

2023 -- S 0705

LC002278

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: Senators Tikoian, Britto, Burke, DiPalma, McKenney, and Euer

Date Introduced: March 22, 2023

Referred To: Senate Finance

(Dept. of Revenue)

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 44-3-2.2 of the General Laws in Chapter 44-3 entitled "Property  
2 Subject to Taxation" is hereby amended to read as follows:

3 **44-3-2.2. Tax on certain vehicles and trailers prohibited.**

4 Notwithstanding any other provisions of the general laws to the contrary, no city or town  
5 shall assess any tax under chapter 5 of title 44 on any vehicle or trailer, which is registered under  
6 chapter 3 of title 31 ~~and taxed under chapter 34 of title 44~~. Any vehicle or trailer, which is not  
7 registered under chapter 3 of title 31, shall be assessed by a city or town in the same manner as  
8 other tangible personal property.

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

11 **44-34.1-2. City, town and fire district reimbursement.**

12 (a) In fiscal years ~~2000~~ 2024 and thereafter, cities, towns, and fire districts shall receive  
13 reimbursements, as set forth in this section, from state general revenues equal to the amount of lost  
14 tax revenue due to the phase out ~~or reduction~~ of the excise tax. ~~Cities, towns, and fire districts shall~~  
15 ~~receive advance reimbursements through state fiscal year 2002. In the event~~ When the tax is phased  
16 out, cities, towns, and fire districts shall receive a permanent distribution of sales tax revenue  
17 pursuant to § 44-18-18 in an amount equal to any lost revenue resulting from the excise tax  
18 elimination. ~~Lost revenues must be determined using a base tax rate fixed at fiscal year 1998 levels~~  
19 ~~for each city, town, and fire district, except that the town of Johnston's base tax rate must be fixed~~

1 at a fiscal year 1999 level. Provided, however, for fiscal year 2011 and thereafter, the base tax rate  
2 may be less than but not more than the rates described in this subsection (a).

3 (b)(1) The director of administration shall determine the amount of general revenues to be  
4 distributed to each city, town, and fire district for the fiscal years 1999 and thereafter so that every  
5 city, town, and fire district is held harmless from tax loss resulting from this chapter, assuming that  
6 tax rates are indexed to inflation through fiscal year 2003.

7 (2) The director of administration shall index the tax rates for inflation by applying the  
8 annual change in the December Consumer Price Index — All Urban Consumers (CPI-U), published  
9 by the Bureau of Labor Statistics of the United States Department of Labor, to the indexed tax rate  
10 used for the prior fiscal year calculation; provided, that for state reimbursements in fiscal years  
11 2004 and thereafter, the indexed tax rate shall not be subject to further CPI-U adjustments. The  
12 director shall apply the following principles in determining reimbursements:

13 (i) Exemptions granted by cities, towns, and fire districts in the fiscal year 1998 must be  
14 applied to assessed values prior to applying the exemptions in § 44-34.1-1(c)(1). Cities, towns, and  
15 fire districts will not be reimbursed for these exemptions.

16 (ii) City, town, and fire districts shall be reimbursed by the state for revenue losses  
17 attributable to the exemptions provided for in § 44-34.1-1 and the inflation indexing of tax rates  
18 through fiscal 2003. Reimbursement for revenue losses shall be calculated based upon the  
19 difference between the maximum taxable value less personal exemptions and the net assessed  
20 value.

21 (iii) Inflation reimbursements shall be the difference between:

22 (A) The levy calculated at the tax rate used by each city, town, and fire district for fiscal  
23 year 1998 after adjustments for personal exemptions but prior to adjustments for exemptions  
24 contained in § 44-34.1-1(c)(1); provided, that for the town of Johnston, the tax rate used for fiscal  
25 year 1999 must be used for the calculation; and

26 (B) The levy calculated by applying the appropriate cumulative inflation adjustment  
27 through state fiscal 2003 to the tax rate used by each city, town, and fire district for fiscal year  
28 1998; provided, that for the town of Johnston the tax rate used for fiscal year 1999 shall be used  
29 for the calculation after adjustments for personal exemptions but prior to adjustments for  
30 exemptions contained in § 44-34.1-1.

31 (3) For fiscal year 2018 and thereafter, each city, town, and fire district shall tax motor  
32 vehicles and trailers pursuant to chapter 34 of title 44 using the same motor vehicle and trailer  
33 excise tax calculation methodology that was employed for fiscal year 2017, where motor vehicle  
34 and trailer excise tax calculation methodology refers to the application of specific tax practices and

1 ~~the order of operations in the determination of the tax levied on any given motor vehicle and/or~~  
2 ~~trailer.~~

3 ~~(4) Each city, town, and fire district shall report to the department of revenue, as part of the~~  
4 ~~submission of the certified tax levy pursuant to § 44-5-22, the motor vehicle and trailer excise tax~~  
5 ~~calculation methodology that was employed for fiscal year 2017. For fiscal year 2018 and~~  
6 ~~thereafter, the department of revenue is authorized to confirm that each city, town, or fire district~~  
7 ~~has used the same motor vehicle and trailer excise tax methodology as was used in fiscal year 2017~~  
8 ~~and the department of revenue shall have the final determination as to whether each city, town, or~~  
9 ~~fire district has in fact complied with this requirement. Should the department of revenue determine~~  
10 ~~that a city, town, or fire district has failed to cooperate or comply with the requirement in this~~  
11 ~~section, the city, town, or fire district's reimbursement for the items noted in subsections (c)(13)(i)~~  
12 ~~through (c)(13)(iv) of this section shall be withheld until such time as the department of revenue~~  
13 ~~deems the city, town, or fire district to be in compliance.~~

14 ~~(5) For purposes of reimbursement for the items noted in subsections (c)(13)(i) through~~  
15 ~~(c)(13)(iv) of this section, the FY 2018 baseline from which the reimbursement amount shall be~~  
16 ~~calculated is defined as the motor vehicle and trailer excise tax levy that would be generated by~~  
17 ~~applying the fiscal year 2017 motor vehicle and trailer excise tax calculation methodology to the~~  
18 ~~assessed value of motor vehicles and trailers as of fiscal year 2018. The amount of reimbursement~~  
19 ~~that each city, town, or fire district receives shall be the difference between the FY 2018 baseline~~  
20 ~~and the certified motor vehicle and trailer excise tax levy as submitted by each city, town, and fire~~  
21 ~~district as confirmed by the department of revenue. The department of revenue shall determine the~~  
22 ~~reimbursement amount for each city, town, and fire district.~~

23 ~~(6) For fiscal year 2020 and thereafter, the department of revenue shall assess the feasibility~~  
24 ~~of standardizing the motor vehicle and trailer excise tax calculation methodology across all cities,~~  
25 ~~towns, and fire departments. Based on this assessment, the department of revenue may make~~  
26 ~~recommendations for changes to the motor vehicle and trailer excise tax calculation methodology.~~

