2015 -- S 0383

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2015

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RELATING TO TAXATION -- LEVY AND ASSESSMENT OF LOCAL TAXES

It is enacted by the General Assembly as follows:

1   SECTION 1. Sections 44-5-11.5 and 44-5-11.6 of the General Laws in Chapter 44-5

2   entitled "Levy and Assessment of Local Taxes" are hereby amended to read as follows:

3   **44-5-11.5. Legislative findings -- Revaluation cycle. --** It is found and declared that:

4   (1) Rhode Island property taxes continue to play a significant role in the financing of

5   local educational and municipal services. The general assembly recognizes that the way the

6   property tax is assessed, levied and collected can be improved to provide more reliable and up-to-

7   date property values in each of the cities and towns.

8   (2) The state's ten (10) year property revaluation cycle is the longest revaluation cycle in

9   the country. Infrequent revaluations translate into disparities in property tax burden between types

10   and classes of property within and among cities and towns. In addition, because each city and

11   town represents multiple systems and procedures for administering the property tax, there is an

12   inconsistent administration of property tax law and regulations.

13   (3) It is the intent of the general assembly to ensure that all taxpayers in Rhode Island are

14   treated equitably. The more frequent the revaluation, the greater the equity within and among

15   jurisdictions. Ensuring that taxpayers are treated fairly begins with modernizing the

16   administration of the property tax that ensures:

17   (i) Up-to-date property values are maintained through more frequent property

18   revaluations;

19   (ii) Cities and towns meet defined standards related to performing updates of property

1 values;

2 (iii) The state shares in the cost of performing updates of property values in the cities and

3 towns;

4 (iv) A meaningful and effective method of ensuring that cities and towns comply with

5 the nine (9) year revaluation cycle and the updates of property values are developed;

6 (v) Procedures for administering the property tax are standardized -- such as general

7 reporting and classification systems;

8 (vi) Assessors and contracted property revaluation companies meet appropriate

9 qualifications and standards; and

10 (vii) Intergovernmental cooperation in the administration of the property tax is

11 maximized.

12 (4) With these findings in mind, it is the intent of the general assembly to institute a

13 revaluation cycle where every city or town conducts a revaluation within nine (9) years of the

14 date of the prior revaluation and shall conduct an update of real property every three (3) six (6)

15 years from the date of the last revaluation.

16 **44-5-11.6. Assessment of valuations -- Apportionment of levies. --** (a) Notwithstanding

17 the provisions of § 44-5-11 [repealed] beginning on December 31, 2000, the assessors in the

18 several towns and cities shall conduct an update as defined in this section or shall assess all

19 valuations and apportion the levy of all taxes legally ordered under the rules and regulations, not

20 repugnant to law, as the town meetings and city councils, respectively, shall from time to time

21 prescribe; provided, that the update or valuation is performed in accordance with the following

22 schedules:

23 (1) (i) For a transition period, for cities and towns who conducted or implemented a

24 revaluation as of 1993 or in years later:

25		Update	Revaluation
26	Lincoln	2000	2003
27	South Kingstown	2000	2003
28	Smithfield	2000	2003
29	West Warwick	2000	2003
30	Johnston	2000	2003
31	Burrillville	2000	2003
32	North Smithfield	2000	2003
33	Central Falls	2000	2003
34	North Kingstown	2000	2003

1	Jamestown	2000	2003
2	North Providence	2001	2004
3	Cumberland	2001	2004
4	Bristol	2004	2001
5	Charlestown	2001	2004
6	East Greenwich	2002	2005
7	Cranston	2002	2005
8	Barrington	2002	2005
9	Warwick	2003	2006
10	Warren	2003	2006
11	East Providence	2003	2006

12   (ii) Provided that the reevaluation period for the town of New Shoreham shall be

13   extended to 2003 and the update for the town of Hopkinton may be extended to 2007 with no

14   additional reimbursements by the state relating to the delay.

15   (iii) The implementation date for this schedule is December 31st, of the stated year.

16   (iv) Those cities and towns not listed in this schedule, shall continue the revaluation

17   schedule pursuant to § 44-5-11 [repealed].

