

**2023 -- H 5833 SUBSTITUTE A**

LC002046/SUB A/2

**STATE OF RHODE ISLAND**

**IN GENERAL ASSEMBLY**

**JANUARY SESSION, A.D. 2023**

**A N A C T**

**RELATING TO STATE AFFAIRS AND GOVERNMENT -- TOURISM AND  
DEVELOPMENT**

Introduced By: Representatives Vella-Wilkinson, Morales, and Noret

Date Introduced: March 01, 2023

Referred To: House Corporations

It is enacted by the General Assembly as follows:

1 SECTION 1. Sections 42-63.1-2 and 42-63.1-14 of the General Laws in Chapter 42-63.1  
2 entitled "Tourism and Development" are hereby amended to read as follows:

3 **42-63.1-2. Definitions.**

4 For the purposes of this chapter:

5 (1) "Consideration" means the monetary charge for the use of space devoted to transient  
6 lodging accommodations.

7 (2) "Corporation" means the Rhode Island commerce corporation.

8 (3) "District" means the regional tourism districts set forth in § 42-63.1-5.

9 (4) "Hotel" means any facility offering a minimum of one (1) room for which the public  
10 may, for a consideration, obtain transient lodging accommodations. The term "hotel" shall include  
11 hotels, motels, tourist homes, tourist camps, lodging houses, and inns. The term "hotel" shall also  
12 include houses, condominiums or other residential dwelling units, regardless of the number of  
13 rooms, which are used and/or advertised for rent for occupancy. The term "hotel" shall not include  
14 schools, hospitals, sanitariums, nursing homes, and chronic care centers.

15 (5) "Hosting platform" means any electronic or operating system in which a person or  
16 entity provides a means through which an owner may offer a residential unit for "tourist or  
17 transient" use. This service is usually, though not necessarily, provided through an online or web-  
18 based system which generally allows an owner to advertise the residential unit through a hosted

1 website and provides a means for a person or entity to arrange, or otherwise facilitate reservations  
2 for, tourist or transient use in exchange for payment, whether the person or entity pays rent directly  
3 to the owner or to the hosting platform. All hosting platforms are required to collect and remit the  
4 tax owed under this section.

5 (6) "Occupancy" means a person, firm or corporation's use of space for transient lodging  
6 accommodations not to exceed thirty (30) days. Excluded from "occupancy" is the use of space for  
7 which the occupant has a written lease for the space, which lease covers a rental period of twelve  
8 (12) months or more. Furthermore, any house, condominium or other residential dwelling rented,  
9 for which the occupant has a documented arrangement for the space covering a rental period of  
10 more than thirty (30) consecutive days or for one calendar month is excluded from the definition  
11 of occupancy.

12 (7) "Tax" means the hotel tax imposed by § 44-18-36.1(a).

13 (8) "Owner" means any person who owns real property and is the owner of record. Owner  
14 shall also include a lessee where the lessee is offering a residential unit for "tourist or transient"  
15 use.

16 (9) "Residential unit" means a room or rooms, including a condominium or a room or a  
17 dwelling unit that forms part of a single, joint or shared tenant arrangement, in any building, or  
18 portion thereof, which is designed, built, rented, leased, let, or hired out to be occupied for non-  
19 commercial use.

20 (10) "Tour operator" means a person that derives a majority of his or her or its revenue by  
21 providing tour operator packages.

22 (11) "Tour operator packages" means travel packages that include the services of a tour  
23 guide and where the itinerary encompasses five (5) or more consecutive days.

24 (12) "Tourist or transient" means any use of a residential unit for occupancy for less than  
25 a thirty (30) consecutive day term of tenancy, or occupancy for less than thirty (30) consecutive  
26 days of a residential unit leased or owned by a business entity, whether on a short-term or long-  
27 terms basis, including any occupancy by employee or guests of a business entity for less than thirty  
28 (30) consecutive days where payment for the residential unit is contracted for or paid by the  
29 business entity.

