

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY  
JANUARY SESSION, A.D. 2015

A N A C T  
RELATING TO TAXATION

Introduced By: Senators Sosnowski, Archambault, and Conley

Date Introduced: March 18, 2015

Referred To: Senate Finance

(Administration)

It is enacted by the General Assembly as follows:

1 SECTION 1. Title 44 of the General Laws entitled "TAXATION" is hereby amended by  
2 adding thereto the following chapter:

3 CHAPTER 3.1

4 RENEWABLE ENERGY SYSTEMS PROPERTY TAXATION

5 **44-3.1-1. Purpose.** -- The purpose of this chapter is to facilitate and provide a predictable  
6 process for how commercial and residential renewable energy systems are assessed and taxed.  
7 The goal of this chapter is to provide predictability to homeowners, businesses, municipalities  
8 and renewable energy developers on property valuation tax rates and revenues for renewable  
9 energy systems. This process shall enhance and improve the state's renewable energy economy  
10 and reduce the costs of renewable energy.

11 **44-3.1-2. Definitions.** -- When used in this chapter, the following terms shall have the  
12 following meanings:

13 (1) "Division" means the Rhode Island division of municipal finance;

14 (2) "Office" means the Rhode Island office of energy resources; and

15 (3) "Renewable energy system" means renewable energy systems using eligible  
16 renewable energy resources as defined § 39-26-5.

17 **44-3.1-3. Renewable energy systems - Exemption.** -- The city or town councils of the  
18 various cities and towns may, by ordinance, exempt from taxation any renewable energy system  
19 located in the city or town.

1           **44-3.1-4. Renewable energy systems property taxation.** -- Effective July 1, 2015, the  
2 office shall annually establish in consultation with the division an appropriate methodology as to  
3 both the valuation and taxation of commercial and residential renewable energy systems. In  
4 establishing the tax rates for the renewable energy systems, the office shall convene a stakeholder  
5 group comprised of members with expertise in municipal property taxes and renewable energy  
6 technologies and system installations. The office, in consultation with the division, shall release  
7 the residential and commercial renewable energy system property tax rates for public comment,  
8 which shall be subject to the rulemaking provisions of chapter 35 of title 42, including, but not  
9 limited to, § 42-35-3(a)(1) which provides for at least thirty (30) days public notice prior to the  
10 intended action. The rulemaking process shall be completed prior to the residential and  
11 commercial renewable energy property tax rates being adopted by the division on or before  
12 January 1, 2016 and annually thereafter. Further, any stakeholder meetings shall be posted in  
13 accordance with the provisions of § 42-46-6.

14           SECTION 2. Section 44-3-21 of the General Laws in Chapter 44-3 entitled "Property  
15 Subject to Taxation" is hereby repealed.

16           ~~**44-3-21. Renewable energy systems -- Exemption.** -- The city or town councils of the~~  
17 ~~various cities and towns may, by ordinance, exempt from taxation any renewable energy system~~  
18 ~~located in the city or town.~~

19           SECTION 3. 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

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- 1           This act would establish methodologies to assess and tax commercial and residential
- 2 renewable energy systems.
- 3           This act would take effect upon passage.

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