

2014 -- S 2298

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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 TOWNS AND CITIES - STATE AID

Introduced By: Senators Picard, DaPonte, and Cote

Date Introduced: February 06, 2014

Referred To: Senate Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 44-3-3 of the General Laws in Chapter 44-3 entitled "Property
2 Subject to Taxation" is hereby amended to read as follows:

3 **44-3-3. Property exempt. --** The following property is exempt from taxation.

4 (1) Property belonging to the state except as provided in § 44-4-4.1;

5 (2) Lands ceded or belonging to the United States;

6 (3) Bonds and other securities issued and exempted from taxation by the government of
7 the United States, or of this state;

8 (4) Real estate, used exclusively for military purposes, owned by chartered or
9 incorporated organizations approved by the adjutant general, and composed of members of the
10 national guard, the naval militia, or the independent chartered military organizations;

11 (5) Buildings for free public schools, buildings for religious worship, and the land upon
12 which they stand and immediately surrounding them, to an extent not exceeding five (5) acres so
13 far as the buildings and land are occupied and used exclusively for religious or educational
14 purposes;

15 (6) Dwellings houses and the land on which they stand, not exceeding one acre in size, or
16 the minimum lot size for zone in which the dwelling house is located, whichever is the greater,
17 owned by or held in trust for any religious organization and actually used by its officiating clergy;
18 provided, further that in the town of Charlestown, where the property previously described in this
19 paragraph is exempt in total, along with dwelling houses and the land on which they stand in

1 Charlestown, not exceeding one acre in size, or the minimum lot size for zone in which the
2 dwelling house is located, whichever is the greater, owned by or held in trust for any religious
3 organization and actually used by its officiating clergy, or used as a convent, nunnery, or retreat
4 center by its religious order.

5 (7) Intangible personal property owned by, or held in trust for, any religious or charitable
6 organization, if the principal or income is used or appropriated for religious or charitable
7 purposes;

8 (8) Buildings and personal estate owned by any corporation used for a school, academy,
9 or seminary of learning, and of any incorporated public charitable institution, and the land upon
10 which the buildings stand and immediately surrounding them to an extent not exceeding one acre,
11 so far as they are used exclusively for educational purposes, but no property or estate whatever is
12 hereafter exempt from taxation in any case where any part of its income or profits or of the
13 business carried on there is divided among its owners or stockholders; provided, however, that
14 unless any private nonprofit corporation organized as a college or university located in the town
15 of Smithfield reaches a memorandum of agreement with the town of Smithfield, the town of
16 Smithfield shall bill the actual costs for police, fire, and rescue services supplied, unless
17 otherwise reimbursed, to said corporation commencing March 1, 2014;

18 (9) Estates, persons, and families of the president and professors for the time being of
19 Brown University for not more than ten thousand dollars (\$ 10,000) for each officer, the officer's
20 estate, person, and family included, but only to the extent that any person had claimed and
21 utilized the exemption prior to, and for a period ending either on or after December 31, 1996;

22 (10) Property especially exempt by charter unless the exemption has been waived in
23 whole or in part.

24 (11) Lots of land exclusively for burial grounds;

25 (12) Property, real and personal, held for or by an incorporated library, society, or any
26 free public library, or any free public library society, so far as the property is held exclusively for
27 library purposes, or for the aid or support of the aged poor, or poor friendless children, or the poor
28 generally, or for a [nonprofit](#) hospital for the sick or disabled.

29 (13) Real or personal estate belonging to or held in trust for the benefit of incorporated
30 organizations of veterans of any war in which the United States has been engaged, the parent
31 body of which has been incorporated by act of congress, to the extent of four hundred thousand
32 dollars (\$ 400,000) if actually used and occupied by the association; provided, that the city
33 council of the city of Cranston may by ordinance exempt the real or personal estate as previously
34 described in this subdivision located within the city of Cranston to the extent of five hundred

1 thousand dollars (\$500,000);

2 (14) Property, real and personal, held for or by the fraternal corporation, association, or
3 body created to build and maintain a building or buildings for its meetings or the meetings of the
4 general assembly of its members, or subordinate bodies of the fraternity, and for the
5 accommodation of other fraternal bodies or associations, the entire net income of which real and
6 personal property is exclusively applied or to be used to build, furnish, and maintain an asylum or
7 asylums, a home or homes, a school or schools, for the free education or relief of the members of
8 the fraternity, or the relief, support, and care of worthy and indigent members of the fraternity,
9 their wives, widows, or orphans, and any fund given or held for the purpose of public education,
10 almshouses, and the land and buildings used in connection therewith;

