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S T A T E O F R H O D E I S L A N D

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2026

A N A C T

RELATING TO AGRICULTURE AND FORESTRY -- FORESTRY AND FOREST PARITY ACT

Introduced By: Senators Ciccone, Burke, Famiglietti, Raptakis, Tikoian, and Bissaillon

Date Introduced: April 03, 2026

Referred To: Senate Finance

It is enacted by the General Assembly as follows:

SECTION 1. Legislative findings.

The general assembly finds and declares:

(1) That maintaining forests is vital to maintain both biodiversity, and ecosystem services, including carbon sequestration in the state;

(2) That forests are more likely to be maintained if they provide economic value;

(3) That providing for the economic viability of the forest products industry is an interest of the state;

(4) That forest conservation is given the same status as farm and open space conservation under chapter 27 of title 44 ("taxation of farm, forest, and open space land"); however, elsewhere in the general laws, forestry, and the production of forest products, are not given the same benefits, including protections from taxation, and protections as agriculture; and

(5) That it is in the interest of the state, in order to protect economic viability of forests and to provide for their conservation for the future benefit and enjoyment of the people of the state.

SECTION 2. Title 2 of the General Laws entitled "AGRICULTURE AND FORESTRY" is hereby amended by adding thereto the following chapter:

CHAPTER 27.1

FORESTRY AND FOREST PARITY ACT

2-27.1-1. Short title.

This chapter shall be known and may be cited as the "Forestry Parity Act."

2-27.1-2. Purpose.

It is the purpose of this chapter to provide parity of treatment, under the law, with farming and agriculture operations, to forestry and forest product operations.

2-27.1-3. Definitions.

When used in this chapter, the following words and phrases are construed as follows:

(1) "Forest-based business" shall have the same meaning as defined in § 2-27-2.

(2) "Forest land" shall have the same meaning as defined in § 2-27-2.

(3) "Forest management" shall have the same meaning as defined in § 2-27-2.

(4) "Forest product operations" means any and all trade occupations involving the harvesting, production, maintaining, and sale of forest products originating in the state, including, but not limited to:

(i) Arboriculture and logging; and

(ii) Kiln drying, operations of firewood, saw milling, lumber, pallets, biochar, mulch, compost, biomass, wood chips, saw dust, timbers, posts, beams, shingles, and artisan tree carvings, seasonal greens and berries.

(5) "Forest property owner" means a person who owns "forest land" or leases "forest land" for a period of five (5) years or more, which lease permits the conduct of some or all "forest product operations" on the "forest land".

(6) "Person" shall have the same meaning as defined in § 43-3-6.

2-27.1-4. Declaration of policies.

The general assembly finds and declares that it is the policy of the state to promote an environment in which forest operations and forest-based businesses are safeguarded against nuisance actions arising out of conflicts between forestry operations and urban and suburban land uses, in a manner consistent with the provisions of chapter 23 of title 2 ("right to farm act"), and to protect forest landowners with forest management plans from state administrative actions and regulations above and beyond the restrictions on farms and agricultural operations on the same subject.

2-27.1-5. Intentional and negligent actions.

The provisions of this chapter do not apply to forestry operations conducted in a malicious or negligent manner, or to forestry operations conducted in violation of federal or state law.

SECTION 3. Chapter 31-1 of the General Laws entitled "Definitions and General Code Provisions" is hereby amended by adding thereto the following section:

31-1-8.1. Forestry vehicle.

"Forestry vehicle" means every vehicle which is designed for and used for forest product operations purposes, as defined in § 2-27.1-3, and used by the owner of the vehicle or family member(s) or employee(s) or designees of the owner, in the conduct of the owner's forestry product operations, which use shall include the delivery of forest products produced by the forester but shall not include commercial hire for non-forestry product operation uses, including, but not limited to, hauling of sand and gravel, snow plowing, other than directly on the vehicle owner's forest land. For an owner to qualify as having forestry purposes, the owner shall provide evidence that the owner meets the requirements of § 44-18-30.

SECTION 4. Section 42-64-5 of the General Laws in Chapter 42-64 entitled "Rhode Island Commerce Corporation" is hereby amended to read as follows:

42-64-5. Purposes.

The Rhode Island commerce corporation is authorized, created, and established to be an agency under the jurisdiction of the state's lead agency for economic development, the executive office of commerce, and to be the operating agency of the state to carry out the policies and procedure as established by the secretary, governor, and the board of directors for the following purposes:

(1) To promote and encourage the preservation, expansion, and sound development of new and existing industry, business, commerce, agriculture, forestry, tourism, and recreational facilities in the state, which will promote the economic development of the state and the general welfare of its citizens; and

(2) With respect to real property other than federal land or land related to federal land, to undertake any project, except a residential facility; and

(3) With respect to federal land or land related to federal land, to undertake any project, except as those responsibilities are assigned to the Quonset Development Corporation; and

(4) To create an organization that is responsive to the needs and interests of businesses of all sizes within the state of Rhode Island and to be structured to be customer centric to enhance commerce in the state utilizing all available resources.

SECTION 5. Section 44-5-12.1 of the General Laws in Chapter 44-5 entitled "Levy and Assessment of Local Taxes" is hereby amended to read as follows:

44-5-12.1. Assessment of tangible personal property.

(a) All tangible personal property subject to taxation shall be assessed for taxation based on the original purchase price (new or used) including all costs such as freight and installation. Assets will be classified and depreciated as defined in this section.

(b) The following classification and depreciation table shall be used in determining the

assessed value of tangible personal property.

State of Rhode Island Tangible Property Classification

	Class I	Class II	Class III
Class of Assets	Short Life	Mid-Life	Long Life
Age	1-5 yrs	6-12 yrs	13+ yrs
1	95	95	95
2	80	90	90
3	60	80	85
4	30	70	80
5	20	60	75
6	20	50	70
7	20	40	65
8	20	30	60
9	20	30	55
10	20	30	50
11	20	30	45
12	20	30	40
13	20	30	35
14	20	30	30
15+	20	30	30

Assets Shall Not be Trended

(c) Assets shall be classified on an annual basis by the Rhode Island Association of Assessing Officers' Personal Property Committee based on the following table:

INDUSTRY GROUP IN YEARS	CLASS
Agriculture and forestry machinery and equipment	II
Aircraft and all helicopters	II
Amusement and theme parks	II
Apparel and fabricated textile manufacturing	II
Automobile repair shops	II
Bakeries and confectionery production	II
Barber and beauty shops	II
Billboards	III
Brewery equipment not used directly in manufacturing	II
Cable television, headend facilities:	II

Microwave systems	II
Program origination	II
Service and test	II
Subscriber connection and distribution	II
Canneries and frozen food production	II
Cement processing	III
Chemical and allied production	II
Clay products processing	III
Cold storage and ice-making equipment	III
Cold storage warehouse equipment	II
Computers, personal computers (PC), laptops, tablets, cellphones, mainframe/servers, peripherals, keyboard, mouse	I
Condiments, processing	II
Construction equipment, general construction, backhoes, forklifts, loaders, cranes, unregistered vehicles	II
Dairy products processing	II
Data handling equipment, except computers	II
printers, copiers, bridges, routers and gateways	II
Distilling	II
Electrical equipment not used in manufacturing	II
Electronic equipment	II
Fabricated metal products/special tools	II
Fishing equipment, excluding boats and barges, lines, nets	I
Food and beverage production	II
Fur processing	II
Gas distribution, total distribution equipment	III
Glass and glass products/special tools	II
Grain and grain mill products processing	III
Gypsum products	III
Hand tools	II
Hospital furnishings and equipment	II
Hotel and motel furnishings and equipment	II
Jewelry products and pens	II
Knitwear and knit products, ex, work uniforms	I

