

2023 -- H 6222

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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2023

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A N A C T

RELATING TO TOWNS AND CITIES -- STATE AID

Introduced By: Representatives Cortvriend, and McGaw

Date Introduced: March 29, 2023

Referred To: House Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. The general assembly makes the following findings of fact:

2 (1) Cities and town across Rhode Island have been struggling with the recent inflationary
3 environment;

4 (2) In 2009, the general assembly discontinued revenue sharing due to the economic
5 collapse;

6 (3) The removal of general revenue sharing forced the cities and towns to increase property
7 taxes to make up for this loss in revenue;

8 (4) The State of Rhode has seen a very strong rebound from the economic crisis brought
9 on by the COVID pandemic;

10 (5) During the past two (2) fiscal years, the State of Rhode Island has benefitted from the
11 economic rebound with \$417 and \$878 million surpluses, respectively, and an anticipated \$600
12 million surplus for FY 2023;

13 (6) Reinstating general revenue sharing for all thirty-nine (39) cities and towns will help
14 reduce the impact of inflation on the citizens of Rhode Island; and

15 (7) Restoring thirty-nine million dollars (\$39,000,000) of general revenue sharing to cities
16 and towns based on the 2020 census would result in the following allocation and distribution:

17 City	2020 Census	Total Payment
18 Barrington	17153	\$ 600,355
19 Bristol	22493	\$ 787,255

1	Burrillville	16158	\$ 565,530
2	Central Falls	22583	\$ 790,405
3	Charlestown	7997	\$ 279,895
4	Coventry	35688	\$ 1,249,080
5	Cranston	82934	\$ 2,902,690
6	Cumberland	36405	\$ 1,274,175
7	East Greenwich	14312	\$ 500,920
8	East Providence	47139	\$ 1,649,865
9	Exeter	6460	\$ 226,100
10	Foster	4469	\$ 156,415
11	Glocester	9974	\$ 349,090
12	Hopkinton	8398	\$ 293,930
13	Jamestown	5559	\$ 194,565
14	Johnston	29568	\$ 1,034,880
15	Lincoln	22529	\$ 788,515
16	Little Compton	3616	\$ 126,560
17	Middletown	17075	\$ 597,625
18	Narragansett	14532	\$ 508,620
19	New Shoreham	1410	\$ 49,350
20	Newport	25163	\$ 880,705
21	North Kingstown	27732	\$ 970,620
22	North Providence	34114	\$ 1,193,990
23	North Smithfield	12588	\$ 440,580
24	Pawtucket	75604	\$ 2,646,140
25	Portsmouth	17871	\$ 625,485
26	Providence	190934	\$ 6,682,690
27	Richmond	8020	\$ 280,700
28	Scituate	10384	\$ 363,440
29	Smithfield	22118	\$ 774,130
30	South Kingstown	31931	\$ 1,117,585
31	Tiverton	16359	\$ 572,565
32	Warren	11147	\$ 390,145
33	Warwick	82823	\$ 2,898,805
34	West Greenwich	6528	\$ 228,480

1	West Warwick	31012	\$ 1,085,420
2	Westerly	23359	\$ 817,565
3	Woonsocket	43240	\$ 1,513,400
4		1097379	\$ 38,408,265

5 SECTION 2. Section 45-13-1 of the General Laws in Chapter 45-13 entitled "State Aid" is
6 hereby amended to read as follows:

7 **45-13-1. Apportionment of annual appropriation for state aid.**

8 (a) As used in this chapter, the following words and terms have the following meanings:

9 (1) "Income" means the most recent estimate of per-capita income for a city, town or
10 county as reported by the United States Department of Commerce, Bureau of the Census.

11 (2) "Population" means the most recent estimates of population for each city and town as
12 reported by the United States Department of Commerce, Bureau of the Census.

13 (3) "Reference year" means the second fiscal year preceding the beginning of the fiscal
14 year in which the distribution of state aid to cities and towns is made provided however that the
15 reference year for distributions made in fiscal year 2007-2008 shall be the third fiscal year
16 preceding the beginning of the fiscal year 2007-2008 and provided further that the reference year
17 for distributions made in fiscal year 2008-2009 shall be the fourth fiscal year preceding the
18 beginning of the fiscal year 2008-2009.

19 (4) "Tax effort" means the total taxes imposed by a city or town for public purposes or the
20 totals of those taxes for the cities or towns within a county (except employee and employer
21 assessments and contributions to finance retirement and social insurance systems and other special
22 assessments for capital outlay) determined by the United States Secretary of Commerce for general
23 statistical purposes and adjusted to exclude amounts properly allocated to education expenses.

24 (b) Aid to cities and towns shall be apportioned as follows: For each county, city or town,
25 let R be the tax effort divided by the square of per capita income, i.e., $R = (\text{tax effort})/(\text{income} \times$
26 $\text{income})$.

