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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2019

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A N A C T

RELATING TO STATE AFFAIRS AND GOVERNMENT -- TOURISM AND
DEVELOPMENT

Introduced By: Senators DiPalma, Felag, Seveney, and Euer

Date Introduced: March 14, 2019

Referred To: Senate 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.**

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, except as provided in
11 § 42-63.1-12, the proceeds of the hotel tax, excluding such 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 §
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 64 of title 42.

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 64 of title
27 42.

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

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

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

15 ~~(c) The proceeds of the hotel tax collected from residential units offered for tourist or~~
16 ~~transient use through a hosting platform shall be distributed as follows by the division of taxation~~
17 ~~and the city of Newport: twenty five percent (25%) of the tax shall be given to the city or town~~
18 ~~where the residential unit, which generated the tax, is physically located, and seventy five percent~~
19 ~~(75%) of the tax shall be given to the Rhode Island commerce corporation established in chapter~~
20 ~~64 of title 42.~~

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

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

31 (f) For returns and tax payments received on or after July 1, 2018, except as provided in §
32 42-63.1-12, the proceeds of the hotel tax, excluding such portion of the hotel tax collected from
33 residential units offered for tourist or transient use through a hosting platform, shall be distributed
34 as follows by the division of taxation and the city of Newport:

1 (1) For the tax generated by the hotels in the Aquidneck Island district, as defined in §
2 42-63.1-5, forty-five percent (45%) of the tax shall be given to the Aquidneck Island district,
3 twenty-five (25%) of the tax shall be given to the city or town where the hotel, which generated
4 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 twenty-
6 five percent (25%) of the tax shall be given to the Rhode Island commerce corporation
7 established in chapter 64 of title 42.

8 (2) For the tax generated by the hotels in the Providence district as defined in § 42-63.1-
9 5, thirty percent (30%) of the tax shall be given to the Providence district, twenty-five percent
10 (25%) of the tax shall be given to the city or town where the hotel, which generated the tax, is
11 physically located, twenty-four (24%) of the tax shall be given to the Greater Providence-
12 Warwick Convention and Visitors Bureau established in § 42-63.1-11, and twenty-one (21%) of
13 the tax shall be given to the Rhode Island commerce corporation established in chapter 64 of title
14 42.

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

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

27 (5) With respect to the tax generated by hotels in districts other than those set forth in
28 subdivisions (b)(1) through (b)(4), forty-five percent (45%) of the tax shall be given to the
29 regional tourism district, as defined in § 42-63.1-5, wherein the hotel is located, twenty-five
30 percent (25%) of the tax shall be given to the city or town where the hotel, which generated the
31 tax, is physically located, five percent (5%) of the tax shall be given to the Greater Providence-
32 Warwick Convention and Visitors Bureau established in § 42-63.1-11, and twenty-five (25%) of
33 the tax shall be given to the Rhode Island commerce corporation established in chapter 64 of title
34 42.

1 (g) For returns and tax payments received on or after July 1, 2019, except as provided in
2 § 42-63.1-12, the proceeds of the hotel tax, including such portion of the hotel tax collected from
3 residential units offered for tourist or transient use through a hosting platform, shall be distributed
4 as follows by the division of taxation and the city of Newport:

5 (1) For the tax generated by the hotels in the Aquidneck Island district, as defined in §
6 42-63.1-5, forty-five percent (45%) of the tax shall be given to the Aquidneck Island district,
7 twenty-five percent (25%) of the tax shall be given to the city or town where the hotel, which
8 generated the tax, is physically located, five percent (5%) of the tax shall be given to the Greater
9 Providence-Warwick Convention and Visitors Bureau established in § 42-63.1-11, and twenty-
10 five percent (25%) of the tax shall be given to the Rhode Island commerce corporation
11 established in chapter 64 of title 42.

12 (2) For the tax generated by the hotels in the Providence district as defined in § 42-63.1-
13 5, thirty percent (30%) of the tax shall be given to the Providence district, twenty-five percent
14 (25%) of the tax shall be given to the city or town where the hotel, which generated the tax, is
15 physically located, twenty-four percent (24%) of the tax shall be given to the Greater Providence-
16 Warwick Convention and Visitors Bureau established in § 42-63.1-11, and twenty-one percent
17 (21%) of the tax shall be given to the Rhode Island commerce corporation established in chapter
18 64 of title 42.

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

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

31 (5) With respect to the tax generated by hotels in districts other than those set forth in
32 subdivisions (b)(1) through (b)(4) of this section, forty-five percent (45%) of the tax shall be
33 given to the regional tourism district, as defined in § 42-63.1-5, wherein the hotel is located,
34 twenty-five percent (25%) of the tax shall be given to the city or town where the hotel, which

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

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 set forth the proportional distribution of revenue from tax payments
2 received after July 1, 2019, from the hotel tax. Recipients of the revenue include the local district,
3 the city, or town where the hotel is located, the local tourism bureau and the commerce
4 corporation.

5 This act would take effect upon passage.

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