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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2024

A N A C T

RELATING TO STATE AFFAIRS AND GOVERNMENT -- TOURISM AND
DEVELOPMENT

Introduced By: Representatives McEntee, Kennedy, Cotter, Azzinaro, Tanzi, Casimiro,
Fogarty, and Caldwell

Date Introduced: February 15, 2024

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 "Tourism
2 and Development" is 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 the portion of the hotel tax
6 collected from residential units offered for tourist or transient use through a hosting platform, shall
7 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 receipts
2 attributable to the district as defined in § 42-63.1-5(a)(8) shall be given to the Rhode Island
3 commerce corporation as established in chapter 64 of this title.

4 (2) Twenty-five percent (25%) of the hotel tax shall be given to the city or town where the
5 hotel that generated the tax is physically located, to be used for whatever purpose the city or town
6 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 this title, 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 in
11 § 42-63.1-12, the proceeds of the hotel tax, excluding the portion of the hotel tax collected from
12 residential units offered for tourist or transient use through a hosting platform, shall be distributed
13 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 § 42-
15 63.1-5, forty-two percent (42%) of the tax shall be given to the Aquidneck Island district, twenty-
16 five (25%) of the tax shall be given to the city or town where the hotel that generated the tax is
17 physically located, five percent (5%) of the tax shall be given to the Greater Providence-Warwick
18 Convention and Visitors Bureau established in § 42-63.1-11, and twenty-eight percent (28%) of
19 the tax shall be given to the Rhode Island commerce corporation established in chapter 64 of this
20 title.

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

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 that generated the tax is physically
30 located, twenty-three percent (23%) of the tax shall be given to the Greater Providence-Warwick
31 Convention and Visitors Bureau established in § 42-63.1-11, and twenty-four (24%) of the tax shall
32 be given to the Rhode Island commerce corporation established in chapter 64 of this title.

33 (4) For the tax generated by the hotels in the Statewide district, as defined in § 42-63.1-5,
34 twenty-five percent (25%) of the tax shall be given to the city or town where the hotel that generated

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

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

12 (c) For returns and tax payments received before July 1, 2019, the proceeds of the hotel tax
13 collected from residential units offered for tourist or transient use through a hosting platform shall
14 be distributed as follows by the division of taxation and the city of Newport: twenty-five percent
15 (25%) of the tax shall be given to the city or town where the residential unit that generated the tax
16 is physically located, and seventy-five percent (75%) of the tax shall be given to the Rhode Island
17 commerce corporation established in chapter 64 of this title.

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

22 (e) Notwithstanding the foregoing provisions of this section, for returns and tax payments
23 received on or after July 1, 2016, and on or before June 30, 2017, except as provided in § 42-63.1-
24 12, the proceeds of the hotel tax, excluding the portion of the hotel tax collected from residential
25 units offered for tourist or transient use through a hosting platform, shall be distributed in
26 accordance with the distribution percentages established in subsections (a)(1) through (a)(3) of this
27 section by the division of taxation and the city of Newport.

28 (f) For returns and tax payments received on or after July 1, 2018, except as provided in §
29 42-63.1-12, the proceeds of the hotel tax, excluding the portion of the hotel tax collected from
30 residential units offered for tourist or transient use through a hosting platform, shall be distributed
31 as follows by the division of taxation and the city of Newport:

32 (1) For the tax generated by the hotels in the Aquidneck Island district, as defined in § 42-
33 63.1-5, forty-five percent (45%) of the tax shall be given to the Aquidneck Island district, twenty-
34 five (25%) of the tax shall be given to the city or town where the hotel that generated the tax is

1 physically located, five percent (5%) of the tax shall be given to the Greater Providence-Warwick
2 Convention and Visitors Bureau established in § 42-63.1-11, and twenty-five percent (25%) of the
3 tax shall be given to the Rhode Island commerce corporation established in chapter 64 of this title.

4 (2) For the tax generated by the hotels in the Providence district as defined in § 42-63.1-5,
5 thirty percent (30%) of the tax shall be given to the Providence district, twenty-five percent (25%)
6 of the tax shall be given to the city or town where the hotel that generated the tax is physically
7 located, twenty-four (24%) of the tax shall be given to the Greater Providence-Warwick
8 Convention and Visitors Bureau established in § 42-63.1-11, and twenty-one (21%) of the tax shall
9 be given to the Rhode Island commerce corporation established in chapter 64 of this title.

10 (3) For the tax generated by the hotels in the Warwick district as defined in § 42-63.1-5,
11 thirty percent (30%) of the tax shall be given to the Warwick District, twenty-five percent (25%)
12 of the tax shall be given to the city or town where the hotel that generated the tax is physically
13 located, twenty-four percent (24%) of the tax shall be given to the Greater Providence-Warwick
14 Convention and Visitors Bureau established in § 42-63.1-11, and twenty-one (21%) of the tax shall
15 be given to the Rhode Island commerce corporation established in chapter 64 of this title.