27 ~~Beginning on January 1, 2021, the director of the department of revenue shall file an annual~~  
28 ~~report for the consideration of the general assembly with the president of the senate, speaker of the~~  
29 ~~house, chairperson of the senate committee on finance and chairperson of the house committee on~~  
30 ~~finance, containing recommendations and findings as to the feasibility of the motor vehicle excise~~  
31 ~~tax phase-out in each year until the phase-out is complete.~~

32 (b)(1) In fiscal year 2024, cities, towns, and fire districts shall receive the  
33 following reimbursement amounts:

34 Barrington

\$5,894,822

1	<a href="#"><u>Bristol</u></a>	<a href="#"><u>\$2,905,818</u></a>
2	<a href="#"><u>Burrillville</u></a>	<a href="#"><u>\$5,053,933</u></a>
3	<a href="#"><u>Central Falls</u></a>	<a href="#"><u>\$2,077,974</u></a>
4	<a href="#"><u>Charlestown</u></a>	<a href="#"><u>\$1,020,877</u></a>
5	<a href="#"><u>Coventry</u></a>	<a href="#"><u>\$5,872,396</u></a>
6	<a href="#"><u>Cranston</u></a>	<a href="#"><u>\$22,312,247</u></a>
7	<a href="#"><u>Cumberland</u></a>	<a href="#"><u>\$6,073,469</u></a>
8	<a href="#"><u>East Greenwich</u></a>	<a href="#"><u>\$2,417,332</u></a>
9	<a href="#"><u>East Providence</u></a>	<a href="#"><u>\$11,433,479</u></a>
10	<a href="#"><u>Exeter</u></a>	<a href="#"><u>\$2,241,381</u></a>
11	<a href="#"><u>Foster</u></a>	<a href="#"><u>\$1,652,251</u></a>
12	<a href="#"><u>Glocester</u></a>	<a href="#"><u>\$2,381,941</u></a>
13	<a href="#"><u>Hopkinton</u></a>	<a href="#"><u>\$1,629,259</u></a>
14	<a href="#"><u>Jamestown</u></a>	<a href="#"><u>\$622,793</u></a>
15	<a href="#"><u>Johnston</u></a>	<a href="#"><u>\$10,382,785</u></a>
16	<a href="#"><u>Lincoln</u></a>	<a href="#"><u>\$5,683,015</u></a>
17	<a href="#"><u>Little Compton</u></a>	<a href="#"><u>\$366,775</u></a>
18	<a href="#"><u>Middletown</u></a>	<a href="#"><u>\$1,976,448</u></a>
19	<a href="#"><u>Narragansett</u></a>	<a href="#"><u>\$1,831,251</u></a>
20	<a href="#"><u>Newport</u></a>	<a href="#"><u>\$2,223,671</u></a>
21	<a href="#"><u>New Shoreham</u></a>	<a href="#"><u>\$163,298</u></a>
22	<a href="#"><u>North Kingstown</u></a>	<a href="#"><u>\$5,378,818</u></a>
23	<a href="#"><u>North Providence</u></a>	<a href="#"><u>\$9,619,286</u></a>
24	<a href="#"><u>North Smithfield</u></a>	<a href="#"><u>\$4,398,531</u></a>
25	<a href="#"><u>Pawtucket</u></a>	<a href="#"><u>\$16,495,506</u></a>
26	<a href="#"><u>Portsmouth</u></a>	<a href="#"><u>\$2,414,242</u></a>
27	<a href="#"><u>Providence</u></a>	<a href="#"><u>\$34,131,596</u></a>
28	<a href="#"><u>Richmond</u></a>	<a href="#"><u>\$1,448,455</u></a>
29	<a href="#"><u>Scituate</u></a>	<a href="#"><u>\$1,977,127</u></a>
30	<a href="#"><u>Smithfield</u></a>	<a href="#"><u>\$7,098,694</u></a>
31	<a href="#"><u>South Kingstown</u></a>	<a href="#"><u>\$3,930,455</u></a>
32	<a href="#"><u>Tiverton</u></a>	<a href="#"><u>\$1,748,175</u></a>
33	<a href="#"><u>Warren</u></a>	<a href="#"><u>\$2,090,911</u></a>
34	<a href="#"><u>Warwick</u></a>	<a href="#"><u>\$25,246,254</u></a>

1	<a href="#">Westerly</a>	<a href="#">\$5,765,523</a>
2	<a href="#">West Greenwich</a>	<a href="#">\$1,331,725</a>
3	<a href="#">West Warwick</a>	<a href="#">\$5,673,744</a>
4	<a href="#">Woonsocket</a>	<a href="#">\$9,324,776</a>
5	<a href="#">Lime Rock Fire District</a>	<a href="#">\$133,933</a>
6	<a href="#">Lincoln Fire District</a>	<a href="#">\$208,994</a>
7	<a href="#">Manville Fire District</a>	<a href="#">\$64,862</a>
8	<a href="#">Quinnville Fire District</a>	<a href="#">\$13,483</a>

9 ~~(e)(1) Funds~~ [\(2\) In fiscal year 2024, funds](#) shall be distributed to the cities, towns, and fire  
10 districts as follows:

11 ~~(i) On October 20, 1998, and each October 20 thereafter through October 20, 2001, twenty-~~  
12 ~~five percent (25%) of the amount calculated by the director of administration to be the difference~~  
13 ~~for the upcoming fiscal year.~~

14 ~~(ii) On February 20, 1999, and each February 20 thereafter through February 20, 2002,~~  
15 ~~twenty five percent (25%) of the amount calculated by the director of administration to be the~~  
16 ~~difference for the upcoming fiscal year.~~

17 ~~(iii) On June 20, 1999, and each June 20 thereafter through June 20, 2002, fifty percent~~  
18 ~~(50%) of the amount calculated by the director of administration to be the difference for the~~  
19 ~~upcoming fiscal year.~~

20 ~~(iv)(i) On August 1, 2002, and each August 1 thereafter~~ [August 1, 2023](#), twenty-five  
21 percent (25%) of the ~~amount calculated by the director of administration to be the difference for~~  
22 ~~the current fiscal year~~ [funds](#).

23 ~~(v)(ii) On November 1, 2002, and each November 1 thereafter~~ [November 1, 2023](#), twenty-  
24 five percent (25%) of the ~~amount calculated by the director of administration to be the difference~~  
25 ~~for the current fiscal year~~ [funds](#).

26 ~~(vi)(iii) On February 1, 2003, and each February 1 thereafter~~ [February 1, 2024](#), twenty-five  
27 percent (25%) of the ~~amount calculated by the director of administration to be the difference for~~  
28 ~~the current fiscal year~~ [funds](#).

29 ~~(vii)(iv) On May 1, 2003, and each May 1 thereafter, except May 1, 2010~~ [May 1, 2024](#),  
30 twenty-five percent (25%) of the ~~amount calculated by the director of administration to be the~~  
31 ~~difference for the current fiscal year~~ [funds](#).

