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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2025

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A N A C T

RELATING TO STATE AFFAIRS AND GOVERNMENT -- RHODE ISLAND COMMERCE
CORPORATION -- QUALIFIED DATA CENTERS LOCATION INCENTIVE

Introduced By: Representatives Finkelman, and Baginski

Date Introduced: March 14, 2025

Referred To: House Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 42-64-3 of the General Laws in Chapter 42-64 entitled "Rhode Island
2 Commerce Corporation" is hereby amended to read as follows:

3 **42-64-3. Definitions.**

4 As used in this chapter, the following words and terms shall have the following meanings,
5 unless the context indicates another or different meaning or intent:

6 (1) "Administrative penalty" means a monetary penalty not to exceed the civil penalty
7 specified in § 42-64-9.2.

8 (2) "Airport facility" means developments consisting of runways, hangars, control towers,
9 ramps, wharves, bulkheads, buildings, structures, parking areas, improvements, facilities, or other
10 real or personal property necessary, convenient, or desirable for the landing, taking off,
11 accommodation, and servicing of aircraft of all types, operated by carriers engaged in the
12 transportation of passengers or cargo, or for the loading, unloading, interchange, or transfer of the
13 passengers or their baggage, or the cargo, or otherwise for the accommodation, use or convenience
14 of the passengers or the carriers or their employees (including related facilities and
15 accommodations at sites removed from landing fields and other landing areas), or for the landing,
16 taking off, accommodation, and servicing of aircraft owned or operated by persons other than
17 carriers. It also means facilities providing access to an airport facility, consisting of rail, rapid
18 transit, or other forms of mass transportation which furnish a connection between the air terminal

1 and other points within the state, including appropriate mass transportation terminal facilities at
2 and within the air terminal itself and suitable offsite facilities for the accommodation of air
3 passengers, baggage, mail, express, freight, and other users of the connecting facility.

4 (3) “BOCA code” means the BOCA basic building code published By Building Officials
5 and Code Administrators International, Inc., as the code may from time to time be promulgated by
6 the Building Officials and Code Administrators International, Inc.

7 (4) “Bonds” and “notes” means the bonds, notes, securities, or other obligations or
8 evidences of indebtedness issued by the corporation pursuant to this chapter, all of which shall be
9 issued under the name of and known as obligations of the “Rhode Island commerce corporation.”

10 (5) “Civic facility” means any real or personal property designed and intended for the
11 purpose of providing facilities for educational, cultural, community, or other civic purposes.

12 (6) "Colocation tenant" means a person that contracts with the owner or operator of a
13 qualified data center to use or occupy all or part of a qualified data center for a period of at least
14 two (2) years.

15 ~~(7)~~ (7) “Compliance schedule” means a schedule of remedial measures including an
16 enforceable sequence of actions or operations leading to compliance with an effluent limitation or
17 any other limitation, prohibition, or standard.

18 ~~(8)~~ (8) “Corporation,” “port authority,” or “authority” means the governmental agency and
19 public instrumentality, formerly known as the “Rhode Island port authority and economic
20 development corporation” and/or also formerly known as the “Rhode Island economic development
21 corporation,” and now known as the Rhode Island commerce corporation authorized, created, and
22 established pursuant to § 42-64-4, or any subsidiary corporation thereof which is established
23 pursuant to § 42-64-7.1.

24 ~~(9)~~ (9) “Director” means the executive director of the economic development corporation
25 until such time that the secretary of commerce is appointed. Upon the appointment of a secretary
26 of commerce, “Director” means the chief executive officer of the Rhode Island commerce
27 corporation, who shall also be the secretary of the Rhode Island executive office of commerce.

28 (10) “Eligible qualified data center costs” means expenditures made on or after July 1,
29 2025, for the development, acquisition, construction, rehabilitation, including wages pursuant to §
30 39-26.9-5 for any direct and indirect qualified licensed labor for construction and installation of
31 data center equipment, renovation, repair or operation of a facility to be used as a qualified data
32 center, including the cost of land, buildings, site characterization and assessment, engineering
33 services, design services and data center equipment acquisitions. “Eligible qualified data center
34 costs” does not include expenditures made in connection with real or personal property that is

1 located outside the boundaries of the facility to be used as a qualified data center;

2 (11) “Enterprise information technology equipment” means:

3 (i) Hardware that support computing, networking or data storage functions, including
4 servers and routers;

5 (ii) Networking systems equipment that support computing, networking or data storage
6 functions and have an industry designation as equipment within the enterprise class or data center
7 class of networking systems; and

8 (iii) Generators and other equipment used to ensure an uninterrupted power supply for the
9 hardware and networking systems equipment.