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

22 (5) With respect to the tax generated by hotels in districts other than those set forth in
23 subsections (b)(1) through (b)(4) of this section, forty-five percent (45%) of the tax shall be given
24 to the regional tourism district, as defined in § 42-63.1-5, wherein the hotel is located, twenty-five
25 percent (25%) of the tax shall be given to the city or town where the hotel that generated the tax is
26 physically located, five percent (5%) of the tax shall be given to the Greater Providence-Warwick
27 Convention and Visitors Bureau established in § 42-63.1-11, and twenty-five (25%) of the tax shall
28 be given to the Rhode Island commerce corporation established in chapter 64 of this title.

29 (g) For returns and tax payments received on or after July 1, 2019, except as provided in §
30 42-63.1-12, the proceeds of the hotel tax, including the portion of the hotel tax collected from
31 residential units offered for tourist or transient use through a hosting platform, shall be distributed
32 as follows by the division of taxation and the city of Newport:

33 (1) For the tax generated in the Aquidneck Island district, as defined in § 42-63.1-5, forty-
34 five percent (45%) of the tax shall be given to the Aquidneck Island district, twenty-five percent

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

6 (2) For the tax generated in the Providence district as defined in § 42-63.1-5, thirty percent
7 (30%) of the tax shall be given to the Providence district, twenty-five percent (25%) of the tax shall
8 be given to the city or town where the hotel or residential unit that generated the tax is physically
9 located, twenty-four percent (24%) of the tax shall be given to the Greater Providence-Warwick
10 Convention and Visitors Bureau established in § 42-63.1-11, and twenty-one percent (21%) of the
11 tax shall be given to the Rhode Island commerce corporation established in chapter 64 of this title.

12 (3) For the tax generated in the Warwick district as defined in § 42-63.1-5, thirty percent
13 (30%) of the tax shall be given to the Warwick District, twenty-five percent (25%) of the tax shall
14 be given to the city or town where the hotel or residential unit that generated the tax is physically
15 located, twenty-four percent (24%) of the tax shall be given to the Greater Providence-Warwick
16 Convention and Visitors Bureau established in § 42-63.1-11, and twenty-one percent (21%) of the
17 tax shall be given to the Rhode Island commerce corporation established in chapter 64 of this title.

18 (4) For the tax generated in the Statewide district, as defined in § 42-63.1-5, twenty-five
19 percent (25%) of the tax shall be given to the city or town where the hotel or residential unit that
20 generated the tax is physically located, five percent (5%) of the tax shall be given to the Greater
21 Providence-Warwick Convention and Visitors Bureau established in § 42-63.1-11, and seventy
22 percent (70%) of the tax shall be given to the Rhode Island commerce corporation established in
23 chapter 64 of this title.

24 (5) With respect to the tax generated in districts other than those set forth in subsections
25 (g)(1) through (g)(4) of this section, forty-five percent (45%) of the tax shall be given to the regional
26 tourism district, as defined in § 42-63.1-5, wherein the hotel or residential unit is located, twenty-
27 five percent (25%) of the tax shall be given to the city or town where the hotel or residential unit
28 that generated the tax is physically located, five percent (5%) of the tax shall be given to the Greater
29 Providence-Warwick Convention and Visitors Bureau established in § 42-63.1-11, and twenty-five
30 percent (25%) of the tax shall be given to the Rhode Island commerce corporation established in
31 chapter 64 of this title.

32 [\(6\) For returns and tax payments received on or after July 1, 2024, except as provided in §](#)
33 [42-63.1-12\(d\), of the tax generated in the South County district, as defined in § 42-63.1-5, fifty](#)
34 [percent \(50%\) of the tax shall be given to the South County tourism district, as defined in § 42-](#)

1 [63.1-5, wherein the hotel or residential unit is located, twenty-five percent \(25%\) of the tax shall](#)
2 [be given to the city or town where the hotel or residential unit that generated the tax is physically](#)
3 [located, and twenty-five percent \(25%\) of the tax shall be given to the Rhode Island commerce](#)
4 [corporation established pursuant to chapter 64 of this title.](#)

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

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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 remove the requirement that five percent (5%) of the hotel tax generated
2 from the South County tourism district be paid to the Greater Providence-Warwick Convention and
3 Visitors Bureau, and would redistribute that five percent (5%) of the hotel tax to the South County
4 tourism district in which the hotel or residential unit is located.

5 This act would take effect upon passage.

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