

2009 -- H 5920

LC01938

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2009

A N A C T

RELATING TO TAXATION -- PROPERTY TAXES

Introduced By: Representatives MacBeth, Menard, DaSilva, Edwards, and Carnevale

Date Introduced: February 26, 2009

Referred To: House Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Title 44 of the General Laws entitled "TAXATION" is hereby amended by
2 adding thereto the following chapter:

3 CHAPTER 5.2

4 PROPERTY TAX FREEZE

5 **44-5.2-1. Definitions.** – As used in this chapter:

6 (1) "Base year" means, in the case of a person who is an eligible claimant for the tax year
7 2009; and in the case of a person who first becomes an eligible claimant after December 31,
8 2009, the tax year in which the person first becomes an eligible claimant;

9 (2) "City or town assessor/collector" means the person who collects and assesses taxes in
10 the respective city or town;

11 (3) "Condominium" means the form of real property ownership provided for in chapters
12 34-36 and 34-36.1;

13 (4) "Cooperative" means a housing corporation or association as described in chapter 7-
14 6.1;

15 (5) "Disabled person" means an individual receiving monetary payments pursuant to title
16 II of the federal social security act (42 U.S.C. 401 et seq.) on December 31, 2009, or thereafter;

17 (6) "Dwelling house" means any residential property assessed as real property which
18 consists of not more than four (4) units, of which not more than one may be used for commercial
19 purposes, but shall not include a unit in a condominium , cooperative, horizontal property regime

1 or mutual housing corporation;

2 (7) “Eligible claimant” means a person who:

3 (i) Is sixty-five (65) or more years of age, or who is a disabled person;

4 (ii) Is an owner of a homestead, or the lessee of a site in a mobile home and park on
5 which site the applicant owns a manufactured or mobile home;

6 (iii) As a renter or homeowner, has made a long-term contribution to the fabric, social
7 structure and finances of one or more communities in this state, as demonstrated through the
8 payment of property taxes directly, or through rent, on any homestead or rental unit used as a
9 principal residence in this state for at least ten (10) consecutive; and

10 (iv) Has an income of less than fifty thousand dollars (\$50,000) per annum.

11 (8) “Homestead” means:

12 (i) A dwelling house and the land on which that dwelling house is located which
13 constitutes the place of the eligible claimant’s domicile and is owned and used by the eligible
14 claimant as the eligible claimant’s principal residence;

15 (ii) A site in a mobile home park equipped for the installation of manufactured or mobile
16 homes, where these sites are under common ownership and control for the purpose of leasing
17 each site to the owner of a manufactured or mobile home for the installation thereof and such site
18 is used by the eligible claimant as the eligible claimant’s principal residence;

19 (iii) A dwelling house situated on land owned by a person other than the eligible claimant
20 which constitutes the place of the eligible claimant’s domicile and is owned and used by the
21 eligible claimant as the eligible claimant’s principal residence;

22 (iv) A condominium unit or a unit in a horizontal property regime or a continuing care
23 retirement community which constitutes the place of the eligible claimant’s domicile and is
24 owned and used by the eligible claimant as the eligible claimant’s principal residence.

25 In addition to the generally accepted meaning of “owned” or “ownership,” a homestead
26 shall be deemed to be owned by a person if that person is a tenant for life or a tenant under a lease
27 for ninety-nine (99) years or more, is entitled to and actually takes possession of the homestead
28 under an executory contract for the sale thereof or under an agreement with a lending institution
29 which holds title as security for a loan, or is a resident of a continuing care retirement community
30 pursuant to a contract for continuing care for the life of that person which requires the resident to
31 bear, separately from any other charges, the proportionate share of property taxes attributable to
32 the unit that the resident occupies;

33 (v) A unit in a cooperative or mutual housing corporation which constitutes the place of
34 domicile of a residential shareholder or lessee therein, or of a lessee or shareholder who is not a

1 residential shareholder therein, which is used by the eligible claimant as the eligible claimant's
2 principal residence.

