

1 city, town, or fire district at the time of the effective date of this chapter shall be disregarded in
2 order that any lost revenue to be reimbursed pursuant to this chapter for each respective city, town,
3 or fire district shall include revenue loss resulting from such pre-existing uniform exemptions.

4 **44-5.3-2. Reimbursement of lost tax revenue.**

5 (a) Beginning in fiscal year 2025 and for each fiscal year thereafter, cities, towns, and fire
6 districts shall receive reimbursements, as set forth in this section, from state general revenues for
7 lost tax revenues due to the reduction of the tangible property tax resulting from the statewide
8 exemption set forth in § 44-5.3-1.

9 (b) Beginning in fiscal year 2025, and for each fiscal year thereafter, cities, towns, and fire
10 districts shall receive a reimbursement equal to the tangible property levy for the assessment date
11 of December 31, 2022, minus the tangible personal property levy for the assessment date of
12 December 31, 2023.

13 (c) Reimbursements shall be distributed in full to cities, towns, and fire districts on
14 September 30, 2024 and every September 30 thereafter; provided, however, that reimbursement
15 shall not be provided to any city, town, or fire district in any year in which it has failed to provide
16 to the division of municipal finance its certified tax roll in accordance with § 44-5-22 or any other
17 information required by the division of municipal finance to calculate the reimbursement amount.

18 **44-5.3-3. Tangible property tax rate cap.**

19 (a) Notwithstanding any other provision of law to the contrary, the tax rate for the class of
20 property that includes tangible personal property for any city, town, or fire district shall be capped
21 and shall not exceed thereafter the tax rate in effect for the assessment date of December 31, 2022.

22 (b) Notwithstanding any other provision of law to the contrary, for assessment dates on and
23 after December 31, 2023, any city, town, or fire district shall be permitted to tax all other classes
24 of property, or where no classification has been enacted all other types of property, at a different
25 tax rate than the tax rate for tangible personal property required by subsection (a) of this section.

26 **44-5.3-4. Removal of certain limitations and requirements.**

27 For assessment dates on or after December 31, 2023, tangible tax rates shall be disregarded
28 for purposes of compliance with limitations on the extent to which the effective tax rate of one class
29 of property may exceed that of another, or requirements that the same percentage rate change be
30 applied across property classes from one year to the next, under § 44-5-11.8 or any other similar
31 statutory provision applicable to a city, town, or fire district.

32 **44-5.3-5. Application.**

33 The statewide exemption set forth in this chapter shall not apply to:

34 (1) Public service corporation tangible property subject to taxation pursuant to § 44-13-13;

1 [and](#)

2 [\(2\) Renewable energy resources and associated equipment subject to taxation pursuant to](#)
3 [§ 44-5-3\(c\).](#)

4 SECTION 2. Section 45-13-14 of the General Laws in Chapter 45-13 entitled "State Aid"
5 is hereby amended to read as follows:

6 **45-13-14. Adjustments to tax levy, assessed value, and full value when computing state**
7 **aid.**

8 (a) Whenever the director of revenue computes the relative wealth of municipalities for the
9 purpose of distributing state aid in accordance with title 16 and the provisions of § 45-13-12, he or
10 she shall base it on the full value of all property except:

11 (1) That exempted from taxation by acts of the general assembly and reimbursed under §
12 45-13-5.1, which shall have its value calculated as if the payment in lieu of tax revenues received
13 pursuant to § 45-13-5.1, has resulted from a tax levy;

14 (2) That whose tax levy or assessed value is based on a tax treaty agreement authorized by
15 a special public law or by reason of agreements between a municipality and the economic
16 development corporation in accordance with § 42-64-20 prior to May 15, 2005, which shall not
17 have its value included;

18 (3) That whose tax levy or assessed value is based on tax treaty agreements or tax
19 stabilization agreements in force prior to May 15, 2005, which shall not have its value included;

20 (4) That which is subject to a payment in lieu of tax agreement in force prior to May 15,
21 2005;

22 (5) Any other property exempt from taxation under state law;

23 (6) Any property subject to chapter 27 of title 44, taxation of Farm, Forest, and Open Space
24 Land; or

25 (7) Any property exempt from taxation, in whole or in part, under the provisions of
26 subsections (a)(51), (a)(66), or (c) of § 44-3-3, § 44-3-47, § 44-3-65, [§ 44-5.3-1](#), or any other
27 provision of law that enables a city, town, or fire district to establish a tangible personal property
28 exemption, which shall have its value calculated as the full value of the property minus the
29 exemption amount.

30 (b) The tax levy of each municipality and fire district shall be adjusted for any real estate
31 and personal property exempt from taxation by act of the general assembly by the amount of
32 payment in lieu of property tax revenue anticipated to be received pursuant to § 45-13-5.1 relating
33 to property tax from certain exempt private and state properties, and for any property subject to any
34 payment in lieu of tax agreements, any tax treaty agreements or tax stabilization agreements in

1 force after May 15, 2005, by the amount of the payment in lieu of taxes pursuant to such
2 agreements.

3 (c) Fire district tax levies within a city or town shall be included as part of the total levy
4 attributable to that city or town.

5 (d) The changes as required by subsections (a) through (c) of this section shall be
6 incorporated into the computation of entitlements effective for distribution in fiscal year 2007-2008
7 and thereafter.

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

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LC002716/SUB A
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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
A N A C T
RELATING TO TAXATION -- STATEWIDE TANGIBLE PROPERTY TAX EXEMPTION

1 This act would create a tax exemption of fifty thousand dollars (\$50,000) relating to
2 assessment of municipal tangible property commencing with the December 31, 2023, tax
3 assessment for taxes payable in calendar year 2024. The act would also provide for reimbursement
4 of the tax revenue lost by the municipalities and establish a tangible property tax rate cap.

5 This act would take effect upon passage.

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LC002716/SUB A
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