32 [The funds shall be distributed to each city, town, and fire district in the same proportion as](#)  
33 [distributed in fiscal year 2023.](#)

34 ~~(viii) On June 15, 2010, twenty five percent (25%) of the amount calculated by the director~~

1 ~~of administration to be the difference for the current fiscal year.~~

2 ~~Provided, however, the February and May payments, and June payment in 2010, shall be~~  
3 ~~subject to submission of final certified and reconciled motor vehicle levy information.~~

4 ~~(2) Each city, town, or fire district shall submit final certified and reconciled motor vehicle~~  
5 ~~levy information by August 30 of each year. Any adjustment to the estimated amounts paid in the~~  
6 ~~previous fiscal year shall be included or deducted from the payment due November 1.~~

7 (3) For the city of East Providence, the payment schedule is twenty-five percent (25%) on  
8 November 1, 2023, twenty-five percent (25%) on February 1, 2024, twenty-five percent (25%) on  
9 May 1, 2024, and twenty-five percent (25%) on August 1, 2024.

10 ~~(3)(4)~~ (4) On any of the payment dates specified in paragraphs ~~(1)(i) through (vii)~~ (2)(i)  
11 through (2)(iv) or (3) of this subsection, the director of revenue is authorized to deduct previously  
12 made over-payments or add supplemental payments as may be required to bring the  
13 reimbursements into full compliance with the requirements of this chapter.

14 ~~(4) For the city of East Providence, the payment schedule is twenty five percent (25%) on~~  
15 ~~February 20, 1999, and each February 20 thereafter through February 20, 2002, twenty five percent~~  
16 ~~(25%) on June 20, 1999, and each June 20 thereafter through June 20, 2002, which includes final~~  
17 ~~reconciliation of the previous year's payment, and fifty percent (50%) on October 20, 1999, and~~  
18 ~~each October 20 thereafter through October 20, 2002. For local fiscal years 2003 and thereafter,~~  
19 ~~the payment schedule is twenty five percent (25%) on each November 1, twenty five percent (25%)~~  
20 ~~on each February 1, twenty five percent (25%) on each May 1, which includes final reconciliation~~  
21 ~~of the previous year's payment, and twenty five percent (25%) on each August 1; provided, the~~  
22 ~~May and August payments shall be subject to submission of final certified and reconciled motor~~  
23 ~~vehicle levy information.~~

24 ~~(5) When the tax is phased out, funds distributed to the cities, towns, and fire districts for~~  
25 ~~the following fiscal year shall be calculated as the funds distributed in the fiscal year of the phase-~~  
26 ~~out. Twenty five percent (25%) of the amounts calculated shall be distributed to the cities, towns,~~  
27 ~~and fire districts on August 1, in the fiscal year of the phase-out, twenty five percent (25%) on the~~  
28 ~~following November 1, twenty five percent (25%) on the following February 1, and twenty five~~  
29 ~~percent (25%) on the following May 1. The funds shall be distributed to each city, town, and fire~~  
30 ~~district in the same proportion as distributed in the fiscal year of the phase-out.~~

31 ~~(6)(c)~~ (c) When the tax is phased out to August 1, of the following fiscal year the director of  
32 revenue shall calculate to the nearest thousandth of one cent (\$0.00001) the number of cents of  
33 sales tax received for the fiscal year ending June 30, of the year following the phase-out equal to  
34 the amount of funds distributed to the cities, towns, and fire districts under this chapter during the

1 fiscal year following the phase-out and the percent of the total funds distributed in the fiscal year  
2 following the phase-out received by each city, town, and fire district, calculated to the nearest one-  
3 hundredth of one percent (0.01%). The director of the department of revenue shall transmit those  
4 calculations to the governor, the speaker of the house, the president of the senate, the chairperson  
5 of the house finance committee, the chairperson of the senate finance committee, the house fiscal  
6 advisor, and the senate fiscal advisor. The number of cents, applied to the sales taxes received for  
7 the prior fiscal year, shall be the basis for determining the amount of sales tax to be distributed to  
8 the cities, towns, and fire districts under this chapter for the second fiscal year following the phase-  
9 out and each year thereafter. The cities, towns, and fire districts shall receive that amount of sales  
10 tax in the proportions calculated by the director of revenue as that received in the fiscal year  
11 following the phase-out.

12 ~~(7)(d) When the tax is phased out, In fiscal years 2025 and thereafter,~~ twenty-five percent  
13 (25%) of the funds shall be distributed to the cities, towns, and fire districts on ~~August 1 of the~~  
14 ~~following fiscal year, August 1, 2024~~ and every August 1 thereafter; twenty-five percent (25%)  
15 shall be distributed on ~~the following November 1, November 1, 2024,~~ and every November 1  
16 thereafter; twenty-five percent (25%) shall be distributed on ~~the following February 1, February 1,~~  
17 ~~2025,~~ and every February 1 thereafter; and twenty-five percent (25%) shall be distributed on ~~the~~  
18 ~~following May 1, May 1, 2025,~~ and every May 1 thereafter.

19 ~~(8)(e) For the city of East Providence, in the event the tax is phased out fiscal years 2025~~  
20 ~~and thereafter,~~ twenty-five percent (25%) shall be distributed on ~~November 1 of the following fiscal~~  
21 ~~year November 1, 2024,~~ and every November 1 thereafter, twenty-five percent (25%) shall be  
22 distributed on ~~the following February 1, February 1, 2025,~~ and every February 1 thereafter; twenty-  
23 five percent (25%) shall be distributed on ~~the following May 1, May 1, 2025~~ and every May 1  
24 thereafter; and twenty-five percent (25%) of the funds shall be distributed on ~~the following August~~  
25 ~~1, August 1, 2025~~ and every August 1 thereafter.

26 ~~(9) As provided for in § 44-34-6, the authority of fire districts to tax motor vehicles is~~  
27 ~~eliminated effective with the year 2000 tax roll and the state reimbursement for fire districts shall~~  
28 ~~be based on the provisions of § 44-34-6. All references to fire districts in this chapter do not apply~~  
29 ~~to the year 2001 tax roll and thereafter.~~

30 ~~(10) For reimbursements payable in the year ending June 30, 2008, and thereafter, the~~  
31 ~~director of administration shall discount the calculated value of the exemption to ninety eight~~  
32 ~~percent (98%) in order to establish a collection rate that is comparable to the collection rate~~  
33 ~~achieved by municipalities in the levy of the motor vehicle excise tax.~~

34 ~~(11) For reimbursements payable in the year ending June 30, 2010, the director of~~

1 administration shall reimburse cities and towns eighty-eight percent (88%) of the reimbursements  
2 payable pursuant to subsection (c)(10) above.

3 (12) For fiscal year 2011 through to June 30, 2017, the state shall reimburse cities and  
4 towns, for the exemption pursuant to subsection (c)(10) above, ratably reduced to the appropriation.

5 (13) For fiscal year 2018 and thereafter, each city, town, and fire district shall receive a  
6 reimbursement equal to the amount received in fiscal year 2017 plus an amount equal to the  
7 reduction from the FY 2018 baseline, as defined in subsection (b)(5) of this section, resulting from  
8 changes in:

9 (i) The assessment percentage set forth in § 44-34-11(c)(1)(iii);

10 (ii) The excise tax rate set forth in § 44-34-1-1(c)(5);

11 (iii) Exemptions set forth in § 44-34-1-1(c)(1); and

12 (iv) Exemptions for vehicles more than fifteen (15) years old as set forth in § 44-34-2.