27 The amount to be allocated to the counties shall be apportioned in the ratio of the value of
28 R for each county divided by the sum of the values of R for all five (5) counties.

29 The amount to be allocated for all cities and for all towns within a county shall be the
30 allocation for that county apportioned proportionally to the total tax effort of the towns and cities
31 in that county.

32 The amount to be allocated to any city or town is the amount allocated to all cities or all
33 towns within the county apportioned in the ratio of the value of R for that city (or town) divided by
34 the sum of the values of R for all cities (or all towns) in that county; provided, further, that no city

1 or town shall receive an entitlement in excess of one hundred forty-five percent (145%) of that city
2 or town's population multiplied by the average per capita statewide amount of the annual
3 appropriation for state aid to cities and towns. Any excess entitlement shall be allocated to the
4 remainder of the cities and towns in the respective county in accordance with the provisions of this
5 section.

6 For fiscal year 2004, notwithstanding the provisions of subsection (a), aid calculations shall
7 be based on a blended rate of ninety percent (90%) of the data from the 1990 census and ten percent
8 (10%) of the data from the 2000 census. In each of the succeeding nine (9) fiscal years, the
9 calculations shall be based on a blended rate that increases the percentage of data utilized from the
10 2000 census by ten percent (10%) from the previous year and decreases the percentage of the data
11 utilized from the 1990 census by ten percent (10%) from the previous year.

12 (c) The total amount of aid to be apportioned pursuant to subsection (b) above shall be
13 specified in the annual appropriation act of the state and shall be equal to the following:

14 (1) For fiscal years ending June 30, 1994 through June 30, 1998, the total amount of aid
15 shall be based upon one percent (1%) of total state tax revenues in the reference year.

16 (2) For the fiscal year ending June 30, 1999, the total amount of aid shall be based upon
17 one and three-tenths percent (1.3%) of total state tax revenues in the reference year.

18 (3) For the fiscal year ending June 30, 2000, the total amount of aid shall be based upon
19 one and seven-tenths percent (1.7%) of total state tax revenues in the reference year.

20 (4) For the fiscal year ending June 30, 2001, the total amount of aid shall be based upon
21 two percent (2.0%) of total state tax revenues in the reference year.

22 (5) For the fiscal year ending June 30, 2002, the total amount of aid shall be based upon
23 two and four-tenths percent (2.4%) of total state tax revenues in the reference year.

24 (6) For the fiscal year ending June 30, 2003, the total amount of aid shall be based upon
25 two and four-tenths percent (2.4%) of total state tax revenues in the reference year.

26 (7) For the fiscal year ending June 30, 2004, the total amount of aid shall be based upon
27 two and seven-tenths percent (2.7%) of total state tax revenues in the reference year.

28 (8) For the fiscal year ending June 30, 2005, the total amount of aid shall be fifty-two
29 million four hundred thirty-eight thousand five hundred thirty-two dollars (\$52,438,532).

30 (9) For the fiscal year ending June 30, 2006, the total amount of aid shall be based upon
31 three percent (3%) of total state tax revenues in the reference year.

32 (10) For the fiscal year ending June 30, 2007 the total amount of aid shall be sixty-four
33 million six hundred ninety-nine thousand three dollars (\$64,699,003).

34 (11) For the fiscal year ending June 30, 2008, the total amount of aid shall be sixty-four

1 million six hundred ninety-nine thousand three dollars (\$64,699,003).

2 (12) [Deleted by P.L. 2009, ch. 68, art. 6, section 3.]

3 (13) [Deleted by P.L. 2007, ch. 73, art. 25, section 1.]

4 (14) [Deleted by P.L. 2007, ch. 73, art. 25, section 1.]

5 (d) For the fiscal year ending June 30, 2008 the apportionments of state aid as derived
6 through the calculations as required by subsections (a) through (c) of this section shall be adjusted
7 downward statewide by ten million dollars (\$10,000,000).

8 (e) For the fiscal year ending June 30, 2009, the total amount of aid shall be twenty-five
9 million dollars (\$25,000,000) with such distribution allocated proportionately on the same basis as
10 the original enactment of general revenue sharing of FY 2009.

11 (f) For the fiscal year ending June 30, 2009 and thereafter, funding shall be determined by
12 appropriation.

13 (g) For the fiscal year ending June 30, 2024, the total amount of aid shall be thirty-nine
14 million dollars (\$39,000,000) to be allocated and distributed based on population as determined by
15 the 2020 census.

16 (h) For the fiscal year ending June 30, 2025 and thereafter, aid shall be increased by the
17 total percentage increase in the Consumer Price Index for all Urban Consumers (CPI-U).

18 SECTION 3. This act shall take effect upon passage.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
A N A C T
RELATING TO TOWNS AND CITIES -- STATE AID

1 This act would provide state aid to municipalities in the amount of thirty-nine million
2 dollars (\$39,000,000) based on population and increased annually by the increase in the consumer
3 price index (CPI).

4 This act would take effect upon passage.

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