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LC01982
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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2006

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A N A C T

RELATED TO TAXATION - LEVY AND ASSESSMENT OF LOCAL TAXES

Introduced By: Representative Richard W. Singleton

Date Introduced: February 16, 2006

Referred To: House Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Chapter 44-5 of the General Laws entitled "Levy and Assessment of Local
2 Taxes" is hereby amended by adding thereto the following section:

3 **44-5-81. Assessment of valuations - Apportionment of levies.** – (a) The assessors in
4 several towns and cities shall assess all valuation and apportion the levy of all taxes legally
5 ordered under the rules and regulations, not repugnant to law, as the town meetings and city
6 councils, respectively, from time to time prescribe; provided, that the assessors shall revalue all
7 taxable real estate and implement the revaluation each tenth (10th) year after its last revaluation
8 was implemented.

9 (b) The assessors of the cities and towns shall certify, in writing, to the department of
10 administration their proposed schedule of each revaluation and shall certify, in writing, to the
11 department when the revaluation is completed. At he completion of the revaluation, the
12 certification shall include a tax rate, based upon the new valuation, which would have provided
13 the same ad valorem revenue for the town or city as is being raised during the current town or city
14 budget year.

15 SECTION 2. Sections 44-5-11.5 and 44-5-11.6 of the General Laws in Chapter 44-5
16 entitled "Levy and Assessment of Local Taxes" are hereby repealed.

17 ~~**44-5-11.5. Legislative findings -- Revaluation cycle.** -- It is found and declared that:~~

18 ~~-(1) Rhode Island property taxes continue to play a significant role in the financing of~~
19 ~~local educational and municipal services. The general assembly recognizes that the way the~~

1 ~~property tax is assessed, levied and collected can be improved to provide more reliable and up to~~
2 ~~date property values in each of the cities and towns.~~

3 ~~-(2) The state's ten (10) year property revaluation cycle is the longest revaluation cycle in~~
4 ~~the country. Infrequent revaluations translate into disparities in property tax burden between types~~
5 ~~and classes of property within and among cities and towns. In addition, because each city and~~
6 ~~town represents multiple systems and procedures for administering the property tax, there is an~~
7 ~~inconsistent administration of property tax law and regulations.~~

8 ~~-(3) It is the intent of the general assembly to ensure that all taxpayers in Rhode Island are~~
9 ~~treated equitably. The more frequent the revaluation, the greater the equity within and among~~
10 ~~jurisdictions. Ensuring that taxpayers are treated fairly begins with modernizing the~~
11 ~~administration of the property tax that ensures:~~

12 ~~-(i) Up to date property values are maintained through more frequent property~~
13 ~~revaluations;~~

14 ~~-(ii) Cities and towns meet defined standards related to performing updates of property~~
15 ~~values;~~

16 ~~-(iii) The state shares in the cost of performing updates of property values in the cities and~~
17 ~~towns;~~

18 ~~-(iv) A meaningful and effective method of ensuring that cities and towns comply with~~
19 ~~the nine (9) year revaluation cycle and the updates of property values are developed;~~

20 ~~-(v) Procedures for administering the property tax are standardized such as general~~
21 ~~reporting and classification systems;~~

22 ~~-(vi) Assessors and contracted property revaluation companies meet appropriate~~
23 ~~qualifications and standards; and~~

24 ~~-(vii) Intergovernmental cooperation in the administration of the property tax is~~
25 ~~maximized.~~

26 ~~-(4) With these findings in mind, it is the intent of the general assembly to institute a~~
27 ~~revaluation cycle where every city or town conducts a revaluation within nine (9) years of the~~
28 ~~date of the prior revaluation and shall conduct an update of real property every three (3) years~~
29 ~~from the date of the last revaluation.~~

30 ~~**44-5-11.6. Assessment of valuations — Apportionment of levies.** — (a) Notwithstanding~~
31 ~~the provisions of section 44-5-11 [repealed] beginning on December 31, 2000, the assessors in the~~
32 ~~several towns and cities shall conduct an update as defined in this section or shall assess all~~
33 ~~valuations and apportion the levy of all taxes legally ordered under the rules and regulations, not~~
34 ~~repugnant to law, as the town meetings and city councils, respectively, shall from time to time~~

1 ~~prescribe; provided, that the update or valuation is performed in accordance with the following~~
 2 ~~schedules: (1) (i) For a transition period, for cities and towns who conducted or implemented a~~
 3 ~~reevaluation as of 1993 or in years later:~~

	1	Update	Revaluation
4			
5	Lincoln	2000	2003
6	South Kingstown	2000	2003
7	Smithfield	2000	2003
8	West Warwick	2000	2003
9	Johnston	2000	2003
10	Burrillville	2000	2003
11	North Smithfield	2000	2003
12	Central Falls	2000	2003
13	North Kingstown	2000	2003
14	Jamestown	2000	2003
15	North Providence	2001	2004
16	Cumberland	2001	2004
17	Bristol	2004	2001
18	Charlestown	2001	2004
19	East Greenwich	2002	2005
20	Cranston	2002	2005
21	Barrington	2002	2005
22	Warwick	2003	2006
23	Warren	2003	2006
24	East Providence	2003	2006

25 ~~(ii) Provided that the reevaluation period for the town of New Shoreham shall be~~
 26 ~~extended to 2003.~~

27 ~~(iii) The implementation date for this schedule is December 31st, of the stated year.~~

28 ~~(iv) Those cities and towns not listed in this schedule, shall continue the revaluation~~
 29 ~~schedule pursuant to section 44-5-11 [repealed].~~

