



Rhode Island Association of REALTORS® & State-Wide MLS

February 24, 2025

The Honorable Marvin Abney
Chair, House Committee on Finance
82 Smith Street,
Providence, Rhode Island 02903

Re: H.5076—Article 5, Section 7---"Whole Home Short Term Rental Hotel Tax "

Dear Chair Abney and Committee Members,

On behalf of the 5,300 members of the Rhode Island Association of REALTORS® (RIAR), I thank you for allowing our association to provide comments regarding Article 5, Section 7, of the Governor's budget. The legislation aims to impose higher taxes on Rhode Island families which provide much needed tourism revenue to cities and towns across our state.

Since 2023, our association has participated in the House Commission on Short-term Rentals Issues. During lengthy meetings and discussions, the commission has received presentations and data from several reliable non-profit and community organizations, in addition to government entities.

Prior to considering legislation that impacts short-term rentals and consumers, our association recommends that the commission complete its work and provide the General Assembly with rational recommendations that include authentic research and data. RIAR is concerned that an incremental approach to short-term rentals will have a negative impact on tourism and much-needed revenue for the State of Rhode Island its municipalities.

Moreover, RIAR is concerned that a push for higher taxes will not attract tourists. In contrast to major hotel companies, homeowners that offer vacation rentals using their private property provide a more affordable option for middle-income and large families. Imposing a new tax in the Governor's budget would devastate our state's tourism industry, including much needed state revenue, when tourists are unable to find a short-term rental for an affordable price, which would disincentivize working consumers from vacationing in Rhode Island.

Finally, RIAR is concerned that some members of the General Assembly are attempting to prohibit all short-term rentals. Many homeowners are contingent on additional income for everyday necessities and purchase a second home with these factors in mind. Changing the rules during this unprecedented time could create an affordability issue that may leads homeowners to sell.

The Rhode Island Association of REALTORS® urges this committee to oppose this section and work with our members on reasonable solutions to address this issue.

Sincerely,

A handwritten signature in black ink, appearing to read "Trevor J. Chasse". The signature is fluid and cursive, with a large initial "T" and "C".

Trevor J. Chasse
Advocacy Manager
Rhode Island Association of REALTORS®