

2018 -- H 7833

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LC004983
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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2018

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A N A C T

RELATING TO STATE AFFAIRS AND GOVERNMENT - TOURISM AND
DEVELOPMENT

Introduced By: Representatives McKiernan, Slater, Diaz, Lombardi, and Hull

Date Introduced: February 28, 2018

Referred To: House Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Sections 42-63.1-3 and 42-63.1-12 of the General Laws in Chapter 42-63.1
2 entitled "Tourism and Development" are hereby amended to read as follows:

3 **42-63.1-3. 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 and including such
13 portion of the hotel tax collected from any and all hotels physically connected to the Rhode Island
14 convention center, shall be distributed as follows by the division of taxation and the city of
15 Newport:

16 (1) For the tax generated by the hotels in the Aquidneck Island district, as defined in §
17 42-63.1-5, forty-two percent (42%) of the tax shall be given to the Aquidneck Island district,
18 twenty-five (25%) of the tax shall be given to the city or town where the hotel, which generated
19 the tax, is physically located, five percent (5%) of the tax shall be given to the Greater
20 Providence-Warwick Convention and Visitors Bureau established in § 42-63.1-11, and twenty-
21 eight percent (28%) of the tax shall be given to the Rhode Island commerce corporation
22 established in chapter 64 of title 42.

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

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

1 four (24%) of the tax shall be given to the Rhode Island commerce corporation established in
2 chapter 64 of title 42.

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

9 (5) With respect to the tax generated by hotels in districts other than those set forth in
10 subdivisions (b)(1) through (b)(4), forty-two percent (42%) of the tax shall be given to the
11 regional tourism district, as defined in § 42-63.1-5, wherein the hotel is located, twenty-five
12 percent (25%) of the tax shall be given to the city or town where the hotel, which generated the
13 tax, is physically located, five percent (5%) of the tax shall be given to the Greater Providence-
14 Warwick Convention and Visitors Bureau established in § 42-63.1-11, and twenty-eight (28%) of
15 the tax shall be given to the Rhode Island commerce corporation established in chapter 64 of title
16 42.

17 (c) The proceeds of the hotel tax collected from residential units offered for tourist or
18 transient use through a hosting platform shall be distributed as follows by the division of taxation
19 and the city of Newport: twenty-five percent (25%) of the tax shall be given to the city or town
20 where the residential unit, which generated the tax, is physically located, and seventy-five percent
21 (75%) of the tax shall be given to the Rhode Island commerce corporation established in chapter
22 64 of title 42.

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

27 (e) Notwithstanding the foregoing provisions of this section, for returns and tax payments
28 received on or after July 1, 2016 and on or before June 30, 2017, ~~except as provided in § 42-63.1-~~
29 ~~12~~, the proceeds of the hotel tax, excluding such portion of the hotel tax collected from residential
30 units offered for tourist or transient use through a hosting platform, shall be distributed in
31 accordance with the distribution percentages established in § 42-63.1-3(a)(1) through § 42-63.1-
32 3(a)(3) by the division of taxation and the city of Newport.

33 ~~**42-63.1-12. Distribution of tax to Rhode Island Convention Center Authority, Rhode**~~
34 ~~**Island Convention Center Authority.**~~

1 (a) ~~For returns and tax received on or before December 31, 2015, the proceeds of the~~
2 ~~hotel tax generated by any and all hotels physically connected to the Rhode Island Convention~~
3 ~~Center shall be distributed as follows: twenty seven percent (27%) shall be deposited as general~~
4 ~~revenues; thirty one percent (31%) shall be given to the convention authority of the city of~~
5 ~~Providence; twelve percent (12%) shall be given to the greater Providence Warwick convention~~
6 ~~and visitor's bureau; thirty percent (30%) shall be given to the Rhode Island convention center~~
7 ~~authority to be used in the furtherance of the purposes set forth in § 42-99-4.~~

8 (b) ~~For returns and tax received after December 31, 2015, the proceeds of the hotel tax~~
9 ~~generated by any and all hotels physically connected to the Rhode Island Convention Center shall~~
10 ~~be distributed as follows: twenty eight percent (28%) shall be given to the convention authority of~~
11 ~~the city of Providence; twelve percent (12%) shall be given to the greater Providence Warwick~~
12 ~~convention and visitor's bureau; and sixty percent (60%) shall be given to the Rhode Island~~
13 ~~Commeree Corporation established in chapter 64 of title 42.~~

14 (c) The Rhode Island Convention Center Authority is authorized and empowered to enter
15 into contracts with the Greater Providence-Warwick Convention and Visitors' Bureau in the
16 furtherance of the purposes set forth in this chapter.

17 SECTION 2. This act shall take effect on July 1, 2018.

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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 apply the uniform hotel tax distribution formula for entities within the
2 Providence regional tourism district to any and all hotels physically connected to the Rhode
3 Island Convention Center.

4 This act would take effect on July 1, 2018.

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