13 (14) In the event any city, town, or fire district sent out or sends out tax bills for fiscal year  
14 2018, which do not conform with the requirements of this act, the city, town, or fire district shall  
15 ensure that the tax bills for fiscal year 2018 are adjusted or an abatement is issued to conform to  
16 the requirements of this act.

17 SECTION 3. Chapter 44-34 of the General Laws entitled "Excise on Motor Vehicles and  
18 Trailers" is hereby repealed in its entirety.

19 ~~CHAPTER 44-34~~

20 ~~Excise on Motor Vehicles and Trailers~~

21 ~~**44-34-1. Motor vehicle and trailer excise tax.**~~

22 ~~There is created an excise tax on motor vehicles for the state of Rhode Island. The cities  
23 and towns are authorized to administer and collect the excise on registered motor vehicles and  
24 trailers in lieu of property tax.~~

25 ~~**44-34-2. Assessment — Valuation — Proration — Abatement and cancellation —**~~

26 ~~**Exemptions from tax.**~~

27 (a) Except as provided in this section, the tax assessors of each city and town shall assess  
28 and levy in each calendar year on every vehicle and trailer registered under chapter 3 of title 31,  
29 for the privilege of the registration, an excise measured by its value, as subsequently defined and  
30 determined. For the purpose of this excise, the uniform value of each vehicle shall be determined  
31 in accordance with the regulations of the vehicle value commission. Any vehicle that is more than  
32 fifteen (15) years old, whether or not the vehicle is an antique motor car as defined in § 31-1-3(a),  
33 shall be deemed to possess an average retail value of five hundred dollars (\$500). The assessor may  
34 waive the excise tax on any vehicle where the annual levy would be less than five dollars (\$5.00).



1 ~~The state shall not provide reimbursement for any waiver.~~

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

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

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

11 ~~(e) "Year of manufacture" as used in this section means the year used by the manufacturer~~  
12 ~~of the vehicle or trailer in connection with the designation by the manufacturer of the model of the~~  
13 ~~vehicle or trailer. Where the presumptive price of a vehicle or trailer is not readily obtainable, or~~  
14 ~~special equipment is installed on the vehicle or trailer, the tax assessor shall prescribe the retail~~  
15 ~~price to be used or the manner in which the retail price shall be determined. In making the~~  
16 ~~determination of the presumptive price, the tax assessor shall determine the retail price of the~~  
17 ~~vehicle and then apply the percentage corresponding with the appropriate fiscal year as specified~~  
18 ~~in § 44-34-11(c)(1)(iii).~~

19 ~~(f) Nothing in this section shall be construed to prevent any city or town council from~~  
20 ~~granting an abatement, in whole or in part, when there is an error in the assessment of a tax, and~~  
21 ~~the tax assessors have certified to the fact, in writing, to the city or town council to cancel taxes~~  
22 ~~stating the nature of the error, the valuation of the vehicle or trailer, the amount of the assessed tax,~~  
23 ~~and the name of the person to whom the vehicle or trailer was taxed.~~

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

28 ~~(h) The excise imposed by this section shall not apply to vehicles or trailers owned by the~~  
29 ~~state of Rhode Island or any of its political subdivisions, or to vehicles or trailers owned by a~~  
30 ~~corporation, association, or other organization whose tangible personal property is exempt under~~  
31 ~~§§ 44-3-3(a)(1) — (a)(15), or to vehicles assessed and taxed under § 44-13-13, or those owned by~~  
32 ~~the United States government. Farm vehicles shall be exempt to the extent prescribed in § 44-5-42.~~

33 ~~**44-34-3. Assessment roll — Rate — Payment — Penalty upon non-payment.**~~

34 ~~(a) The assessor, on the basis of a list of uniform values for motor vehicles prepared by the~~

1 ~~Rhode Island vehicle value commission pursuant to § 44-34-8, shall make a list containing the~~  
2 ~~value of every vehicle and trailer in the city or town which is subject to the provisions of § 44-34-~~  
3 ~~2, the values to be at the average retail price as determined under § 44-34-2 or at a uniform~~  
4 ~~percentage of these, not to exceed one hundred percent (100%), to be determined by the assessors~~  
5 ~~in each city or town; provided, that every vehicle and trailer in the city of Pawtucket shall be~~  
6 ~~assessed in accordance with §§ 44-5-20.1 and 44-5-20.2; provided, further, that motor vehicles~~  
7 ~~owned, leased, or utilized by rental companies, as those terms are defined in § 31-34.1-1, shall not~~  
8 ~~be valued for excise tax purposes at an amount greater than the National Automobile Dealers~~  
9 ~~Association average retail value for new vehicles for the year and vehicle model in question.~~

10 (b) ~~The excise tax levy shall be applied to the excise assessment roll at the rate established~~  
11 ~~by the assessors for all other property except manufacturer's machinery and equipment in~~  
12 ~~accordance with § 44-5-22 and the resulting tax roll shall be certified by the assessors to the city or~~  
13 ~~town clerk, treasurer, or tax collector, as the case may be, not later than June 15 next succeeding.~~  
14 ~~Prior to the resulting tax roll being certified to the Pawtucket city clerk, the excise levy shall be~~  
15 ~~applied to the excise assessment roll in accordance with the property tax classification described in~~  
16 ~~§§ 44-5-20.3 and 44-5-20.5. In the city of Woonsocket, the excise tax levy shall be applied to the~~  
17 ~~excise assessment roll at a rate that will produce no more than nineteen percent (19%) of the total~~  
18 ~~tax levy as prescribed in § 44-5-11.6. In the town of Lincoln, the excise tax levy shall be applied to~~  
19 ~~the excise assessment roll at a rate that produces an amount equal to no more than seventeen percent~~  
20 ~~(17%) of the total real estate tax levy.~~

21 (c) ~~If any vehicle or trailer liable to taxation in any city or town has been omitted from the~~  
22 ~~tax roll, the tax assessment shall assess the vehicle or trailer on a supplemental excise assessment~~  
23 ~~roll and shall certify the assessment to the tax collector after June 15, but not later than December~~  
24 ~~31 next succeeding.~~

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

34 (e) ~~Failure by the tax collector to send, or by the taxpayer to receive, a bill shall not excuse~~

1 ~~the nonpayment of the tax or affect its validity or any proceedings for the collection.~~

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

4 **44-34-4. Vehicle and trailer tax situs — Apportionment for interstate fleets.**

5 ~~(a) Tax situs of each vehicle or trailer shall be in the town or city of permanent abode of~~  
6 ~~the owner at the end of the calendar year of proration if an individual, or at the principal place of~~  
7 ~~business in this state, if a partnership, corporation, joint stock company, or association, except that~~  
8 ~~if a vehicle or trailer is customarily kept in some other town or city, then tax situs will be in that~~  
9 ~~municipality.~~

