

2016 -- S 2268 SUBSTITUTE A

LC004351/SUB A/2

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2016

A N A C T

RELATING TO TAXATION - PORTSMOUTH COMMERCIAL FINES

Introduced By: Senators DiPalma, and Felag

Date Introduced: February 09, 2016

Referred To: Senate Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Chapter 44-3 of the General Laws entitled "Property Subject to Taxation" is
2 hereby amended by adding thereto the following section:

3 ~~44-3-9.9. Portsmouth -- Exemption or stabilizing of taxes on certain qualified~~
4 ~~commercial property. -- Portsmouth - Exemption or stabilizing of taxes on qualified~~
5 ~~property used for manufacturing or commercial purposes in the town of Portsmouth. -- The~~
6 ~~Portsmouth town council may authorize real and tangible property taxes to be exempted or~~
7 ~~stabilized for legally permitted commercial or industrial businesses that construct a new facility,~~
8 ~~renovate or expand an existing facility, or add leasehold improvements. Nothing in this section~~
9 ~~shall be deemed to permit the exemption or stabilization for any manufacturing or commercial~~
10 ~~concern locating from one city or town within the state to another.~~

11 (a) Notwithstanding any provisions of §44-3-9 to the contrary, except as provided in this
12 section, the Portsmouth town council may vote to authorize, for a period not exceeding ten (10)
13 years, and subject to the conditions provided in this section, to exempt from taxation, in whole or
14 part, real and tangible personal property used for manufacturing or commercial purposes, or to
15 determine a stabilized amount of taxes to be paid on account of the property, notwithstanding the
16 valuation of the property or the rate of tax; provided, that after public hearings, at least ten (10)
17 days' notice of which shall be given in a newspaper of general circulation in the town, the town
18 council determines that:

19 (1) Granting of the exemption or stabilization of taxes will inure to the benefit of the

1 town by reason of:

2 (i) The willingness of the manufacturing or commercial concern to locate in the town; or

3 (ii) The willingness of a manufacturing firm to expand facilities with an increase in
4 employment or the willingness of a commercial or manufacturing concern to retain or expand its
5 facility in the town and not reduce its work force in the town; or

6 (iii) An improvement of the physical plant of the town that will result in long-term
7 economic benefits to the town and the state.

8 (2) Granting of the exemption or stabilization of taxes will inure to the benefit of the
9 town by reason of the willingness of a manufacturing or commercial firm or concern to replace,
10 reconstruct, expand or remodel existing buildings, facilities, fixtures, machinery, or equipment
11 with modern buildings, facilities, fixtures, machinery, or equipment, resulting in an increase in
12 plant or commercial building investments by the firm or concern in the town.

13 (b) Should the town council make the determination in subsections (a)(1)(i) through
14 subsections (a)(1)(iii), or subsection (a)(2) of this section, an exemption or stabilization may be
15 granted for existing buildings, property, machinery, or facilities owned by businesses already
16 located in the town of Portsmouth on January 1, 2016.

17 (c) For the purposes of this section, "real property used for manufacturing or commercial
18 purposes" includes any building or structure used for offices or commercial enterprises including,
19 without limitation, any building or structure used for wholesale, warehouse, distribution, and/or
20 storage business, used for service industries, or used for any other commercial business and not
21 the land on which the building or structure is situated and not used for residential purposes.

22 (d) For purposes of this section, "personal property used for manufacturing or
23 commercial purposes" means any personal property owned by a firm or concern occupying a
24 building, structure, and/or land used for commercial purposes and used by such firm or concern in
25 its commercial enterprise including, without limitation, furniture, fixtures, equipment, machinery,
26 stock in trade, and inventory.

27 (e) Except as provided in this section, property for which taxes have been exempted in
28 whole or in part, or stabilized pursuant to this section, shall not, during the period for which taxes
29 have been exempted or stabilized, be further liable to taxation by the town so long as the property
30 is used for the manufacturing or commercial purposes for which the exemption or stabilization
31 was granted.

32 (f) Notwithstanding any vote of, or findings by the town council, the property shall be
33 assessed for, and the property owner shall pay, that portion of the tax, if any, assessed by the town
34 for the purpose of paying the indebtedness of the town and the indebtedness of the state or any

1 political subdivision of the state, to the appropriation to any sinking fund of the town, which
2 portion of the tax shall be paid in full, and the taxes so assessed and collected shall be kept in a
3 separate account and used only for that purpose.

4 (g) Any application for tax exemption or stabilization submitted pursuant to this section
5 shall be submitted before an application for development plan review is submitted to the
6 Portsmouth planning board, as applicable, or for other such permits and/or approvals that may be
7 required from any other town board or commission.

8 (h) Any tax exemption or stabilization granted by the town council pursuant to this
9 section shall be applicable for a period beginning on the first day of the fiscal year in which the
10 exemption or stabilization is granted.

11 (i) If a property owner whose property tax has been exempted or stabilized pursuant to
12 this section becomes delinquent in the payment of its property taxes, or transfers ownership of its
13 business, the town council shall have the authority to review and terminate the tax exemption or
14 stabilization agreement.

15 (j) Nothing in this section shall be deemed to permit the exemption or stabilization
16 provided in this section for any manufacturing or commercial concern relocating from one city or
17 town within the state of Rhode Island to the town of Portsmouth.

18 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 - PORTSMOUTH COMMERCIAL FINES

- 1 This act would authorize the town of Portsmouth to exempt or stabilize taxes on qualified
- 2 property used for manufacturing or commercial purposes in the town of Portsmouth.
- 3 This act would take effect upon passage.

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