

**2015 -- S 0846 SUBSTITUTE A**

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LC002392/SUB A  
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**STATE OF RHODE ISLAND**

**IN GENERAL ASSEMBLY**

**JANUARY SESSION, A.D. 2015**

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A N A C T

RELATING TO TAXATION -- EXCISE ON MOTOR VEHICLES AND TRAILERS

Introduced By: Senators Ciccone, Goodwin, Jabour, Ruggerio, and Miller

Date Introduced: April 15, 2015

Referred To: Senate Judiciary

(by request)

It is enacted by the General Assembly as follows:

1           SECTION 1. Sections 44-34-2, 44-34-3, 44-34-9 and 44-34-11 of the General Laws in  
2 Chapter 44-34 entitled "Excise on Motor Vehicles and Trailers" are hereby amended to read as  
3 follows:  
4           **44-34-2. Assessment -- Valuation -- Proration -- Abatement and cancellation --**  
5 **Exemptions from tax.** -- (a) Except as provided in this section, the tax assessors of each city and  
6 town shall assess and levy in each calendar year on every vehicle and trailer registered under  
7 chapter 3 of title 31, for the privilege of the registration, an excise measured by its value, as  
8 subsequently defined and determined. For the purpose of this excise, the ~~uniform~~ value of each  
9 vehicle ~~shall~~ may be determined by a non-binding recommendation in accordance with the  
10 regulations of the vehicle value commission or alternatively, by the assessor's combination of the  
11 published retail value and trade-in value for the vehicles in the municipality, a determination of  
12 which shall include notice and a public hearing before adoption. Any vehicle which is more than  
13 twenty-five (25) years old, whether or not the vehicle is an antique motor car as defined in § 31-  
14 1-3(a), shall be deemed to possess an average ~~retail~~ value of five hundred dollars (\$500). Any  
15 vehicle more than twenty-five (25) years old on June 16, 1987, whether or not the vehicle is an  
16 antique motor car as defined in § 31-1-3(a), shall be deemed to have an average ~~retail~~ value of  
17 five hundred dollars (\$500) or its actual retail value whichever is less. The minimum excise tax  
18 on any vehicle, if registered to the same owner for a full year or portion of the year, shall not be  
19 less than five dollars (\$5.00) unless the registration is transferred to one or more additional

1 vehicles or trailers, in which case the minimum or combined excise taxes shall not be less than  
2 five dollars (\$5.00). Beginning in fiscal year 2001, the assessor may, but is not required to, issue  
3 minimum tax bills as authorized by this section or any general or public law. Beginning in fiscal  
4 year 2002 and thereafter, the assessor shall not issue minimum tax bills, notwithstanding any  
5 general or public law to the contrary. The assessor may waive the excise tax on any vehicle where  
6 the annual levy would be less than five dollars (\$5.00). The state shall not provide reimbursement  
7 for any waiver.

8 (b) Should a city or town decline to adopt a value of a type of vehicle or trailer  
9 recommended by the vehicle value commission, then said city or town by and through its local  
10 governing body, shall, on or before February 1 of each year, adopt a list of values for vehicles and  
11 trailers of the same make, model, type, and year of manufacture as of the preceding December 31,  
12 in accordance with a methodology adopted by the tax assessor between September 30 and  
13 December 31, which methodology shall include a combination of the retail value and trade-in  
14 value as published by the vehicle value commission. The list shall be subject to a public hearing  
15 and comment at least five (5) business days prior to the date of its adoption by the local governing  
16 body.

17 ~~(b)~~(c) Vehicle and trailer excises shall be prorated over the calendar year prior to the  
18 year in which the excises are levied and billed, that year being referred to as the calendar year of  
19 proration.

20 ~~(c)~~(d) The excise levy on every vehicle and trailer registered under chapter 3 of title 31  
21 shall be based on the ratio that the number of days the vehicle or trailer is registered is to the  
22 number of days in the calendar year of proration.

