



February 27, 2025

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

RE: HB 5076 – Article 5, Sections 4, 7, and 10

Dear Chair Abney and Members of the Committee,

On behalf of One Neighborhood Builders, I write in strong support of House Bill 5076 Article 5, Sections 4, 7, and 10 of Governor McKee's FY26 budget. These sections would create critical additional revenue streams for housing production, home repair, and housing stability.

Sections 4 and 7 would apply the five percent (5%) hotel tax to whole-home short-term rentals, which will generate revenue for housing stability and homelessness efforts. This would close what some perceive as a loophole in the current hotel tax, which applies to hotels, motels, and partial-home short-term rentals, but not to whole-home short-term rentals. According to the Governor's Office, this provision is projected to generate \$2.1 million over the last six months of FY26 (if enacted and made effective on January 1, 2026) and \$4.7 million in FY27. The RI Department of Housing would administer these funds via the Housing Resources and Homelessness fund. These funds could be used for housing and homelessness initiatives, including housing production, lead hazard abatement, housing rental subsidy, housing retention assistance, and homeless prevention assistance with priority to veterans.

Section 10 would impose an additional real estate conveyance tax on residential properties sold for more than \$800,000 of \$1.65 for each \$500 starting on October 1, 2025 to fund the Housing Resources and Homelessness Fund. The current real estate conveyance tax is \$2.35 for each \$500 and funds the Housing Production Fund. This additional tax is projected to generate an additional \$2.3 million in FY26 and \$3.4 million in FY27, according to the Governor's Office.

These additional taxes would provide critical support for affordable housing production and housing stability, and I strongly encourage the Committee to pass these measures.

Sincerely,

A handwritten signature in black ink that reads "Peter H. Chapman" with a stylized flourish at the end.

Peter H. Chapman
President & CEO, One Neighborhood Builders