10 (12) “Facility” means one or more contiguous tracts of land in the state and any structure
11 and person property contained on such land.

12 ~~(9)~~(13) “Federal land” means real property within the state, now acquired or hereafter
13 acquired by the Rhode Island commerce corporation which was formerly owned by the United
14 States government, or any agency or instrumentality thereof, including without limiting the
15 generality of the foregoing, any and all real property now or formerly owned or used by the United
16 States government in the towns of North Kingstown, Portsmouth, Middletown, and Charlestown
17 and the city of Newport as military installations or for other purposes related to the national defense.
18 Without limiting the generality of the foregoing, federal land shall also mean and include certain
19 land in the town of North Kingstown, or any portion thereof, which has or shall revert to the state
20 pursuant to the provisions of Public Laws 1939, chapter 696 and is now or hereafter acquired by
21 the corporation from the state.

22 ~~(10)~~(14) “Industrial facility” means any real or personal property, the demolition, removal,
23 relocation, acquisition, expansion, modification, alteration, or improvement of existing buildings,
24 structures, or facilities, the construction of new buildings, structures, or facilities, the replacement,
25 acquisition, modification, or renovation of existing machinery and equipment, or the acquisition of
26 new machinery and equipment, or any combination of the United States, which shall be suitable
27 for manufacturing, research, production, processing, agriculture, and marine commerce, or
28 warehousing; or convention centers, trade centers, exhibition centers, or offices (including offices
29 for the government of the United States or any agency, department, board, bureau, corporation, or
30 other instrumentality of the United States, or for the state or any state agency, or for any
31 municipality); or facilities for other industrial, commercial, or business purposes of every type and
32 description; and facilities appurtenant or incidental to the foregoing, including headquarters or
33 office facilities, whether or not at the location of the remainder of the facility, warehouses,
34 distribution centers, access roads, sidewalks, utilities, railway sidings, trucking, and similar

1 facilities, parking areas, waterways, dockage, wharfage, and other improvements necessary or
2 convenient for the construction, development, maintenance, and operation of those facilities.

3 ~~(14)~~(15) “Local governing body” means any town or city council, commission, or other
4 elective governing body now or hereafter vested by state statute, charter, or other law, with
5 jurisdiction to initiate and adopt local ordinances, whether or not these local ordinances require the
6 approval of the elected or appointed chief executive officer or other official or body to become
7 effective.

8 ~~(12)~~(16) “Local redevelopment corporation” means any agency or corporation created and
9 existing pursuant to the provisions of chapter 31 of title 45.

10 ~~(13)~~(17) “Municipality” means any city or town within the state now existing or hereafter
11 created, or any state agency.

12 (18) “Operator” means a person that contracts with the owner of a qualified data center to
13 operate such a qualified data center.

14 (19) “Owner” means a person that holds a leasehold estate in excess of fifty (50) years or
15 a fee title to a facility.

16 ~~(14)~~(20) “Parent corporation” means, when used in connection with a subsidiary
17 corporation established pursuant to § 42-64-7.1, the governmental agency and public
18 instrumentality created and established pursuant to § 42-64-4.

19 (21) “Person” means an individual, an estate, a trust, a receiver, a cooperative association,
20 a corporation, a company, a firm, a partnership, a limited partnership, a limited liability company,
21 a limited liability partnership or a joint venture.

22 ~~(15)~~(22) “Personal property” means all tangible personal property, new or used, including,
23 without limiting the generality of the foregoing, all machinery, equipment, transportation
24 equipment, ships, aircraft, railroad rolling stock, locomotives, pipelines, and all other things and
25 rights usually included within that term. “Personal property” also means and includes any and all
26 interests in the property which are less than full title, such as leasehold interests, security interests,
27 and every other interest or right, legal or equitable.

