



**RHODE ISLAND LEAGUE
OF CITIES AND TOWNS**

*Distinctive Communities
Powerful Alliance*

April 3, 2025

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

RE: BILL NUMBER H-5314 – AN ACT RELATING TO TAXATION -- THE PARKING SERVICES TAXATION ACT

Chair Abney and Honorable Committee Members,

On behalf of the Rhode Island League of Cities and Towns, I am writing to express our support for House Bill 5314, which would grant municipalities the authority to impose a parking services sales tax on parking lots and structures that charge for parking services through a locally adopted ordinance. This legislation represents an important step toward enhancing local revenue generation while maintaining municipal autonomy in fiscal decision-making.

House Bill 5314 would allow municipalities to collect parking service sales taxes through state mechanisms, ensuring efficient collection and redistribution of revenues to the respective communities. Additionally, by exempting these revenues from the total tax levy limit imposed by R.I. Gen. Laws § 44-5-2, this measure provides municipalities with greater flexibility to fund critical local services, infrastructure improvements, and community development initiatives without placing additional burdens on property taxpayers.

Many Rhode Island municipalities face significant financial challenges in meeting the needs of their residents while maintaining affordability for their communities. This legislation offers a much-needed tool for local governments to diversify revenue streams and invest in essential services. Furthermore, by enabling cities and towns to determine the appropriate implementation of this tax at the local level, House Bill 5314 respects municipal decision-making authority and ensures that each community can tailor its approach to best suit local needs.

The Rhode Island League of Cities and Towns believes that this bill aligns with our mission to support policies that enhance municipal fiscal stability and strengthen local governance. We urge the Committee to support House Bill 5314 and advance it favorably through the legislative process.

Thank you for your consideration, and we appreciate your commitment to policies that empower Rhode Island's municipalities.

Sincerely,

Randy R. Rossi
Executive Director

Cc: Honorable Members of House Finance Committee