11 (15) Real estate and personal property of any incorporated volunteer fire engine company
12 or incorporated volunteer ambulance or rescue corps in active service;

13 (16) The estate of any person who in the judgment of the assessors is unable from
14 infirmity or poverty to pay the tax; providing, that in the town of Burrillville the tax shall
15 constitute a lien for five (5) years on the property where the owner is entitled to the exemption. At
16 the expiration of five (5) years, the lien shall be abated in full. Provided, if the property is sold or
17 conveyed or if debt secured by the property is refinanced during the five (5) year period, the lien
18 immediately becomes due and payable; any person claiming the exemption aggrieved by an
19 adverse decision of an assessor shall appeal the decision to the local board of tax review, and
20 thereafter according to the provisions of § 44-5-26;

21 (17) Household furniture and family stores of a housekeeper in the whole, including
22 clothing, bedding, and other white goods, books, and all other tangible personal property items
23 which are common to the normal household;

24 (18) Improvements made to any real property to provide a shelter and fallout protection
25 from nuclear radiation, to the amount of one thousand five hundred dollars (\$ 1,500); provided,
26 that the improvements meet applicable standards for shelter construction established from time to
27 time by the Rhode Island emergency management agency. The improvements are deemed to
28 comply with the provisions of any building code or ordinance with respect to the materials or the
29 methods of construction used and any shelter or its establishment is deemed to comply with the
30 provisions of any zoning code or ordinance;

31 (19) Aircraft for which the fee required by § 1-4-6 has been paid to the tax administrator;

32 (20) Manufacturer's inventory

33 (i) For the purposes of §§ 44-4-10, 44-5-3, 44-5-20, and 44-5-38, a person is deemed to
34 be a manufacturer within a city or town within this state if that person uses any premises, room,

1 or place in it primarily for the purpose of transforming raw materials into a finished product for
2 trade through any or all of the following operations: adapting, altering, finishing, making, and
3 ornamenting; provided, that public utilities, non-regulated power producers commencing
4 commercial operation by selling electricity at retail or taking title to generating facilities on or
5 after July 1, 1997, building and construction contractors, warehousing operations including
6 distribution bases or outlets of out-of-state manufacturers, and fabricating processes incidental to
7 warehousing or distribution of raw materials such as alteration of stock for the convenience of a
8 customer, are excluded from this definition.

9 (ii) For the purposes of §§ 44-3-3, 44-4-10, and 44-5-38, the term "manufacturer's
10 inventory" or any similar term means and includes the manufacturer's raw materials, the
11 manufacturer's work in process, and finished products manufactured by the manufacturer in this
12 state, and not sold, leased, or traded by the manufacturer or its title or right to possession
13 divested; provided, that the term does not include any finished products held by the manufacturer
14 in any retail store or other similar selling place operated by the manufacturer whether or not the
15 retail establishment is located in the same building in which the manufacturer operates the
16 manufacturing plant.

17 (iii) For the purpose of § 44-11-2, a "manufacturer" is a person whose principal business
18 in this state consists of transforming raw materials into a finished product for trade through any or
19 all of the operations described in paragraph (i) of this subdivision. A person will be deemed to be
20 principally engaged if the gross receipts which that person derived from the manufacturing
21 operations in this state during the calendar year or fiscal year mentioned in § 44-11-1 amounted to
22 more than fifty percent (50%) of the total gross receipts which that person derived from all the
23 business activities in which that person engaged in this state during the taxable year. For the
24 purpose of computing the percentage, gross receipts derived by a manufacturer from the sale,
25 lease, or rental of finished products manufactured by the manufacturer in this state, even though
26 the manufacturer's store or other selling place may be at a different location from the location of
27 the manufacturer's manufacturing plant in this state, are deemed to have been derived from
28 manufacturing.

