

2015 -- S 0952

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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

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

Date Introduced: May 28, 2015

Referred To: Senate Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 42-64.14-14 of the General Laws in Chapter 42-64.14 entitled "The
2 I-195 Redevelopment Act of 2011" is hereby repealed.

3 ~~**42-64.14-14. Payments.**— The commission shall make as a condition to the sale or lease
4 of any parcel of I-195 surplus land, as defined in § 37-5-8, or any portion thereof, to any not for-
5 profit, organization or entity that is otherwise exempt from municipal real estate taxes including,
6 without limitation, any independent public instrumentality, governmental or quasi governmental
7 agency, body, division, or official, or any affiliate or subsidiary thereof, that the purchaser or
8 lessee, as applicable, shall make payments to the city relating to any parcel of I-195 surplus land
9 to be purchased or leased by such not for profit, or tax exempt organization or institution. If no
10 such agreement has been reached with the city of Providence, the commission is authorized to
11 complete the sale; however, in consideration for the purchase or lease of any parcel of the I-195
12 surplus land, the not for profit or tax exempt organization or institution shall make payments to
13 the city of Providence equivalent to those that would be paid by a taxable institution with regard
14 to the subject parcel including, but not limited to, any improvements constructed thereon by the
15 purchaser or lessee; provided, however, that the obligation to make such payments shall cease in
16 the event all or any portion of or any improvement on the subject parcel(s) is subject to any tax by
17 the city of Providence, whether in the nature of a real estate tax, ad valorem tax, user fee, or
18 otherwise (regardless of the basis on which such tax or fee is calculated) or any other obligation
19 that has the effect of such tax.~~

1 SECTION 2. Chapter 42-64.14 of the General Laws entitled "The I-195 Redevelopment
2 Act of 2011" is hereby amended by adding thereto the following section:

3 **42-64.14-14.1. Providence - I-195 Redevelopment District - Tax rates. -**
4 Notwithstanding any provision of the general or public laws to the contrary or any ordinance
5 adopted by the city of Providence, the property tax rate applicable to real property owned by a
6 for-profit organization or entity and located in the I-195 redevelopment district as set forth in §§
7 37-5-8 and 42-64.14-5, shall be assessed and stabilized in accordance with § 44-5-85.

8 SECTION 3. Section 44-5-11.8 of the General Laws in Chapter 44-5 entitled "Levy and
9 Assessment of Local Taxes" is hereby amended to read as follows:

10 **44-5-11.8. Tax classification.** -- (a) Upon the completion of any comprehensive
11 revaluation or any update, in accordance with § 44-5-11.6, any city or town may adopt a tax
12 classification plan, by ordinance, with the following limitations:

13 (1) The designated classes of property shall be limited to the classes as defined in
14 subsection (b) of this section.

15 (2) The effective tax rate applicable to any class, excluding class 4, shall not exceed by
16 fifty percent (50%) the rate applicable to any other class, except in the city of Providence, and the
17 town of Glocester; however, in the year following a revaluation or statistical revaluation or
18 update, the city or town council of any municipality may, by ordinance, adopt tax rates for the
19 property class for all ratable tangible personal property no greater than twice the rate applicable to
20 any other class provided that the municipality documents to, and receives written approval from,
21 the office of municipal affairs that the rate difference is necessary to ensure that the estimated tax
22 levy on the property class for all ratable tangible personal property is not reduced from the prior
23 year as a result of the revaluation or statistical revaluation.

24 (3) Any tax rate changes from one year to the next shall be applied such that the same
25 percentage rate change is applicable to all classes, excluding class 4, except in the city of
26 Providence and the town of Glocester.

27 (4) Notwithstanding subdivisions (2) and (3) of this subsection, the tax rates applicable
28 to wholesale and retail inventory within Class 3 as defined in subsection (b) of this section are
29 governed by § 44-3-29.1.

30 (5) The tax rates applicable to motor vehicles within Class 4 as defined in subsection (b)
31 of this section are governed by § 44-34.1-1.

32 (6) The provisions of chapter 35 of this title relating to property tax and fiscal disclosure
33 applies to the reporting of and compliance with these classification restrictions.

34 (b) Classes of Property.

1 (1) Class 1: Residential real estate consisting of no more than five (5) dwelling units,
2 land classified as open space, and dwellings on leased land including mobile homes. In the city of
3 Providence, this class may also include residential properties containing partial commercial or
4 business uses and residential real estate of more than five (5) dwelling units.

