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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2012

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A N A C T

RELATING TO TOWNS AND CITIES - STATE AID

Introduced By: Representative Brian C. Newberry

Date Introduced: March 06, 2012

Referred To: House Municipal Government

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 45-13-5.1 of the General Laws in Chapter 45-13 entitled "State
2 Aid" is hereby amended to read as follows:

3 **45-13-5.1. General assembly appropriations in lieu of property tax from certain**
4 **exempt private and state properties.** -- (a) In lieu of the amount of local real property tax on
5 real property owned by any private nonprofit institution of higher education, or any nonprofit
6 hospital facility, [or any community residence licensed under the terms and provisions of chapter](#)
7 [40.1-24](#), or any state owned and operated hospital, veterans' residential facility, or correctional
8 facility occupied by more than one hundred (100) residents which may have been or will be
9 exempted from taxation by applicable state law, exclusive of any facility operated by the federal
10 government, the state of Rhode Island, or any of its subdivisions, the general assembly shall
11 annually appropriate for payment to the several cities and towns in which the property lies a sum
12 equal to twenty-seven percent (27%) of all tax that would have been collected had the property
13 been taxable.

14 (b) As used in this section, "private nonprofit institution of higher education" means any
15 institution engaged primarily in education beyond the high school level, the property of which is
16 exempt from property tax under any of the subdivisions, and "nonprofit hospital facility" means
17 any nonprofit hospital licensed by the state and which is used for the purpose of general medical,
18 surgical, or psychiatric care and treatment.

19 (c) The grant payable to any municipality under the provision of this section shall be

1 equal to twenty-seven percent (27%) of the property taxes which, except for any exemption to
2 any institution of higher education or general hospital facility, would have been paid with respect
3 to that exempt real property on the assessment list in the municipality for the assessment date of
4 December 31, 1986 and with respect to such exempt real property appearing on an assessment list
5 in the municipality on succeeding assessment dates. Provided however that the grant paid for the
6 fiscal year ending June 30, 2008 shall be based upon the assessment list in the municipality as of
7 December 31, 2004.

8 (d) The state budget offices shall include the amount of the annual grant in the state
9 budget for the fiscal year commencing July 1, 1988 and each fiscal year thereafter. The amount of
10 the annual grant payable to each municipality in any year in accordance with this section shall be
11 reduced proportionately in the event that the total of the annual grants in any year exceeds the
12 amount appropriated that year for the purposes of this section.

13 (e) Distribution of appropriations shall be made by the state on or before July 31 of 1988
14 and each July 31 thereafter, and the payments may be counted as a receivable by any city or town
15 for a fiscal year ending the preceding June 30.

16 (f) Any act or omission by the state with respect to this chapter shall in no way diminish
17 the duty of any town or municipality to provide public safety or other ordinary services to the
18 properties or facilities of the type listed in subsection (a).

19 (g) Provided, that payments authorized pursuant to this section shall be reduced pro rata,
20 for that period of time that the municipality suspends or reduces essential services to eligible
21 facilities. For the purposes of this section "essential services" include, but are not to be limited to,
22 police, fire and rescue.

23 SECTION 2. 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 include residences for the mentally ill and/or developmentally disabled as
2 entities exempt from local real property tax thus making the city or town in which the property
3 lies eligible for a payment in lieu of taxes from the general assembly.

4 This act would take effect upon passage.

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