29 (iv) Within the meaning of the preceding paragraphs of this subdivision, the term
30 "manufacturer" also includes persons who are principally engaged in any of the general activities
31 coded and listed as establishments engaged in manufacturing in the standard industrial
32 classification manual prepared by the technical committee on industrial classification, office of
33 statistical standards, executive office of the president, United States bureau of the budget, as
34 revised from time to time, but eliminating as manufacturers those persons, who, because of their

1 limited type of manufacturing activities, are classified in the manual as falling within the trade
2 rather than an industrial classification of manufacturers. Among those thus eliminated, and
3 accordingly also excluded as manufacturers within the meaning of this paragraph, are persons
4 primarily engaged in selling, to the general public, products produced on the premises from which
5 they are sold, such as neighborhood bakeries, candy stores, ice cream parlors, shade shops, and
6 custom tailors, except, that a person who manufactures bakery products for sale primarily for
7 home delivery, or through one or more non-baking retail outlets, and whether or not retail outlets
8 are operated by person, is a manufacturer within the meaning of this paragraph.

9 (v) The term "Person" means and includes, as appropriate, a person, partnership, or
10 corporation.

11 (vi) The department of revenue shall provide to the local assessors any assistance that is
12 necessary in determining the proper application of the definitions in this subdivision.

13 (21) Real and tangible personal property acquired to provide a treatment facility used
14 primarily to control the pollution or contamination of the waters or the air of the state, as defined
15 in chapter 12 of title 46 and chapter 25 of title 23, respectively, the facility having been
16 constructed, reconstructed, erected, installed, or acquired in furtherance of federal or state
17 requirements or standards for the control of water or air pollution or contamination, and certified
18 as approved in an order entered by the director of environmental management. The property is
19 exempt as long as it is operated properly in compliance with the order of approval of the director
20 of environmental management; provided, that any grant of the exemption by the director of
21 environmental management in excess of ten (10) years is approved by the city or town in which
22 the property is situated. This provision applies only to water and air pollution control properties
23 and facilities installed for the treatment of waste waters and air contaminants resulting from
24 industrial processing; furthermore, it applies only to water or air pollution control properties and
25 facilities placed in operation for the first time after April 13, 1970;

26 (22) New manufacturing machinery and equipment acquired or used by a manufacturer
27 and purchased after December 31, 1974. Manufacturing machinery and equipment is defined as:

28 (i) Machinery and equipment used exclusively in the actual manufacture or conversion of
29 raw materials or goods in the process of manufacture by a manufacturer as defined in subdivision
30 (20) of this section, and machinery, fixtures, and equipment used exclusively by a manufacturer
31 for research and development or for quality assurance of its manufactured products;

32 (ii) Machinery and equipment which is partially used in the actual manufacture or
33 conversion of raw materials or goods in process of manufacture by a manufacturer as defined in
34 subdivision (20) of this section, and machinery, fixtures, and equipment used by a manufacturer

1 for research and development or for quality assurance of its manufactured products, to the extent
2 to which the machinery and equipment is used for the manufacturing processes, research and
3 development or quality assurance. In the instances where machinery and equipment is used in
4 both manufacturing and/or research, and development, and/or quality assurance activities and
5 non-manufacturing activities, the assessment on machinery and equipment is prorated by
6 applying the percentage of usage of the equipment for the manufacturing, research, and
7 development and quality assurance activity to the value of the machinery and equipment for
8 purposes of taxation, and the portion of the value used for manufacturing, research, and
9 development, and quality assurance is exempt from taxation. The burden of demonstrating this
10 percentage usage of machinery and equipment for manufacturing and for research, and
11 development and/or quality assurance of its manufactured products rests with the manufacturer;
12 and

13 (iii) Machinery and equipment described in § 44-18-30(7) and (22) that was purchased
14 after July 1, 1997; provided that the city or town council of the city or town in which the
15 machinery and equipment is located adopts an ordinance exempting the machinery and equipment
16 from taxation. For purposes of this subsection, city councils and town councils of any
17 municipality may by ordinance wholly or partially exempt from taxation the machinery and
18 equipment discussed in this subsection for the period of time established in the ordinance and
19 may by ordinance establish the procedures for taxpayers to avail themselves of the benefit of any
20 exemption permitted under this section; provided, that the ordinance does not apply to any
21 machinery or equipment of a business, subsidiary or any affiliated business which locates or
22 relocates from a city or town in this state to another city or town in the state.