28 ~~(16)~~(23) “Pollutant” means any material or effluent which may alter the chemical, physical,
29 biological or radiological characteristics or integrity of water, including but not limited to, dredged
30 spoil, solid waste, incinerator residue, sewage, garbage, sewage sludge, munitions, chemical
31 wastes, biological materials, radioactive materials, heat, wrecked or discarded equipment, cellar
32 dirt, or industrial, municipal, agricultural or other waste petroleum or petroleum products,
33 including, but not limited to, oil.

34 ~~(17)~~(24) “Pollution” means the discharge of any gaseous, liquid, or solid substance or

1 combination thereof (including noise) into the air, water, or land which affects the physical,
2 chemical, or biological properties (including temperature) of the air, water, or land in a manner or
3 to an extent which renders or is likely to render the air, water, or land harmful or inimical to the
4 public health, safety, or welfare, or to animal, bird, or aquatic life, or to the use of the air or water
5 for domestic, industrial, or agricultural purposes or recreation including the man-made or man-
6 induced alteration of the chemical, physical, biological or radiological integrity of water.

7 ~~(18)~~(25) “Pollution control facility” means any land or interest in land, the demolition,
8 removal, relocation, acquisition, expansion, modification, alteration, or improvement of existing
9 buildings, structures, or facilities, the construction of new buildings, structures, or facilities, the
10 replacement, modification, or renovation of existing machinery and equipment, or the acquisition
11 of new machinery and equipment, or any combination thereof, having to do with or the purpose of
12 which is the abatement, control, or prevention of pollution, including industrial pollution, and all
13 real and personal property incidental to that facility.

14 ~~(19)~~(26) “Port facility” means harbors, ports, and all real and personal property used in
15 connection therewith, including, but not limited to, waterways, channels, wharves, docks, yards,
16 bulkheads, slips, basins, pipelines, ships, boats, railroads, trucks, and other motor vehicles, aircraft,
17 parking areas, shipyards, piers, quays, elevators, compressors, loading and unloading facilities,
18 storage facilities, and warehouses of every type, buildings and facilities used in the manufacturing,
19 processing, assembling, storing, or handling of any produce or products, other structures and
20 facilities necessary for the convenient use of the harbors and seaports, including dredged
21 approaches, railways, railroad terminals, side tracks, airports, roads, highways, tunnels, viaducts,
22 bridges, and other approaches, useful in connection therewith, and any other shipping or
23 transportation facility useful in the operation of a port or harbor.

24 ~~(20)~~(27) “Project” or “port project” means the acquisition, ownership, operation,
25 construction, reconstruction, rehabilitation, improvement, development, sale, lease, or other
26 disposition of, or the provision of financing for, any real or personal property (by whomever owned)
27 or any interests in real or personal property, including without limiting the generality of the
28 foregoing, any port facility, recreational facility, industrial facility, airport facility, pollution control
29 facility, utility facility, solid waste disposal facility, civic facility, residential facility, water supply
30 facility, energy facility or renewable energy facility, or any other facility, or any combination of
31 two (2) or more of the foregoing, or any other activity undertaken by the corporation.

32 ~~(21)~~(28) “Project cost” means the sum total of all costs incurred by the Rhode Island
33 commerce corporation in carrying out all works and undertakings, which the corporation deems
34 reasonable and necessary for the development of a project. These shall include, but are not

1 necessarily limited to, the costs of all necessary studies, surveys, plans, and specifications,
2 architectural, engineering, or other special services, acquisition of land and any buildings on the
3 land, site preparation and development, construction, reconstruction, rehabilitation, improvement,
4 and the acquisition of any machinery and equipment or other personal property as may be deemed
5 necessary in connection with the project (other than raw materials, work in process, or stock in
6 trade); the necessary expenses incurred in connection with the initial occupancy of the project; an
7 allocable portion of the administrative and operating expenses of the corporation; the cost of
8 financing the project, including interest on all bonds and notes issued by the corporation to finance
9 the project from the date thereof to one year from the date when the corporation shall deem the
10 project substantially occupied; and the cost of those other items, including any indemnity or surety
11 bonds and premiums on insurance, legal fees, real estate brokers and agent fees, fees and expenses
12 of trustees, depositories, and paying agent for bonds and notes issued by the Rhode Island
13 commerce corporation, including reimbursement to any project user for any expenditures as may
14 be allowed by the corporation (as would be costs of the project under this section had they been
15 made directly by the corporation), and relocation costs, all as the corporation shall deem necessary.