1	Laundry equipment	II
2	Leather and leather products	II
3	Logging, timber cutting	II
4	Marine construction	II
5	Meatpacking	II
6	Medical and dental supply production	II
7	Metalworking machinery processing	II
8	Mining and quarrying	II
9	Motion picture and television production	II
10	Motor vehicle and parts/special tools	II
11	Office furniture and equipment	II
12	Optical lenses and instrument processing	II
13	Paints and varnishes	I
14	Petroleum refining	III
15	pipeline transportation	III
16	Plastics manufacturing	I/II
17	Plastic products processing/special tools	II
18	Primary metals production, nonferrous and foundry products	III
19	special tools	III
20	Primary steel mill products	III
21	Printing and publishing	II
22	Professional and scientific instruments	II
23	Radio and television, broadcasting	II
24	Railroad transportation equipment	II
25	locomotive	II
26	Recreation and amusement	II
27	Retail trades, fixtures and equipment	II
28	Residential furniture	II
29	Restaurant and bar equipment	II
30	Restaurant equipment, fast foods	II
31	Rubber products processing/special tools	II
32	Sawmills, permanent/portable	II
33	Service establishments	II
34	Ship and boat building equipment/special tools	II

Soft drink processing and bottling	II
Stone products processing	III
Telecommunications, local and interstate	II
analog switching	II
circuit, digital, analog, optic	II
information/origination equipment	I/II
smart phones	I
metallic cable	III
fiber cable, poles, conduit	III
all other equipment	II
Telecommunications, cellular	
analog/digital switching	II
radio frequency channel and control	II
power equipment	II
antennae	II
towers	III
transmission equipment	II
cellular phones	I
Textile products, including finishing and dyeing	II
yarn, thread and woven fabrics	II
Theater equipment	II
Utilities/power production	III
generation, transmission, or distribution equipment	III
Waste reduction and resource recovery	II
Water transportation	III
vessels, barges and tugs	III
Water utilities	III
Wharves, docks and piers	III
Wholesale trade fixtures and equipment	II
Wood products and furniture manufacturing	II

(d) Any industry, group, or asset not enumerated in subsection (c) of this section, shall be categorized as class II.

SECTION 6. Chapter 44-5 of the General Laws entitled "Levy and Assessment of Local Taxes" is hereby amended by adding thereto the following section:

44-5-42.2. Exemption of certain forestry product operations property.

(a) All forestry product operations machinery, including motor vehicles with farm plates, is exempt from taxation.

(b) Cities and towns may tax forestry product operations buildings at a rate that reflects the actual costs incurred by the city or town in providing services to those buildings.

SECTION 7. Section 44-18-30 of the General Laws in Chapter 44-18 entitled "Sales and Use Taxes — Liability and Computation" is hereby amended to read as follows:

44-18-30. Gross receipts exempt from sales and use taxes.

There are exempted from the taxes imposed by this chapter the following gross receipts:

(1) Sales and uses beyond constitutional power of state. From the sale and from the storage, use, or other consumption in this state of tangible personal property the gross receipts from the sale of which, or the storage, use, or other consumption of which, this state is prohibited from taxing under the Constitution of the United States or under the constitution of this state.

(2) Newspapers.

(i) From the sale and from the storage, use, or other consumption in this state of any newspaper.

(ii) “Newspaper” means an unbound publication printed on newsprint that contains news, editorial comment, opinions, features, advertising matter, and other matters of public interest.

(iii) “Newspaper” does not include a magazine, handbill, circular, flyer, sales catalog, or similar item unless the item is printed for, and distributed as, a part of a newspaper.

(3) School meals. From the sale and from the storage, use, or other consumption in this state of meals served by public, private, or parochial schools, school districts, colleges, universities, student organizations, and parent-teacher associations to the students or teachers of a school, college, or university whether the meals are served by the educational institutions or by a food service or management entity under contract to the educational institutions.

(4) Containers.

(i) From the sale and from the storage, use, or other consumption in this state of:

(A) Non-returnable containers, including boxes, paper bags, and wrapping materials that are biodegradable and all bags and wrapping materials utilized in the medical and healing arts, when sold without the contents to persons who place the contents in the container and sell the contents with the container.

(B) Containers when sold with the contents if the sale price of the contents is not required to be included in the measure of the taxes imposed by this chapter.

(C) Returnable containers when sold with the contents in connection with a retail sale of

the contents or when resold for refilling.

(D) Keg and barrel containers, whether returnable or not, when sold to alcoholic beverage producers who place the alcoholic beverages in the containers.

(ii) As used in this subdivision, the term "returnable containers" means containers of a kind customarily returned by the buyer of the contents for reuse. All other containers are "non-returnable containers."

(5)(i) Charitable, educational, and religious organizations. From the sale to, as in defined in this section, and from the storage, use, and other consumption in this state, or any other state of the United States of America, of tangible personal property by hospitals not operated for a profit; "educational institutions" as defined in subdivision (18) not operated for a profit; churches, orphanages, and other institutions or organizations operated exclusively for religious or charitable purposes; interest-free loan associations not operated for profit; nonprofit, organized sporting leagues and associations and bands for boys and girls under the age of nineteen (19) years; the following vocational student organizations that are state chapters of national vocational student organizations: Distributive Education Clubs of America (DECA); Future Business Leaders of America, Phi Beta Lambda (FBLA/PBL); Future Farmers of America (FFA); Future Homemakers of America/Home Economics Related Occupations (FHA/HERD); Vocational Industrial Clubs of America (VICA); organized nonprofit golden age and senior citizens clubs for men and women; and parent-teacher associations; and from the sale, storage, use, and other consumption in this state, of and by the Industrial Foundation of Burrillville, a Rhode Island domestic nonprofit corporation.

(ii) In the case of contracts entered into with the federal government, its agencies, or instrumentalities, this state, or any other state of the United States of America, its agencies, any city, town, district, or other political subdivision of the states; hospitals not operated for profit; educational institutions not operated for profit; churches, orphanages, and other institutions or organizations operated exclusively for religious or charitable purposes, the contractor may purchase such materials and supplies (materials and/or supplies are defined as those that are essential to the project) that are to be utilized in the construction of the projects being performed under the contracts without payment of the tax.

(iii) The contractor shall not charge any sales or use tax to any exempt agency, institution, or organization but shall in that instance provide his or her suppliers with certificates in the form as determined by the division of taxation showing the reason for exemption and the contractor's records must substantiate the claim for exemption by showing the disposition of all property so purchased. If any property is then used for a nonexempt purpose, the contractor must pay the tax on the property used.

(6) Gasoline. From the sale and from the storage, use, or other consumption in this state of: (i) Gasoline and other products taxed under chapter 36 of title 31 and (ii) Fuels used for the propulsion of airplanes.

(7) Purchase for manufacturing purposes.

(i) From the sale and from the storage, use, or other consumption in this state of computer software, tangible personal property, electricity, natural gas, artificial gas, steam, refrigeration, and water, when the property or service is purchased for the purpose of being manufactured into a finished product for resale and becomes an ingredient, component, or integral part of the manufactured, compounded, processed, assembled, or prepared product, or if the property or service is consumed in the process of manufacturing for resale computer software, tangible personal property, electricity, natural gas, artificial gas, steam, refrigeration, or water.