23 ~~(d)~~(e) If during the calendar year of proration, the owner of a vehicle or trailer subject to  
24 the excise moves permanently with his or her vehicle to another state and cancels his or her  
25 registration in this state and returns the registration plates, the vehicle shall be exempt from excise  
26 for the ensuing year.

27 ~~(e)~~(f) "Year of manufacture" as used in this section means the year used by the  
28 manufacturer of the vehicle or trailer in connection with the designation by the manufacturer of  
29 the model of the vehicle or trailer. Where the presumptive price of a vehicle or trailer is not  
30 readily obtainable, or special equipment is installed on the vehicle or trailer, the tax assessor shall  
31 prescribe a combination of the retail price and the trade-in price to be used or the manner in  
32 which the combination of the retail price and the trade-in price shall be determined.

33 ~~(f)~~(g) Nothing in this section shall be construed to prevent any city or town council from  
34 granting an abatement, in whole or in part, when there is an error in the assessment of a tax, and

1 the tax assessors have certified to the fact, in writing, to the city or town council to cancel taxes  
2 stating the nature of the error, the valuation of the vehicle or trailer, the amount of the assessed  
3 tax and the name of the person to whom the vehicle or trailer was taxed.

4 ~~(g)~~(h) The city or town council may cancel, in whole or in part, an excise tax assessed to  
5 a person who has died leaving no estate, or a person who has moved from the state, and the tax  
6 collector or person acting in the capacity of tax collector certifies to the city or town council the  
7 facts of the case.

8 ~~(h)~~(i) The excise imposed by this section shall not apply to vehicles or trailers owned by  
9 the state of Rhode Island or any of its political subdivisions, or to vehicles or trailers owned by a  
10 corporation, association or other organization whose tangible personal property is exempt under §  
11 44-3-3(1) -- (15), or to vehicles assessed and taxed under § 44-13-13, or those owned by the  
12 United States government. Farm vehicles shall be exempt to the extent prescribed in § 44-5-42.

13 (j) "Local governing body" means any town or city council, commission or other elected  
14 governing body vested by state statute, charter, or other law, with jurisdiction to initiate and adopt  
15 local ordinances.

16 **44-34-3. Assessment roll -- Rate -- Payment -- Penalty upon non-payment.** -- (a) The  
17 assessor, on the basis of a list of ~~uniform~~ recommended values for motor vehicles prepared by the  
18 Rhode Island vehicle value commission pursuant to § ~~44-34-8~~ 44-34-11, shall make a list  
19 containing the value of every vehicle and trailer in the city or town which is subject to the  
20 provisions of § 44-34-2, the values to be ~~at the average retail price as~~ determined under § 44-34-2  
21 or at a ~~uniform~~ percentage of these, not to exceed one hundred percent (100%), to be determined  
22 by the assessors in each city or town; provided, that every vehicle and trailer in the city of  
23 Pawtucket shall be assessed in accordance with §§ 44-5-20.1 and 44-5-20.2; provided, further,  
24 that motor vehicles owned, leased, or utilized by rental companies, as those terms are defined in §  
25 31-34.1-1, shall not be valued for excise tax purposes at an amount greater than the National  
26 Automobile Dealers Association average retail value for new vehicles for the year and vehicle  
27 model in question.

28 (b) The excise tax levy shall be applied to the excise assessment roll at the rate  
29 established by the assessors for all other property except manufacturer's machinery and  
30 equipment in accordance with § 44-5-22 and the resulting tax roll shall be certified by the  
31 assessors to the city or town clerk, treasurer, or tax collector, as the case may be, not later than  
32 June 15 next succeeding. Prior to the resulting tax roll being certified to the Pawtucket city clerk,  
33 the excise levy shall be applied to the excise assessment roll in accordance with the property tax  
34 classification described in §§ 44-5-20.3 and 44-5-20.5. In the city of Woonsocket, the excise tax

1 levy shall be applied to the excise assessment roll at a rate that will produce no more than  
2 nineteen percent (19%) of the total tax levy as prescribed in § 44-5-11.6. In the town of Lincoln,  
3 the excise tax levy shall be applied to the excise assessment roll at a rate that produces an amount  
4 equal to no more than seventeen percent (17%) of the total real estate tax levy.