16 ~~(22)~~(29) "Project user" means the person, company, corporation, partnership, or
17 commercial entity, municipality, state, or United States of America who shall be the user of, or
18 beneficiary of, a port project.

19 (30) "Qualified data center" means a facility that is developed, acquired, constructed,
20 rehabilitated, renovated, repaired or operated, to house a group of networked computer services in
21 one physical location or multiple contiguous locations to centralize the storage, management and
22 dissemination of data and information pertaining to a particular business or classification or body
23 of knowledge.

24 (31) "Qualified data center equipment" means computer equipment, software and hardware
25 purchased or leased for the processing, storage, retrieval or communication of data including:

26 (i) Computer servers, routers, connections, chassis, networking equipment, switches,
27 racking, fiber optics and copper cables, trays, conduits and other enabling machinery, equipment
28 and hardware, regardless of whether such personal property is affixed to or incorporated into real
29 property;

30 (ii) Equipment used in the operation of computer equipment or software for the benefit of
31 a qualified data center, including component parts, replacement parts and upgrades, regardless of
32 whether the person property is affixed to or incorporated into real property;

33 (iii) Equipment necessary to the transformation, generation, distribution or management of
34 electricity that is required to operate computer servers and related equipment, including substations,

1 generators, uninterrupted energy equipment, supplies, conduits, fuel piping and storage, cabling,
2 duct banks, switches, switchboards, batteries and testing equipment;

3 (iv) Equipment necessary to cool and maintain a controlled environment for the operation
4 of computer servers and other equipment of a qualified data center, including chillers, mechanical
5 equipment, refrigerant piping, fuel piping and storage, adiabatic and free cooling systems, cooling
6 towers, water softeners, air handling units, indoor direct exchange units, fans, ducting and filters;

7 (v) Water conservation systems, including equipment designated to collect, conserve and
8 reuse water;

9 (vi) Conduit, ducting and fiber optic and copper cables located outside the qualified data
10 center, that are directly related to connecting one or more qualified data center locations;

11 (vii) Monitoring equipment and security systems;

12 (viii) Modular data centers and preassembled components of any item described in this
13 subsection, including components used in the manufacturing of modular data centers; and

14 (ix) Any other personal property, exclusive of motor vehicles, that is essential to the
15 operations of a qualified data center or that is acquired for incorporation into or used or consumed
16 in the operation of the qualified data center.

17 (32) “Qualified investment” means the aggregate, nonduplicative eligible data center costs
18 expended by an owner, operator and colocation tenant of a qualified data center.

19 ~~(23)~~(33) “Real property” means lands, structures (new or used), franchises, and interests in
20 land, including lands under water, and riparian rights, space rights, and air rights, and all other
21 things and rights usually included within the term. “Real property” shall also mean and include any
22 and all interests in that property less than fee simple, such as easements, incorporeal hereditaments,
23 and every estate, interest or right, legal or equitable, including terms for years and liens thereon by
24 way of judgments, mortgages or otherwise, and also all claims for damages to that real property.

25 ~~(24)~~(34) “Recreational facility” means any building, development, or improvement,
26 provided that building, facility, development, or improvement is designed in whole or in part to
27 attract tourists to the state or to provide essential overnight accommodations to transients visiting
28 this state, including, without limiting in any way the generality of the foregoing, marinas, beaches,
29 bathing facilities, ski facilities, convention facilities, hotels, motels, golf courses, camp grounds,
30 arenas, theatres, lodges, guest cottages, and all types of real or personal property related thereto as
31 may be determined from time to time by the corporation.

32 ~~(25)~~(35) “Renewable energy facility” means any real or personal property, or any
33 combination thereof, related to, or incidental to, any project, designed, intended, or utilized for an
34 eligible renewable energy resource that meets the criteria set forth in §§ 39-26-5(a) and 39-26-5(c).