(ii) "Consumed" means destroyed, used up, or worn out to the degree or extent that the property cannot be repaired, reconditioned, or rendered fit for further manufacturing use.

(iii) "Consumed" includes mere obsolescence.

(iv) "Manufacturing" means and includes: manufacturing, compounding, processing, assembling, preparing, or producing.

(v) "Process of manufacturing" means and includes all production operations performed in the producing or processing room, shop, or plant, insofar as the operations are a part of and connected with the manufacturing for resale of tangible personal property, electricity, natural gas, artificial gas, steam, refrigeration, or water and all production operations performed insofar as the operations are a part of and connected with the manufacturing for resale of computer software.

(vi) "Process of manufacturing" does not mean or include administration operations such as general office operations, accounting, collection, or sales promotion, nor does it mean or include distribution operations that occur subsequent to production operations, such as handling, storing, selling, and transporting the manufactured products, even though the administration and distribution operations are performed by, or in connection with, a manufacturing business.

(8) State and political subdivisions. From the sale to, and from the storage, use, or other consumption by, this state, any city, town, district, or other political subdivision of this state. Every redevelopment agency created pursuant to chapter 31 of title 45 is deemed to be a subdivision of the municipality where it is located.

(9) Food and food ingredients. From the sale and storage, use, or other consumption in this state of food and food ingredients as defined in § 44-18-7.1(*l*).

For the purposes of this exemption "food and food ingredients" shall not include candy, soft drinks, dietary supplements, alcoholic beverages, tobacco, food sold through vending

machines, or prepared food, as those terms are defined in § 44-18-7.1, unless the prepared food is:

(i) Sold by a seller whose primary NAICS classification is manufacturing in sector 311, except sub-sector 3118 (bakeries);

(ii) Sold in an unheated state by weight or volume as a single item;

(iii) Bakery items, including: bread, rolls, buns, biscuits, bagels, croissants, pastries, donuts, danish, cakes, tortes, pies, tarts, muffins, bars, cookies, tortillas; and

is not sold with utensils provided by the seller, including: plates, knives, forks, spoons, glasses, cups, napkins, or straws.

(10) Medicines, drugs, and durable medical equipment. From the sale and from the storage, use, or other consumption in this state, of:

(i) "Drugs" as defined in § 44-18-7.1(h)(i), sold on prescriptions, medical oxygen, and insulin whether or not sold on prescription. For purposes of this exemption drugs shall not include over-the-counter drugs and grooming and hygiene products as defined in § 44-18-7.1(h)(iii).

(ii) Durable medical equipment as defined in § 44-18-7.1(k) for home use only, including, but not limited to: syringe infusers, ambulatory drug delivery pumps, hospital beds, convalescent chairs, and chair lifts. Supplies used in connection with syringe infusers and ambulatory drug delivery pumps that are sold on prescription to individuals to be used by them to dispense or administer prescription drugs, and related ancillary dressings and supplies used to dispense or administer prescription drugs, shall also be exempt from tax.

(11) Prosthetic devices and mobility enhancing equipment. From the sale and from the storage, use, or other consumption in this state, of prosthetic devices as defined in § 44-18-7.1(t), sold on prescription, including, but not limited to: artificial limbs, dentures, spectacles, eyeglasses, and artificial eyes; artificial hearing devices and hearing aids, whether or not sold on prescription; and mobility enhancing equipment as defined in § 44-18-7.1(p), including wheelchairs, crutches, and canes.

(12) Coffins, caskets, urns, shrouds and burial garments. From the sale and from the storage, use, or other consumption in this state of coffins, caskets, burial containers, urns, urn liners, urn vaults, grave liners, grave vaults, burial tent setups, prayer cards, shrouds, and other burial garments that are ordinarily sold by a funeral director as part of the business of funeral directing.

(13) Motor vehicles sold to nonresidents.

(i) From the sale, subsequent to June 30, 1958, of a motor vehicle to a bona fide nonresident of this state who does not register the motor vehicle in this state, whether the sale or delivery of the motor vehicle is made in this state or at the place of residence of the nonresident. A motor vehicle sold to a bona fide nonresident whose state of residence does not allow a like exemption to its

nonresidents is not exempt from the tax imposed under § 44-18-20. In that event, the bona fide nonresident pays a tax to Rhode Island on the sale at a rate equal to the rate that would be imposed in his or her state of residence not to exceed the rate that would have been imposed under § 44-18-20. Notwithstanding any other provisions of law, a licensed motor vehicle dealer shall add and collect the tax required under this subdivision and remit the tax to the tax administrator under the provisions of chapters 18 and 19 of this title. When a Rhode Island licensed, motor vehicle dealer is required to add and collect the sales and use tax on the sale of a motor vehicle to a bona fide nonresident as provided in this section, the dealer in computing the tax takes into consideration the law of the state of the nonresident as it relates to the trade-in of motor vehicles.

(ii) The tax administrator, in addition to the provisions of §§ 44-19-27 and 44-19-28, may require any licensed motor vehicle dealer to keep records of sales to bona fide nonresidents as the tax administrator deems reasonably necessary to substantiate the exemption provided in this subdivision, including the affidavit of a licensed motor vehicle dealer that the purchaser of the motor vehicle was the holder of, and had in his or her possession a valid out-of-state motor vehicle registration or a valid out-of-state driver's license.

(iii) Any nonresident who registers a motor vehicle in this state within ninety (90) days of the date of its sale to him or her is deemed to have purchased the motor vehicle for use, storage, or other consumption in this state, and is subject to, and liable for, the use tax imposed under the provisions of § 44-18-20.

(14) Sales in public buildings by blind people. From the sale and from the storage, use, or other consumption in all public buildings in this state of all products or wares by any person licensed under § 40-9-11.1.

(15) Air and water pollution control facilities. From the sale, storage, use, or other consumption in this state of tangible personal property or supplies acquired for incorporation into or used and consumed in the operation of a facility, the primary purpose of which is to aid in the control of the pollution or contamination of the waters or air of the state, as defined in chapter 12 of title 46 and chapter 23 of title 23, respectively, and that has been certified as approved for that purpose by the director of environmental management. The director of environmental management may certify to a portion of the tangible personal property or supplies acquired for incorporation into those facilities or used and consumed in the operation of those facilities to the extent that that portion has as its primary purpose the control of the pollution or contamination of the waters or air of this state. As used in this subdivision, "facility" means any land, facility, device, building, machinery, or equipment.

(16) Camps. From the rental charged for living quarters, or sleeping, or housekeeping

accommodations at camps or retreat houses operated by religious, charitable, educational, or other organizations and associations mentioned in subsection (5), or by privately owned and operated summer camps for children.

(17) Certain institutions. From the rental charged for living or sleeping quarters in an institution licensed by the state for the hospitalization, custodial, or nursing care of human beings.

(18) Educational institutions. From the rental charged by any educational institution for living quarters, or sleeping, or housekeeping accommodations or other rooms or accommodations to any student or teacher necessitated by attendance at an educational institution. "Educational institution" as used in this section means an institution of learning not operated for profit that is empowered to confer diplomas, educational, literary, or academic degrees; that has a regular faculty, curriculum, and organized body of pupils or students in attendance throughout the usual school year; that keeps and furnishes to students and others records required and accepted for entrance to schools of secondary, collegiate, or graduate rank; and no part of the net earnings of which inures to the benefit of any individual.

