

2015 -- H 5343

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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2015

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A N A C T

RELATING TO TOWNS AND CITIES - FIRE DISTRICT FISCAL STABILITY

Introduced By: Representatives Morgan, and Nardolillo

Date Introduced: February 05, 2015

Referred To: House Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Title 45 of the General Laws entitled "TOWNS AND CITIES" is hereby  
2 amended by adding thereto the following chapter:

3 CHAPTER 67

4 FIRE DISTRICT FISCAL STABILITY

5 **45-67-1. Local fire districts – Special meetings.** -- Every fire district authorized to  
6 assess and collect local taxes shall not approve capital expenditures outside any year's budget at  
7 any special meeting.

8 **45-67-2. Local fire districts – Tax and debt.** -- (a) Notwithstanding any public, special,  
9 or general law to the contrary, every fire district shall be subject to a four percent (4%) tax cap.

10 (b) Every fire district shall restrict its debt to an amount less than five percent (5%) of the  
11 fire district's annual operating budget.

12 **45-67-3. Actuarial study.** -- Every fire district shall perform actuarial study of each fire  
13 district contract to ensure compliance with the provisions of § 45-67-2 relating to tax cap and  
14 debt. This study shall be conducted every ten (10) years starting on July 1, 2015, and shall be  
15 conducted every ten (10) years thereafter, with a report to be provided to the general assembly on  
16 or before January 10 of each year commencing in 2016.

17 **45-67-4. Local fire districts – Audits by outside vendor.** -- Every fire district shall have  
18 an annual financial audit to be conducted pursuant to § 44-5-69.

19 **45-67-5. Local fire districts – Tax classifications prohibited.** -- Notwithstanding any

1 public, special, or general law to the contrary, no fire district shall be permitted to adopt any tax  
2 classification plan.

3 **45-67-6. Local fire districts – Supplemental taxes.** -- No fire district shall assess any  
4 supplemental tax without conducting a properly advertised special meeting which satisfies the  
5 annual budget meetings notice and attendance provisions.

6 **45-67-7. Severability.** -- If any provision in any section of this chapter or the application  
7 thereof to any person or circumstances is held invalid, its invalidity does not affect other  
8 provisions or applications of this chapter which can be given effect without the invalid provision  
9 or application, and to this end the provisions of this chapter are severable.

10 SECTION 2. Section 44-5-69.1 of the General Laws in Chapter 44-5 entitled "Levy and  
11 Assessment of Local Taxes" is hereby repealed.

12 ~~**44-5-69.1. Property tax classification -- Albion fire district within the town of**~~  
13 ~~**Lincoln -- Tax levy determination.**~~ ~~The tax collector for the Albion fire district within the~~  
14 ~~town of Lincoln shall provide to the board of fire commissioners a list containing the full and fair~~  
15 ~~valuation of each property class, and with the approval of the members of the fire district by vote,~~  
16 ~~annually determine the percentage of the tax levy to be apportioned to each class of property and~~  
17 ~~shall annually apply tax rates sufficient to produce the proportion of the total tax levy.~~

18 ~~(1) Class 1. -- Residential real estate consisting of no more than five (5) dwelling units~~  
19 ~~including dwellings on leased land including mobile homes.~~

20 ~~(2) Class 2. -- Commercial and industrial real estate and residential real estate of more~~  
21 ~~than five (5) dwelling units.~~

22 ~~(3) Class 3. -- All ratable tangible personal property excluding motor vehicles and trailers.~~  
23 ~~(Notwithstanding any provisions of the contrary, the tax rates applicable to wholesale and retail~~  
24 ~~inventory within Class 3 are governed by § 44-3-29.1).~~

25 SECTION 3. Section 44-5.2-1 of the General Laws in Chapter 44-5.2 entitled "Powers  
26 and Duties of Fire Districts in the Town of Coventry" is hereby repealed.

27 ~~**44-5.2-1. Tax classification.**~~ ~~(a) Any fire district in the town of Coventry may adopt a~~  
28 ~~tax classification plan, by a vote of the electors of the district, with the following limitations:~~

29 ~~(1) The designated classes of property shall be limited to the four (4) classes as defined~~  
30 ~~in subsection (b) of this section.~~

31 ~~(2) The effective tax rate applicable to any class excluding class 4 shall not exceed by~~  
32 ~~fifty percent (50%) the rate applicable to any other class.~~

33 ~~(3) Any tax rate changes from one year to the next shall be applied such that the same~~  
34 ~~percentage rate change is applicable to all classes, excluding class 4.~~

1 ~~(4) Notwithstanding subdivisions (2) and (3) of this subsection, the tax rates applicable~~  
2 ~~to wholesale and retail inventory within class 3 as defined in subsection (b) of this section are~~  
3 ~~governed by § 44-3-29.1.~~

4 ~~(5) The tax rates applicable to motor vehicles within class 4 as defined in subsection (b)~~  
5 ~~of this section are governed by § 44-34.1-1.~~

6 ~~(6) The provisions of chapter 35 of this title relating to property tax and fiscal disclosure~~  
7 ~~applies to the reporting of and compliance with these classification restrictions.~~

8 ~~(b) Classes of Property:~~

9 ~~(1) Class 1: Residential real estate consisting of no more than five (5) dwelling units,~~  
10 ~~land classified as open space, and dwellings on leased land including mobile homes.~~

11 ~~(2) Class 2: Commercial and industrial real estate, residential properties containing~~  
12 ~~partial commercial or business uses and residential real estate of more than five (5) dwelling~~  
13 ~~units.~~

14 ~~(3) Class 3: All ratable tangible personal property.~~

15 ~~(4) Class 4: Motor vehicles and trailers subject to the excise tax created by chapter 34 of~~  
16 ~~this title.~~

17 SECTION 4. This act shall take effect upon passage.

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EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF

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RELATING TO TOWNS AND CITIES - FIRE DISTRICT FISCAL STABILITY

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- 1 This act would establish fiscal stability guidelines for fire districts.
- 2 This act would take effect upon passage.

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