

**2013 -- S 0322 SUBSTITUTE A**

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LC01002/SUB A  
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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: Senator Michael J. McCaffrey

Date Introduced: February 13, 2013

Referred To: Senate Housing & Municipal Government

It is enacted by the General Assembly as follows:

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

3           **44-5-12. 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 residential property encumbered by a covenant recorded in the land records in  
8           favor of a governmental unit or Rhode Island housing and mortgage finance corporation  
9           restricting either or both the rents that may be charged or the incomes of the occupants shall be  
10          assessed and taxed in accordance with section 44-5-13.11;

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

15          (3) Warwick. - The city council of the city of Warwick is authorized to provide, by  
16          ordinance, that the owner of any dwelling of one to three (3) family units in the city of Warwick  
17          who makes any improvements or additions on his or her principal place of residence in the  
18          amount up to fifteen thousand dollars (\$15,000), as may be determined by the tax assessor of the  
19          city of Warwick, is exempt from reassessment of property taxes on the improvement or addition

1 until the next general citywide reevaluation of property values by the tax assessor. For the  
2 purposes of this section, "residence" is defined as voting address. This exemption does not apply  
3 to any commercial structure. The property owner shall supply all necessary plans to the building  
4 official for the improvements or addition and shall pay all requisite building and other permitting  
5 fees as now are required by law; and

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

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

16 (6) Provided, however, that, for taxes levied after December 31, 2013, new construction  
17 on development property is exempt from the assessment of taxes under this chapter at the full and  
18 fair cash value of the improvements, as long as:

19 (i) An owner of development property files an affidavit claiming the exemption with the  
20 local tax assessor by December 31 each year;

21 (ii) The assessor shall then determine if the real property on which new construction is  
22 located is development property. If the real property is development property, the assessor shall  
23 exempt the new construction located on that development property from the collection of taxes on  
24 improvements, until such time as the real property no longer qualifies as development property,  
25 as defined herein.

26 As used in this section:

27 For the purposes of this section, "development property" means real property on which a  
28 single-family residential dwelling or residential condominium unit is situated, and said single-  
29 family residential dwelling or residential condominium unit is not occupied, has never been  
30 occupied, and is on the market for sale. Such designation as development property shall not  
31 extend beyond two (2) tax years and qualification as development property shall only apply to  
32 projects permitted after July 1, 2013.

33 (b) Municipalities shall make available to every land owner whose property is taxed  
34 under the provisions of this section a document which may be signed before a notary public

1 containing language to the effect that they are aware of the additional taxes imposed by the  
2 provisions of section 44-5-39 in the event that they use land classified as farm, forest, or open  
3 space land for another purpose.

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

10 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 prohibit a municipality from taxing a new single-family dwelling unit or  
2 residential condominium unit at its full and fair cash value for as long as said new dwelling or  
3 condominium unit is not occupied, has never been occupied, and is on the market for sale.

4           This act would take effect upon passage.

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