10 ~~(b) Rented or leased vehicles shall have tax situs in the town or city where they are~~  
11 ~~customarily kept by the renter or lessee if the rental or leasing contracts shall be long term. For the~~  
12 ~~purpose of this chapter, long term contracts are for six (6) months or more. If vehicles are rented~~  
13 ~~or leased for less than six (6) months or on a transient basis, then tax situs for the vehicles shall be~~  
14 ~~the town or city where the leasing company or agency stores the vehicles when they are not being~~  
15 ~~rented or leased.~~

16 ~~(c) In the case of fleets of vehicles and trailers engaged in interstate commerce the~~  
17 ~~following rules of just apportionment shall apply:~~

18 ~~(1) If the fleet owner has a terminal where a number of its vehicles are parked, then the~~  
19 ~~average number of vehicles so parked in proportion to its total fleet value shall determine the excise;~~

20 ~~(2) If the fleet owner does not have vehicles parked in this state but has a pickup and drop-~~  
21 ~~off station, then the number of miles traveled by its fleet in this state in proportion to the total~~  
22 ~~number of miles traveled by its fleet shall be the percentage of the total value of its fleet used to~~  
23 ~~determine the excise.~~

24 ~~(d) Tax situs for a fleet shall be the town or city where the terminal or station is located.~~

25 ~~(e) In the case of more than one pickup and drop-off station of a fleet owner located in the~~  
26 ~~state, the communities in which the stations are situated shall share equally the excise levied against~~  
27 ~~the fleet owner.~~

28 ~~(f) The tax assessor may require an owner to disclose any or all information necessary to~~  
29 ~~determine tax situs and value of the vehicles and trailers that are subject to excise.~~

30 ~~(g) If the owner fails to supply the requested information, then the tax assessor shall assess~~  
31 ~~the vehicles and trailers at what he or she deems to be their value, and the owner, if overtaxed, shall~~  
32 ~~have no remedy for this assessment.~~

33 **44-34-4.1. Exemptions for buses, trucks and trailers in interstate commerce.**

34 ~~(a) Notwithstanding any provision of the general laws to the contrary, the operation of a~~

1 ~~truck, or trailer by a trucking company in interstate commerce shall not be subject to the provisions~~  
2 ~~of the excise tax imposed by this chapter, on the condition that the truck and/or trailer is utilized~~  
3 ~~exclusively in interstate commerce.~~

4 (b) ~~Notwithstanding any provision of the law or regulation to the contrary, the operation of~~  
5 ~~a bus by a bus company in interstate commerce shall not be subject to the provisions of the excise~~  
6 ~~tax imposed by this chapter, on the condition that the bus is used eighty percent (80%) or more of~~  
7 ~~the time in interstate commerce and provided that the bus company shall provide a properly~~  
8 ~~executed affidavit attesting to the fact that the bus is used no less than eighty percent (80%) of the~~  
9 ~~time in interstate commerce.~~

10 ~~**44-34-5. Veterans' and other property tax exemptions.**~~

11 (a) ~~Those veterans, gold star parents, and blind persons who qualify for property tax~~  
12 ~~exemption under §§ 30-22-1—30-22-4 and §§ 44-3-4, 44-3-5, and 44-3-12 shall have the~~  
13 ~~exemption applied to their real estate and tangible personal property, other than registered vehicles~~  
14 ~~or trailers, in the communities where they reside as prescribed in those sections. However, if there~~  
15 ~~is not sufficient property to exhaust the exemption, the balance of the exemption shall be applied~~  
16 ~~to the excise tax on his or her motor vehicle or trailer.~~

17 (b) ~~The amount of exemption shall not exceed the amount of excise levied on those vehicles~~  
18 ~~owned by the person.~~

19 ~~**44-34-6. Fire districts.**~~

20 ~~The provisions of this chapter shall apply in all respects in the case of taxes assessed upon~~  
21 ~~motor vehicles by any fire district. Effective with the year 2000 tax roll based upon values of~~  
22 ~~December 31, 1999, the authority of fire districts as authorized by general or public law to levy~~  
23 ~~excise taxes on motor vehicles is eliminated and each district shall be reimbursed for one hundred~~  
24 ~~percent (100%) of current year lost revenues through fiscal year 2010 based upon what the levy net~~  
25 ~~of personal exemptions would otherwise have been. That reimbursement shall be based upon~~  
26 ~~submission of information to the department of revenue on the dates specified in § 44-34-1-2, and~~  
27 ~~reimbursements shall be paid on the dates specified in that section. Future year reimbursements~~  
28 ~~through fiscal year 2010 shall be based upon the year 2000 tax roll and values of December 31,~~  
29 ~~1999, and indexed by applying the annual change in the December Consumer Price Index—All~~  
30 ~~Urban Consumers (CPI-U). For fiscal year 2011 and thereafter the state shall not reimburse fire~~  
31 ~~districts pursuant to this chapter. Provided, for fiscal year 2011, and thereafter, the authority of fire~~  
32 ~~districts to levy excise taxes shall be deemed restored. The year 2010 tax roll shall be based upon~~  
33 ~~values of December 31, 2009, with corresponding adjustments made for each subsequent year~~  
34 ~~based on the valuation of vehicles as of December 31 of the year preceding the tax year.~~

1            **44-34-7. Severability.**

2            ~~If any provision of this chapter is held invalid, the remainder of this chapter and the~~  
3 ~~application of its provisions shall not be affected by this invalidity.~~

4            **44-34-8. Appeal procedure.**

5            ~~(a)(1) Any taxpayer aggrieved by a valuation may appeal that valuation to the tax assessor~~  
6 ~~within forty five (45) days of notice of valuation. When the valuation of the vehicle has been made~~  
7 ~~by the assessor, the assessor shall render a decision within ten (10) days of the filing of the appeal.~~  
8 ~~When the valuation of the vehicle has been made by the Rhode Island vehicle valuation~~  
9 ~~commission, the assessor shall forward the appeal on the form provided by the commission to the~~  
10 ~~Rhode Island vehicle valuation commission within ten (10) days. The commission shall transmit~~  
11 ~~its decision to the tax assessor within twenty (20) days of the receipt of the appeal.~~

12            ~~(2) The tax assessor shall notify the aggrieved taxpayer, in writing, of the commission~~  
13 ~~decision within ten (10) days of the receipt of the commission decision.~~

14            ~~(b) Within thirty (30) days of the notification of the decision of the tax assessor or the~~  
15 ~~commission, an aggrieved taxpayer may appeal the decision to the district court for the judicial~~  
16 ~~division within which the city or town is located.~~

17            ~~(c) A party aggrieved by a final order of the district court may seek review of this order in~~  
18 ~~the state supreme court by writ of certiorari. The petition for a writ of certiorari shall state the errors~~  
19 ~~claimed. Upon the filing of the petition with the clerk of the supreme court, the supreme court may,~~  
20 ~~if it sees fit, issue its writ of certiorari to the district court to certify to the supreme court the record~~  
21 ~~of the proceeding under review, or so much of this as was submitted to the district court by the~~  
22 ~~parties, together with any additional record of the proceedings in the district court.~~