3 (9) "Manufactured home" or "mobile home" means a unit of housing which:

4 (i) Consists of one or more transportable sections which are substantially constructed off
5 site and, if more than one section, are joined together on site;

6 (ii) Is built on a permanent chassis;

7 (iii) Is designed to be used, when connected to utilities, as a dwelling on a permanent or
8 nonpermanent foundation; and

9 (iv) Is manufactured in accordance with the standards promulgated for a manufactured
10 home by the secretary of the United States department of housing and urban development
11 pursuant to the "National Manufactured Housing Construction and Safety Standards Act of 1974"
12 (Pub. L. 93-383 (42 U.S.C. 5401 et seq.).

13 (10) "Mobile home park" means a parcel of land, or two (2) or more parcels of land,
14 containing no fewer than ten (10) sites equipped for the installation of manufactured or mobile
15 homes, where these sites are under common ownership and control for the purpose of leasing
16 each site to the owner of a manufactured or mobile home for the installation thereof, and where
17 the owner or owners provide services, which are provided by the municipality in which the park
18 is located for property owners outside the park, which services may include but shall not be
19 limited to:

20 (i) The construction and maintenance of streets;

21 (ii) Lighting of streets and other common areas;

22 (iii) Garbage removal;

23 (iv) Snow removal; and

24 (v) Provisions for the drainage of surface water from home sites and common areas.

25 (11) "Principal residence" means a home actually and continually occupied by an eligible
26 claimant as his or her permanent residence, as distinguished from a vacation home, property
27 owned and rented or offered for rent by the claimant, and other secondary real property holdings;

28 (12) "School property tax" means the portion of the general property tax required for
29 school purposes that is due and paid as set forth in this section, on a homestead, but does not
30 include interest and penalties on school taxes owed for delinquent taxes;

31 (13) "Tax year" means the calendar year in which a homestead is assessed and the school
32 property tax is levied thereon.

33 **44-5.2-2. Property tax freeze.** – Notwithstanding any other law to the contrary, every
34 city or town is authorized, by ordinance, to provide a freeze of property taxes in their community

1 under the provisions of this chapter. Every eligible claimant shall be entitled to a freeze of his or
2 her property taxes for each year subsequent to the base year and annually thereafter, on a proper
3 claim being made therefor to the tax assessor/collector of the community in which he or she is a
4 resident. The amount of the freeze shall not be reduced by the amount of any deductions taken by
5 the eligible claimant. The surviving spouse of a deceased resident of this state who during his or
6 her life was an eligible person whose taxes were frozen shall be entitled, so long as he or she
7 remains a resident in the same homestead with respect to which the tax freeze was granted, and so
8 long as he or she is an eligible claimant.

9 **44-5.2-3. Application.** – An application for a tax freeze hereunder shall be filed with the
10 town or city assessor/collector on or before December 31, 2009 and on or before December 31
11 annually thereafter. The application shall be on a form prescribed by the tax assessor/collector
12 and provided for the use of applicants hereunder. It shall be the duty of every eligible claimant to
13 inform the city or town tax assessor/collector of any change in his or her status or homestead
14 which may affect his or her right to a continuance of the property tax freeze.

15 **44-5.2-4. Administration.** – The city or town assessor/collector shall administer the
16 property tax freeze program.

17 **44-5.2-5. Eligibility.** – When title to a home to which a property tax freeze is claimed is
18 held by an eligible claimant and another or others, either as tenants in common or as joint tenants,
19 the eligible claimant shall not be allowed a property tax freeze in an amount in excess of his or
20 her proportionate share of the taxes assessed against the home.

21 **44-5.2-6. Rules and regulations.** – City or town assessors/collectors shall promulgate
22 such rules and regulations and prescribe such forms deemed necessary to implement this chapter.
23 The rules and regulations shall provide an appeals process for aggrieved person to use if
24 eligibility for a homestead property tax reimbursement rebate is denied.

25 **44-5.2-7. Base year determination after ineligibility.** – In the event that a previously
26 eligible claimant ceases to be an eligible claimant for any tax year, the base year for that claimant
27 shall be the year prior to the year in which the claimant again becomes an eligible claimant.

28 SECTION 2. This act shall take effect upon passage.

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

- 1 This act would authorize cities and towns to provide a property tax freeze for eligible
- 2 person sixty-five (65) years of age or older and for disabled persons.
- 3 This act would take effect upon passage.

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