

Testimony from Brian Daniels, Executive Director
Legislation Related to Short-Term Rentals (H 5505)
House Committee on Corporations – March 2, 2021

Thank you, Mr. Chairman and members of the committee, for the opportunity to submit testimony. Some of the League's members have identified challenges as short-term rentals emerge as a significant and growing issue in their cities and towns.

One common concern among members is the difficulty local governments have when determining whether they are receiving their appropriate share of taxes. Currently, hosting platforms that list short-term rentals are required to collect hotel taxes, with the municipality receiving 25% of those funds and the remainder going to the Commerce Corporation. Cities and towns have expressed frustration that the amounts received from the Division of Taxation do not include detailed data, including the properties from which the funds were collected, as well as information about daily rate and duration of stay. Some communities have begun local enforcement efforts to ensure that all short-term rental properties are complying with state law.

Representative Carson's bill (H 5505) proposes to address this concern by requiring all short-term rental property owners to register with the Department of Business Regulation. Third-party hosting platforms could not list Rhode Island short-term rentals unless they were registered DBR. This approach would provide municipalities access to a list of all applicable property owners within their borders and would increase compliance in tax collection.

We appreciate Representative Carson's work on this important issue and encourage the committee to support H 5505. Thank you for your consideration of our views.