

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2023

A N A C T

RELATING TO TOWNS AND CITIES -- SHORT-TERM RENTAL COMMUNITY IMPACT FEE

Introduced By: Senators Euer, DiMario, Sosnowski, Gu, Ujifusa, Valverde, Lauria, and DiPalma

Date Introduced: March 07, 2023

Referred To: Senate Housing & Municipal Government

It is enacted by the General Assembly as follows:

1 SECTION 1. Legislative findings.

2 The general assembly hereby finds that:

3 (1) An equitable program is needed for addressing the impact short-term rental of entire
4 residences have on the public health, safety and general welfare of the citizens of this state.

5 (2) It is therefore the public policy of the state and in the public interest that cities and
6 towns are authorized to impose fees defined herein as impact fees for the operation of short-term
7 rental of entire residences within their jurisdictional limits.

8 (3) It is the intent of the general assembly by enactment of this act to:

9 (i) Ensure that adequate public resources are available to address municipal expenses and
10 community impacts incurred by the operation of short-term rental of entire residences.

11 (ii) Promote growth and development of new housing units to address those displaced by
12 the operation of short-term rentals of entire residences.

13 (iii) Empower towns and cities to adopt ordinances to impose short-term rental community
14 impact fees.

15 SECTION 2. Title 45 of the General Laws entitled "TOWNS AND CITIES" is hereby
16 amended by adding thereto the following chapter:

17 CHAPTER 71

18 SHORT-TERM RENTAL COMMUNITY IMPACT FEE

1 **45-71-1. Title.**

2 This chapter shall be known and may be cited as the "Short-Term Rental Community
3 Impact Fee Act".

4 **45-71-2. Establishment of short-term rental community impact fee.**

5 Upon the enactment of a local ordinance, a city or town may impose a short-term rental
6 community impact fee of not more than two percent (2%) of the total consideration charged for
7 occupancy of a house, condominium, or other resident dwelling that is rented in its entirety for less
8 than thirty-one (31) consecutive days. The short-term rental community impact fee is in addition to
9 any sales tax and hotel tax imposed, and shall be administered, collected and distributed in the same
10 manner as provided in § 44-18-36.1.

11 **45-71-3. Use of short-term rental community impact fees.**

12 A city or town shall only use short-term rental community impact fees collected under this
13 section on:

- 14 (1) Local infrastructure projects;
- 15 (2) Municipal matching funds for grants issued under chapter 11.4 of title 42 ("The Rhode
16 Island municipal infrastructure grant program");
- 17 (3) Costs associated with development, renovation or repair of housing units; or
- 18 (4) Non-ordinary municipal expenses incurred by the operation of short-term rentals of
19 entire residences.

20 SECTION 3. This act shall take effect on January 1, 2024.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
A N A C T
RELATING TO TOWNS AND CITIES -- SHORT-TERM RENTAL COMMUNITY IMPACT
FEE

1 This act would enable cities and towns to impose an impact fee of two percent (2%) on the
2 total consideration charged for occupancy of a house, condominium, or other resident dwelling that
3 is rented in its entirety for less than thirty-one (31) consecutive days.

4 This act would take effect on January 1, 2024.

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