(19) Motor vehicle and adaptive equipment for persons with disabilities.

(i) From the sale of: (A) Special adaptations; (B) The component parts of the special adaptations; or (C) A specially adapted motor vehicle; provided that the owner furnishes to the tax administrator an affidavit of a licensed physician to the effect that the specially adapted motor vehicle is necessary to transport a family member with a disability or where the vehicle has been specially adapted to meet the specific needs of the person with a disability. This exemption applies to not more than one motor vehicle owned and registered for personal, noncommercial use.

(ii) For the purpose of this subsection the term "special adaptations" includes, but is not limited to: wheelchair lifts, wheelchair carriers, wheelchair ramps, wheelchair securements, hand controls, steering devices, extensions, relocations, and crossovers of operator controls, power-assisted controls, raised tops or dropped floors, raised entry doors, or alternative signaling devices to auditory signals.

(iii) From the sale of: (a) Special adaptations, (b) The component parts of the special adaptations, for a "wheelchair accessible taxicab" as defined in § 39-14-1, and/or a "wheelchair accessible public motor vehicle" as defined in § 39-14.1-1.

(iv) For the purpose of this subdivision the exemption for a "specially adapted motor vehicle" means a use tax credit not to exceed the amount of use tax that would otherwise be due on the motor vehicle, exclusive of any adaptations. The use tax credit is equal to the cost of the special adaptations, including installation.

(20) Heating fuels. From the sale and from the storage, use, or other consumption in this

state of every type of heating fuel.

(21) Electricity and gas. From the sale and from the storage, use, or other consumption in this state of electricity and gas.

(22) Manufacturing machinery and equipment.

(i) From the sale and from the storage, use, or other consumption in this state of tools, dies, molds, machinery, equipment (including replacement parts), and related items to the extent used in an industrial plant in connection with the actual manufacture, conversion, or processing of tangible personal property, or to the extent used in connection with the actual manufacture, conversion, or processing of computer software as that term is utilized in industry numbers 7371, 7372, and 7373 in the standard industrial classification manual prepared by the Technical Committee on Industrial Classification, Office of Statistical Standards, Executive Office of the President, United States Bureau of the Budget, as revised from time to time, to be sold, or that machinery and equipment used in the furnishing of power to an industrial manufacturing plant. For the purposes of this subdivision, "industrial plant" means a factory at a fixed location primarily engaged in the manufacture, conversion, or processing of tangible personal property to be sold in the regular course of business;

(ii) Machinery and equipment and related items are not deemed to be used in connection with the actual manufacture, conversion, or processing of tangible personal property, or in connection with the actual manufacture, conversion, or processing of computer software as that term is utilized in industry numbers 7371, 7372, and 7373 in the standard industrial classification manual prepared by the Technical Committee on Industrial Classification, Office of Statistical Standards, Executive Office of the President, United States Bureau of the Budget, as revised from time to time, to be sold to the extent the property is used in administration or distribution operations;

(iii) Machinery and equipment and related items used in connection with the actual manufacture, conversion, or processing of any computer software or any tangible personal property that is not to be sold and that would be exempt under subdivision (7) or this subdivision if purchased from a vendor or machinery and equipment and related items used during any manufacturing, converting, or processing function is exempt under this subdivision even if that operation, function, or purpose is not an integral or essential part of a continuous production flow or manufacturing process;

(iv) Where a portion of a group of portable or mobile machinery is used in connection with the actual manufacture, conversion, or processing of computer software or tangible personal property to be sold, as previously defined, that portion, if otherwise qualifying, is exempt under this subdivision even though the machinery in that group is used interchangeably and not otherwise

identifiable as to use.

(23) Trade-in value of motor vehicles. From the sale and from the storage, use, or other consumption in this state of so much of the purchase price paid for a new or used automobile as is allocated for a trade-in allowance on the automobile of the buyer given in trade to the seller, or of the proceeds applicable only to the automobile as are received from the manufacturer of automobiles for the repurchase of the automobile whether the repurchase was voluntary or not towards the purchase of a new or used automobile by the buyer. For the purpose of this subdivision, the word "automobile" means a private passenger automobile not used for hire and does not refer to any other type of motor vehicle.

(24) Precious metal bullion.

(i) From the sale and from the storage, use, or other consumption in this state of precious metal bullion, substantially equivalent to a transaction in securities or commodities.

(ii) For purposes of this subdivision, "precious metal bullion" means any elementary precious metal that has been put through a process of smelting or refining, including, but not limited to: gold, silver, platinum, rhodium, and chromium, and that is in a state or condition that its value depends upon its content and not upon its form.

(iii) The term does not include fabricated precious metal that has been processed or manufactured for some one or more specific and customary industrial, professional, or artistic uses.

(25) Commercial vessels. From sales made to a commercial ship, barge, or other vessel of fifty (50) tons burden or over, primarily engaged in interstate or foreign commerce, and from the repair, alteration, or conversion of the vessels, and from the sale of property purchased for the use of the vessels including provisions, supplies, and material for the maintenance and/or repair of the vessels.

(26) Commercial fishing vessels. From the sale and from the storage, use, or other consumption in this state of vessels and other watercraft that are in excess of five (5) net tons and that are used exclusively for "commercial fishing," as defined in this subdivision, and from the repair, alteration, or conversion of those vessels and other watercraft, and from the sale of property purchased for the use of those vessels and other watercraft including provisions, supplies, and material for the maintenance and/or repair of the vessels and other watercraft and the boats nets, cables, tackle, and other fishing equipment appurtenant to or used in connection with the commercial fishing of the vessels and other watercraft. "Commercial fishing" means taking or attempting to take any fish, shellfish, crustacea, or bait species with the intent of disposing of it for profit or by sale, barter, trade, or in commercial channels. The term does not include subsistence fishing, i.e., the taking for personal use and not for sale or barter; or sport fishing; but shall include

vessels and other watercraft with a Rhode Island party and charter boat license issued by the department of environmental management pursuant to § 20-2-27.1 that meet the following criteria: (i) The operator must have a current United States Coast Guard (U.S.C.G.) license to carry passengers for hire; (ii) U.S.C.G. vessel documentation in the coast wide fishery trade; (iii) U.S.C.G. vessel documentation as to proof of Rhode Island home port status or a Rhode Island boat registration to prove Rhode Island home port status; and (iv) The vessel must be used as a commercial passenger carrying fishing vessel to carry passengers for fishing. The vessel must be able to demonstrate that at least fifty percent (50%) of its annual gross income derives from charters or provides documentation of a minimum of one hundred (100) charter trips annually; and (v) The vessel must have a valid Rhode Island party and charter boat license. The tax administrator shall implement the provisions of this subdivision by promulgating rules and regulations relating thereto.

(27) Clothing and footwear. From the sales of articles of clothing, including footwear, intended to be worn or carried on or about the human body for sales prior to October 1, 2012. Effective October 1, 2012, the exemption will apply to the sales of articles of clothing, including footwear, intended to be worn or carried on or about the human body up to two hundred and fifty dollars ($250) of the sales price per item. For the purposes of this section, “clothing or footwear” does not include clothing accessories or equipment or special clothing or footwear primarily designed for athletic activity or protective use as these terms are defined in § 44-18-7.1(f). In recognition of the work being performed by the streamlined sales and use tax governing board, upon passage of any federal law that authorizes states to require remote sellers to collect and remit sales and use taxes, this unlimited exemption will apply as it did prior to October 1, 2012. The unlimited exemption on sales of clothing and footwear shall take effect on the date that the state requires remote sellers to collect and remit sales and use taxes.