5 (c) If any vehicle or trailer liable to taxation in any city or town has been omitted from  
6 the tax roll, the tax assessment shall assess the vehicle or trailer on a supplemental excise  
7 assessment roll and shall certify the assessment to the tax collector after June 15, but not later  
8 than December 31 next succeeding.

9 (d) As soon after this as possible, the tax collector shall cause excise bills to be sent by  
10 first class mail to all persons, corporations, partnerships, joint stock companies, or associations  
11 that have registered vehicles or trailers during the calendar year of proration. The bills shall be  
12 paid in accordance with § 44-5-7 at the same time and on the same schedule as property tax bills.  
13 Failure to pay the excise at the appropriated time shall bring about a penalty of eighteen percent  
14 (18%) per annum, or, in the case of the city of Cranston, a penalty of twelve percent (12%) per  
15 annum which applies on the date of the delinquency or, for any city or town fiscal year  
16 commencing between January 1, 1980, and December 31, 1980, after approval by the proper local  
17 authority, at the same rate of interest as that which is applied to delinquent property taxes in the  
18 taxing jurisdiction.

19 (e) Failure by the tax collector to send, or by the taxpayer to receive, a bill shall not  
20 excuse the nonpayment of the tax or affect its validity or any proceedings for the collection.

21 (f) This section does not apply to any and all entities which are exempt from the excise  
22 as prescribed in § 44-34-2.

23 **44-34-9. Valuation of motor vehicles.** -- For the purpose of the imposition of an excise  
24 tax upon motor vehicles, the tax assessor shall determine the value of each motor vehicle in  
25 accordance with the following procedures:

26 (1) The vehicle value commission shall annually publish the retail value and trade-in  
27 value for each vehicle and trailer of the same make, type, model, and year of manufacture by  
28 February 15 of each year.

29 ~~(1)~~(2) Each vehicle and trailer of the same make, type, model, and year of manufacture  
30 in this state shall be ~~deemed to have one uniform statewide~~ issued a non-binding recommended  
31 value to that may be utilized in each city and town, except in those instances where no ~~uniform~~  
32 value is established pursuant to the rules of the vehicle value commission § 44-34-11 or where a  
33 ~~value is established by the assessor pursuant to § 44-34-2~~ vehicle is more than twenty-five (25)  
34 years old, as set forth in § 44-34-2.

1           ~~(2)~~(3) The ~~uniform~~ non-binding recommended value of each type of vehicle and trailer  
2 shall be determined by the Rhode Island vehicle value commission ~~or~~ in accordance with the  
3 rules of the vehicle value commission.

4           ~~(3)~~(4) The value of each vehicle or trailer or each type of vehicle or trailer not  
5 established by the Rhode Island vehicle value commission shall be determined by the assessor of  
6 the city or town in which the vehicle or trailer is registered. In making the determination, a  
7 ~~uniform flat~~ combination of the published retail value and trade-in value for the vehicles in the  
8 municipality ~~may~~ shall be utilized by the assessor.

9           (5) Notwithstanding any other provision of law to the contrary, the tax assessor may  
10 determine the value of each vehicle and trailer or each type of vehicle and trailer by utilizing a  
11 combination of the Rhode Island vehicle value commission's published retail value and trade-in  
12 value.

13           **44-34-11. Rhode Island vehicle value commission.** -- (a) There is hereby authorized,  
14 created, and established the "Rhode Island vehicle value commission" whose function it is to  
15 establish ~~presumptive~~ recommended values of vehicles and trailers subject to the excise tax.

