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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2021

A N A C T

RELATING TO STATE AFFAIRS AND GOVERNMENT -- TOURISM AND
DEVELOPMENT

Introduced By: Representative Scott Slater

Date Introduced: May 07, 2021

Referred To: House Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Sections 42-63.1-3, 42-63.1-5 and 42-63.1-12 of the General Laws in Chapter
2 42-63.1 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 the portion of the hotel tax
6 collected from residential units offered for tourist or transient use through a hosting platform, shall
7 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 receipts
2 attributable to the district as defined in § 42-63.1-5(a)(8) shall be given to the Rhode Island
3 commerce corporation as established in chapter 64 of this title.

4 (2) Twenty-five percent (25%) of the hotel tax shall be given to the city or town where the
5 hotel that generated the tax is physically located, to be used for whatever purpose the city or town
6 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 this title, and seven percent (7%) to the Greater Providence-
9 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 the 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 § 42-
15 63.1-5, forty-two percent (42%) of the tax shall be given to the Aquidneck Island district, twenty-
16 five (25%) of the tax shall be given to the city or town where the hotel that generated the tax is
17 physically located, five percent (5%) of the tax shall be given to the Greater Providence-Warwick
18 Convention and Visitors Bureau established in § 42-63.1-11, and twenty-eight percent (28%) of
19 the tax shall be given to the Rhode Island commerce corporation established in chapter 64 of this
20 title.

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

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

33 (4) For the tax generated by the hotels in the Statewide district, as defined in § 42-63.1-5,
34 twenty-five percent (25%) of the tax shall be given to the city or town where the hotel that generated

1 the tax is physically located, five percent (5%) of the tax shall be given to the Greater Providence-
2 Warwick Convention and Visitors Bureau established in § 42-63.1-11, and seventy percent (70%)
3 of the tax shall be given to the Rhode Island commerce corporation established in chapter 64 of this
4 title.

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

12 (c) For returns and tax payments received before July 1, 2019, the proceeds of the hotel tax
13 collected from residential units offered for tourist or transient use through a hosting platform shall
14 be distributed as follows by the division of taxation and the city of Newport: twenty-five percent
15 (25%) of the tax shall be given to the city or town where the residential unit that generated the tax
16 is physically located, and seventy-five percent (75%) of the tax shall be given to the Rhode Island
17 commerce corporation established in chapter 64 of this title.

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

22 (e) Notwithstanding the foregoing provisions of this section, for returns and tax payments
23 received on or after July 1, 2016, and on or before June 30, 2017, except as provided in § 42-63.1-
24 12, the proceeds of the hotel tax, excluding the portion of the hotel tax collected from residential
25 units offered for tourist or transient use through a hosting platform, shall be distributed in
26 accordance with the distribution percentages established in subsections (a)(1) through (a)(3) of this
27 section by the division of taxation and the city of Newport.

28 (f) For returns and tax payments received on or after July 1, 2018, except as provided in §
29 42-63.1-12, the proceeds of the hotel tax, excluding the portion of the hotel tax collected from
30 residential units offered for tourist or transient use through a hosting platform, shall be distributed
31 as follows by the division of taxation and the city of Newport:

32 (1) For the tax generated by the hotels in the Aquidneck Island district, as defined in § 42-
33 63.1-5, forty-five percent (45%) of the tax shall be given to the Aquidneck Island district, twenty-
34 five (25%) of the tax shall be given to the city or town where the hotel that generated the tax is

1 physically located, five percent (5%) of the tax shall be given to the Greater Providence-Warwick
2 Convention and Visitors Bureau established in § 42-63.1-11, and twenty-five percent (25%) of the
3 tax shall be given to the Rhode Island commerce corporation established in chapter 64 of this title.

4 (2) For the tax generated by the hotels in the Providence district as defined in § 42-63.1-5,
5 thirty percent (30%) of the tax shall be given to the Providence district, twenty-five percent (25%)
6 of the tax shall be given to the city or town where the hotel that generated the tax is physically
7 located, twenty-four (24%) of the tax shall be given to the Greater Providence-Warwick
8 Convention and Visitors Bureau established in § 42-63.1-11, and twenty-one (21%) of the tax shall
9 be given to the Rhode Island commerce corporation established in chapter 64 of this title.