(28) Water for residential use. From the sale and from the storage, use, or other consumption in this state of water furnished for domestic use by occupants of residential premises.

(29) Bibles. [Unconstitutional; see Ahlburn v. Clark, 728 A.2d 449 (R.I. 1999); see Notes to Decisions.] From the sale and from the storage, use, or other consumption in the state of any canonized scriptures of any tax-exempt nonprofit religious organization including, but not limited to, the Old Testament and the New Testament versions.

(30) Boats.

(i) From the sale of a boat or vessel to a bona fide nonresident of this state who does not register the boat or vessel in this state or document the boat or vessel with the United States government at a home port within the state, whether the sale or delivery of the boat or vessel is made in this state or elsewhere; provided, that the nonresident transports the boat within thirty (30)

days after delivery by the seller outside the state for use thereafter solely outside the state.

(ii) The tax administrator, in addition to the provisions of §§ 44-19-27 and 44-19-28, may require the seller of the boat or vessel to keep records of the sales to bona fide nonresidents as the tax administrator deems reasonably necessary to substantiate the exemption provided in this subdivision, including the affidavit of the seller that the buyer represented himself or herself to be a bona fide nonresident of this state and of the buyer that he or she is a nonresident of this state.

(31) Youth activities equipment. From the sale, storage, use, or other consumption in this state of items for not more than twenty dollars ($20.00) each by nonprofit Rhode Island eleemosynary organizations, for the purposes of youth activities that the organization is formed to sponsor and support; and by accredited elementary and secondary schools for the purposes of the schools or of organized activities of the enrolled students.

(32) Farm equipment. From the sale and from the storage or use of machinery and equipment used directly for commercial farming and agricultural production; including, but not limited to: tractors, ploughs, harrows, spreaders, seeders, milking machines, silage conveyors, balers, bulk milk storage tanks, trucks with farm plates, mowers, combines, irrigation equipment, greenhouses and greenhouse coverings, graders and packaging machines, tools and supplies and other farming equipment, including replacement parts appurtenant to or used in connection with commercial farming and tools and supplies used in the repair and maintenance of farming equipment. “Commercial farming” means the keeping or boarding of five (5) or more horses or the production within this state of agricultural products, including, but not limited to, field or orchard crops, livestock, dairy, and poultry, or their products, where the keeping, boarding, or production provides at least two thousand five hundred dollars ($2,500) in annual gross sales to the operator, whether an individual, a group, a partnership, or a corporation for exemptions issued prior to July 1, 2002. For exemptions issued or renewed after July 1, 2002, there shall be two (2) levels. Level I shall be based on proof of annual, gross sales from commercial farming of at least twenty-five hundred dollars ($2,500) and shall be valid for purchases subject to the exemption provided in this subdivision except for motor vehicles with an excise tax value of five thousand dollars ($5,000) or greater. Level II shall be based on proof of annual gross sales from commercial farming of at least ten thousand dollars ($10,000) or greater and shall be valid for purchases subject to the exemption provided in this subdivision including motor vehicles with an excise tax value of five thousand dollars ($5,000) or greater. For the initial issuance of the exemptions, proof of the requisite amount of annual gross sales from commercial farming shall be required for the prior year; for any renewal of an exemption granted in accordance with this subdivision at either level I or level II, proof of gross annual sales from commercial farming at the requisite amount shall be required for each of

the prior two (2) years. Certificates of exemption issued or renewed after July 1, 2002, shall clearly indicate the level of the exemption and be valid for four (4) years after the date of issue. This exemption applies even if the same equipment is used for ancillary uses, or is temporarily used for a non-farming or a non-agricultural purpose, but shall not apply to motor vehicles acquired after July 1, 2002, unless the vehicle is a farm vehicle as defined pursuant to § 31-1-8 and is eligible for registration displaying farm plates as provided for in § 31-3-31.

(33) Compressed air. From the sale and from the storage, use, or other consumption in the state of compressed air.

(34) Flags. From the sale and from the storage, consumption, or other use in this state of United States, Rhode Island or POW-MIA flags.

(35) Motor vehicle and adaptive equipment to certain veterans. From the sale of a motor vehicle and adaptive equipment to and for the use of a veteran with a service-connected loss of or the loss of use of a leg, foot, hand, or arm, or any veteran who is a double amputee, whether service connected or not. The motor vehicle must be purchased by and especially equipped for use by the qualifying veteran. Certificate of exemption or refunds of taxes paid is granted under rules or regulations that the tax administrator may prescribe.

(36) Textbooks. From the sale and from the storage, use, or other consumption in this state of textbooks by an "educational institution," as defined in subsection (18) of this section, and any educational institution within the purview of § 16-63-9(4), and used textbooks by any purveyor.

(37) Tangible personal property and supplies used in on-site hazardous waste recycling, reuse, or treatment. From the sale, storage, use, or other consumption in this state of tangible personal property or supplies used or consumed in the operation of equipment, the exclusive function of which is the recycling, reuse, or recovery of materials (other than precious metals, as defined in subdivision (24)(ii) of this section) from the treatment of "hazardous wastes," as defined in § 23-19.1-4, where the "hazardous wastes" are generated in Rhode Island solely by the same taxpayer and where the personal property is located at, in, or adjacent to a generating facility of the taxpayer in Rhode Island. The taxpayer shall procure an order from the director of the department of environmental management certifying that the equipment and/or supplies as used or consumed, qualify for the exemption under this subdivision. If any information relating to secret processes or methods of manufacture, production, or treatment is disclosed to the department of environmental management only to procure an order, and is a "trade secret" as defined in § 28-21-10(b), it is not open to public inspection or publicly disclosed unless disclosure is required under chapter 21 of title 28 or chapter 24.4 of title 23.

(38) Promotional and product literature of boat manufacturers. From the sale and from the

storage, use, or other consumption of promotional and product literature of boat manufacturers shipped to points outside of Rhode Island that either: (i) Accompany the product that is sold; (ii) Are shipped in bulk to out-of-state dealers for use in the sale of the product; or (iii) Are mailed to customers at no charge.

(39) Food items paid for by food stamps. From the sale and from the storage, use, or other consumption in this state of eligible food items payment for which is properly made to the retailer in the form of U.S. government food stamps issued in accordance with the Food Stamp Act of 1977, 7 U.S.C. § 2011 et seq.

(40) Transportation charges. From the sale or hiring of motor carriers as defined in § 39-12-2(12) to haul goods, when the contract or hiring cost is charged by a motor freight tariff filed with the Rhode Island public utilities commission on the number of miles driven or by the number of hours spent on the job.

(41) Trade-in value of boats. From the sale and from the storage, use, or other consumption in this state of so much of the purchase price paid for a new or used boat as is allocated for a trade-in allowance on the boat of the buyer given in trade to the seller or of the proceeds applicable only to the boat as are received from an insurance claim as a result of a stolen or damaged boat, towards the purchase of a new or used boat by the buyer.

