

2012 -- S 2107

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LC00369
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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 TAXATION - ASSESSMENT

Introduced By: Senators Tassoni, and Doyle

Date Introduced: January 18, 2012

Referred To: Senate Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Sections 44-5-12 and 44-5-13.11 of the General Laws in Chapter 44-5
2 entitled "Levy and Assessment of Local Taxes" are hereby amended to read as follows:

3 **44-5-12. Assessment at full and fair cash value.** -- (a) All real property subject to
4 taxation shall be assessed at its full and fair cash value, or at a uniform percentage of its value,
5 not to exceed one hundred percent (100%), to be determined by the assessors in each town or
6 city; provided, that:

7 (1) ~~Any~~ In assessing any residential property, or the improvements thereon, encumbered
8 by a covenant recorded in the land records in favor of a governmental unit, ~~or~~ Rhode Island
9 housing and mortgage finance corporation, or a section 501(3)(c) nonprofit corporation restricting
10 (i) The sale price of an owner occupied single-family property, including a residential
11 condominium unit; (ii) either or both the The rents that may be charged ~~or the incomes of~~ to the
12 occupants; or (iii) the The maximum incomes of the occupants, such property shall be assessed
13 and taxed in accordance with section 44-5-13.11;

14 (2) In assessing real estate which is classified as farm land, forest, or open space land in
15 accordance with chapter 27 of this title the assessors shall consider no factors in determining the
16 full and fair cash value of the real estate other than those which relate to that use without regard
17 to neighborhood land use of a more intensive nature;

18 (3) Warwick. - The city council of the city of Warwick is authorized to provide, by
19 ordinance, that the owner of any dwelling of one to three (3) family units in the city of Warwick

1 who makes any improvements or additions on his or her principal place of residence in the
2 amount up to fifteen thousand dollars (\$15,000), as may be determined by the tax assessor of the
3 city of Warwick, is exempt from reassessment of property taxes on the improvement or addition
4 until the next general citywide reevaluation of property values by the tax assessor. For the
5 purposes of this section, "residence" is defined as voting address. This exemption does not apply
6 to any commercial structure. The property owner shall supply all necessary plans to the building
7 official for the improvements or addition and shall pay all requisite building and other permitting
8 fees as now are required by law; and

9 (4) Central Falls. - The city council of the city of Central Falls is authorized to provide,
10 by ordinance, that the owner of any dwelling of one to eight (8) units who makes any
11 improvements or additions to his or her residential or rental property in an amount not to exceed
12 twenty thousand dollars (\$20,000) as determined by the tax assessor of the city of Central Falls is
13 exempt from reassessment of property taxes on the improvement or addition until the next general
14 citywide reevaluation of property values by the tax assessor. The property owner shall supply all
15 necessary plans to the building official for the improvements or additions and shall pay all
16 requisite building and other permitting fees as are now required by law.

17 (5) Tangible property shall be assessed according to the asset classification table as
18 defined in section 44-5-12.1.

19 (b) Municipalities shall make available to every land owner whose property is taxed
20 under the provisions of this section a document which may be signed before a notary public
21 containing language to the effect that they are aware of the additional taxes imposed by the
22 provisions of section 44-5-39 in the event that they use land classified as farm, forest, or open
23 space land for another purpose.

24 (c) Pursuant to the provisions of section 44-3-29.1, all wholesale and retail inventory
25 subject to taxation is assessed at its full and fair cash value, or at a uniform percentage of its
26 value, not to exceed one hundred percent (100%), for fiscal year 1999, by the assessors in each
27 town and city. Once the fiscal year 1999 value of the inventory has been assessed, this value shall
28 not increase. The phase-out rate schedule established in section 44-3-29.1(d) applies to this fixed
29 value in each year of the phase-out.

30 **44-5-13.11. Qualifying low-income housing -- Assessment and taxation.** – (a) Any
31 residential [rental](#) property that has been issued an occupancy permit on or after January 1, 1995,
32 after substantial rehabilitation as defined by the U.S. Department of Housing and Urban
33 Development and is encumbered by a covenant recorded in the land records in favor of a
34 governmental unit or Rhode Island housing and mortgage finance corporation restricting either or

1 both the rents that may be charged to tenants of the property or the incomes of the occupants of
2 the property, is subject to a tax that equals eight percent (8%) of the property's previous years'
3 gross scheduled rental income or a lesser percentage as determined by each municipality.

4 (b) Any owner occupied single-family property or the improvements thereon, including a
5 residential condominium unit, which is encumbered by a covenant recorded in the land evidence
6 records in favor of a governmental unit, Rhode Island housing and mortgage finance corporation,
7 or a section 501(3)(c) nonprofit corporation restricting the sale price during the effective period of
8 the covenant (“affordability period”) shall be assessed by taking into account the effect of the
9 covenant on the value of the property. In no case shall such an encumbered property be assessed
10 at a value that exceeds its full and fair cash value without the encumbrance.

11 SECTION 2. This act shall take effect on December 31, 2012.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
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1 This act would require that the effect of a covenant in favor of a governmental or a
2 501(3)(c) nonprofit unit be considered in determining the value of property for purposes of
3 assessment of taxes.

4 This act would take effect December 31, 2012.

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