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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2014

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A N A C T

RELATING TO TAXATION - MOTOR VEHICLE AND TRAILER EXCISE TAX
ELIMINATION ACT OF 1998

Introduced By: Senators Pichardo, Jabour, Metts, Ciccone, and Goodwin

Date Introduced: January 29, 2014

Referred To: Senate Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Sections 44-34-8 and 44-34-11 of the General Laws in Chapter 44-34
2 entitled "Excise on Motor Vehicles and Trailers" are hereby amended to read as follows:

3 **44-34-8. Appeal procedure.** -- (a) ~~(+)~~ Any taxpayer aggrieved by a valuation may appeal
4 that valuation to the tax assessor within ~~thirty (30)~~ forty-five (45) days of notice of valuation.
5 When the valuation of the vehicle has been made by the assessor, the assessor shall render a
6 decision within ten (10) days of the filing of the appeal. ~~When the valuation of the vehicle has~~
7 ~~been made by the Rhode Island vehicle valuation commission, the assessor shall forward the~~
8 ~~appeal on the form provided by the commission to the Rhode Island vehicle valuation~~
9 ~~commission within ten (10) days. The commission shall transmit its decision to the tax assessor~~
10 ~~within twenty (20) days of the receipt of the appeal.~~

11 ~~(2) The tax assessor shall notify the aggrieved taxpayer, by writing, of the commission~~
12 ~~decision within ten (10) days of the receipt of the commission decision.~~

13 (b) Within thirty (30) days of the notification of the decision of the tax assessor ~~or the~~
14 ~~commission,~~ an aggrieved taxpayer may appeal the decision to the district court for the judicial
15 division within which the city or town is located.

16 (c) A party aggrieved by a final order of the district court may seek review of this order
17 in the state supreme court by writ of certiorari. The petition for a writ of certiorari shall state the
18 errors claimed. Upon the filing of the petition with the clerk of the supreme court, the supreme

1 court may, if it sees fit, issue its writ of certiorari to the district court to certify to the supreme
2 court the record of the proceeding under review, or so much of this as was submitted to the
3 district court by the parties, together with any additional record of the proceedings in the district
4 court.

5 **44-34-11. Rhode Island vehicle value commission.** -- (a) There is hereby authorized,
6 created, and established the "Rhode Island vehicle value commission" whose function it is to
7 establish presumptive values of vehicles and trailers subject to the excise tax.

8 (b) The commission shall consist of the following seven (7) members as follows:

9 (1) The director of the department of revenue or his/her designee from the department of
10 revenue, who shall serve as chair;

11 (2) Five (5) local tax officials named by the governor, at least one of whom shall be from
12 a city or town under ten thousand (10,000) population and at least one of whom is from a city or
13 town over fifty thousand (50,000) population in making these appointments the governor shall
14 give due consideration to the recommendations submitted by the President of the Rhode Island
15 League of Cities and Towns and each appointment shall be subject to the advice and consent of
16 the senate;

17 (3) And one motor vehicle dealer appointed by the governor upon giving due
18 consideration to the recommendation of the director of revenue and subject to the advice and
19 consent of the senate.

20 (4) All members shall serve for a term of three (3) years.

21 (5) Current legislative appointees shall cease to be members of the commission upon the
22 effective date of this act. Non-legislative appointees to the commission may serve out their terms
23 whereupon their successors shall be appointed in accordance with this act. No one shall be
24 eligible for appointment to the commission unless he or she is a resident of this state.

25 (6) Public members of the commission shall be removable by the governor pursuant to
26 section 36-1-7 for cause only, and removal solely for partisan or personal reasons unrelated to
27 capacity or fitness for the office shall be unlawful.

28 (7) The governor shall appoint a chairperson from the commission's members. The
29 commission shall elect from among its members other officers as it may deem appropriate.

30 (c) The commission shall annually determine the presumptive values of vehicles and
31 trailers subject to the excise tax in the following manner:

32 (1) Not earlier than September 30 and not later than December 31 of each year, the
33 commission shall by rule adopt a methodology for determining the presumptive value of vehicles
34 and trailers subject to the excise tax which shall give consideration to the following factors:

1 (i) The average retail price of similar vehicles of the same make, model, type, and year
2 of manufacture as reported by motor vehicle dealers or by official used car guides, such as that of
3 the National Automobile Dealers Association for New England. Where regional guides are not
4 available, the commission shall use other publications deemed appropriate; and

5 (ii) Other information concerning the average retail prices for make, model, type, and
6 year of manufacture of motor vehicles as the director and the Rhode Island vehicle value
7 commission may deem appropriate to determine fair values.