5 (i) A homestead exemption provision is also authorized within this class; provided
6 however, that the actual effective rate applicable to property qualifying for this exemption shall
7 be construed as the standard rate for this class against which the maximum rate applicable to
8 another class shall be determined, except in the town of Glocester.

9 (ii) In lieu of a homestead exemption, any city or town may divide this class into non-
10 owner and owner occupied property, and adopt separate tax rates in compliance with the within
11 tax rate restrictions.

12 (2) Class 2: Commercial and industrial real estate, residential properties containing
13 partial commercial or business uses, and residential real estate of more than five (5) dwelling
14 units. In the city of Providence, properties containing partial commercial or business uses and
15 residential real estate of more than five (5) dwelling units may be included in Class 1.

16 (3) Class 3: All ratable, tangible personal property.

17 (4) Class 4: Motor vehicles and trailers subject to the excise tax created by chapter 34 of
18 this title.

19 (c) The city council of the city of Providence and the town council of the town of
20 Glocester may, by ordinance, provide for, and adopt, a tax rate on various classes as they shall
21 deem appropriate; provided, however, that notwithstanding the provisions of subsections (a), (b)
22 and (c) of this section, the property tax rate applicable to real property owned by a for-profit
23 organization or entity and located in the I-195 redevelopment district as set forth in §§ 37-5-8 and
24 42-64.14-5, shall be assessed in accordance with § 44-5-85. Provided, further, that the tax rate for
25 Class 2 shall not be more than two (2) times the tax rate of Class 1; the tax rate applicable to
26 Class 3 shall not exceed the tax rate of Class 1 by more than two hundred percent (200%).
27 Glocester shall be able to establish homestead exemptions up to fifty percent (50%) of value and
28 the calculation provided in subsection (b)(1)(i) shall not be used in setting the differential tax
29 rates.

30 (d) Notwithstanding the provisions of subsection (a) of this section, the town council of
31 the town of Middletown may hereafter, by ordinance, adopt a tax classification plan in
32 accordance with the provisions of subsections (a) and (b) of this section, to be applicable to taxes
33 assessed on or after the assessment date of December 31, 2002.

34 (e) Notwithstanding the provisions of subsection (a) of this section, the town council of

1 the town of Little Compton may hereafter, by ordinance, adopt a tax classification plan in
2 accordance with the provisions of subsections (a) and (b) of this section and the provisions of §
3 44-5-79, to be applicable to taxes assessed on or after the assessment date of December 31, 2004.

4 (f) Notwithstanding the provisions of subsection (a) of this section, the town council of
5 the town of Scituate may hereafter, by ordinance, change its tax assessment from fifty percent
6 (50%) of value to one hundred percent (100%) of value on residential and
7 commercial/industrial/mixed-use property, while tangible property is assessed at one hundred
8 percent (100%) of cost, less depreciation; provided, however, the tax rate for Class 3 (tangible)
9 property shall not exceed the tax rate for Class 1 (residential) property by more than two hundred
10 thirteen percent (213%). This provision shall apply whether or not the fiscal year is also a
11 revaluation year.

12 SECTION 4. Chapter 44-5 of the General Laws entitled "Levy and Assessment of Local
13 Taxes" is hereby amended by adding thereto the following section:

14 **44-5-85. Providence - I-195 Redevelopment District - Tax rates.** – (a) Notwithstanding
15 any provision of the general or public laws to the contrary or any ordinance adopted by the city of
16 Providence, the property tax rate applicable to real property owned by a for-profit organization or
17 entity and located in the I-195 redevelopment district as set forth in §§ 37-5-8 and 42-64.14-5,
18 shall be assessed in accordance with the following tax exemption schedule:

<u>Year(s)</u>	<u>Percent Exempt From Tax</u>
<u>1-4</u>	<u>100</u>
<u>5</u>	<u>90</u>
<u>6</u>	<u>85</u>
<u>7</u>	<u>80</u>
<u>8</u>	<u>75</u>
<u>9</u>	<u>70</u>
<u>10</u>	<u>65</u>
<u>11</u>	<u>60</u>
<u>12</u>	<u>55</u>
<u>13</u>	<u>50</u>
<u>14</u>	<u>45</u>
<u>15</u>	<u>40</u>
<u>16</u>	<u>35</u>
<u>17</u>	<u>25</u>
<u>18</u>	<u>20</u>

EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
A N A C T
RELATING TO TAXATION

- 1 This act would establish a tax assessment schedule for land located within the I-195
- 2 Redevelopment District.
- 3 This act would take effect upon passage.

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