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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: Representative Marvin L. Abney

Date Introduced: April 04, 2019

Referred To: House Finance

(by request)

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~~ [For returns and tax payments received before July 1, 2019, the](#) proceeds of the  
16 hotel tax collected from residential units offered for tourist or transient use through a hosting  
17 platform shall be distributed as follows by the division of taxation and the city of Newport:  
18 twenty-five percent (25%) of the tax shall be given to the city or town where the residential unit,  
19 which generated the tax, is physically located, and seventy-five percent (75%) of the tax shall be  
20 given to the Rhode Island commerce corporation established in chapter 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 in the Aquidneck Island district, as defined in § 42-63.1-5,  
6 forty-five percent (45%) of the tax shall be given to the Aquidneck Island district, twenty-five  
7 percent (25%) of the tax shall be given to the city or town where the hotel or residential unit,  
8 which generated the tax, is physically located, five percent (5%) of the tax shall be given to the  
9 Greater Providence-Warwick Convention and Visitors Bureau established in § 42-63.1-11, and  
10 twenty-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 in the Providence district as defined in § 42-63.1-5, thirty  
13 percent (30%) of the tax shall be given to the Providence district, twenty-five percent (25%) of  
14 the tax shall be given to the city or town where the hotel or residential unit, which generated the  
15 tax, is physically located, twenty-four percent (24%) of the tax shall be given to the Greater  
16 Providence-Warwick Convention and Visitors Bureau established in § 42-63.1-11, and twenty-  
17 one percent (21%) of the tax shall be given to the Rhode Island commerce corporation established  
18 in chapter 64 of title 42.

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

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

32           (5) With respect to the tax generated in districts other than those set forth in subsections  
33 (b)(1) through (b)(4) of this section, forty-five percent (45%) of the tax shall be given to the  
34 regional tourism district, as defined in § 42-63.1-5, wherein the hotel or residential unit is located,

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

6 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

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- 1 This act would revise the distribution of the hotel tax collected from residential units
- 2 offered for tourist or transient use through a hosting platform.
- 3 This act would take effect upon passage.

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