8 (2) On or before February 1 of each year, it shall adopt a list of values for vehicles and
9 trailers of the same make, model, type, and year of manufacture as of the preceding December 31
10 in accordance with the methodology adopted between September 30 and December 31; the list
11 shall be subject to a public hearing at least five (5) business days prior to the date of its adoption.

12 (3) Nothing in this section shall be deemed to require the commission to determine the
13 presumptive value of vehicles and trailers which are unique, to which special equipment has been
14 added or to which special modifications have been made, or for which adequate information is
15 not available from the sources referenced in subdivision (1) of this subsection; provided, that the
16 commission may consider those factors in its lists or regulations.

17 (4) The commission shall annually provide the list of presumptive values of vehicles and
18 trailers to each tax assessor on or before February 15 of each year.

19 (d) The commission shall adopt rules governing its organization and the conduct of its
20 business; prior to the adoption of the rules, the chair shall have the power to call meetings, and a
21 simple majority of the members of the commission, as provided for in subsection (b) of this
22 section, is necessary for a quorum, which quorum by majority vote shall have the power to
23 conduct business in the name of the commission. The commission may adopt rules and elect from
24 among its members such other officers as it deems necessary.

25 (e) The commission shall have the power to contract for professional services that it
26 deems necessary for the development of the methodology for determining presumptive values, for
27 calculating presumptive values according to the methodology, and for preparing the list of
28 presumptive values in a form and format that is generally usable by cities and towns in their
29 preparation of tax bills. The commission shall also have the power to incur reasonable expenses
30 in the conduct of its business as required by this chapter and to authorize payments for the
31 expenses.

32 (f) Commission members shall receive no compensation for the performance of their
33 duties but may be reimbursed for their reasonable expenses incurred in carrying out such duties.

34 (g) The commission shall respond to petitions of appeal by local boards of review in

1 accordance with the provisions of section 44-34-9.

2 (h) The commission shall establish, by rule, procedures for adopting an annual budget
3 and for administering its finances. After July 1, 1986, one-half (1/2) of the cost of the
4 commission's operations shall be borne by the state and one-half (1/2) shall be borne by cities
5 and towns within the state, with the city and town share distributed among cities and towns on a
6 per capita basis.

7 (i) Within ninety (90) days after the end of each fiscal year, the commission shall
8 approve and submit an annual report to the governor, the speaker of the house of representatives,
9 the president of the senate, and the secretary of state of its activities during that fiscal year. The
10 report shall provide: an operating statement summarizing meetings or hearings held, meeting
11 minutes if requested, subjects addressed, decisions rendered, rules or regulations promulgated,
12 studies conducted, policies and plans developed, approved, or modified, and programs
13 administered or initiated; a consolidated financial statement of all funds received and expended
14 including the source of the funds, a listing of any staff supported by these funds, and a summary
15 of any clerical, administrative or technical support received; a summary of performance during
16 the previous fiscal year including accomplishments, shortcomings and remedies; a synopsis of
17 hearings, complaints, suspensions, or other legal matters related to the authority of the
18 commission; a summary of any training courses held pursuant to this subsection, a briefing on
19 anticipated activities in the upcoming fiscal year; and findings and recommendations for
20 improvements. The report shall be posted electronically on the general assembly and the secretary
21 of state's websites as prescribed in section 42-20-8.2. The director of the department of revenue
22 shall be responsible for the enforcement of this provision.

23 (j)(1) The commission shall undertake a comprehensive study regarding the impacts of
24 basing the assessment of used motor vehicles, for the purposes of the motor vehicle excise tax, on
25 the average trade-in value of similar vehicles as reported by motor vehicle dealers or by official
26 used car guides, such as that of the National Automobile Dealers Association. Such a study shall
27 include, but not be included to:

28 (i) The estimated impact of such a change on municipal revenue derived from the motor
29 vehicle excise tax;

30 (ii) The estimated impact of such a change on taxpayers; and

31 (iii) Any statutory, regulatory, or procedural barriers to implementing such a change.

32 (2) The commission shall complete and submit said comprehensive study to the governor,
33 the speaker of the house of representatives, and president of the senate, no later than February 1,
34 2015.

1 SECTION 2. This act shall take effect upon passage.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

A N A C T

RELATING TO TAXATION - MOTOR VEHICLE AND TRAILER EXCISE TAX
ELIMINATION ACT OF 1998

1 This act would require the Rhode Island vehicle value commission to undertake a
2 comprehensive study regarding the impacts of basing the assessment of used motor vehicles on
3 the average trade-in value of similar vehicles as determined by official used car guides.

4 This act would take effect upon passage.

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