30 **42-63.1-14. Offering residential units through a hosting platform.**

31 (a) For any rental property offered for tourist or transient use on a hosting platform that  
32 collects and remits applicable sales and hotel taxes in compliance with §§ 44-18-7.3(b)(4)(i), 44-  
33 18-18, and 44-18-36.1, cities, towns, or municipalities shall not prohibit the owner from offering  
34 the unit for tourist or transient use through such hosting platform, or prohibit such hosting platform

1 from providing a person or entity the means to rent, pay for, or otherwise reserve a residential unit  
2 for tourist or transient use. A hosting platform shall comply with the requirement imposed upon  
3 room resellers in §§ 44-18-7.3(b)(4)(i) and 44-18-36.1 in order for the prohibition of this section to  
4 apply. The division of taxation shall at the request of a city, town, or municipality confirm whether  
5 a hosting platform is registered in compliance with § 44-18-7.3(b)(4)(i).

6 (b) Any short-term rental property listed for rent on the website of any third-party hosting  
7 platform that conducts business in Rhode Island shall be registered with the department of business  
8 regulation. The registration shall provide the information necessary to identify the property  
9 pursuant to subsection (d) of this section. For purposes of this section, the term “short-term rental”  
10 means a person, firm, or corporation’s utilization, for transient lodging accommodations, not to  
11 exceed thirty (30) nights at a time.

12 (c) The department of business regulation shall contact all hosting platforms that list  
13 property in Rhode Island on their website for rent and that submit hotel taxes to the division of  
14 taxation and shall provide notice of the registration requirement, pursuant to this section, instructing  
15 the hosting platforms to notify their listed properties to register with the department of business  
16 regulation annually by December 31, ~~2021~~, or be subject to fines pursuant to § 42-63.1-14.1.

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

18 (1) The principal place of business of the owner, or if outside the state, the agent for service  
19 of process or property manager for the owner;

20 (2) The phone number of the owner of the property and/or property manager;

21 (3) The email address of the property owner and/or property manager;

22 (4) The address of the rental property;

23 (5) The number of rooms for rent at the property;

24 (6) Whether the registrant rents or owns; and

25 (7) Intended use (entire space, private room, or shared space).

26 (e) The assigned registration number shall consist of numeric and alpha characters, the  
27 alpha characters shall correspond to the city/town where the property is located and shall be uniform  
28 for the remaining properties in said city/town.

29 (f) ~~The department of business regulation shall notify all hosting platforms to contact all~~  
30 ~~listed properties by December 31, 2021, to ensure compliance with this section.~~ The registration  
31 number shall be valid for the calendar year during which it is assigned, and if ~~the a~~ listed ~~properties~~  
32 ~~are~~ property is not duly registered after ~~six (6) months~~ the expiration of the annual registration  
33 period, the hosting platform shall remove the property listing from its website.

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

1 correspond with and enforce this section and § 42-63.1-14.1 and may charge a registration fee to  
2 property owners registering with the department pursuant to this section.

3 (h) The department of business regulation shall create an online database to store all  
4 registered short-term rental units, and each unit shall have an online identification number in said  
5 database to correspond with subsection (e) of this section.

6 (i) Any owner of the property who or that fails to register with the department of business  
7 regulation as prescribed herein and lists the property as a short-term rental on a hosting platform  
8 website shall be subject to a civil fine as follows:

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

10 (2) Five hundred dollars (\$500) for between thirty-one (31) and sixty (60) days of non-  
11 compliance; and

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

13 (j) Notwithstanding any other law or provision to the contrary, no hosting platform shall  
14 list any residence for short-term rental for tourist or transient use without the property's current,  
15 valid registration number, and its expiration date, which shall be displayed on the listing. Any  
16 hosting platform that offers short-term rental of residential property for tourist or transient use  
17 without displaying the current, valid registration number of a property, and its expiration date, shall  
18 be subject to a civil fine of two hundred fifty dollars (\$250) per day per violation, with each property  
19 listing constituting a separate violation.

20 (k) A hosting platform shall provide to the department of business regulation, on a monthly  
21 basis, an electronic report, in a format determined by the department of business regulation, of the  
22 listings maintained, authorized, facilitated or advertised by the hosting platform within the state for  
23 the applicable reporting period. The report shall include a breakdown of where the listings are  
24 located, whether the listing is for a room or a whole unit, and shall include the number of nights  
25 each unit was reported as occupied during the applicable reporting period.

26 SECTION 2. This act shall take effect on January 1, 2024.

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EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF

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- 1           This act would require hosting platforms offering short-term rental of residential property
- 2 for tourist or transient use to disclose on listings the current, valid registration number and its
- 3 expiration date.
- 4           This act would take effect on January 1, 2024.

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