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**Testimony on H-5076 Article 5 – Section 4 and 7, Whole Home Short-Term Rental Tax
House Finance Committee
February 27, 2025**

Good afternoon, Chairperson Abney and members of the House Finance Committee. My name is Jocelyn Antonio, and I serve as the Director of Program Implementation and Policy at the Hassenfeld Child Health Innovation Institute at the Brown University School of Public Health. I am providing this testimony in my personal capacity.

I strongly urge your support for **H-5076 – Article 5, Sections 4 and 7**, sponsored by Representative Abney.

This article broadens the definition of “hotel” and proposes to tax whole home short-term rentals to visitors the same rate as hotels and partial home rentals, which is 5%. The proceeds collected would go to the Housing Resources and Homelessness restricted receipt account.

Public Health and Housing Security

There has been a rapid, post COVID-19 pandemic expansion of short-term rentals across the world, including here in Rhode Island. In fact, as of this morning (February 27, 2025), there are almost 5,000 active short term rentals registered with the State’s Department of Business Regulation.¹ That’s about 1.1% of the housing units in the state.² However, the concentration of short-term rentals varies across cities and towns. For example, there are 111 registered properties in Little Compton, representing about 4.6% of the town’s homes.³ Newport has a similar percentage, with 4.1%.⁴

While whole home short-term rentals may contribute to the economy by housing tourists, they also contribute to rising housing insecurity in Rhode Island by driving up housing costs, reducing housing availability, accelerating gentrification, and displacing local communities.⁵⁻¹¹ Our state is in the midst of a homelessness and affordable housing crisis that disproportionately impacts low- and middle-income households. Rhode Island has seen a dramatic 56% increase in unsheltered homelessness since 2020.¹² This crisis has had a particularly severe impact on communities of color with children.¹²⁻¹⁴

Housing is a vital social determinate of health, as both housing affordability and availability affect a person’s physical, emotional, and mental health and determine the types of resources and supports available to them.¹⁵ Additionally, housing insecurity has been associated with increased health care utilization across the lifespan and can make it difficult for individuals to leave unsafe living conditions such as domestic violence or substandard housing.^{14,15}

In children, housing insecurity is linked to child neglect and abuse, greater involvement in the child welfare system, and the misuse of housing instability in allegations of neglect. Homeless

children have higher rates of both acute and chronic health problems, are more likely to experience hunger, and face nutritional deficiencies.¹⁴

Funding and Addressing Housing Security

The proposal in Article 5, Section s4 and 7 of House Bill 5076 would allocate collected proceeds to the Housing Resources and Homelessness restricted receipt account. Funds from this public health initiative can be used for developing new housing units, rental subsidies, retention assistance and homelessness prevention and support services. Given the current state of Rhode Island, state leaders must find ways to increase the amount in this account to help those in our community who need it most.

Conclusion

House Bill 5076, Article 5, Sections 4 and 7, is an essential step toward improving public health outcomes by stabilizing housing, protecting neighborhoods, and ensuring fair contributions to public resources. Renting a whole home short-term rental for a vacation is a privilege; having a permanent residence is a basic necessity. I strongly urge your support.

Thank you for your time and consideration.

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