23 (23) Precious metal bullion, meaning any elementary metal which has been put through a
24 process of melting or refining, and which is in a state or condition that its value depends upon its
25 content and not its form. The term does not include fabricated precious metal which has been
26 processed or manufactured for some one or more specific and customary industrial, professional,
27 or artistic uses;

28 (24) Hydroelectric power generation equipment, which includes, but is not limited to,
29 turbines, generators, switchgear, controls, monitoring equipment, circuit breakers, transformers,
30 protective relaying, bus bars, cables, connections, trash racks, headgates, and conduits. The
31 hydroelectric power generation equipment must have been purchased after July 1, 1979, and
32 acquired or used by a person or corporation who owns or leases a dam and utilizes the equipment
33 to generate hydroelectric power;

34 (25) Subject to authorization by formal action of the council of any city or town, any real

1 or personal property owned by, held in trust for, or leased to an organization incorporated under
2 chapter 6 of title 7, as amended, or an organization meeting the definition of "charitable trust" set
3 out in § 18-9-4, as amended, or an organization incorporated under the not for profits statutes of
4 another state or the District of Columbia, the purpose of which is the conserving of open space, as
5 that term is defined in chapter 36 of title 45, as amended, provided the property is used
6 exclusively for the purposes of the organization;

7 (26) Tangible personal property, the primary function of which is the recycling, reuse, or
8 recovery of materials (other than precious metals, as defined in § 44-18-30(24)(ii) and (iii)), from
9 or the treatment of "hazardous wastes", as defined in § 23-19.1-4, where the "hazardous wastes"
10 are generated primarily by the same taxpayer and where the personal property is located at, in, or
11 adjacent to a generating facility of the taxpayer. The taxpayer may, but need not, procure an order
12 from the director of the department of environmental management certifying that the tangible
13 personal property has this function, which order effects a conclusive presumption that the tangible
14 personal property qualifies for the exemption under this subdivision. If any information relating
15 to secret processes or methods of manufacture, production, or treatment is disclosed to the
16 department of environmental management only to procure an order, and is a "trade secret" as
17 defined in § 28-21-10(b), it shall not be open to public inspection or publicly disclosed unless
18 disclosure is otherwise required under chapter 21 of title 28 or chapter 24.4 of title 23;

19 (27) Motorboats as defined in § 46-22-2 for which the annual fee required in § 46-22-4
20 has been paid;

21 (28) Real and personal property of the Providence performing arts center, a non-business
22 corporation as of December 31, 1986;

23 (29) Tangible personal property owned by, and used exclusively for the purposes of, any
24 religious organization located in the city of Cranston;

25 (30) Real and personal property of the Travelers Aid Society of Rhode Island, a nonprofit
26 corporation, the Union Mall Real Estate Corporation, and any limited partnership or limited
27 liability company which is formed in connection with, or to facilitate the acquisition of, the
28 Providence YMCA Building; and

29 (31) Real and personal property of Meeting Street Center or MSC Realty, Inc., both not-
30 for-profit Rhode Island corporations, and any other corporation, limited partnership, or limited
31 liability company which is formed in connection with, or to facilitate the acquisition of, the
32 properties designated as the Meeting Street National Center of Excellence on Eddy Street in
33 Providence, Rhode Island.

34 (32) The buildings, personal property and land upon which the buildings stand, located

1 on Pomham Island, East Providence, currently identified as Assessor's Map 211, Block 01, Parcel
2 001.00, which consists of approximately twenty-one thousand three hundred (21,300) square feet
3 and is located approximately eight hundred sixty feet (860'), more or less, from the shore, and
4 limited exclusively to these said buildings personal estate and land, provided that said property is
5 owned by a qualified 501(c)(3) organization, such as the American Lighthouse Foundation, and is
6 used exclusively for a lighthouse.

7 (33) The Stadium Theatre Performing Arts Centre building located in Monument Square,
8 Woonsocket, Rhode Island, so long as said Stadium Theatre Performing Arts Center is owned by
9 the Stadium Theatre Foundation, a Rhode Island nonprofit corporation.

10 (34) Real and tangible personal property of St. Mary Academy – Bay View, located in
11 East Providence, Rhode Island.

12 (35) Real and personal property of East Bay Community Action Program and its
13 predecessor, Self Help, Inc; provided, that the organization is qualified as a tax exempt
14 corporation under section 501(c)(3) of the United States Internal Revenue Code.

15 (36) Real and personal property, located within the city of East Providence of the
16 Columbus Club of East Providence, a Rhode Island charitable nonprofit corporation.