(42) Equipment used for research and development. From the sale and from the storage, use, or other consumption of equipment to the extent used for research and development purposes by a qualifying firm. For the purposes of this subsection, "qualifying firm" means a business for which the use of research and development equipment is an integral part of its operation and "equipment" means scientific equipment, computers, software, and related items.

(43) Coins. From the sale and from the other consumption in this state of coins having numismatic or investment value.

(44) Farm structure construction materials. Lumber, hardware, and other materials used in the new construction of farm structures, including production facilities such as, but not limited to: farrowing sheds, free stall and stanchion barns, milking parlors, silos, poultry barns, laying houses, fruit and vegetable storages, rooting cellars, propagation rooms, greenhouses, packing rooms, machinery storage, seasonal farm worker housing, certified farm markets, bunker and trench silos, feed storage sheds, and any other structures used in connection with commercial farming.

(45) Telecommunications carrier access service. Carrier access service or telecommunications service when purchased by a telecommunications company from another telecommunications company to facilitate the provision of telecommunications service.

(46) Boats or vessels brought into the state exclusively for winter storage, maintenance,

repair, or sale. Notwithstanding the provisions of §§ 44-18-10, 44-18-11 and 44-18-20, the tax imposed by § 44-18-20 is not applicable for the period commencing on the first day of October in any year up to and including the 30th day of April next succeeding with respect to the use of any boat or vessel within this state exclusively for purposes of: (i) Delivery of the vessel to a facility in this state for storage, including dry storage and storage in water by means of apparatus preventing ice damage to the hull, maintenance, or repair; (ii) The actual process of storage, maintenance, or repair of the boat or vessel; or (iii) Storage for the purpose of selling the boat or vessel.

(47) Jewelry display product. From the sale and from the storage, use, or other consumption in this state of tangible personal property used to display any jewelry product; provided that title to the jewelry display product is transferred by the jewelry manufacturer or seller and that the jewelry display product is shipped out of state for use solely outside the state and is not returned to the jewelry manufacturer or seller.

(48) Boats or vessels generally. Notwithstanding the provisions of this chapter, the tax imposed by §§ 44-18-20 and 44-18-18 shall not apply with respect to the sale and to the storage, use, or other consumption in this state of any new or used boat. The exemption provided for in this subdivision does not apply after October 1, 1993, unless prior to October 1, 1993, the federal ten percent (10%) surcharge on luxury boats is repealed.

(49) Banks and regulated investment companies interstate toll-free calls. Notwithstanding the provisions of this chapter, the tax imposed by this chapter does not apply to the furnishing of interstate and international, toll-free terminating telecommunication service that is used directly and exclusively by or for the benefit of an eligible company as defined in this subdivision; provided that an eligible company employs on average during the calendar year no less than five hundred (500) "full-time equivalent employees" as that term is defined in § 42-64.5-2. For purposes of this section, an "eligible company" means a "regulated investment company" as that term is defined in the Internal Revenue Code of 1986, 26 U.S.C. § 851, or a corporation to the extent the service is provided, directly or indirectly, to or on behalf of a regulated investment company, an employee benefit plan, a retirement plan or a pension plan, or a state-chartered bank.

(50) Mobile and manufactured homes generally. From the sale and from the storage, use, or other consumption in this state of mobile and/or manufactured homes as defined and subject to taxation pursuant to the provisions of chapter 44 of title 31.

(51) Manufacturing business reconstruction materials.

(i) From the sale and from the storage, use, or other consumption in this state of lumber, hardware, and other building materials used in the reconstruction of a manufacturing business facility that suffers a disaster, as defined in this subdivision, in this state. "Disaster" means any

occurrence, natural or otherwise, that results in the destruction of sixty percent (60%) or more of an operating manufacturing business facility within this state. "Disaster" does not include any damage resulting from the willful act of the owner of the manufacturing business facility.

(ii) Manufacturing business facility includes, but is not limited to, the structures housing the production and administrative facilities.

(iii) In the event a manufacturer has more than one manufacturing site in this state, the sixty percent (60%) provision applies to the damages suffered at that one site.

(iv) To the extent that the costs of the reconstruction materials are reimbursed by insurance, this exemption does not apply.

(52) Tangible personal property and supplies used in the processing or preparation of floral products and floral arrangements. From the sale, storage, use, or other consumption in this state of tangible personal property or supplies purchased by florists, garden centers, or other like producers or vendors of flowers, plants, floral products, and natural and artificial floral arrangements that are ultimately sold with flowers, plants, floral products, and natural and artificial floral arrangements or are otherwise used in the decoration, fabrication, creation, processing, or preparation of flowers, plants, floral products, or natural and artificial floral arrangements, including descriptive labels, stickers, and cards affixed to the flower, plant, floral product, or arrangement, artificial flowers, spray materials, floral paint and tint, plant shine, flower food, insecticide, and fertilizers.

(53) Horse food products. From the sale and from the storage, use, or other consumption in this state of horse food products purchased by a person engaged in the business of the boarding of horses.

(54) Non-motorized recreational vehicles sold to nonresidents.

(i) From the sale, subsequent to June 30, 2003, of a non-motorized recreational vehicle to a bona fide nonresident of this state who does not register the non-motorized recreational vehicle in this state, whether the sale or delivery of the non-motorized recreational vehicle is made in this state or at the place of residence of the nonresident; provided that a non-motorized recreational vehicle sold to a bona fide nonresident whose state of residence does not allow a like exemption to its nonresidents is not exempt from the tax imposed under § 44-18-20; provided, further, that in that event the bona fide nonresident pays a tax to Rhode Island on the sale at a rate equal to the rate that would be imposed in his or her state of residence not to exceed the rate that would have been imposed under § 44-18-20. Notwithstanding any other provisions of law, a licensed, non-motorized recreational vehicle dealer shall add and collect the tax required under this subdivision and remit the tax to the tax administrator under the provisions of chapters 18 and 19 of this title. Provided, that when a Rhode Island licensed, non-motorized recreational vehicle dealer is required to add and

collect the sales and use tax on the sale of a non-motorized recreational vehicle to a bona fide nonresident as provided in this section, the dealer in computing the tax takes into consideration the law of the state of the nonresident as it relates to the trade-in of motor vehicles.

(ii) The tax administrator, in addition to the provisions of §§ 44-19-27 and 44-19-28, may require any licensed, non-motorized recreational vehicle dealer to keep records of sales to bona fide nonresidents as the tax administrator deems reasonably necessary to substantiate the exemption provided in this subdivision, including the affidavit of a licensed, non-motorized recreational vehicle dealer that the purchaser of the non-motorized recreational vehicle was the holder of, and had in his or her possession a valid out-of-state non-motorized recreational vehicle registration or a valid out-of-state driver's license.

(iii) Any nonresident who registers a non-motorized recreational vehicle in this state within ninety (90) days of the date of its sale to him or her is deemed to have purchased the non-motorized recreational vehicle for use, storage, or other consumption in this state, and is subject to, and liable for, the use tax imposed under the provisions of § 44-18-20.

(iv) "Non-motorized recreational vehicle" means any portable dwelling designed and constructed to be used as a temporary dwelling for travel, camping, recreational, and vacation use that is eligible to be registered for highway use, including, but not limited to, "pick-up coaches" or "pick-up campers," "travel trailers," and "tent trailers" as those terms are defined in chapter 1 of title 31.