16           (b) The commission shall consist of the following seven (7) members as follows:

17           (1) The director of the department of revenue or his/her designee from the department of  
18 revenue, who shall serve as chair;

19           (2) Five (5) local tax officials named by the governor, at least one of whom shall be from  
20 a city or town under ten thousand (10,000) population and at least one of whom is from a city or  
21 town over fifty thousand (50,000) population in making these appointments the governor shall  
22 give due consideration to the recommendations submitted by the President of the Rhode Island  
23 League of Cities and Towns and each appointment shall be subject to the advice and consent of  
24 the senate;

25           (3) And one motor vehicle dealer appointed by the governor upon giving due  
26 consideration to the recommendation of the director of revenue and subject to the advice and  
27 consent of the senate.

28           (4) All members shall serve for a term of three (3) years.

29           (5) Current legislative appointees shall cease to be members of the commission upon the  
30 effective date of this act. Non-legislative appointees to the commission may serve out their terms  
31 whereupon their successors shall be appointed in accordance with this act. No one shall be  
32 eligible for appointment to the commission unless he or she is a resident of this state.

33           (6) Public members of the commission shall be removable by the governor pursuant to §  
34 36-1-7 for cause only, and removal solely for partisan or personal reasons unrelated to capacity or

1 fitness for the office shall be unlawful.

2 (7) The governor shall appoint a chairperson from the commission's members. The  
3 commission shall elect from among its members other officers as it may deem appropriate.

4 (c) The commission shall annually determine the ~~presumptive~~ non-binding  
5 recommended values of vehicles and trailers subject to the excise tax in the following manner:

6 (1) Not earlier than September 30 and not later than December 31 of each year, the  
7 commission shall by rule adopt a methodology for determining the ~~presumptive~~ recommended  
8 value of vehicles and trailers subject to the excise tax which shall give consideration to the  
9 following factors:

10 (i) The average retail price and trade-in price of similar vehicles of the same make,  
11 model, type, and year of manufacture as reported by motor vehicle dealers or by official used car  
12 guides, such as that of the National Automobile Dealers Association for New England. Where  
13 regional guides are not available, the commission shall use other publications deemed  
14 appropriate; and

15 (ii) Other information concerning the average retail prices and trade-in prices for make,  
16 model, type, and year of manufacture of motor vehicles as the director and the Rhode Island  
17 vehicle value commission may deem appropriate to determine fair values.

18 (2) On or before February 1 of each year, it shall adopt a list of recommended values for  
19 vehicles and trailers of the same make, model, type, and year of manufacture as of the preceding  
20 December 31 in accordance with the methodology adopted between September 30 and December  
21 31; the list shall be subject to a public hearing at least five (5) business days prior to the date of its  
22 adoption.

23 (3) Nothing in this section shall be deemed to require the commission to determine the  
24 ~~presumptive~~ recommended value of vehicles and trailers which are unique, to which special  
25 equipment has been added or to which special modifications have been made, or for which  
26 adequate information is not available from the sources referenced in subdivision (1) of this  
27 subsection; provided, that the commission may consider those factors in its lists or regulations.

28 (4) The commission shall annually publish the retail prices and trade-in prices of  
29 vehicles and trailers subject to the excise tax, and provide ~~the a~~ list of ~~presumptive~~ values of  
30 vehicles and trailers to each tax assessor on or before February 15 of each year.

31 (d) The commission shall adopt rules governing its organization and the conduct of its  
32 business; prior to the adoption of the rules, the chair shall have the power to call meetings, and a  
33 simple majority of the members of the commission, as provided for in subsection (b) of this  
34 section, is necessary for a quorum, which quorum by majority vote shall have the power to

1 conduct business in the name of the commission. The commission may adopt rules and elect from  
2 among its members such other officers as it deems necessary.