17 (37) Real and personal property, located within the city of East Providence of the
18 Columbus Club of Barrington, a Rhode Island charitable nonprofit corporation.

19 (38) Real and personal property, located within the city of East Providence of Lodge
20 2337 BPO Elks, a Rhode Island nonprofit corporation.

21 (39) Real and personal property, located within the city of East Providence of the St.
22 Andrews Lodge No. 39, a Rhode Island charitable nonprofit corporation.

23 (40) Real and personal property, located within the city of East Providence of the
24 Trustees of Methodist Health and Welfare service a/k/a United Methodist Elder Care, a Rhode
25 Island nonprofit corporation.

26 (41) Real and personal property, located on the first floor of 90 Leonard Avenue, within
27 the city of East Providence of the Zion Gospel Temple, Inc., a religious nonprofit corporation.

28 (42) Real and personal property, located within the city of East Providence of the Cape
29 Verdean Museum Exhibit, a Rhode Island nonprofit corporation.

30 (43) The real and personal property owned by a qualified 501(c)(3) organization that is
31 affiliated and in good standing with a national congressionally chartered organization and thereby
32 adheres to that organization's standards and provides activities designed for recreational,
33 educational and character building purposes for children from ages six (6) years to seventeen (17)
34 years.

1 (44) Real and personal property of the Rhode Island Philharmonic Orchestra and Music
2 School; provided, that the organization is qualified as a tax exempt corporation under section
3 501(c)(3) of the United States Internal Revenue Code.

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

6 **45-13-5.1. General assembly appropriations in lieu of property tax from certain**
7 **exempt private and state properties. --** (a) In lieu of the amount of local real property tax on

8 real property owned by any private nonprofit institution of higher education, or any nonprofit
9 hospital facility, or any state owned and operated hospital, veterans' residential facility, or
10 correctional facility occupied by more than one hundred (100) residents, which may have been or
11 will be exempted from taxation by applicable state law, exclusive of any facility operated by the
12 federal government, the state of Rhode Island, or any of its subdivisions, and, except as provided
13 in subsection (d) below, with respect to any for-profit hospital facility, the general assembly shall
14 annually appropriate for payment to the several cities and towns in which the property lies a sum
15 equal to twenty-seven percent (27%) of all tax that would have been collected had the real
16 property been taxable; provided however, said percentage shall be subject to adjustment pursuant
17 to subsection (h) below.

18 (b) Any city or town in which a nonprofit hospital facility which converts to or otherwise
19 becomes a for-profit hospital facility is located, as an alternative to taxing said for-profit hospital
20 facility, may elect to enter into a stabilization agreement (but may not exempt from taxation said
21 for-profit hospital facility's property) pursuant to § 44-3-9 unless there are other law(s) specific to
22 the particular city or town relating to stabilization agreements, in which case those specific laws
23 shall apply to said stabilization agreements.

24 (c) In the event that a city or town taxes said for-profit hospital facility or enters into a
25 stabilization agreement with said for-profit hospital facility under subsection (b) above, then the
26 value of said real property shall be the value determined by the most recent full revaluation or
27 statistical property update performed by the city or town, or in the case of the initial conversion
28 from a nonprofit hospital facility to a for-profit hospital facility or the establishment of a for-
29 profit hospital facility, the value shall be determined by a valuation performed for the purpose of
30 determining an initial assessed value of real and personal property, not previously taxed by the
31 city or town, as of the most recent date of assessment pursuant to § 44-5-1, subject to any changes
32 resulting from an appeal filed pursuant to § 44-5-26. In a year in which a nonprofit hospital
33 facility converts to or otherwise becomes a for-profit hospital facility, or a for-profit hospital
34 facility is otherwise established and there is a loss in non-property tax revenue in that year due to

1 taxing or entering into a stabilization agreement with the for-profit hospital facility, the amount
2 levied by the city or town may exceed the percentage specified in § 44-5-2.