23            **44-34-9. Valuation of motor vehicles.**

24            ~~For the purpose of the imposition of an excise tax upon motor vehicles, the tax assessor~~  
25 ~~shall determine the value of each motor vehicle in accordance with the following procedures:~~

26            ~~(1) Each vehicle and trailer of the same make, type, model, and year of manufacture in this~~  
27 ~~state shall be deemed to have one uniform statewide value to be utilized in each city and town,~~  
28 ~~except in those instances where no uniform value is established pursuant to the rules of the vehicle~~  
29 ~~value commission § 44-34-11 or where a value is established by the assessor pursuant to § 44-34-~~  
30 ~~2.~~

31            ~~(2) The uniform value of each type of vehicle and trailer shall be determined by the Rhode~~  
32 ~~Island vehicle value commission or in accordance with the rules of the vehicle value commission.~~

33            ~~(3) The value of each vehicle or trailer or each type vehicle or trailer not established by the~~  
34 ~~Rhode Island vehicle value commission shall be determined by the assessor of the city or town in~~

1 ~~which the vehicle or trailer is registered. In making the determination, a uniform flat value for the~~  
2 ~~vehicles in the municipality may be utilized by the assessor.~~

3 ~~**44-34-10 — 44-34-10.2. Repealed.**~~

4 ~~**44-34-11. Rhode Island vehicle value commission.**~~

5 ~~(a) There is hereby authorized, created, and established the “Rhode Island vehicle value~~  
6 ~~commission” whose function it is to establish presumptive values of vehicles and trailers subject to~~  
7 ~~the excise tax.~~

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

9 ~~(1) The director of the department of revenue or his/her designee from the department of~~  
10 ~~revenue;~~

11 ~~(2) Five (5) local tax officials named by the governor, at least one of whom shall be from~~  
12 ~~a city or town under ten thousand (10,000) population and at least one of whom is from a city or~~  
13 ~~town over fifty thousand (50,000) population. In making these appointments, the governor shall~~  
14 ~~give due consideration to the recommendations submitted by the President of the Rhode Island~~  
15 ~~League of Cities and Towns and each appointment shall be subject to the advice and consent of the~~  
16 ~~senate; and~~

17 ~~(3) One motor vehicle dealer appointed by the governor upon giving due consideration to~~  
18 ~~the recommendation of the director of revenue and subject to the advice and consent of the senate.~~

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

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

24 ~~(6) Public members of the commission shall be removable by the governor pursuant to §~~  
25 ~~36-1-7 for cause only, and removal solely for partisan or personal reasons unrelated to capacity or~~  
26 ~~fitness for the office shall be unlawful.~~

27 ~~(7) The governor shall appoint a chairperson from the commission’s members. The~~  
28 ~~commission shall elect from among its members other officers as it may deem appropriate.~~

29 ~~(c) The commission shall annually determine the presumptive values of vehicles and~~  
30 ~~trailers subject to the excise tax in the following manner:~~

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

34 ~~(i) The average retail price of similar vehicles of the same make, model, type, and year of~~

~~1 manufacture as reported by motor vehicle dealers or by official used car guides, such as that of the  
2 National Automobile Dealers Association for New England. Where regional guides are not  
3 available, the commission shall use other publications deemed appropriate; and~~

~~4 (ii) Other information concerning the average retail prices for make, model, type, and year  
5 of manufacture of motor vehicles as the director and the Rhode Island vehicle value commission  
6 may deem appropriate to determine fair values.~~

~~7 (iii) Notwithstanding the foregoing, the presumptive value of vehicles and trailers subject  
8 to the excise tax shall not exceed the following percentage of clean retail value for those vehicles  
9 reported by the National Automobile Dealers Association Official Used Car Guide New England  
10 Edition:~~

<del>11 FISCAL YEAR</del>	<del>PERCENTAGE</del>
<del>12 2018</del>	<del>95%</del>
<del>13 2019</del>	<del>90%</del>
<del>14 2020</del>	<del>85%</del>
<del>15 2021</del>	<del>80%</del>
<del>16 2022</del>	<del>75%</del>
<del>17 2023</del>	<del>70%</del>

~~18 In the event that no such clean retail value is reported, the presumptive value shall not  
19 exceed the above percentages of the following:~~

~~20 (A) Manufacturer's suggested retail price (MSRP) for new model year vehicles as reported  
21 by the National Automobile Dealers Association Guides; or~~

~~22 (B) Average retail value for those vehicles reported by the National Automobile Dealers  
23 Association Official Used Car Guide National Edition and Motorcycle/Snowmobile/ATV/Personal  
24 Watercraft Appraisal Guide; or~~

~~25 (C) Used retail value for those vehicles reported in the National Association of Automobile  
26 Dealers Recreational Vehicle Appraisal Guide; or~~

~~27 (D) Low value for those vehicles reported in the National Automobile Dealers Association  
28 Classic, Collectible, Exotic and Muscle Car Appraisal Guide & Directory.~~

~~29 (2) On or before February 1 of each year, it shall adopt a list of values for vehicles and  
30 trailers of the same make, model, type, and year of manufacture as of the preceding December 31  
31 in accordance with the methodology adopted between September 30 and December 31; the list shall  
32 be subject to a public hearing at least five (5) business days prior to the date of its adoption.~~

~~33 (3) Nothing in this section shall be deemed to require the commission to determine the  
34 presumptive value of vehicles and trailers that are unique, to which special equipment has been~~

1 ~~added or to which special modifications have been made, or for which adequate information is not~~  
2 ~~available from the sources referenced in subdivision (1) of this subsection; provided, that the~~  
3 ~~commission may consider those factors in its lists or regulations.~~

4 ~~(4) The commission shall annually provide the list of presumptive values of vehicles and~~  
5 ~~trailers to each tax assessor on or before February 15 of each year.~~

6 ~~(d) The commission shall adopt rules governing its organization and the conduct of its~~  
7 ~~business; prior to the adoption of the rules, the chair shall have the power to call meetings, and a~~  
8 ~~simple majority of the members of the commission, as provided for in subsection (b) of this section,~~  
9 ~~is necessary for a quorum, which quorum by majority vote shall have the power to conduct business~~  
10 ~~in the name of the commission. The commission may adopt rules and elect from among its members~~  
11 ~~such other officers as it deems necessary.~~

12 ~~(e) The commission shall have the power to contract for professional services that it deems~~  
13 ~~necessary for the development of the methodology for determining presumptive values; for~~  
14 ~~calculating presumptive values according to the methodology; and for preparing the list of~~  
15 ~~presumptive values in a form and format that is generally usable by cities and towns in their~~  
16 ~~preparation of tax bills. The commission shall also have the power to incur reasonable expenses in~~  
17 ~~the conduct of its business as required by this chapter and to authorize payments for the expenses.~~

