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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2025

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A N A C T

RELATING TO STATE AFFAIRS AND GOVERNMENT -- TOURISM AND
DEVELOPMENT

Introduced By: Senator Hanna M. Gallo

Date Introduced: March 19, 2025

Referred To: Senate Housing & Municipal Government

It is enacted by the General Assembly as follows:

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

3 **42-63.1-14. Offering residential units through a hosting platform. [Effective January**
4 **30, 2025.]**

5 (a) For any rental property offered for tourist or transient use on a hosting platform or by
6 any other means that collects and remits applicable sales and hotel taxes in compliance with §§ 44-
7 18-7.3(b)(4)(i), 44-18-18, and 44-18-36.1, cities, towns, or municipalities shall not prohibit the
8 owner through licensing, permitting, zoning, ordinance, rule or regulation from offering or renting
9 the unit for tourist or transient use through such hosting platform, ~~or prohibit such hosting platform~~
10 ~~from providing a person or entity the means to rent, pay for, or otherwise reserve a residential unit~~
11 ~~for tourist or transient use~~ or any other method, nor prohibit or ban any hosting platform or owner
12 from providing a person or entity the means to rent, pay, or otherwise reserve a residential unit for
13 tourist or transient use. A city, town or municipality shall not require an owner, through licensing,
14 permitting, ordinance, decision, rule or regulation, to occupy any rental property, nor require a
15 minimum or maximum stay. Any licensing, permitting, ordinance, decision, rule or regulation, that
16 directly or indirectly prohibits or bans an owner of a residential unit from renting the residential
17 unit for tourists or transient use, is null and void and preempted and it is the legislative intent of
18 this statute to occupy the field regarding residential units for tourist or transient use as tourism is

1 vital to the statewide economy and is a statewide concern. This provision is applicable, both
2 retroactively and prospectively, to any license, permit, ordinance, decision, rule or regulation, that
3 directly or indirectly prohibits or bans an owner of a residential unit from renting the residential
4 unit for tourist or transient use. A hosting platform shall comply with the requirement imposed
5 upon room resellers in §§ 44-18-7.3(b)(4)(i) and 44-18-36.1 in order for the prohibition of this
6 section to apply. The division of taxation shall at the request of a city, town, or municipality confirm
7 whether a hosting platform is registered in compliance with § 44-18-7.3(b)(4)(i).

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

14 (c) The department of business regulation shall contact all hosting platforms that list
15 property in Rhode Island on their website for rent and that submit hotel taxes to the division of
16 taxation and/or the city of Newport and shall provide notice of the registration requirement,
17 pursuant to this section, instructing the hosting platforms to notify their listed properties to register
18 with the department of business regulation annually or be subject to fines pursuant to subsection (i)
19 of this section. Provided further, renewals of registrations pursuant to this section shall become due
20 for renewal on the anniversary date of the original registration.

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

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

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

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

26 (4) The address of the rental property;

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

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

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

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

33 (f) Registration forms and/or any registration materials required by the department shall be
34 completed prior to a listing by a hosting platform. The registration number shall be valid for the

1 year during which it is assigned, and if a listed property is not duly registered after the expiration
2 of the annual registration period, the hosting platform shall remove the property listing from its
3 website within fourteen (14) days of notification from the department.

4 (g) The department of business regulation shall promulgate rules and regulations to
5 correspond with and enforce this section and § 42-63.1-14.1 and may charge a registration fee to
6 property owners registering with the department pursuant to this section.

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

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

13 (1) Two hundred fifty dollars (\$250) for the first thirty (30) days of noncompliance;

14 (2) Five hundred dollars (\$500) for between thirty-one (31) and sixty (60) days of
15 noncompliance; and

16 (3) One thousand dollars (\$1,000) for more than sixty (60) days of noncompliance.

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

25 (k) A hosting platform shall provide to the department of business regulation, on a quarterly
26 basis, an electronic report, in a format determined by the department of business regulation, of the
27 listings maintained, authorized, facilitated, or advertised by the hosting platform within the state
28 for the applicable reporting period. The report shall include a breakdown of the municipality where
29 the listings are located, whether the listing is for a room or a whole unit, the total number of short-
30 term rentals listed on the platform, the registration number of each short-term rental listed on the
31 platform, the URL link of each short-term rental listed on the platform, and shall include the number
32 of nights each unit was reported as occupied during the applicable reporting period.

1 SECTION 2. This act shall take effect upon passage and shall apply retroactively and
2 prospectively to all municipal actions taken to deny the owner from offering and renting the unit
3 for tourist or transient use.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

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RELATING TO STATE AFFAIRS AND GOVERNMENT -- TOURISM AND
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1 This act would allow an owner of a residential unit to rent the unit for tourist or transient
2 use. This act would prohibit any municipality from enacting any licensing, permitting, zoning,
3 ordinance, rule or regulation that would deny the owner from offering and renting the unit for tourist
4 or transient use.

5 This act would take effect upon passage and would apply retroactively and prospectively
6 to all municipal actions denying the owner from offering and renting the unit for tourist or transient
7 use.

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