3 (d) A city or town in which a nonprofit hospital facility which converts to or otherwise
4 becomes a for-profit hospital is located may elect to continue to receive distributions of
5 appropriations instead of taxing the for-profit hospital facility or entering into a tax stabilization
6 agreement as permitted hereunder; provided however, in the event that the city or town continues
7 to receive distributions of appropriations after said conversion or establishment of the for-profit
8 hospital and later elects to tax or enter into a stabilization agreement with the for-profit hospital
9 facility, said city or town shall thereafter not have the option of receiving the distributions of
10 appropriations under subsection (a) of this section. Any city or town electing to continue to
11 receive distributions of appropriations after a nonprofit hospital facility has converted to a for-
12 profit hospital facility or a for-profit hospital facility has been established, shall so notify the
13 division of municipal finance on or before the next April 15 subsequent to said conversion or
14 establishment of the for-profit hospital and provide any other documentation deemed necessary
15 by the division of municipal finance. In no event shall any city or town electing to continue to
16 receive distributions of appropriations under this section also receive from the for-profit hospital
17 facility taxes or payments under a stabilization agreement during the same period of time. In the
18 event that a city or town elects to continue to receive distributions of appropriations under this
19 subsection, then the for-profit hospital facility shall be required to reimburse the state an amount
20 equal to that portion of the distribution of appropriation received by the city or town that is
21 attributable to the for-profit hospital calculated as if the for-profit hospital were a nonprofit
22 hospital.

23 (e) With respect to any for-profit hospital corporation as defined in §§ 23-17.14-4(11)
24 and (12) which was not converted from a nonprofit to a for-profit hospital facility, or was not a
25 nonprofit hospital facility that otherwise became a for-profit hospital facility, the city or town
26 shall have the option of: (i) Treating the real and personal property of the for-profit hospital
27 facility as taxable and assessing and collecting a local property tax on said real and personal
28 property of the for-profit hospital facility; or (ii) Entering into a stabilization agreement with the
29 for-profit hospital facility with respect to said for-profit hospital's real and personal property
30 pursuant to the terms and conditions of §§ 44-3-9 through 44-3-9.7, as applicable.

31 ~~(b)~~(f) As used in this section, "private nonprofit institution of higher education" means
32 any institution engaged primarily in education beyond the high school level, the property of
33 which is exempt from property tax under any of the subdivisions, and "nonprofit hospital facility"
34 means any nonprofit hospital licensed by the state and which is used for the purpose of general

1 medical, surgical, or psychiatric care and treatment.

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

10 ~~(d)~~(h) The state budget offices shall include the amount of the annual ~~grant~~ appropriation
11 in the state budget for the fiscal year commencing July 1, 1988 and each fiscal year thereafter.
12 The amount of the annual ~~grant~~ distribution of appropriation payable to each eligible municipality
13 in any year in accordance with this section shall be reduced proportionately in the event that the
14 total of the annual ~~grants in any year exceeds the amount appropriated that year for the purposes~~
15 ~~of this section~~ appropriation in the state budget is insufficient to pay the eligible municipalities
16 the amounts otherwise payable to said communities pursuant to subsection (a) of this section.

17 ~~(e)~~(i) Distribution of appropriations shall be made by the state on or before July 31 of
18 1988 and each July 31 thereafter, and the payments may be counted as a receivable by any city or
19 town for a fiscal year ending the preceding June 30.

20 ~~(e)~~(j) Any act or omission by the state with respect to this chapter shall in no way
21 diminish the duty of any town or municipality to provide public safety or other ordinary services
22 to the properties or facilities of the type listed in subsection (a).

23 ~~(e)~~(k) Provided, that payments authorized pursuant to this section shall be reduced pro
24 rata, for that period of time that the municipality suspends or reduces essential services to eligible
25 facilities. For the purposes of this section "essential services" include, but are not to be limited to,
26 police, fire and rescue.

27 SECTION 3. This act shall take effect on December 31, 2014.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
A N A C T
RELATING TO TOWNS AND CITIES - STATE AID

1 This act would grant cities and towns the right to: (1) Tax real and personal property of a
2 for-profit hospital facility that was converted from a nonprofit facility; (2) Enter into a
3 stabilization agreement with a for-profit hospital facility that was converted from a nonprofit
4 hospital facility; and/or (3) Continue to receive distributions of appropriations for real property of
5 a for-profit hospital facility that was converted from a nonprofit facility, which amounts would be
6 reimbursed to the state by the for-profit hospital facility. This act would also grant cities and
7 towns the right to tax or enter into a stabilization agreement with a for-profit hospital facility that
8 had not been converted from a nonprofit hospital facility.

9 This act would take effect on December 31, 2014.

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