1 ~~(26)~~(36) “Revenues” means: (i) with respect to any project, the rents, fees, tolls, charges,
2 installment payments, repayments, and other income or profit derived from a project or a
3 combination of projects pursuant to any lease, conditional sales contract, installment sales contract,
4 loan agreement, or other contract or agreement, or any combination thereof, and (ii) any receipts,
5 fees, payments, moneys, revenues, or other payments received or to be received by the corporation
6 in the exercise of its corporate powers under this chapter, including, without limitation, loan
7 repayments, grants, aid, appropriations and other assistance for the state, the United States or any
8 corporation, department or instrumentality of either or of a political subdivision thereof, bond
9 proceeds, investment earnings, insurance proceeds, amounts in reserves and other funds and
10 accounts established by or pursuant to this chapter or in connection with the issuance of bonds, and
11 any other taxes, assessments, fees, charges, awards or other income or amounts received or
12 receivable by the corporation.

13 ~~(27)~~(37) “Rule or regulation” means any directive promulgated by the Rhode Island
14 commerce corporation not inconsistent with the laws of the United States or the state, for the
15 improvement of navigation and commerce or other project purposes and shall include, but not be
16 limited to, charges, tolls, rates, rentals, and security provisions fixed or established by the
17 corporation.

18 ~~(28)~~(38) “Sewage” shall be construed to mean the same as “pollutant” as defined in
19 subsection (16) above.

20 ~~(29)~~(39) “Sewage treatment facility” means the sewage treatment plant, structure,
21 combined sewer overflows, equipment, interceptors, mains, pumping stations and other property,
22 real, personal or mixed, for the treatment, storage, collection, transporting or disposal of sewage,
23 or any property or system to be used in whole or in part for any of the aforesaid purposes located
24 or operated within the boundaries of the Quonset Point/Davisville Industrial Park, or utilized by
25 the corporation for the transport, collection, treatment, storage, or disposal of waste.

26 ~~(30)~~(40) “Solid waste” means garbage, refuse, and other discarded materials, including,
27 but not limited to, solid waste materials resulting from industrial, recreational, utility, and
28 commercial enterprises, hotels, apartments, or any other public building or private building, or
29 agricultural, or residential activities.

30 ~~(31)~~(41) “Solid waste disposal facility” means any real or personal property, related to or
31 incidental to any project, which is designed or intended or designated for the purpose of treating,
32 compacting, composting, or disposing of solid waste materials, including treatment, compacting,
33 composting, or disposal plants, site and equipment furnishings thereof, and their appurtenances.

34 ~~(32)~~(42) “Source” means any building, structure, facility, or installation from which there

1 is or may be the discharge of sewage.

2 ~~(33)~~(43) “State” means the state of Rhode Island.

3 ~~(34)~~(44) “State agency” means any office, department, board, commission, bureau,
4 division, authority, or public corporation, agency, or instrumentality of the state.

5 ~~(35)~~(45) “State guide plan” means the plan adopted pursuant to § 42-11-10, which
6 establishes the statewide planning program.

7 ~~(36)~~(46) “Utility facility” means any real or personal property designed, intended or
8 utilized for generating, manufacturing, producing, storing, transmitting, distributing, delivering, or
9 furnishing natural or manufactured gas, steam, electrical, or nuclear energy, heat, light, or power
10 directly or indirectly to or for any project, project user, or for the public, the collection and disposal
11 of storm and sanitary sewage; any railroads necessary or desirable for the free flow of commerce
12 to and from projects; any roads, highways, bridges, tunnels, viaducts, or other crossings necessary
13 or desirable for the free flow of commerce to and from projects, and any public transportation
14 systems or facilities, including, but not limited to, bus, truck, ferry, and railroad terminals, depots,
15 tracked vehicles, and other rolling stock and ferries; and any appurtenances, equipment, and
16 machinery or other personal property necessary or desirable for the utilization thereof.

17 ~~(37)~~(47) “Water supply facility” means any real or personal property, or any combination
18 thereof, related to or incidental to any project, designed, intended, or utilized for the furnishing of
19 water for domestic, industrial, irrigation, or other purposes and including artesian wells, reservoirs,
20 dams, related equipment, and pipelines, and other facilities.