(55) Sprinkler and fire alarm systems in existing buildings. From the sale in this state of sprinkler and fire alarm systems; emergency lighting and alarm systems; and the materials necessary and attendant to the installation of those systems that are required in buildings and occupancies existing therein in July 2003 in order to comply with any additional requirements for such buildings arising directly from the enactment of the Comprehensive Fire Safety Act of 2003 and that are not required by any other provision of law or ordinance or regulation adopted pursuant to that act. The exemption provided in this subdivision shall expire on December 31, 2008.

(56) Aircraft. Notwithstanding the provisions of this chapter, the tax imposed by §§ 44-18-18 and 44-18-20 shall not apply with respect to the sale and to the storage, use, or other consumption in this state of any new or used aircraft or aircraft parts.

(57) Renewable energy products. Notwithstanding any other provisions of Rhode Island general laws, the following products shall also be exempt from sales tax: solar photovoltaic modules or panels, or any module or panel that generates electricity from light; solar thermal collectors, including, but not limited to, those manufactured with flat glass plates, extruded plastic, sheet metal, and/or evacuated tubes; geothermal heat pumps, including both water-to-water and

water-to-air type pumps; wind turbines; towers used to mount wind turbines if specified by or sold by a wind turbine manufacturer; DC to AC inverters that interconnect with utility power lines; and manufactured mounting racks and ballast pans for solar collector, module, or panel installation. Not to include materials that could be fabricated into such racks; monitoring and control equipment, if specified or supplied by a manufacturer of solar thermal, solar photovoltaic, geothermal, or wind energy systems or if required by law or regulation for such systems but not to include pumps, fans or plumbing or electrical fixtures unless shipped from the manufacturer affixed to, or an integral part of, another item specified on this list; and solar storage tanks that are part of a solar domestic hot water system or a solar space heating system. If the tank comes with an external heat exchanger it shall also be tax exempt, but a standard hot water tank is not exempt from state sales tax.

(58) Returned property. The amount charged for property returned by customers upon rescission of the contract of sale when the entire amount exclusive of handling charges paid for the property is refunded in either cash or credit, and where the property is returned within one hundred twenty (120) days from the date of delivery.

(59) Dietary supplements. From the sale and from the storage, use, or other consumption of dietary supplements as defined in § 44-18-7.1(*l*)(v), sold on prescriptions.

(60) Blood. From the sale and from the storage, use, or other consumption of human blood.

(61) Agricultural products for human consumption. From the sale and from the storage, use, or other consumption of livestock and poultry of the kinds of products that ordinarily constitute food for human consumption and of livestock of the kind the products of which ordinarily constitute fibers for human use.

(62) Diesel emission control technology. From the sale and use of diesel retrofit technology that is required by § 31-47.3-4.

(63) Feed for certain animals used in commercial farming. From the sale of feed for animals as described in subsection (61) of this section.

(64) Alcoholic beverages. From the sale and storage, use, or other consumption in this state by a Class A licensee of alcoholic beverages, as defined in § 44-18-7.1, excluding beer and malt beverages; provided, further, notwithstanding § 6-13-1 or any other general or public law to the contrary, alcoholic beverages, as defined in § 44-18-7.1, shall not be subject to minimum markup.

(65) Seeds and plants used to grow food and food ingredients. From the sale, storage, use, or other consumption in this state of seeds and plants used to grow food and food ingredients as defined in § 44-18-7.1(*l*)(i). “Seeds and plants used to grow food and food ingredients” shall not include marijuana seeds or plants.

(66) Feminine hygiene products. From the sale and from the storage, use, or other consumption of tampons, panty liners, menstrual cups, sanitary napkins, and other similar products the principal use of which is feminine hygiene in connection with the menstrual cycle.

(67) “Breast pump collection and storage supplies” means items of tangible personal property used in conjunction with a breast pump to collect milk expressed from a human breast and to store collected milk until it is ready for consumption. “Breast pump collection and storage supplies” include, but are not limited to, breast shields and breast shield connectors; breast pump tubes and tubing adaptors; breast pump valves and membranes; backflow protectors and backflow protector adaptors; bottles and bottle caps specific to the operation of the breast pump; breast milk storage bags; and related items sold as part of a breast pump kit pre-packaged by the breast pump manufacturer. “Breast pump collection and storage supplies” does not include: bottles and bottle caps not specific to the operation of the breast pump; breast pump travel bags and other similar carrying accessories, including ice packs, labels, and other similar products, unless sold as part of a breast pump kit pre-packed by the breast pump manufacturer; breast pump cleaning supplies, unless sold as part of a breast pump kit pre-packaged by the breast pump manufacturer; nursing bras, bra pads, breast shells, and other similar products; and creams, ointments, and other similar products that relieve breastfeeding-related symptoms or conditions of the breasts or nipples.

(68) Trade-in value of motorcycles. From the sale and from the storage, use, or other consumption in this state of so much of the purchase price paid for a new or used motorcycle as is allocated for a trade-in allowance on the motorcycle of the buyer given in trade to the seller, or of the proceeds applicable only to the motorcycle as are received from the manufacturer of motorcycles for the repurchase of the motorcycle whether the repurchase was voluntary or not towards the purchase of a new or used motorcycle by the buyer. For the purpose of this subsection, the word “motorcycle” means a motorcycle not used for hire and does not refer to any other type of motor vehicle.

(69) Forestry product operations equipment and parts. From the sale and from the storage or use of machinery and equipment and parts used directly for forest product operations engaged in commercial production including, but not limited to: chainsaws, tree chippers, mulch grinders, chip screeners, sawdust blowers, conveyors, power generators , firewood processors, log skidders, wood splitters, disc cleaners, tumblers, shaving mills, loaders, forklifts, firewood kilns, pallet kilns, lumber kilns, sawdust dryers, forwarders, sawmills, resaws, edgers, planers, debarkers, live log decks, green chains, tractors, winches, tree harvesters, feller bunchers, log loaders, slashers, delimbers, grapples, bucket trucks, tree cranes, and stump grinders. "Forest product operations" shall have the same meaning as defined in § 2-27.1-3.

SECTION 8. Section 44-27-1 of the General Laws in Chapter 44-27 entitled "Taxation of Farm, Forest, and Open Space Land" is hereby amended to read as follows:

44-27-1. Legislative declaration.

It is declared:

(1) That it is in the public interest to encourage the preservation of farm, forest, and open space land in order to maintain a readily available source of food ~~and~~ farm and forest products close to the metropolitan areas of the state, to conserve the state's natural resources, and to provide for the welfare and happiness of the inhabitants of the state.

(2) That it is in the public interest to prevent the forced conversion of farm, forest, and open space land to more intensive uses as the result of economic pressures caused by the assessment for purposes of property taxation at values incompatible with their preservation as farm, forest, and open space land.

(3) That the necessity in the public interest of the enactment of the provisions of this chapter is a matter of legislative determination.

SECTION 9. Section 45-24-37 of the General Laws in Chapter 45-24 entitled "Zoning Ordinances" is hereby amended to read as follows:

45-24-37. General provisions — Permitted uses. [Effective January 1, 2026.]

(a) The zoning ordinance shall provide a listing of all land uses and/or performance standards for uses that are permitted within the zoning use districts of the municipality. The ordinance may provide for a procedure under which a proposed land use that is not specifically listed may be presented by the property owner to the zoning board of review or to a local official or agency charged with administration and enforcement of the ordinance for an evaluation and determination of whether the proposed use is of a similar type, character, and intensity as a listed permitted use. Upon such determination, the proposed use may be considered to be a permitted use.

