

2022 -- H 8206

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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2022

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A N A C T

RELATING TO STATE AFFAIRS AND GOVERNMENT -- TOURISM AND
DEVELOPMENT

Introduced By: Representatives McEntee, Azzinaro, Casimiro, Casey, Edwards,
Baginski, Fogarty, and Kennedy

Date Introduced: May 04, 2022

Referred To: House Finance

It is enacted by the General Assembly as follows:

1

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

4 **42-63.1-3. Distribution of tax.**

5 (a) For returns and tax payments received on or before December 31, 2015, except as
6 provided in § 42-63.1-12, the proceeds of the hotel tax, excluding the portion of the hotel tax
7 collected from residential units offered for tourist or transient use through a hosting platform, shall
8 be distributed as follows by the division of taxation and the city of Newport:

9 (1) Forty-seven percent (47%) of the tax generated by the hotels in the district, except as
10 otherwise provided in this chapter, shall be given to the regional tourism district wherein the hotel
11 is located; provided, however, that from the tax generated by the hotels in the city of Warwick,
12 thirty-one percent (31%) of the tax shall be given to the Warwick regional tourism district
13 established in § 42-63.1-5(a)(5) and sixteen percent (16%) of the tax shall be given to the Greater
14 Providence-Warwick Convention and Visitors' Bureau established in § 42-63.1-11; and provided
15 further, that from the tax generated by the hotels in the city of Providence, sixteen percent (16%)
16 of that tax shall be given to the Greater Providence-Warwick Convention and Visitors' Bureau
17 established by § 42-63.1-11, and thirty-one percent (31%) of that tax shall be given to the
18 Convention Authority of the city of Providence established pursuant to the provisions of chapter

1 84 of the public laws of January, 1980; provided, however, that the receipts attributable to the
2 district as defined in § 42-63.1-5(a)(7) shall be deposited as general revenues, and that the receipts
3 attributable to the district as defined in § 42-63.1-5(a)(8) shall be given to the Rhode Island
4 commerce corporation as established in chapter 64 of this title.

5 (2) Twenty-five percent (25%) of the hotel tax shall be given to the city or town where the
6 hotel that generated the tax is physically located, to be used for whatever purpose the city or town
7 decides.

8 (3) Twenty-one (21%) of the hotel tax shall be given to the Rhode Island commerce
9 corporation established in chapter 64 of this title, and seven percent (7%) to the Greater Providence-
10 Warwick Convention and Visitors' Bureau.

11 (b) For returns and tax payments received after December 31, 2015, except as provided in
12 § 42-63.1-12, the proceeds of the hotel tax, excluding the portion of the hotel tax collected from
13 residential units offered for tourist or transient use through a hosting platform, shall be distributed
14 as follows by the division of taxation and the city of Newport:

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

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

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 that generated the tax is physically
31 located, twenty-three percent (23%) of the tax shall be given to the Greater Providence-Warwick
32 Convention and Visitors Bureau established in § 42-63.1-11, and twenty-four (24%) of the tax shall
33 be given to the Rhode Island commerce corporation established in chapter 64 of this title.

34 (4) For the tax generated by the hotels in the Statewide district, as defined in § 42-63.1-5,

1 twenty-five percent (25%) of the tax shall be given to the city or town where the hotel 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 seventy percent (70%)
4 of the tax shall be given to the Rhode Island commerce corporation established in chapter 64 of this
5 title.

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

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

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

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

29 (f) For returns and tax payments received on or after July 1, 2018, except as provided in §
30 42-63.1-12, the proceeds of the hotel tax, excluding 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 by the hotels in the Aquidneck Island district, as defined in § 42-
34 63.1-5, forty-five percent (45%) of the tax shall be given to the Aquidneck Island district, twenty-

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

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

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

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

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

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

34 (1) For the tax generated in the Aquidneck Island district, as defined in § 42-63.1-5, forty-

1 five percent (45%) of the tax shall be given to the Aquidneck Island district, twenty-five percent
2 (25%) of the tax shall be given to the city or town where the hotel or residential unit that generated
3 the tax is physically located, five percent (5%) of the tax shall be given to the Greater Providence-
4 Warwick Convention and Visitors Bureau established in § 42-63.1-11, and twenty-five percent
5 (25%) of the tax shall be given to the Rhode Island commerce corporation established in chapter
6 64 of this title.

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

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

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

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

33 [\(h\) For returns and tax payments received on or after July 1, 2022, except as provided in §](#)
34 [42-63.1-12, the proceeds of the hotel tax, including the portion of the hotel tax collected from](#)

1 residential units offered for tourist or transient use through a hosting platform, shall be distributed
2 as follows by the division of taxation and the city of Newport:

3 (1) For the tax generated in the Aquidneck Island district, as defined in § 42-63.1-5, fifty
4 percent (50%) of the tax shall be given to the Aquidneck Island district, twenty-five percent (25%)
5 of the tax shall be given to the city or town where the hotel or residential unit that generated the tax
6 is physically located, and twenty-five percent (25%) of the tax shall be given to the Rhode Island
7 commerce corporation established in chapter 64 of this title.

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

14 (3) For the tax generated in the Warwick district as defined in § 42-63.1-5, forty-five
15 percent (45%) of the tax shall be given to the Warwick district, thirty percent (30%) of the tax shall
16 be given to the city or town where the hotel or residential unit that generated the tax is physically
17 located, and twenty-five percent (25%) of the tax shall be given to the Rhode Island commerce
18 corporation established in chapter 64 of this title.

19 (4) For the tax generated in the statewide district, as defined in § 42-63.1-5, thirty percent
20 (30%) of the tax shall be given to the city or town where the hotel or residential unit that generated
21 the tax is physically located, and seventy percent (70%) of the tax shall be given to the Rhode Island
22 commerce corporation established in chapter 64 of this title.

23 (5) With respect to the tax generated in districts other than those set forth in subsections
24 (h)(1) through (h)(4) of this section, fifty percent (50%) of the tax shall be given to the regional
25 tourism district, as defined in § 42-63.1-5, wherein the hotel or residential unit is located, twenty-
26 five percent (25%) of the tax shall be given to the city or town where the hotel or residential unit
27 that generated the tax is physically located, and twenty-five percent (25%) of the tax shall be given
28 to the Rhode Island commerce corporation established in chapter 64 of this title.

29 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 remove the requirement that five percent (5%) of the hotel tax be paid to
2 the Greater Providence-Warwick Convention and Visitors Bureau and redistribute the five percent
3 (5%) tax to the regional tourism district where the hotel or residential unit is located.

4 This act would take effect upon passage.

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