts other than those set forth in
16 subsections (c)(1) through (c)(4) of this section, forty-two percent (42%) of the tax shall be given
17 to the regional tourism district, as defined in § 42-63.1-5, wherein the hotel is located, twenty-five
18 percent (25%) of the tax shall be given to the city or town where the hotel, which generated the
19 tax, is physically located, five percent (5%) of the tax shall be given to the Greater Providence-
20 Warwick Convention and Visitors Bureau established in § 42-63.1-11, and twenty-eight (28%) of
21 the tax shall be given to the Rhode Island commerce corporation established in chapter 64 of title
22 42.

23 ~~(e)~~(d) The proceeds of the hotel tax collected from residential units offered for tourist or
24 transient use through a hosting platform shall be distributed as follows by the division of taxation
25 and the city of Newport: twenty-five percent (25%) of the tax shall be given to the city or town
26 where the residential unit, which generated the tax, is physically located, and seventy-five percent
27 (75%) of the tax shall be given to the Rhode Island commerce corporation established in chapter
28 64 of title 42.

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

33 ~~(e)~~(f) Notwithstanding the foregoing provisions of this section, for returns and tax
34 payments received on or after July 1, 2016 and on or before June 30, 2017, except as provided in

1 § 42-63.1-12, the proceeds of the hotel tax, excluding such portion of the hotel tax collected from
2 residential units offered for tourist or transient use through a hosting platform, shall be distributed
3 in accordance with the distribution percentages established in § 42-63.1-3(a)(1) through § 42-
4 63.1-3(a)(3) by the division of taxation and the city of Newport.

5 **42-63.1-12. Distribution of tax to Rhode Island Convention Center Authority. Rhode**
6 **Island Convention Center Authority.**

7 (a) For returns and tax received on or before December 31, 2015, and prior to December
8 31, 2018 the proceeds of the hotel tax generated by any and all hotels physically connected to the
9 Rhode Island Convention Center shall be distributed as follows: twenty-seven percent (27%) shall
10 be deposited as general revenues; thirty-one percent (31%) shall be given to the convention
11 authority of the city of Providence; twelve percent (12%) shall be given to the greater
12 Providence-Warwick convention and visitor's bureau; thirty percent (30%) shall be given to the
13 Rhode Island convention center authority to be used in the furtherance of the purposes set forth in
14 § 42-99-4.

15 (b) For returns and tax received after December 31, 2015, the proceeds of the hotel tax
16 generated by any and all hotels physically connected to the Rhode Island Convention Center shall
17 be distributed as follows: twenty-eight percent (28%) shall be given to the convention authority of
18 the city of Providence; twelve percent (12%) shall be given to the greater Providence-Warwick
19 convention and visitor's bureau; and sixty percent (60%) shall be given to the Rhode Island
20 Commerce Corporation established in chapter 64 of title 42.

21 (c) For returns and tax received after December 31, 2018, the proceeds of the hotel tax
22 generated by any and all hotels physically connected to the Rhode Island Convention Center shall
23 be distributed pursuant to the provisions of § 42-63.1-3.

24 ~~(e)~~(d) The Rhode Island Convention Center Authority is authorized and empowered to
25 enter into contracts with the Greater Providence-Warwick Convention and Visitors' Bureau in the
26 furtherance of the purposes set forth in this chapter.

27 SECTION 2. This act shall take effect on July 1, 2018.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

A N A C T

RELATING TO STATE AFFAIRS AND GOVERNMENT - TOURISM AND
DEVELOPMENT

1 This act would apply the hotel tax distribution formula for entities within the Providence
2 regional tourism district to any and all hotels physically connected to the Rhode Island
3 Convention Center.

4 This act would take effect on July 1, 2018.

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