

2023 -- H 5788

LC001976

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2023

A N A C T

RELATING TO STATE AFFAIRS AND GOVERNMENT -- TOURISM AND  
DEVELOPMENT

Introduced By: Representatives McEntee, Fogarty, Caldwell, Vella-Wilkinson, and  
Spears

Date Introduced: February 22, 2023

Referred To: House Finance

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

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

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

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

32 (h) For returns and tax payments received on or after July 1, 2023, except as provided in §  
33 42-63.1-12, the proceeds of the hotel tax, including the portion of the hotel tax collected from  
34 residential units offered for tourist or transient use through a hosting platform, shall be distributed

1 as follows by the division of taxation and the city of Newport:

2 (1) For the tax generated in the Aquidneck Island district, as defined in § 42-63.1-5, fifty  
3 percent (50%) of the tax shall be given to the Aquidneck Island district, twenty-five percent (25%)  
4 of the tax shall be given to the city or town where the hotel or residential unit that generated the tax  
5 is physically located, and twenty-five percent (25%) of the tax shall be given to the Rhode Island  
6 commerce corporation established in chapter 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 (25%) of the tax shall be given  
15 to the city or town where the hotel or residential unit that generated the tax is physically located,  
16 twenty-four percent (24%) of the tax shall be given to the greater Providence-Warwick convention  
17 and visitors bureau established in § 42-63.1-11, and twenty-one percent (21%) of the tax shall be  
18 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, 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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LC001976  
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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 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 in which the hotel or residential unit is located.  
4           This act would take effect upon passage.

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