

THE CITY OF NEWPORT

RESOLUTION

OF THE

COUNCIL

No.2024-16

WHEREAS, Newport is a City of 25,163 residents and receives state aid proportioned to 25,163 residents, yet must support public infrastructure and public safety services off this local tax base to accommodate over 100,000 summer residents and over 4,000,000 tourist visitors annually; AND

WHEREAS, Newport's unique geographic beauty as a historic coastal City benefits the entire State of Rhode Island with tourism spending and tax revenue, and this same unique geographic beauty and heavy visitor load comes with elevated infrastructure needs that are atypical of many other Rhode Island Cities and towns with similar sized populations. These needs include beach and coastal public amenity maintenance, seawall maintenance, storm water management, coastal flooding issues, high tourist intensity road and sidewalk maintenance, and water and sewer system requirements that must match peak usage for 100,000 people in a City of only 25,163 year-round residents; AND

WHEREAS, Newport has suffered a generational underinvestment in the basic infrastructure that makes our both city livable for residents and capable of supporting large scale tourism, due to decades of a structurally deficient revenue and related deferment of capital infrastructure investment; AND

WHEREAS, Newport's generational underinvestment in infrastructure has reached a tipping point, with approximately \$500M in unfunded capital investments anticipated to be required in the next 5 years to maintain the City's basic resiliency and sustainability, and dramatic measures to generate revenue must be taken; AND

WHEREAS, 86% of the General Fund to run the City of Newport comes from local property tax and this City Council would like to see an improved balance and sharing of any new tax revenue burdens between residents and visitors; AND

WHEREAS, Newport is a vibrant destination city with many local entities hosting admissions and ticket sales to cultural and amusement events or venues that draw large quantities of visitors into the City on an annual basis; AND

WHEREAS, The City considers any entity which draws over 100,000 visitors a year to have a high impact use of the City's public infrastructure and public safety services; AND

WHEREAS, Many cities, counties and states currently have amusement and ticketing tax statutes, but Newport does not; AND

WHEREAS, A ticket and venue tax applied to entities charging admissions and tickets fees to high impact volumes of visitors would represent a material source of revenue to the City with a very low effect on residents and locals; NOW, THEREFORE BE IT

RESOLVED: That this City Council requests of the Rhode Island State Legislature to create state enabling legislation that would allow municipalities to enact a ticket and admissions tax of 9% that is 100% collected and retained by the municipality, dedicated towards public infrastructure and public safety. The enabling legislation is requested to have the following core components:

- Applicable to any entity that charges a fee for admission into any event or venue which is not accessible to the public without payment of the fee.
- Applicable only to high impact tourism entities, defined as those entities with 100,000 ticket sales on an annual basis.
- Once defined as a high impact tourism entity, the entity shall pay a 9% to be charged on all ticket admission fees and any venue rental fees charged for private events not accessible to the public, excepting venue rental fees to non-profit organizations.
- The ticket and admissions tax shall not apply to theater or movie ticket sales.

MARK ARAMLI

IN COUNCIL
READ AND PASSED
FEBRUARY 28, 2024



LAURA C. SWISTAK, CMC
CITY CLERK