



RHODE ISLAND KIDS COUNT
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**Testimony Re: House Bill 5076, Budget Article 5, Sections 4, 7, and 10
Regarding Funding to Support Housing and Homelessness Initiatives**

**House Finance Committee
February 27, 2025
Stephanie Geller, Deputy Director**

Mr. Chairman and members of the Committee, thank you for the opportunity to provide testimony. Rhode Island KIDS COUNT supports proposals contained in Article 5, Sections 4, 7, and 10 of the Governor's proposed budget related to raising revenue to support housing and homelessness initiatives. These proposals include:

- (1) **a new dedicated funding stream that would be created by closing the hotel tax loophole** so this 5% tax would also apply to whole-home short-term rentals. This new funding stream is projected to generate \$2.1 million in FY 2026 and \$4.7 million in FY 2027. Funds would be administered by the Department of Housing and used to meet such important needs as housing production, housing rental subsidies, housing retention assistance, and lead hazard abatement.
- (2) **increasing the real estate conveyance tax on high-value properties** so properties valued at over \$800,000 would pay a 1.25% tax rather than the .92% tax they currently pay. This increase would generate an additional \$2.3 million in FY 2026 and an additional \$3.4 million in FY 2027. Funds would be allocated to the Housing Resources and Homelessness Fund.

Many low-income families must choose between paying their rent and meeting their families' other basic needs, so they skimp on food, compromising their children's health and development, and in the worst cases, families are forced into homelessness. In Rhode Island in 2024, 4,349 people including 479 families with 951 children stayed at an emergency homeless shelter, domestic violence shelter, transitional housing facility, or hotel paid for by DCYF. As of January 21, 2025, 95 families with 100 children reported that they had slept outside for at least one night in the previous month.

As a state, we need to make it a priority to meet the immediate needs of Rhode Islanders who are unhoused and to increase the availability of affordable housing across the state, so all children have a safe, affordable, stable home in which to eat, sleep, play, and grow. With federal COVID release funds ending and the likelihood of federal cuts to housing and homelessness programs, predictable state funds are needed to address the urgent need for housing and services and supports for homeless individuals and families. These two proposed tax measures are reasonable, fair, effective, and proven strategies to raise the revenue needed to fund vital housing and homelessness initiatives. We urge this Committee to include these tax proposals in the FY 2026 budget.

Thank you for the leadership that the General Assembly has shown in addressing the ongoing affordable housing and homelessness crisis and thank you for the opportunity to testify today.