21 SECTION 2. Chapter 42-64 of the General Laws entitled "Rhode Island Commerce
22 Corporation" is hereby amended by adding thereto the following section:

23 **42-64-43. Qualified data center location incentive.**

24 (a) Any person that anticipates it will own, operate or be a colocation tenant in a qualified
25 data center in this state may apply to the corporation to enter into an agreement in accordance with
26 the provisions of this section, for an exemption from taxes imposed under chapter 3 of title 44
27 ("property subject to taxation") and chapter 18 of title 44 ("sales and use taxes").

28 (b)(1) Any person described in subsection (a) of this section that seeks an exemption shall
29 apply to the corporation, in a manner and form prescribed by the secretary of commerce. If the
30 corporation approves such an application, the secretary of commerce shall enter into an agreement
31 with such persons, provided such person demonstrates to the satisfaction of the secretary of
32 commerce that:

33 (i) The facility to be developed, acquired, constructed, rehabilitated, renovated, repaired or
34 operated shall be used as a qualified data center; and;

1 (ii) The qualified data center shall make, on or before the fifth anniversary of the date an
2 agreement entered into pursuant to this section becomes effective, a qualified investment of at least:
3 (A) Two hundred million dollars (\$200,000,000) provided the qualified data center is
4 located in an enterprise zone pursuant to chapter 64.3 of title 42 ("distressed areas economic
5 revitalization act") or a federal qualified opportunity zone designated pursuant to the Tax Cuts and
6 Jobs Act of 2017 Pub L. 115-97, as amended from time to time; or
7 (B) Four hundred million dollars (\$400,000,000) provided the qualified data center is not
8 located in an enterprise zone or federal qualified opportunity zone.
9 (2) Any agreement entered into pursuant to this subsection shall:
10 (i) Be for a period of no less than thirty (30) years and no greater than fifty (50) years from
11 the date an agreement entered into pursuant to this section becomes effective, which may be in the
12 year in which the construction, rehabilitation, renovation or repair of a qualified data center
13 commences;
14 (ii) Include a five (5) year qualifying period, from the date of an agreement entered into
15 pursuant to this section becomes effective, for the applicable qualified investment amount set forth
16 in subsection (b)(1)(ii) of this section to be reached;
17 (iii) Include the payment of an annual fee by the qualified data center, to be determined
18 annually by the corporation and not to exceed twenty-five thousand dollars (\$25,000), for the
19 administrative and operational costs of the corporation for the administration of this chapter. The
20 fee shall be paid by the qualified data center to the secretary of commerce during each year of such
21 qualifying period or until the applicable qualified investment amount set forth in subsection
22 (b)(1)(ii) of this section is reached, whichever is sooner;
23 (iv) Included a detailed description of the capital project that is the subject of the
24 agreement;
25 (v) Provide that the provisions of agreement are applicable, within the time period such
26 agreement is effective and for the remaining duration of such time period, to any:
27 (A) Subsequent owner of the qualified data center;
28 (B) Operator or affiliate of the operator of the qualified data center; or
29 (C) Colocation tenant, provided the facility continues to be used as a qualified data center;
30 and
31 (D) Include provisions for the assessments and payment of the taxes exempted pursuant to
32 such agreement and the rates or amounts of penalties and interest to be imposed thereon, if the
33 corporation determines that the requirements of the agreement or of a qualified data center are not
34 being met or have not been met.

1 (3) If a qualified data center makes a qualified investment of at least:

2 (i) Two hundred million dollars (\$200,000,000) if the qualified data center is located in an
3 enterprise zone designated pursuant to chapter 64.3 of title 42 ("distressed areas economic
4 revitalization act") or a federal qualified opportunity zone designated pursuant to the Tax Cuts and
5 Jobs Act of 2017, Pub. L. 115-97, as amended from time to time; or

6 (ii) Four hundred million dollars (\$400,000,000) if the qualified data center is not located
7 in an enterprise zone or federal qualified opportunity zone, the agreement entered into with the
8 corporation pursuant to this section shall be effective for no less than thirty (30) years and not more
9 than to fifty (50) years.