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

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

22 ~~(h) The commission shall establish, by rule, procedures for adopting an annual budget and~~  
23 ~~for administering its finances. After July 1, 1986, one half ( $\frac{1}{2}$ ) of the cost of the commission's~~  
24 ~~operations shall be borne by the state and one half ( $\frac{1}{2}$ ) shall be borne by cities and towns within~~  
25 ~~the state, with the city and town share distributed among cities and towns on a per capita basis.~~

26 ~~(i) Within ninety (90) days after the end of each fiscal year, the commission shall approve~~  
27 ~~and submit an annual report to the governor, the speaker of the house of representatives, the~~  
28 ~~president of the senate, and the secretary of state of its activities during that fiscal year. The report~~  
29 ~~shall provide: an operating statement summarizing meetings or hearings held, meeting minutes if~~  
30 ~~requested, subjects addressed, decisions rendered, rules or regulations promulgated, studies~~  
31 ~~conducted, policies and plans developed, approved, or modified, and programs administered or~~  
32 ~~initiated; a consolidated financial statement of all funds received and expended including the source~~  
33 ~~of the funds, a listing of any staff supported by these funds, and a summary of any clerical,~~  
34 ~~administrative or technical support received; a summary of performance during the previous fiscal~~



1 ~~year including accomplishments, shortcomings and remedies; a synopsis of hearings, complaints,~~  
2 ~~suspensions, or other legal matters related to the authority of the commission; a summary of any~~  
3 ~~training courses held pursuant to this subsection, a briefing on anticipated activities in the upcoming~~  
4 ~~fiscal year; and findings and recommendations for improvements. The report shall be posted~~  
5 ~~electronically on the general assembly and the secretary of state's websites as prescribed in § 42-~~  
6 ~~20-8.2. The director of the department of revenue shall be responsible for the enforcement of this~~  
7 ~~provision.~~

8 ~~**44-34-12. Cooperation of state agencies.**~~

9 ~~The department of revenue shall provide space and secretarial and clerical services to the~~  
10 ~~Rhode Island vehicle value commission without charge to the commission. The department of~~  
11 ~~transportation, and the department of revenue shall provide, consistent with law, information that~~  
12 ~~is in their possession, which the commission determines to be useful or necessary in the conduct of~~  
13 ~~its responsibilities.~~

14 ~~**44-34-13. Tax exemption on vehicles adapted for persons who are disabled.**~~

15 ~~(a) The city or town councils of the various cities and towns may, by ordinance, exempt~~  
16 ~~from taxation up to fifty percent (50%) of the value of any motor vehicle that is necessary to~~  
17 ~~transport a family member with a disability or where the vehicle has been specially adapted to meet~~  
18 ~~the specific needs of the person with a disability. This exemption shall apply to not more than one~~  
19 ~~motor vehicle owned and registered for personal, noncommercial use. After the assessors have~~  
20 ~~allowed an exemption under this section, no further evidence of the existence of the facts required~~  
21 ~~by this section shall be required in any subsequent year in the city or town in which the exemption~~  
22 ~~has been allowed.~~

23 ~~(b) For the purpose of this section:~~

24 ~~(1) "Special adaptations" includes, but is not limited to: wheelchair lifts; wheelchair~~  
25 ~~carriers; wheelchair ramps; wheelchair securements; hand controls; steering devices; extensions,~~  
26 ~~relocations, and crossovers of operator controls; power assisted controls; raised tops or dropped~~  
27 ~~floors; raised entry doors; or alternative signaling devices to auditory signals.~~

28 ~~(2) "Specially adapted motor vehicle" means a motor vehicle with special adaptations;~~  
29 ~~provided, that the cost of the special adaptations meets or exceeds seven percent (7%) of the value~~  
30 ~~of the motor vehicle; provided, further, that the town of Johnston may, by ordinance, provide for~~  
31 ~~an exemption when the cost of special adaptations is not less than two percent (2%).~~

32 ~~**44-34-14. Exemption for certain vehicles in the town of Warren.**~~

33 ~~The town of Warren may by ordinance exempt from the tax imposed by this chapter in an~~  
34 ~~amount not to exceed one hundred dollars (\$100) motor vehicles registered in Warren primarily~~

1 fueled by:

2 ~~(1) Gas produced from biomass, with "biomass" meaning any organic material other than~~  
3 ~~oil, natural gas and coal (including lignite) or any product thereof;~~

4 ~~(2) Liquid, gaseous or solid synthetic fuels, produced from coal;~~

5 ~~(3) Coke or coke gas; or~~

6 ~~(4) Electric motor drawing current from rechargeable batteries, fuel cells or other portable~~  
7 ~~sources of electrical current.~~

8 SECTION 4. Sections 44-34.1-1 and 44-34.1-3 of the General Laws in Chapter 44-34.1  
9 entitled "Motor Vehicle and Trailer Excise Tax Elimination Act of 1998" are hereby repealed.

10 ~~**44-34.1-1. Excise tax phase-out.**~~

11 ~~(a)(1) Notwithstanding the provisions of chapter 34 of this title or any other provisions to~~  
12 ~~the contrary, the motor vehicle and trailer excise tax established by § 44-34-1 may be phased out.~~  
13 ~~The phase-out shall apply to all motor vehicles and trailers, including leased vehicles.~~

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

19 ~~(b) Pursuant to the provisions of this section, all motor vehicles shall be assessed a value~~  
20 ~~by the vehicle value commission. That value shall be assessed according to the provisions of § 44-~~  
21 ~~34-11(c)(1) and in accordance with the terms as defined in subsection (d) of this section; provided,~~  
22 ~~however, that the maximum taxable value percentage applicable to model year values as of~~  
23 ~~December 31, 1997, shall continue to be applicable in future year valuations aged by one year in~~  
24 ~~each succeeding year.~~

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

<del>Local Fiscal Year Exempt from value</del>	<del>Local Exemption</del>	<del>State fiscal year Reimbursement</del>
<del>fiscal year 1999</del>	<del>0</del>	<del>\$1,500</del>
<del>fiscal year 2000</del>	<del>\$1,500</del>	<del>\$2,500</del>
<del>fiscal year 2001</del>	<del>\$2,500</del>	<del>\$3,500</del>
<del>fiscal year 2002</del>	<del>\$3,500</del>	<del>\$4,500</del>

