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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2023

A N A C T

RELATING TO TAXATION -- PROPERTY SUBJECT TO TAXATION

Introduced By: Senator Joshua Miller

Date Introduced: March 30, 2023

Referred To: Senate Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 44-3-9 of the General Laws in Chapter 44-3 entitled "Property
2 Subject to Taxation" is hereby amended to read as follows:

3 **44-3-9. Exemption or stabilizing of taxes on property used for manufacturing,**
4 **commercial, or residential purposes.**

5 (a)(1) Except as provided in this section, the electors of any city or town qualified to vote
6 on a proposition to appropriate money or impose a tax when legally assembled, may vote to
7 authorize the city or town council, for a period not exceeding twenty (20) years, and subject to the
8 conditions as provided in this section, to exempt from payment, in whole or in part, real and
9 personal property which has undergone environmental remediation, is historically preserved, or is
10 used for affordable housing, manufacturing, commercial, or residential purposes, or to determine a
11 stabilized amount of taxes to be paid on account of the property, notwithstanding the valuation of
12 the property or the rate of tax; provided, that after public hearings, at least ten (10) days' notice of
13 which shall be given in a newspaper having a general circulation in the city or town, the city or
14 town council determines that:

15 (i) Granting of the exemption or stabilization will inure to the benefit of the city or town
16 by reason of:

17 (A) The willingness of the manufacturing or commercial concern to locate in the city or
18 town, or of individuals to reside in such an area; or

19 (B) The willingness of a manufacturing firm to expand facilities with an increase in

1 employment or the willingness of a commercial or manufacturing concern to retain or expand its
2 facility in the city or town and not substantially reduce its work force in the city or town; or

3 (C) An improvement of the physical plant of the city or town which will result in a long-
4 term economic benefit to the city or town and state; or

5 (D) An improvement which converts or makes available land or facility that would
6 otherwise be not developable or difficult to develop without substantial environmental remediation;
7 or

8 (ii) Granting of the exemption or stabilization of taxes will inure to the benefit of the city
9 or town by reason of the willingness of a manufacturing or commercial or residential firm or
10 property owner to construct new or to replace, reconstruct, convert, expand, retain, or remodel
11 existing buildings, facilities, machinery, or equipment with modern buildings, facilities, fixtures,
12 machinery, or equipment resulting in an increase or maintenance in plant, residential housing, or
13 commercial building investment by the firm or property owned in the city or town;

14 (2) Provided that should the city or town council make the determination in subsection
15 (a)(1)(i)(B) of this section, any exemption or stabilization may be granted as to new buildings,
16 fixtures, machinery, or equipment for new buildings, firms or expansions, and may be granted as
17 to existing buildings, fixtures, machinery and equipment for existing employers in the city or town.

18 (b) Cities shall have the same authority as is granted to towns except that authority granted
19 to the qualified electors of a town and to town councils shall be exercised in the case of a city by
20 the city council.

21 (c) For purposes of this section, “property used for commercial purposes” means any
22 building or structures used essentially for offices or commercial enterprises.

23 (d) Except as provided in this section, property, the payment of taxes on which has been so
24 exempted or which is subject to the payment of a stabilized amount of taxes, shall not, during the
25 period for which the exemption or stabilization of the amount of taxes is granted, be further liable
26 to taxation by the city or town in which the property is located so long as the property is used for
27 the manufacturing or commercial, or residential purposes for which the exemption or stabilized
28 amount of taxes was made.

29 (e) Notwithstanding any vote of the qualified electors of a town and findings of a town
30 council or of any vote and findings by a city council, the property shall be assessed for and shall
31 pay that portion of the tax, if any, assessed by the city or town in which the real or personal property
32 is located, for the purpose of paying the indebtedness of the city or town and the indebtedness of
33 the state or any political subdivision of the state to the extent assessed upon or apportioned to the
34 city or town, and the interest on the indebtedness, and for appropriation to any sinking fund of the

1 city or town, which portion of the tax shall be paid in full, and the taxes so assessed and collected
2 shall be kept in a separate account and used only for that purpose.

3 (f) Nothing in this section shall be deemed to permit the exemption or stabilization
4 provided in this section for any manufacturing or commercial concern relocating from one city or
5 town within the state of Rhode Island to another.

6 (g) Renewable energy resources, as defined in § 39-26-5, qualify for tax stabilization
7 agreements pursuant to subsection (a) of this section.

8 (h) Notwithstanding the foregoing, the city council of the city of Providence may extend
9 the twenty-year (20) period in subsection (a) of this section by an additional ten (10) years for real
10 property located at 111 Westminster Street (also identified as 55 Kennedy Plaza), Providence,
11 Rhode Island, identified as assessor's plat 20, lot 14.

12 (i) Notwithstanding the foregoing, the city council of the city of Providence may enter into
13 an agreement to exempt from payment, in whole or in part, real and personal property taxes on real
14 property and personal property located at plat 56, lots 271, 288, 292, 322, 329, 339, 348, 349, 350,
15 351, 352, 353, 354, 355, 356, 357, 358, 359, 360, 361, 362, 363, 364, 365, 366, 367 and 371, and
16 such additional plats and lots as may be added in accordance with the terms of such agreement, and
17 to determine a stabilized amount of taxes, which may be formulated as a revenue sharing
18 arrangement, to be paid on account of the property, notwithstanding the valuation of the property
19 or the rate of tax. The term of the agreement may be up to thirty (30) years. This authority is in
20 addition to, and not in substitution of the authority exercised by the city council to enter into a
21 twenty (20) year tax exemption agreement, which agreement by its terms is set to expire on
22 September 30, 2024.

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

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
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- 1 This act would authorize the city of Providence to enter into a thirty (30) year tax exemption
- 2 agreement relating to the Port of Providence.
- 3 This act would take effect upon passage.

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