

2023 -- H 6096

LC001602

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2023

A N A C T

RELATING TO TOWNS AND CITIES -- SHORT-TERM RENTAL COMMUNITY IMPACT FEE

Introduced By: Representatives Carson, Edwards, and Vella-Wilkinson

Date Introduced: March 03, 2023

Referred To: House Municipal Government & Housing

(by request)

It is enacted by the General Assembly as follows:

1 SECTION 1. Title 45 of the General Laws entitled "TOWNS AND CITIES" is hereby
2 amended by adding thereto the following chapter:

3 CHAPTER 71

4 SHORT-TERM RENTAL COMMUNITY IMPACT FEE ACT

5 **45-71-1. Short title.**

6 This chapter shall be known and may be cited as the "Short-Term Rental Community
7 Impact Fee Act".

8 **45-71-2. Legislative findings.**

9 (1) The general assembly finds that an equitable program is needed for addressing the
10 impact short-term rental of entire residences have on the public health, safety and general welfare
11 of the citizens of this state.

12 (2) It is therefore the public policy of the state and in the public interest that cities and
13 towns are authorized to impose fees defined herein as impact fees for the operation of short-term
14 rental of entire residences within their jurisdictional limits.

15 (3) Whereas, it is the intent of the general assembly by enactment of this chapter to:

16 (i) Ensure that adequate public resources are available to address municipal expenses and
17 community impacts incurred by the operation of short-term rental of entire residences.

18 (ii) Promote growth and development of new housing units to address those displaced by

1 the operation of short-term rentals of entire residences.

2 (iii) Empower towns and cities to adopt ordinances to impose short-term rental community
3 impact fees.

4 **45-71-3. Establishment of short-term rental community impact fee.**

5 Upon the enactment of a local ordinance, a city or town may impose a short-term rental
6 community impact fee of not more than two percent (2%) of the total consideration charged for
7 occupancy of a house, condominium, or other resident dwelling that is rented in its entirety for less
8 than thirty-one (31) consecutive days. The short-term rental community impact fee is in addition to
9 any sales tax and hotel tax imposed, and shall be administered collected and distributed in the same
10 manner as provided in § 44-18-36.1.

11 **45-71-4. Use of short-term rental community impact fees.**

12 A city or town shall only use short-term rental community impact fees collected under this
13 chapter on:

14 (1) Local infrastructure projects;

15 (2) Municipal matching funds for grants issued under chapter 11.4 of title 42 ("The Rhode
16 Island Municipal Infrastructure Grant Program");

17 (3) Costs associated with development, renovation or repair of housing units; or

18 (4) Non-ordinary municipal expenses incurred by the operation of short-term rentals of
19 entire residences.

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

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
A N A C T
RELATING TO TOWNS AND CITIES -- SHORT-TERM RENTAL COMMUNITY IMPACT
FEE

1 This act would enable cities and towns to impose an impact fee of two percent (2%) on the
2 total consideration charged for occupancy of a house, condominium, or other resident dwelling that
3 is rented in its entirety for less than thirty-one (31) consecutive days.

4 This act would take effect on January 1, 2024.

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