~~1 fiscal years 2003, 2004 and 2005 \$4,500 \$4,500~~  
~~2 for fiscal year 2006 and \$5,000 \$5,000~~  
~~3 for fiscal year 2007 \$6,000 \$6,000~~  
4 for fiscal years 2008, 2009 and 2010 the exemption and the state fiscal year reimbursement  
5 shall be increased, at a minimum, to the maximum amount to the nearest two hundred and fifty  
6 dollar (\$250) increment within the allocation of one and twenty two hundredths percent (1.22%) of  
7 net terminal income derived from video lottery games pursuant to the provisions of § 42-61-15,  
8 and in no event shall the exemption in any fiscal year be less than the prior fiscal year.  
9 (i) For fiscal year 2011 through fiscal year 2017, the exemption shall be five hundred  
10 dollars (\$500). Cities and towns may provide an additional exemption; provided, however, any  
11 such additional exemption shall not be subject to reimbursement.  
12 (ii) For fiscal year 2018, cities, towns, and fire districts shall provide an exemption equal  
13 to the greater of one thousand dollars (\$1,000) or the exemption in effect in fiscal year 2017.  
14 (iii) For fiscal year 2019, cities, towns, and fire districts shall provide an exemption equal  
15 to the greater of two thousand dollars (\$2,000) or the exemption in effect in fiscal year 2017.  
16 (iv) For fiscal year 2020, cities, towns, and fire districts shall provide an exemption equal  
17 to the greater of three thousand dollars (\$3,000) or the exemption in effect in fiscal year 2017.  
18 (v) For fiscal year 2021, cities, towns, and fire districts shall provide an exemption equal  
19 to the greater of four thousand dollars (\$4,000) or the exemption in effect in fiscal year 2017.  
20 (vi) For fiscal year 2022, cities, towns, and fire districts shall provide an exemption equal  
21 to the greater of five thousand dollars (\$5,000) or the exemption in effect in fiscal year 2017.  
22 (vii) For fiscal year 2023, cities, towns, and fire districts shall provide an exemption equal  
23 to the greater of six thousand dollars (\$6,000) or the exemption in effect in fiscal year 2017.  
24 (viii) For fiscal year 2024 and thereafter, no tax shall be levied.  
25 (2) The excise tax phase-out shall provide levels of assessed value reductions until the tax  
26 is eliminated or reduced as provided in this chapter.  
27 (3) Current exemptions shall remain in effect as provided in this chapter.  
28 (4) The excise tax rates and ratios of assessment shall be maintained at a level identical to  
29 the level in effect for fiscal year 1998 for each city, town, and fire district; provided, in the town of  
30 Johnston, the excise tax rate and ratios of assessment shall be maintained at a level identical to the  
31 level in effect for fiscal year 1999 levels and the levy of a city, town, or fire district shall be limited  
32 to the lesser of the maximum taxable value or net assessed value for purposes of collecting the tax  
33 in any given year. Provided, however, for fiscal year 2011 through fiscal year 2017, the rates and  
34 ratios of assessment may be less than but not more than the rates described in this subsection (4).

1           ~~(5) For fiscal year 2018 and thereafter, the excise tax rate applied by a city, town, or fire~~  
2 ~~district, shall not exceed the rate in effect in fiscal year 2017 and shall not exceed the rate set forth~~  
3 ~~below:~~

<del>Fiscal Year</del>	<del>Tax Rate (Per \$1,000 of Value)</del>
<del>2018</del>	<del>\$60.00</del>
<del>2019</del>	<del>\$50.00</del>
<del>2020</del>	<del>\$35.00</del>
<del>2021</del>	<del>\$35.00</del>
<del>2022</del>	<del>\$30.00</del>
<del>2023</del>	<del>\$20.00</del>

11           ~~(6) In no event shall a taxpayer be billed more than the prior year for a vehicle owned up~~  
12 ~~to the same number of days unless an increased bill is the result of no longer being eligible for a~~  
13 ~~local tax exemption.~~

14           ~~(d) Definitions. (1) "Maximum taxable value" means the value of vehicles as prescribed by~~  
15 ~~§ 44-34-11 reduced by the percentage of assessed value applicable to model year values as~~  
16 ~~determined by the Rhode Island vehicle value commission as of December 31, 1997, for the~~  
17 ~~vehicles valued by the commission as of December 31, 1997. For all vehicle value types not valued~~  
18 ~~by the Rhode Island vehicle value commission as of December 31, 1997, the maximum taxable~~  
19 ~~value shall be the latest value determined by a local assessor from an appropriate pricing guide,~~  
20 ~~multiplied by the ratio of assessment used by that city, town, or fire district for a particular model~~  
21 ~~year as of December 31, 1997. The maximum taxable value shall be determined in such a manner~~  
22 ~~as to incorporate the application of the percentage corresponding with the appropriate fiscal year~~  
23 ~~as specified in § 44-34-11(c)(1)(iii).~~

24           ~~(2) "Net assessed value" means the motor vehicle values as determined in accordance with~~  
25 ~~§ 44-34-11 less all personal exemptions allowed by cities, towns, fire districts, and the state of~~  
26 ~~Rhode Island exemption value as provided for in subsection (c)(1) of this section.~~

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

30           ~~**44-34.1-3. Permanent oversight commission.**~~

31           ~~(a) There is created a permanent oversight commission on inventory taxes and automobile~~  
32 ~~excise taxes. The commission shall consist of the following members:~~

- 33           ~~(1) Chairperson of house finance committee, or designee;~~
- 34           ~~(2) Chairperson of senate finance committee, or designee;~~

- 1           ~~(3) Chairperson of the Rhode Island vehicle value commission;~~  
2           ~~(4) Three (3) members of the Rhode Island Assessors Association;~~  
3           ~~(5) Director of department of revenue, or designee;~~  
4           ~~(6) Chief of the division of property valuation and municipal finance, or designee;~~  
5           ~~(7) The president of the Rhode Island League of Cities and Towns, or designee;~~  
6           ~~(8) The administrator of the Rhode Island division of motor vehicles, or designee;~~  
7           ~~(9) The mayor of the city of Providence, or designee.~~

8           ~~(b) The purpose of the commission shall be to study and evaluate the phase out of the~~  
9 ~~automobile excise tax and to establish procedures when necessary to facilitate the phase out of the~~  
10 ~~tax by July 1, 2005.~~

11           ~~(c) The commission, at its first meeting, shall elect a chairperson from its membership.~~

12           ~~(d) The commission shall meet no less than two (2) times per year at the call of the~~  
13 ~~chairperson or upon the request of at least three (3) of its members.~~

14           ~~(e) The members shall receive no compensation for their services. All departments and~~  
15 ~~agencies of the state shall furnish advice and information, documentary or otherwise, to the~~  
16 ~~commission and its agents as is deemed necessary or desirable by the commission to facilitate the~~  
17 ~~purposes of the commission.~~

18           SECTION 5. Section 31-2-13 of the General Laws in Chapter 31-2 entitled "Division of  
19 Motor Vehicles" is hereby repealed.

20           ~~**31-2-13. Report to tax assessors of vehicles registered.**~~

21           ~~(a) As soon as practical after January 1 in every year, the division of motor vehicles shall~~  
22 ~~furnish, without charge, to the tax assessors of each city or town in this state, a statement of the~~  
23 ~~motor vehicles registered from that city or town on and after January 1 and through the thirty first~~  
24 ~~day of December of the previous year and the inclusive dates of their registration within this period.~~

25           ~~(b) The provisions of this section shall apply in all respects in the case of taxes assessed~~  
26 ~~upon motor vehicles by any fire district.~~

27           SECTION 6. This act shall take effect on July 1, 2023.

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

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- 1           This act would amend the reimbursements to cities, towns and fire districts from state
- 2 revenues for lost tax revenue due to any phase-out or reduction of the motor vehicle excise tax.
- 3           This act would take effect on July 1, 2023.

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