(b) Notwithstanding any other provision of this chapter, the following uses are permitted uses within all residential zoning use districts of a municipality and all industrial and commercial zoning use districts except where residential use is prohibited for public health or safety reasons:

(1) Households;

(2) Community residences;

(3) Family daycare homes; and

(4) Remote work, defined as a work flexibility arrangement under which a W-2 employee or full-time contractor routinely performs the duties and responsibilities of such employee's position from an approved worksite other than the location from which the employee would otherwise work.

(i) Remote work shall not include any activities that:

(A) Relate to the sale of unlawful goods and services;

(B) Generate on-street parking or a substantial increase in traffic through the residential area;

(C) Occur outside of the residential dwelling;

(D) Occur in the yard; or

(E) Are visible from the street.

(c) Any time a building or other structure used for residential purposes, or a portion of a building containing residential units, is rendered uninhabitable by virtue of a casualty such as fire or flood, the owner of the property is allowed to park, temporarily, mobile and manufactured home, or homes, as the need may be, elsewhere upon the land, for use and occupancy of the former occupants for a period of up to twelve (12) months, or until the building or structure is rehabilitated and otherwise made fit for occupancy. The property owner, or a properly designated agent of the owner, is only allowed to cause the mobile and manufactured home, or homes, to remain temporarily upon the land by making timely application to the local building official for the purposes of obtaining the necessary permits to repair or rebuild the structure.

(d) Notwithstanding any other provision of this chapter, appropriate access for people with disabilities to residential structures is allowed as a reasonable accommodation for any person(s) residing, or intending to reside, in the residential structure.

(e) Notwithstanding any other provision of this chapter, an accessory dwelling unit ("ADU") that meets the requirements of §§ 45-24-31 and 45-24-73(a) shall be a permitted use in all residential zoning districts. An ADU that meets the requirements of §§ 45-24-31 and 45-24-73(a) shall be permitted through an administrative building permit process only.

(f) When used in this section the terms "people with disabilities" or "member, or members, with disabilities" means a person(s) who has a physical or mental impairment that substantially limits one or more major life activities, as defined in 42-87-1(5).

(g) Notwithstanding any other provisions of this chapter, plant agriculture ~~is a permitted use~~ and forest product operations, as defined in § 2-27.1-3 are permitted uses within all zoning districts of a municipality, including all industrial and commercial zoning districts, except where prohibited for public health or safety reasons or the protection of wildlife habitat.

(h) **Adaptive reuse.** Notwithstanding any other provisions of this chapter, adaptive reuse for the conversion of any commercial building, including offices, schools, religious facilities, medical buildings, mills, and malls into residential units or mixed-use developments which include the development of at least fifty percent (50%) of the existing gross floor area into residential units,

shall be a permitted use and allowed by specific and objective provisions of a zoning ordinance.

(1) **Prohibitions.** Adaptive reuse under this section shall not be allowed where:

(i) Residential use is prohibited by environmental land use restrictions recorded on the property by the state of Rhode Island department of environmental management or the United States Environmental Protection Agency;

(ii) In any industrial or manufacturing zoning use district, or a portion thereof, where residential use is prohibited for public health and safety reasons which are based on specific and detailed findings;

(iii) In any building previously used for industrial or manufacturing use(s), which has not been vacant of an industrial use for less than one year prior to the submission of the permit or application for adaptive reuse.

(2) **Density.**

(i) Provided that all minimum building, rehabilitation, and fire code requirements are met for all residential units, as applicable; and provided that, for projects with more than four (4) residential units, not less than ten percent (10%) of low- or moderate-income housing is provided, the local zoning ordinance shall not specify any maximum density of residential units. If less than ten percent (10%) of low- or moderate-income housing is provided, then the allowable maximum density shall be determined by the municipality.

(ii) Co-living housing which meets the applicable requirements of the building and fire codes, may be allowed in adaptive reuse developments.

(3) **Dimensional requirements.**

(i) **Building envelope.** Unless a local zoning ordinance allows otherwise, the development shall be limited to the existing building envelope, except that the envelope is allowed to be expanded to accommodate upgrades of non-occupiable space related to the building and fire codes and utilities such as HVAC equipment, stairs, and elevators.

(ii) **Parking.** A local zoning ordinance shall not require a development under this section to provide more than one off-street parking space for the first two (2) bedrooms of any dwelling unit and shall not require more than one off-street parking space for any additional bedroom beyond the second bedroom in any dwelling unit.

(iii) **Existing setbacks.** Notwithstanding any other provisions of this chapter, for adaptive reuse projects, existing building setbacks shall remain and shall be considered legal nonconforming, but no additional encroachments shall be permitted into any nonconforming setback, unless otherwise allowed by local zoning ordinance or relief is granted by the applicable authority.

(iv) **Height.** For adaptive reuse projects, notwithstanding any other provisions of this chapter, the height of the existing structure, if it exceeds the maximum height of the zoning district, may remain and shall be considered legal nonconforming, and any non-occupiable rooftop construction such as HVAC equipment and stairs or elevator towers, but excluding rooftop decks, shall be included within the height exemption.

(4) **Water and sewer.** The development shall have access to public water and sewer services or shall have access to adequate private water, such as a well(s) and and/or on-site wastewater treatment system(s) approved by the relevant state agency.

(i) Notwithstanding any other provisions of this chapter, all towns and cities shall allow manufactured homes, as defined in § 45-24-31, that comply with § 23-27.3-109.1.3 as a type of single-family home on any lot zoned for single-family use. Such home shall comply with all dimensional requirements of a single-family home in the district or seek relief for the same under the provisions of this chapter.

(j) **Attached single-family dwellings.** Notwithstanding any other provision of this chapter, all towns and cities shall allow attached single-family units, as defined in § 45-24-33, in residential districts which allow for the construction of two (2) or more units. The number of attached single-family units allowed shall be the same as the corresponding residential density for the property and zoning district.

SECTION 10. Construction. This act, being necessary for the welfare of the state and its inhabitants, shall be construed liberally in order to effectuate its purposes.

SECTION 11. Severability. If any clause, sentence, paragraph, section, or part of this act shall be adjudged by any court of competent jurisdiction to be invalid, that judgment shall not affect, impair, or invalidate the remainder of this act but shall be confined in its operation to the clause, sentence, paragraph, section, or part directly involved in the controversy in which that judgment shall have been rendered.

SECTION 12. This act shall take effect upon passage.

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EXPLANATION

BY THE LEGISLATIVE COUNCIL

OF

A N A C T

RELATING TO AGRICULTURE AND FORESTRY -- FORESTRY AND FOREST PARITY ACT

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This act would establish sales and use tax exemptions for commercial forest product operations. Exempt would be machinery and equipment to include, but not limited to: sawmills, tractors, forklifts, log skidders, chainsaws and power generators. Additionally, the act would create a new motor vehicle registration for "forestry vehicles" and would provide that all forestry product operations machinery, including motor vehicles with forestry registration plates would be exempt from taxation. Municipalities would be allowed to tax forestry product operations buildings at a rate that reflects the actual cost incurred by the municipality in providing services to these buildings. Finally, this act would provide that forest product operations are permitted uses within all zoning districts of a municipality except where prohibited for public health or safety reasons or the protection of wildlife habitat.

This act would take effect upon passage.

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