

February 25, 2025

The Hon. Marvin Abney

Chairman, House Committee on Finance

State House

Providence, RI 02903

Dear Chairman Abney:

On behalf of the Rhode Island Short Term Rental Association, I write in opposition to H5076 Governor's Budget Article 5 which would direct a tax on whole house rentals to the Rhode Island Department of Housing to combat homelessness.

We categorically reject any representation that short term rentals contribute to the housing crisis in Rhode Island. There are approximately 5,000 STRs throughout the state. Of that number, approximately 600-800 of those are simply a room in an otherwise occupied house. Additionally, there are hundreds of hotel rooms and entire hotels registered with the state that are categorized as short-term rentals.

If you consider that there are approximately 480,000 housing units in R.I., entire home STRs make up less than one percent of available housing. Many of these entire homes are primary residences that are rented out for just a small part of the year. It's important that members of the House Committee on Finance understand that many of these STR homes have been in families for generations. They are rented on average just 40 nights per year and generate an average income of \$15,000 annually for these homeowners. It is crucial to preserve and protect the current rights we have as homeowners in Rhode Island.

We also underscore the fact that none of the recent housing studies completed in R.I. show any demonstrable impact of STRs on housing. Those studies include the 2023 Housing Fact Book by Housing Works RI at Roger Williams University, The Rhode Island 2023 Integrated Housing Report submitted by the RI Department of

Housing and more generally The State of The Nation's Housing 2023 from the Joint Center for Housing Studies of Harvard University. There is no mention that short term rentals are the cause or solution to the housing crisis.

Instead, most housing planners and experts all conclude that the overarching culprit of our housing crisis is lack of supply, production, and historically low building permit activity. This is supported by housing legislation put forward by Speaker Shekarchi and General Assembly Leadership for the past two sessions.

We urge the Finance Committee to reject this budget amendment.

Thank you.

Sincerely,

Van Gagnier, Executive Director, RISTRA

Cc: The Honorable K. Joseph Shekarchi