10 (4) Any qualified data center that enters into an agreement pursuant to this section and
11 makes the applicable qualified investment amount set forth in subsection (b)(3) of this section, and
12 any operator or affiliate of and colocation tenant of such qualified data center, shall be exempt from
13 any financial transactions tax or fee that may be imposed by the state on trades of stocks, bonds,
14 derivatives and other financial products. The exemption under this section shall be effective for a
15 period of up to fifty (50) years from the date of the construction, rehabilitation, renovation or repair
16 of a facility is completed, as determined by the corporation. The corporation may incorporate the
17 provisions of this section into the agreement entered into herein or amend an existing agreement
18 with a qualified data center to incorporate the provisions of this section.

19 (5) The secretary of commerce, or designee, shall:

20 (i) Serve as the liaison between applicants and qualified data centers and other state
21 agencies:

22 (ii) Provide assistance to applicants and qualified data centers from the preapplication
23 phase to the post-operational stage; and

24 (iii) Seek to ensure coordinated, efficient and timely responses to applicants and qualified
25 data centers.

26 (c)(1) With respect to the exemption of taxes imposed under chapter 18 of title 44, the
27 secretary of commerce shall notify the tax administrator of any person that has entered into an
28 agreement pursuant to this section. The tax administrator shall provide to the person a certificate
29 that exempts the person, and any contractor or subcontractor of the person, from taxes for the sale
30 of and the storage, use or other consumption in this state of qualified data center equipment acquired
31 for incorporation into or used and consumed in the development, acquisition, construction,
32 rehabilitation, renovation, repair or operation of a facility that is used or to be used as a qualified
33 data center; and

34 (2) The certificate provided pursuant to this section shall apply, during the time period the

1 agreement is effective, to:

2 (i) Any additional building or structure at a qualified data center to be developed, acquired,
3 constructed, rehabilitated, renovated, repaired or operated, to house a group of networked computer
4 servers, regardless of whether such development, acquisition, construction, rehabilitation,
5 renovation, repair or operation was contemplated at the time of entering into the agreement; and

6 (ii) Any additional qualified data center equipment, services and electricity acquired or
7 used by such qualified data center after the date the agreement was entered into.

8 (d)(1) With respect to the exemption from the tax imposed under chapter 3 of title 44
9 ("property subject to taxation"), the exemption shall apply to:

10 (i) Real property, buildings or structures, located within or at a qualified data center; and

11 (ii) Enterprise information technology equipment used by a qualified data center.

12 (2) The exemption under this subsection shall apply, during the time period the agreement
13 entered into pursuant to subsection (b) of this section is effective to:

14 (i) Any additional building or structure at a qualified data center that is developed,
15 acquired, constructed, rehabilitated, renovated, repaired or operated, to house a group of networked
16 computer servers, regardless of whether any such development, acquisition, construction,
17 rehabilitation, renovation, repair or operation was contemplated at the time of entering into the
18 agreement;

19 (ii) Any additional enterprise information technology equipment used by a qualified data
20 center that is acquired after the date the agreement was entered into; and

21 (iii) Any additional facility acquired by the owner of a qualified data center for the
22 development, construction, rehabilitation, renovation, repair or operation of a qualified data center,
23 after the date of the agreement was entered into, provided such owner enters into a negotiated host
24 municipality fee agreement as required under this section for each such additional facility.

25 (3) The secretary of commerce shall notify each municipality in which a facility is located
26 of any agreement entered into pursuant to this section and shall provide the identity of the person
27 with which the secretary has entered into an agreement, the date the agreement is effective and the
28 terms of the agreement with respect to the exemption from the tax imposed under chapter 3 of title
29 44 ("property subject to taxation").

30 (4)(i) No developer or owner shall commence construction, rehabilitation, renovation or
31 repair of a facility that shall be a qualified data center unless the owner has entered into a negotiated
32 host municipality fee agreement with the municipality in which the facility is located. The owner
33 shall enter into a negotiated host municipality fee agreement for each additional facility that shall
34 be a qualified data center that the owner acquires. If a facility is located in contiguous

1 municipalities, the owner shall enter into a negotiated host municipality fee agreement for each
2 additional facility that shall be a qualified data center that the owner acquires. If a facility is located
3 in contiguous municipalities, such owner shall enter into a negotiated host municipality fee
4 agreement with each such municipality.

