



DEPARTMENT OF PLANNING & DEVELOPMENT
MAYOR BRETT P. SMILEY

November 13, 2023

To: Special Legislative Commission to Review Short-Term Rentals Issues

From: Robert E. Azar, AICP, Deputy Director

Re: Providence's Approach to Short-Term Rentals

Thank you for the opportunity to testify before the Commission last week. Below is a summary of my testimony.

Regulation of Short-Term Rentals

Through our Zoning Ordinance, Providence allows short-term rentals in all zones where hotels are allowed. In addition, we allow them in residential zones where hotels aren't allowed under certain circumstances.

We define short-term rental as, "The occupancy or use, for a fee, of all or portions of a dwelling unit by anyone other than the owner for a period of fewer than 30 consecutive calendar days."

Our regulations state that a dwelling unit in any kind of dwelling may be used as a short-term rental, subject to the following standards:

- a. Properties used as short-term rentals in the one-, two- and three-family zoning districts must be owner-occupied.
- b. The owner must supply all of the following within the dwelling unit:
 - i. Visible printed materials with diagrams of all points of egress, written in both English and Spanish.
 - ii. Clearly marked visible fire extinguisher(s).
- c. Dwelling units used as short-term rentals shall require a temporary use permit, the term of which shall be one year. Short-term rental of portions of dwelling units, where the owner is present and living in the dwelling unit during the entire term of the rental, are not subject to this provision.

We feel that this is appropriate regulation in Providence. Different municipalities have different needs and circumstances, so we advocate for the state to enable reasonable regulation through zoning.

Issues with State Legislation

R.I. Gen. Laws § 42-63.1-14 (a) states, "For any rental property offered for tourist or transient use on a hosting platform that collects and remits applicable sales and hotel taxes in compliance with §§ 44-18-

7.3(b)(4)(i), 44-18-18, and 44-18-36.1, cities, towns, or municipalities shall not prohibit the owner from offering the unit for tourist or transient use through such hosting platform, or prohibit such hosting platform from providing a person or entity the means to rent, pay for, or otherwise reserve a residential unit for tourist or transient use.” This language may imply that communities cannot prevent owners from renting out a dwelling unit as a short-term rental, and therefore that communities cannot impose zoning regulations on them. It seems odd that the General Assembly would preempt local regulation of land use through a law related to tourism. Though there has been a Superior Court decision that states that municipalities can use zoning to regulate short-term rentals, we are concerned that the language in § 42 creates some ambiguity regarding local zoning authority.

Recommendation

We recommend that the General Assembly make it clear and unambiguous that municipalities are enabled through zoning to regulate short-term rentals. This could take the form of language in § 42-63.1-14 (or as a standalone provision in that chapter) that states, “Nothing herein shall limit a city or town’s ability to regulate, restrict, permit, or prohibit short-term rentals through a municipal zoning ordinance adopted in accordance with Chapter 24 of Title 45.”