30 ~~(2) (i) For the post transition period and in years thereafter:~~

	Update #1	Update #2	Revaluation
31			
32	Woonsocket	2002	2005
33	Pawtucket	2002	2005
34	Portsmouth	2001	2004

1	Coventry	2001	2004	2007
2	Providence	2003	2006	2009
3	Foster	2002	2005	2008
4	Middletown	2002	2005	2008
5	Little Compton	2003	2006	2009
6	Scituate	2003	2006	2009
7	Westerly	2003	2006	2009
8	West Greenwich	2004	2007	2010
9	Glocester	2004	2007	2010
10	Richmond	2004	2007	2010
11	Bristol	2004	2007	2010
12	Tiverton	2005	2008	2011
13	Newport	2005	2008	2011
14	New Shoreham	2006	2009	2012
15	Narragansett	2005	2008	2011
16	Exeter	2005	2008	2011
17	Hopkinton	2005	2008	2011
18	Lincoln	2006	2009	2012
19	South Kingstown	2006	2009	2012
20	Smithfield	2006	2009	2012
21	West Warwick	2006	2009	2012
22	Johnston	2006	2009	2012
23	Burrillville	2006	2009	2012
24	North Smithfield	2006	2009	2012
25	Central Falls	2006	2009	2012
26	North Kingstown	2006	2009	2012
27	Jamestown	2006	2009	2012
28	North Providence	2007	2010	2013
29	Cumberland	2007	2010	2013
30	Charlestown	2007	2010	2013
31	East Greenwich	2008	2011	2014
32	Cranston	2008	2011	2014
33	Barrington	2008	2011	2014
34	Warwick	2009	2012	2015

1	Warren	2009	2012	2015
2	East Providence	2009	2012	2015

3 ~~(ii) The implementation date for the schedule is December 31st of the stated year. Upon~~
4 ~~the completion of the update and revaluation according to this schedule, each city and town shall~~
5 ~~conduct a revaluation within nine (9) years of the date of the prior revaluation and shall conduct~~
6 ~~an update of real property every three (3) years from the last revaluation.~~

7 ~~(b) No later than February 1, 1998, the director of the department of administration shall~~
8 ~~promulgate rules and regulations consistent with the provisions of this section to define the~~
9 ~~requirements for the updates which shall include, but not be limited to:~~

10 ~~(1) An analysis of sales;~~

11 ~~(2) A rebuilding of land value tables;~~

12 ~~(3) A rebuilding of cost tables of all improvement items; and~~

13 ~~(4) A rebuilding of depreciation schedules. Upon completion of an update, each city or~~
14 ~~town shall provide for a hearing and/or appeal process for any aggrieved person to address any~~
15 ~~issue, which arose during the update.~~

16 ~~(c) The costs incurred by the towns and cities for the first update shall be borne by the~~
17 ~~state in an amount not to exceed twenty dollars (\$20.00) per parcel. The costs incurred by the~~
18 ~~towns and cities for the second update shall be borne eighty percent (80%) by the state (in an~~
19 ~~amount not to exceed sixteen dollars (\$16.00) per parcel) and twenty percent (20%) by the town~~
20 ~~or city and in the third update and thereafter, the state shall pay sixty percent (60%) of the update~~
21 ~~(not to exceed twelve dollars (\$12.00) per parcel) and the town or city shall pay forty percent~~
22 ~~(40%); provided, that for the second update and in all updates thereafter, that the costs incurred~~
23 ~~by any city or town which is determined to be a distressed community pursuant to section 45-13-~~
24 ~~12 shall be borne eighty percent (80%) by the state and twenty percent (20%) by the city or town~~
25 ~~for all updates required by this section.~~

26 ~~(d) The office of municipal affairs, after consultation with the league of cities and towns~~
27 ~~and the Rhode Island assessors' association, shall recommend adjustments to the costs formula~~
28 ~~described in subsection (c) of this section based upon existing market conditions.~~

29 ~~(e) Any property, which is either exempt from the local property tax pursuant to section~~
30 ~~44-3-3 or which pays a city or town an amount in lieu of taxes, is not required to have its values~~
31 ~~updated pursuant to this section, and the property is not eligible for the reimbursement provisions~~
32 ~~of subsection (c) of this section. However, those properties which are exempt from taxation and~~
33 ~~are eligible for state appropriations in lieu of property tax under the provisions of section 45-13-~~
34 ~~5.1 are eligible for state reimbursement pursuant to subsection (c) of this section, provided, that~~

1 ~~these properties were revalued as part of that city or town's most recent property revaluation.~~

2 ~~(f) No city or town is required to conduct an update pursuant to this section unless the~~
3 ~~state has appropriated sufficient funds to cover the state's costs as identified in subsection (e) of~~
4 ~~this section.~~

5 ~~(g) Any city or town that fails to conduct an update or revaluation as required by this~~
6 ~~section, or requests and receives an extension of the dates specified in this section, shall receive~~
7 ~~the same amount of state aid under sections 45-13-1, 45-13-5.1, and 45-13-12 in the budget year~~
8 ~~for which the new values were to apply as the city or town received in state aid in the previous~~
9 ~~budget year; provided, however, if the new year's entitlement is lower than the prior year's~~
10 ~~entitlement, the lower amount applies, except for the town of New Shoreham for the fiscal year~~
11 ~~2003.~~

12 ~~(h) Any bill or resolution to extend the dates for a city or town to conduct an update or~~
13 ~~revaluation must be approved by a two thirds (2/3) majority of both houses of the general~~
14 ~~assembly.~~

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

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
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- 1 This act would limit property reevaluations to once every 10 years.
- 2 This act would take effect upon passage.

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