Concise Explanatory Statement

Rhode Island Government Register

In accordance with the Administrative Procedures Act, R.I. Gen. Laws § 42-35-2.6, the following is a concise explanatory statement:

AGENCY:	**Department of Business Regulation**
RULE IDENTIFIER:	**230-RICR-30-20-4**
REGULATION TITLE:	**Short-Term Rental Property Registration**
RULEMAKING ACTION:	**Amendment**
PUBLIC COMMENT PERIOD:	**October 11, 2024, through November 10, 2024**

A. Statement of Purpose of the Amendment.

The Department has proposed amendments to the Short-Term Rental Property Registration regulation for consistency with statutory changes in June 2024, which take effect on January 30, 2025. (R.I. Gen. Laws § 42-63.1-14 in PL 2024, Chs. 413 and 437.)

A summary of the amendments:

- § 4.4 – Add reference to statutory requirement for third-party hosting platforms to include the registration number and expiration date on all listings for RI short-term rentals.
- § 4.4.1(C) – Add a question to the application to gather data which has been discussed by Legislative Short-Term Rental Commission.
- § 4.4.2(A) – Change the term of the registration from 2 years to 1 year consistent with the statutory amendments in § 42-63.1-14(c) and (f).
- § 4.5(B) – Reduce the registration fee from $50 to $25 to match the reduction in registration term from 2 years to 1 year.

B. Summary of the Regulatory Analysis.

In accordance with R.I. Gen. Laws § 42-63.1-14, all short-term rental properties listed for rent on the website of any third-party hosting platform that conducts business in Rhode Island must be registered with the Department. This requirement was added to the general laws in 2021 and implemented by the Department in 2022.

This regulation applies to all properties that fall under the statutory definition of short-term rental in § 42-63.1-14(b) that are listed on websites like AirBnB and Vrbo as well as properties listed with traditional real estate brokerages. There are currently about 6,000 active short-term rentals registered with DBR.

The amendments are the result of statutory changes and represent a minimal exercise of discretion by DBR and result in no financial impact upon existing short-term rental registrants. While DBR has discretion to set the fee for this registration, the only fee change is to cut it in half to match the corresponding change from a 2-year registration to a 1-year registration. This maintains the status quo as best as possible for the public while complying with the 2024 statutory amendments.

The only substantive changes to the regulation which are not a direct result of statutory changes are the addition of an extra question in the application to gather data from the registrants regarding the characteristics of the property they are listing for rent. However, this does not result in any additional costs or benefits to registrants.

The amendments proposed in this regulation do not impact small businesses. In the development of the proposed amendment consideration was given to: (1) alternative approaches; (2) overlap or duplication with other statutory and regulatory provisions; and (3) significant economic impact on small business. No alternative approach, duplication, or overlap was identified based upon available information.

C. Summary of Comments Not Resulting in Regulatory Language Changes.

Comments were received but none of the comments resulted in changes to the text of the proposed amendments. Therefore, the final proposed regulation is the same as what was initially proposed.

Below is a summary of public comments received (only written comments were received) and a brief description of the Department's reasons for not making any such changes after due consideration.

1. *Opposition to reducing the registration term to 1 year.* Commentary was received regarding the registration term being changed from every other year to every year.

   The Department declines to make any changes based upon these comments because the Department is required to reduce the registration term to 1 year in accordance with statutory changes made to R.I. Gen. Laws § 42-63.1-14(c) & (f) in June 2024, which take effect on January 30, 2025. (R.I. Gen. Laws § 42-63.1-14 in PL 2024, Chs. 413 and 437.)

2. *Comments on posting registration numbers and expirations on platforms*. Commentary was received on the requirement to post the registration number issued by the Department and its expiration date on third-party hosting platforms.

   The Department declines to make any changes based upon these comments because these requirements are in accordance with statutory changes made to R.I. Gen. Laws § 42-63.1-14(c) in June 2024, which take effect on January 30, 2025. (R.I. Gen. Laws § 42-63.1-14 in PL 2024, Chs. 413 and 437.).

3. *Question on why the Department needs to know the type of property.* A question was received asking why the Department is collecting information on the type of property being used as a short-term rental.

   The Department is adding this information to the registration application in accordance with R.I. Gen. Laws § 42-63.1-14(d) to gather data which has been discussed by Legislative Short-Term Rental Commission.

4. *Comments on waiting for regulatory changes until conclusion of commission's work*. The Department received commentary that it should wait to make regulatory changes until after the Legislative Short-Term Rental Commission has completed its work.

   The Department amended this regulation to comply with the statutory amendments in Public Law 2024, Chs. 413 and 437 which become effective January 30, 2024.

5. *Comments unrelated to the text of the regulation.* Commentary was received regarding statutory changes related to the short-term rental laws and other statutes, as well as general opinions on government regulations.

   The Department is unable to make any changes based upon these comments because the comments are not related to the content of the regulation and/or the statutory authority granted to the Department relative to the regulation of short-term rentals.

6. *Requests for exemptions to the registration requirements for owner-occupied properties*. Commentary was received requesting that the regulation should not require registration for owner-occupied STR properties.

   The Department is unable to make any changes as R.I. Gen. Laws § 42-63.1-14 does not provide for any exceptions or exemptions to the registration requirement.

7. *Comments on statewide uniformity of short-term rental registration.* The Department received commentary on sharing state registration data with municipalities and commentary that there should not be additional registrations at local levels.

   In accordance with the statutory requirement in R.I. Gen. Laws § 42-63.1-14(h), the Department provides access to the registration database on its website, and the state registration requirement is independent of any municipal short-term rental registration requirements so municipalities may still require registration and impose short-term rental requirements as may be permitted by law.