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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2013

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A N A C T

RELATING TO TAXATION - LEVY AND ASSESSMENT OF LOCAL TAXES

Introduced By: Senators Cote, and Picard

Date Introduced: February 06, 2013

Referred To: Senate Housing & Municipal Government

(by request)

It is enacted by the General Assembly as follows:

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

3           **44-5-13.11. Qualifying low-income housing -- Assessment and taxation.** – (a) Any  
4           residential property that has been issued an occupancy permit on or after January 1, 1995, after  
5           substantial rehabilitation as defined by the U.S. Department of Housing and Urban Development  
6           and is encumbered by a covenant recorded in the land records in favor of a governmental unit or  
7           Rhode Island housing and mortgage finance corporation restricting either or both the rents that  
8           may be charged to tenants of the property or the incomes of the occupants of the property, is  
9           subject to a tax that equals eight percent (8%) of the property's previous years' gross scheduled  
10          rental income or a lesser percentage as determined by each municipality.

11          (b) Provided, that as to any residential property that has been issued an occupancy permit  
12          on or after January 1, 2013 which would otherwise be subject to the municipal tax cap provided  
13          for in subsection (a) herein, said property shall not be subject to the limitations in the municipal  
14          tax cap if all of the following provisions are met:

15          (1) The property is located in a city or town that has promulgated zoning or land use  
16          ordinances, requirements, and/or regulations to implement a comprehensive plan which has been  
17          adopted and approved pursuant to the provisions of this chapter 45-22.2 ("Rhode Island  
18          Comprehensive Planning and Land Use Act") and chapter 45-22.3 ("State Comprehensive Plan  
19          Appeals Board"); and

1           (2) The housing element of the comprehensive plan provides for low and moderate  
2 income housing in excess of ten percent (10%) of the year-round housing units or fifteen percent  
3 (15%) of the occupied year-round rental housing units pursuant to the provisions of chapters 45-  
4 22.2 (“Rhode Island Comprehensive Planning and Land Use Act”) and 45-22.3 (“State  
5 Comprehensive Plan Appeals Board”); and

6           (3) The municipality has met requirements of having either ten percent (10%) of the year-  
7 round housing units or fifteen percent (15%) of the occupied year-round rental housing units  
8 qualify as low and moderate income housing and maintains such requirements for the entire fiscal  
9 year for which the municipality seeks to tax beyond the municipal tax cap; and

10           (4) The municipality has met all minimum housing requirements provided for in chapter  
11 45-53 (low and Moderate Income Housing).

12           (c) If at any time during the entire fiscal year a municipality which has initially met the  
13 requirements of subsection (b) fails to continue to meet the requirements of subsection (b) then  
14 the municipal tax cap contained in subsection (a) herein shall apply to the appropriate residential  
15 properties.

16           (d) The Rhode Island housing and mortgage finance corporation shall annually certify the  
17 percentage of low and moderate income housing available in each municipality to the general  
18 assembly and to the general treasurer.

19           SECTION 2. This act shall take effect upon passage and apply retroactively to January 1,  
20 2013.

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EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF  
A N A C T  
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1           This act would permit municipalities which meet the state-required minimums for low  
2 and moderate income housing to tax certain residences and units at a rate above the tax cap for  
3 certain residences and units issued an occupancy permit on or after January 1, 2013, so long as  
4 the municipality maintains the required percentages of low and moderate income housing.

5           This act would take effect upon passage and apply retroactively to January 1, 2013.

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