18   (2) (i) For the post transition period and in years thereafter:

19		Update #1	Update #2	Revaluation
20	Woonsocket	2002	2005	2008
21	Pawtucket	2002	2005	2008
22	Portsmouth	2001	2004	2007
23	Coventry	2001	2004	2007
24	Providence	2003	2006	2009
25	Foster	2002	2005	2008
26	Middletown	2002	2005	2008
27	Little Compton	2003	2006	2009
28	Scituate	2003	2006	2009
29	Westerly	2003	2006	2009
30	West Greenwich	2004	2007	2010
31	Glocester	2004	2007	2010
32	Richmond	2004	2007	2010
33	Bristol	2004	2007	2010
34	Tiverton	2005	2008	2011

1	Newport	2005	2008	2011
2	New Shoreham	2006	2009	2012
3	Narragansett	2005	2008	2011
4	Exeter	2005	2008	2011
5	Hopkinton	2007	2010	2013
6	Lincoln	2006	2009	2012
7	South Kingstown	2006	2009	2012
8	Smithfield	2006	2009	2012
9	West Warwick	2006	2009	2012
10	Johnston	2006	2009	2012
11	Burrillville	2006	2009	2012
12	North Smithfield	2006	2009	2012
13	Central Falls	2006	2009	2012
14	North Kingstown	2006	2009	2012
15	Jamestown	2006	2009	2012
16	North Providence	2007	2010	2013
17	Cumberland	2007	2010	2013
18	Charlestown	2007	2010	2013
19	East Greenwich	2008	2011	2014
20	Cranston	2008	2011	2014
21	Barrington	2008	2010	2014
22	Warwick	2009	2012	2015
23	Warren	2009	2012	2015
24	East Providence	2009	2012	2015

25   (ii) The implementation date for the schedule is December 31st of the stated year. Upon

26   the completion of the update and revaluation according to this schedule, each city and town shall

27   conduct a revaluation within nine (9) years of the date of the prior revaluation and shall conduct

28   an update of real property every three (3) six (6) years from the last revaluation.

29   (b) No later than February 1, 1998, the director of the department of revenue shall

30   promulgate rules and regulations consistent with the provisions of this section to define the

31   requirements for the updates which shall include, but not be limited to:

32   (1) An analysis of sales;

33   (2) A rebuilding of land value tables;

34   (3) A rebuilding of cost tables of all improvement items; and

1   (4) A rebuilding of depreciation schedules. Upon completion of an update, each city or

2   town shall provide for a hearing and/or appeal process for any aggrieved person to address any

3   issue, which arose during the update.

4   (c) The costs incurred by the towns and cities for the first update shall be borne by the

5   state in an amount not to exceed twenty dollars ($20.00) per parcel. The costs incurred by the

6   towns and cities for the second update shall be borne eighty percent (80%) by the state (in an

7   amount not to exceed sixteen dollars ($16.00) per parcel) and twenty percent (20%) by the town

8   or city and in the third update and thereafter, the state shall pay sixty percent (60%) of the update

9   (not to exceed twelve dollars ($12.00) per parcel) and the town or city shall pay forty percent

10   (40%); provided, that for the second update and in all updates thereafter, that the costs incurred

11   by any city or town which is determined to be a distressed community pursuant to § 45-13-12

12   shall be borne eighty percent (80%) by the state and twenty percent (20%) by the city or town for

13   all updates required by this section.

14   (d) The office of municipal affairs, after consultation with the league of cities and towns

15   and the Rhode Island assessors' association, shall recommend adjustments to the costs formula

16   described in subsection (c) of this section based upon existing market conditions.

17   (e) Any property, which is either exempt from the local property tax pursuant to § 44-3-3

18   or which pays a city or town an amount in lieu of taxes, is not required to have its values updated

19   pursuant to this section, and the property is not eligible for the reimbursement provisions of

20   subsection (c) of this section. However, those properties which are exempt from taxation and are

21   eligible for state appropriations in lieu of property tax under the provisions of § 45-13-5.1 are

22   eligible for state reimbursement pursuant to subsection (c) of this section, provided, that these

23   properties were revalued as part of that city or town's most recent property revaluation.

24   (f) No city or town is required to conduct an update pursuant to this section unless the

25   state has appropriated sufficient funds to cover the state's costs as identified in subsection (c) of

26   this section.

27   (g) Any city or town that fails to conduct an update or revaluation as required by this

28   section, or requests and receives an extension of the dates specified in this section, shall receive

29   the same amount of state aid under §§ 45-13-1, 45-13-5.1, and 45-13-12 in the budget year for

30   which the new values were to apply as the city or town received in-state aid in the previous

31   budget year; provided, however, if the new year's entitlement is lower than the prior year's

32   entitlement, the lower amount applies, except for the town of New Shoreham for the fiscal year

33   2003.

34   (h) Any bill or resolution to extend the dates for a city or town to conduct an update or

1   revaluation must be approved by a two-thirds (2/3) (2/3) majority of both houses of the general

2   assembly.

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

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EXPLANATION

BY THE LEGISLATIVE COUNCIL

OF

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RELATING TO TAXATION -- LEVY AND ASSESSMENT OF LOCAL TAXES

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1   This act would increase from three (3) to six (6) years the interval of time within which a

2   city or town must conduct an update of its last real property revaluation.

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