10 (3) For the tax generated by the hotels in the Warwick district as defined in § 42-63.1-5,
11 thirty percent (30%) of the tax shall be given to the Warwick District, twenty-five percent (25%)
12 of the tax shall be given to the city or town where the hotel that generated the tax is physically
13 located, twenty-four percent (24%) of the tax shall be given to the Greater Providence-Warwick
14 Convention and Visitors Bureau established in § 42-63.1-11, and twenty-one (21%) of the tax shall
15 be given to the Rhode Island commerce corporation established in chapter 64 of this title.

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

22 (5) With respect to the tax generated by hotels in districts other than those set forth in
23 subsections (b)(1) through (b)(4) of this section, forty-five percent (45%) of the tax shall be given
24 to the regional tourism district, as defined in § 42-63.1-5, wherein the hotel is located, twenty-five
25 percent (25%) of the tax shall be given to the city or town where the hotel that generated the tax is
26 physically located, five percent (5%) of the tax shall be given to the Greater Providence-Warwick
27 Convention and Visitors Bureau established in § 42-63.1-11, and twenty-five (25%) of the tax shall
28 be given to the Rhode Island commerce corporation established in chapter 64 of this title.

29 (g) For returns and tax payments received on or after July 1, 2019, except as provided in §
30 42-63.1-12, the proceeds of the hotel tax, including the portion of the hotel tax collected from
31 residential units offered for tourist or transient use through a hosting platform, shall be distributed
32 as follows by the division of taxation and the city of Newport:

33 (1) For the tax generated in the Aquidneck Island district, as defined in § 42-63.1-5, forty-
34 five percent (45%) of the tax shall be given to the Aquidneck Island district, twenty-five percent

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

6 (2) For the tax generated in the Providence district as defined in § 42-63.1-5, :

7 (i) Thirty ~~thirty~~ percent (30%) of the tax shall be given to the Providence district, twenty-
8 five percent (25%) of the tax shall be given to the city or town where the hotel or residential unit
9 that generated the tax is physically located, twenty-four percent (24%) of the tax shall be given to
10 the Greater Providence-Warwick Convention and Visitors Bureau established in § 42-63.1-11, and
11 twenty-one percent (21%) of the tax shall be given to the Rhode Island commerce corporation
12 established in chapter 64 of this title.

13 (ii) Notwithstanding the foregoing provisions of this section, on or after July 1, 2021,
14 thirteen percent (13%) of the tax shall be given to the Providence district, twenty-five percent (25%)
15 of the tax shall be given to the city or town where the hotel or residential unit that generated the tax
16 is physically located, forty percent (40%) of the tax shall be given to the greater Providence -
17 Warwick convention and visitors bureau established pursuant to the provisions of § 42-63.1-11,
18 and twenty-two percent (22%) of the tax shall be given to the Rhode Island commerce corporation
19 established in chapter 64 of this title.

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

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 that
28 generated the tax is physically located, five percent (5%) of the tax shall be given to the Greater
29 Providence-Warwick Convention and Visitors Bureau established in § 42-63.1-11, and seventy
30 percent (70%) of the tax shall be given to the Rhode Island commerce corporation established in
31 chapter 64 of this title.

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

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

6 **42-63.1-5. Regional tourism districts.**

7 (a) The state of Rhode Island is divided into eight (8) regional tourism districts to be
8 administered by the tourism council, convention and visitor's bureau or the Rhode Island commerce
9 corporation established in chapter 42-64 as designated in this section:

10 (1) South County district which shall include Westerly, Charlestown, Narragansett, South
11 Kingstown, North Kingstown, Hopkinton, Exeter, Richmond, West Greenwich, East Greenwich,
12 and Coventry to be administered by the South County tourism council, inc.;

13 (2) Providence district consists of the city of Providence to be administered by the
14 ~~Convention Authority of the City of Providence~~ [city of Providence department of art, culture and](#)
15 [tourism](#).