3 (e) The commission shall have the power to contract for professional services that it  
4 deems necessary for the development of the methodology for determining ~~presumptive~~  
5 recommended values, for calculating ~~presumptive~~ recommended values according to the  
6 methodology, and for preparing the list of ~~presumptive~~ recommended values, as well as for  
7 publishing the retail prices and trade-in prices of vehicles and trailers in a form and format that is  
8 generally usable by cities and towns in their preparation of tax bills. The commission shall also  
9 have the power to incur reasonable expenses in the conduct of its business as required by this  
10 chapter and to authorize payments for the expenses.

11 (f) Commission members shall receive no compensation for the performance of their  
12 duties but may be reimbursed for their reasonable expenses incurred in carrying out such duties.

13 (g) The commission shall respond to petitions of appeal by local boards of review in  
14 accordance with the provisions of § ~~44-34-9~~ 44-34-8.

15 (h) The commission shall establish, by rule, procedures for adopting an annual budget  
16 and for administering its finances. After July 1, 1986, one-half ( 1/2) of the cost of the  
17 commission's operations shall be borne by the state and one-half ( 1/2) shall be borne by cities  
18 and towns within the state, with the city and town share distributed among cities and towns on a  
19 per capita basis.

20 (i) Within ninety (90) days after the end of each fiscal year, the commission shall  
21 approve and submit an annual report to the governor, the speaker of the house of representatives,  
22 the president of the senate, and the secretary of state of its activities during that fiscal year. The  
23 report shall provide: an operating statement summarizing meetings or hearings held, meeting  
24 minutes if requested, subjects addressed, decisions rendered, rules or regulations promulgated,  
25 studies conducted, policies and plans developed, approved, or modified, and programs  
26 administered or initiated; a consolidated financial statement of all funds received and expended  
27 including the source of the funds, a listing of any staff supported by these funds, and a summary  
28 of any clerical, administrative or technical support received; a summary of performance during  
29 the previous fiscal year including accomplishments, shortcomings and remedies; a synopsis of  
30 hearings, complaints, suspensions, or other legal matters related to the authority of the  
31 commission; a summary of any training courses held pursuant to this subsection, a briefing on  
32 anticipated activities in the upcoming fiscal year; and findings and recommendations for  
33 improvements. The report shall be posted electronically on the general assembly and the secretary  
34 of state's websites as prescribed in § 42-20-8.2. The director of the department of revenue shall be

1 responsible for the enforcement of this provision.

2 SECTION 2. Section 44-34.1-1 of the General Laws in Chapter 44-34.1 entitled "Motor  
3 Vehicle and Trailer Excise Tax Elimination Act of 1998" is hereby amended to read as follows:

4 **44-34.1-1. Excise tax phase-out.** -- (a)(1) Notwithstanding the provisions of chapter 34  
5 of this title or any other provisions to the contrary, the motor vehicle and trailer excise tax  
6 established by § 44-34-1 may be phased out. The phase-out shall apply to all motor vehicles and  
7 trailers, including leased vehicles.

8 (2) Lessors of vehicles that pay excise taxes directly to municipalities shall provide  
9 lessees, at the time of entering into the lease agreement, an estimate of annual excise taxes  
10 payable throughout the term of the lease. In the event the actual excise tax is less than the  
11 estimated excise tax, the lessor shall annually rebate to the lessee the difference between the  
12 actual excise tax and the estimated excise tax.

13 (b) Pursuant to the provisions of this section, all motor vehicles shall be assessed a non-  
14 binding recommended value by the vehicle value commission. That value shall be assessed  
15 according to the provisions of § 44-34-11(c)(1) and in accordance with the terms as defined in  
16 subsection (d) of this section; provided, however, that the maximum taxable value percentage  
17 applicable to model year values as of December 31, 1997, shall continue to be applicable in future  
18 year valuations aged by one year in each succeeding year.