5 (ii) Each negotiated host municipality fee agreement shall include provisions for the
6 assessment and payment of the tax under chapter 3 of title 44 ("property subject to taxation")
7 exempted pursuant to the agreement entered into pursuant to subsection (b) of this section, and the
8 rates or amounts of penalties and interest to be imposed thereon, if the legislative body of the
9 municipality in which the qualified data center is located determines that the requirements of the
10 negotiated host municipality fee agreement are not being met or have not been met.

11 (5) The chief elected official of the municipality in which a qualified data center is located
12 shall notify the qualified data center if the legislative body of the municipality determines the
13 requirements of a negotiated host municipality fee agreement entered into pursuant to the
14 provisions of this subsection are not being met or have not been met. The qualified data center shall
15 cure the noncompliance not later than one hundred eighty (180) days after the date of such
16 notification. If the legislative body of such municipality determines the noncompliance has not
17 been cured, the negotiated host municipality fee agreement shall be terminated.

18 (6) Upon termination of a negotiated host municipality fee agreement pursuant to the
19 provisions of this subsection or subsection (e)(2) of this section, the qualified data center, the owner
20 of the property on which the qualified data center is located or the owner's successors or assigns
21 shall be subject to the tax imposed under chapter 3 of title 44 ("property subject to taxation") and
22 shall be liable for the payment of the taxes on the property that was exempted from taxation, from
23 the date of noncompliance under subsection (d)(5) of this section or the date of termination under
24 subsection (e)(2) of this section, as applicable. Such liability shall attach to the property as a charge
25 thereon. The tax and any related penalty and interest shall be due, payable and collectible as other
26 municipal taxes and subject to the same liens and processes of collection.

27 (e)(1) If the corporation terminates an agreement entered into pursuant to subsection (b) of
28 this section due to making the determination that the requirements of the agreement or of a qualified
29 data center are not being met or have not been met the secretary of commerce shall notify the tax
30 administrator and the chief elected official of the municipality in which the applicable qualified
31 data center is located of the termination.

32 (2) Any negotiated host municipality fee agreement entered into pursuant to subsection
33 (d)(4) of this section by such qualified data center shall be terminated as of the date of the agreement
34 entered into pursuant to subsection (b) of this section is terminated. The municipality in which the

1 qualified data center is located may use any remedy authorized by the general laws to secure the
2 interest of the municipality and recover the amount of any fee, tax, penalty and interest that become
3 due and owing to the municipality due to the termination.

4 (3) The amount of taxes under chapter 18 of title 44 ("sales and use taxes-liability and
5 computation"), penalty or interest that becomes due and owing pursuant to the termination by the
6 corporation of an agreement entered into pursuant to subsection (b) of this section may be collected
7 by the tax administrator under the provisions of chapter 1 of title 44 ("state tax officials"). The
8 amount of any such tax, penalty or interest shall be a lien on the real estate of the qualified data
9 center from the last day of the month next proceeding the due date of such tax until the tax is paid.
10 The tax administrator may record the lien in the records of any municipality in which the real estate
11 of the qualified data center is located but no lien pursuant to the provisions of this subsection shall
12 be enforceable against a bona fide purchaser or qualified encumbrancer of the real estate. When
13 any tax with respect to which a lien has been recorded under the provisions of this subsection has
14 been satisfied, the tax administrator shall, upon request of any interested party, issue a certificate
15 discharging the lien, which certificate shall be recorded in the same office in which the lien was
16 recorded. Any action for the foreclosure of the lien shall be brought by the attorney general in the
17 name of the state in the superior court for the county in which the real estate subject to the lien is
18 located, or, if the property is located in two (2) or more counties, in the superior court for one of
19 the counties, and the court may limit the time for redemption or order the sale of the real estate or
20 make such other or further decree as it judges equitable.

21 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 STATE AFFAIRS AND GOVERNMENT -- RHODE ISLAND COMMERCE
CORPORATION -- QUALIFIED DATA CENTERS LOCATION INCENTIVE

1 This act would create qualified data centers, a facility that is developed, acquired,
2 constructed, rehabilitated, renovated, repaired or operated, to house a group of networked computer
3 services in one physical location or multiple contiguous locations to centralize the storage,
4 management and dissemination of data and information pertaining to a particular business or
5 classification or body of knowledge. The act establishes tax exemptions, for said centers, to be
6 approved by the commerce corporation.

7 This act would take effect upon passage.

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