16 (3) Northern Rhode Island district consists of Pawtucket, Woonsocket, Lincoln, Central
17 Falls, Cumberland, North Smithfield, Smithfield, Glocester and Burrillville to be administered by
18 the Blackstone Valley tourism council, inc.;

19 (4) Aquidneck Island district consists of Barrington, Bristol, Warren, Newport, Jamestown,
20 Middletown, Portsmouth, Tiverton and Little Compton to be administered by the Newport and
21 Bristol County convention and visitors bureau;

22 (5) Warwick district consists of the city of Warwick to be administered by the city of
23 Warwick department of economic development;

24 (6) Block Island district which shall consist of the town of New Shoreham to be
25 administered by the New Shoreham tourism council, inc.;

26 (7) East Providence to be administered by an entity that shall be acceptable to the economic
27 development corporation; provided that all funds generated in the city of East Providence shall be
28 held by the Rhode Island division of taxation until such time as the city of East Providence elects
29 to become a member of a regional tourism district at which time the monies held by the Rhode
30 Island division of taxation shall be transferred to the tourism district or convention visitors' bureau
31 selected by the city of East Providence;

32 (8) Statewide district consists of all cities and towns not delineated in subdivisions (1)
33 through (7) to be administered by the Rhode Island commerce corporation established in chapter
34 42-64.

1 (b) Before receiving any funds under this chapter, the organizations designated to receive
2 the funds on behalf of the South County regional tourism district and the Northern Rhode Island
3 regional tourism district shall be required to apply to and receive approval from the Rhode Island
4 commerce corporation pursuant to guidelines promulgated by the Rhode Island commerce
5 corporation. The corporation shall review the eligibility of the regional tourism district
6 organizations to receive the funds at least annually.

7 (c) On or before January 1, 2016 and every January 1 thereafter, all regional tourism
8 districts created under these sections shall be required to seek and obtain the approval of the
9 executive office of commerce regarding the incorporation of common statewide marketing themes,
10 logos, and slogans, among other features, prior to the release of lodging tax funds to the districts.

11 **42-63.1-12. Distribution of tax to Rhode Island Convention Center Authority.**

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

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

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

28 (d) For returns and tax received on or after July 1, 2018, [and before July 1, 2021](#), the
29 proceeds of the hotel tax generated by any and all hotels physically connected to the Rhode Island
30 Convention Center shall be distributed as follows: thirty percent (30%) shall be given to the
31 convention authority of the city of Providence; twenty percent (20%) shall be given to the greater
32 Providence-Warwick convention and visitor's bureau; and fifty percent (50%) shall be given to the
33 Rhode Island Commerce Corporation established in chapter 64 of title 42.

34 [\(e\) For returns and tax received on or after July 1, 2021, the proceeds of the hotel tax](#)

1 generated by any and all hotels physically connected to the Rhode Island convention center shall
2 be distributed as follows: thirteen percent (13%) shall be given to the city of Providence department
3 of art, culture and tourism; twenty-five percent (25%) of the tax shall be given to the city or town
4 where the hotel or residential unit that generated the tax is physically located; forty percent (40%)
5 shall be given to the greater Providence-Warwick convention and visitor's bureau; and twenty-two
6 percent (22%) shall be given to the Rhode Island commerce corporation established in chapter 64
7 of this title.

8 SECTION 2. This act shall take effect upon passage.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

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RELATING TO STATE AFFAIRS AND GOVERNMENT -- TOURISM AND
DEVELOPMENT

1 This act would replace the convention authority of the city of Providence with the city
2 department of art, culture and tourism as the administrator of the Providence tourism district.
3 Additionally, the act would revise hotel tax distribution in the Providence region and would
4 establish a new hotel tax distribution formula for taxes generated by hotels physically connected to
5 the convention center.

6 This act would take effect upon passage.

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