

Dawn Huntley

From: L A <leon.amarant@gmail.com>
Sent: Sunday, March 29, 2026 11:40 AM
To: House Municipal Government and Housing Committee
Cc: Rep. Casey, Stephen M.
Subject: OPPOSE H7657

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Dear Members of the House Municipal Government and Housing Committee,

I am writing to express my strong and unequivocal **OPPOSITION** to **House Bill H7657**.

As someone who has served on the Planning Board of Middletown, I have spent years reviewing zoning, land use, and regulatory impacts on our communities. From that experience, I can say clearly: **designating residential properties as “commercial” is a deeply flawed and dangerous policy direction.**

Short-term rentals are, and remain, residential uses. Reclassifying them as commercial effectively creates spot zoning by default, allowing identical homes in the same neighborhood to be treated entirely differently based solely on use. This undermines the integrity of zoning frameworks and opens the door to unintended consequences. Once properties are deemed “commercial,” it is not unreasonable to expect pressure for expanded commercial activities in residential zones, fundamentally altering neighborhood character.

This bill is a Pandora’s box. It is not a measured or thoughtful policy. It is an overreach that invites confusion, inconsistency, and long-term damage to Rhode Island communities.

Equally concerning is the financial premise behind this proposal. Short-term rentals are already heavily taxed:

- 7% state sales tax on rentals under 30 days
- 5% room tax on those same rentals
- 2% local hotel tax collected by municipalities

In addition, in communities like Middletown, these properties are already subject to significantly higher property tax rates, approximately 30% above standard residential rates. The notion that this sector is undertaxed is simply not supported by the facts.

Moreover, data from the Rhode Island Department of Revenue clearly shows that vacation homes and short-term rentals contribute meaningfully to the state’s economy. They support tourism, local businesses, and municipal revenues. Policies that discourage this activity risk harming not only property owners, but the broader economic ecosystem.

I must also note a serious process concern. This bill did not emerge from the Short-Term Rental Study Commission, the very body established to examine these issues comprehensively. Given that the

sponsors of this bill chair that commission, it is particularly disappointing that this legislation bypasses that process. That is a missed opportunity for thoughtful, data-driven policymaking.

Finally, there has been no comprehensive economic impact study conducted on this proposal. Advancing legislation of this magnitude without understanding its full consequences is irresponsible.

In summary, H7657:

- Misclassifies residential properties as commercial
- Undermines zoning principles and creates de facto spot zoning
- Exposes homeowners to potentially significant tax increases
- Ignores existing, substantial tax contributions from STRs
- Bypasses the established study commission process
- Risks damaging Rhode Island's tourism economy

For all of these reasons, I **strongly urge the committee to reject H7657.**

Thank you for your time and consideration.

Sincerely,

Leonidas Amarant
60 Island Drive
Middletown RI