19 (c)(1) The motor vehicle excise tax phase-out shall commence with the excise tax bills  
20 mailed to taxpayers for the fiscal year 2000. The phase-out, beyond fiscal year 2003, shall be  
21 subject to annual review and appropriation by the general assembly. The tax assessors of the  
22 various cities and towns and fire districts shall reduce the average retail value of each vehicle  
23 assessed by using the prorated exemptions from the following table:

Local Fiscal Year Exempt from value	Local Exemption	State fiscal year Reimbursement
24 fiscal year 1999	0	\$1,500
25 fiscal year 2000	\$1,500	\$2,500
26 fiscal year 2001	\$2,500	\$3,500
27 fiscal year 2002	\$3,500	\$4,500
28 fiscal years 2003, 2004 and 2005	\$4,500	\$4,500
29 for fiscal year 2006 and	\$5,000	\$5,000
30 for fiscal year 2007	\$6,000	\$6,000

31  
32 for fiscal years 2008, 2009 and 2010 the exemption and the state fiscal year  
33 reimbursement shall be increased, at a minimum, to the maximum amount to the nearest two  
34 hundred and fifty dollar (\$250) increment within the allocation of one and twenty-two hundredths



1 percent (1.22%) of net terminal income derived from video lottery games pursuant to the  
2 provisions of § 42-61-15, and in no event shall the exemption in any fiscal year be less than the  
3 prior fiscal year.

4 for fiscal year 2011 and thereafter, the exemption shall be five hundred dollars (\$500).  
5 Cities and towns may [otherwise](#) provide an additional exemption; provided, however, any such  
6 additional exemption shall not be subject to reimbursement.

7 (2) The excise tax phase-out shall provide levels of assessed value reductions until the tax  
8 is eliminated or reduced as provided in this chapter.

9 (3) Current exemptions shall remain in effect as provided in this chapter.

10 (4) The excise tax rates and ratios of assessment shall be maintained at a level identical to  
11 the level in effect for fiscal year 1998 for each city, town, and fire district; provided, in the town  
12 of Johnston the excise tax rate and ratios of assessment shall be maintained at a level identical to  
13 the level in effect for fiscal year 1999 levels and the levy of a city, town, or fire district shall be  
14 limited to the lesser of the maximum taxable value or net assessed value for purposes of  
15 collecting the tax in any given year. Provided, however, for fiscal year 2011 and thereafter, the  
16 rates and ratios of assessment may be less than but not more than the rates described in this  
17 subsection (4).

18 (d) Definitions.

19 (1) "Maximum taxable value" means the value of vehicles as prescribed by § 44-34-11  
20 reduced by the percentage of assessed value applicable to model year values as determined by the  
21 Rhode Island vehicle value commission as of December 31, 1997, for the vehicles valued by the  
22 commission as of December 31, 1997. For all vehicle value types not valued by the Rhode Island  
23 vehicle value commission as of December 31, 1997, the maximum taxable value shall be the  
24 latest value determined by a local assessor from an appropriate pricing guide, multiplied by the  
25 ratio of assessment used by that city, town, or fire district for a particular model year as of  
26 December 31, 1997.

27 (2) "Net assessed value" means the motor vehicle values as determined in accordance  
28 with § 44-34-11 less all personal exemptions allowed by cities, towns, fire districts, and the state  
29 of Rhode Island exemption value as provided for in § 44-34.1-1(c)(1).

30 (e) If any provision of this chapter shall be held invalid by any court of competent  
31 jurisdiction, the remainder of this chapter and the applications of the provisions hereof shall not  
32 be effected thereby.

1 SECTION 3. This act shall take effect sixty (60) days after passage.

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EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF

A N A C T

RELATING TO TAXATION -- EXCISE ON MOTOR VEHICLES AND TRAILERS

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1           This act would provide that the excise tax assessed against vehicles and trailers may be  
2 determined by a non-binding recommendation of the vehicle value commission, or by the  
3 assessor's combination of the published retail and trade-in values.

4           This act would take effect sixty (60) days after passage.

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