

2016 -- S 2689

=====  
LC005106  
=====

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2016

-----  
A N A C T

RELATING TO TAXATION -- MOTOR VEHICLE EXCISE TAX

Introduced By: Senators Ciccone, Cote, Satchell, Goldin, and Lombardi

Date Introduced: March 08, 2016

Referred To: Senate Finance

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 34.2

4 MOTOR VEHICLE EXCISE TAX EQUALIZATION ACT

5 **44-34.2-1. Findings.** -- The general assembly hereby makes the following findings:

6 (1) Based upon the December 31, 2014, motor vehicle excise tax rate levied, every city  
7 and town has a different motor vehicle tax rate, ranging from nine dollars and seventy-five cents  
8 (\$9.75) per one thousand dollars (\$1,000) of valuation in New Shoreham to sixty dollars (\$60.00)  
9 per one thousand dollars (\$1,000) of valuation in Providence.

10 (2) Based upon the motor vehicle tax rate levied for all cities and towns as of December  
11 31, 2014, the statewide average was twenty-nine dollars and ten cents (\$29.10) per one thousand  
12 dollars (\$1,000) of valuation.

13 (3) Based upon the December 31, 2014, motor vehicle excise tax levy in each  
14 municipality, if on a statewide motor vehicle tax rate of twenty-nine dollars and ten cents  
15 (\$29.10) per one thousand dollars (\$1,000) of valuation was enacted, eighteen (18) cities and  
16 towns would lose tax revenue and twenty-one (21) cities and towns would benefit.

17 **44-34.2-2. Statewide motor vehicle excise tax rate.** -- Notwithstanding any general law  
18 to the contrary:

19 (1) Effective December 31, 2016, no city or town shall set their own motor vehicle excise

1 [tax levy.](#)

2 [\(2\) Commencing December 31, 2016, there shall be a statewide uniform motor vehicle](#)  
3 [tax rate of twenty-nine dollars and ten cents \(\\$29.10\) per one thousand dollars \(\\$1,000\) of motor](#)  
4 [vehicle valuation.](#)

5 **[44-34.2-3. Motor vehicle excise tax rate equalization program.](#)** -- (a) [For each city or](#)  
6 [town that financially benefits from the application of a statewide uniform tax levy of twenty-nine](#)  
7 [dollars and ten cents \(\\$29.10\), when compared to the prior year's motor vehicle excise tax](#)  
8 [revenue, they may retain fifty percent \(50%\) of their financial benefit.](#)

9 [\(b\) The other fifty percent \(50%\) of their financial benefit shall be paid into the motor](#)  
10 [vehicle tax equalization fund established by §44-34.2-4.](#)

11 **[44-34.2-4. Motor vehicle excise tax equalization fund.](#)** -- (a) [There is hereby](#)  
12 [established the motor vehicle tax equalization fund to reimburse cities and towns for the tax](#)  
13 [revenue they lost due to the establishment of a statewide motor vehicle tax levy rate by §44-34.2-](#)  
14 [2\(b\).](#)

15 [\(b\) The fund shall be administered by the director of revenue who is the head of the](#)  
16 [department of revenue within the executive branch of state government created by §42-142-1.](#)

17 [\(c\) The fund shall be partially funded yearly by cities and towns that have financially](#)  
18 [benefitted from the adoption of a statewide motor vehicle excise tax rate in §44-34.2-2\(b\), in](#)  
19 [accordance with §44-34.2-3\(a\).](#)

20 [\(d\) The fund shall also receive all monies yearly allotted by the general assembly](#)  
21 [pursuant to §44-34.1-1\(c\)\(1\) concerning the motor vehicle excise tax phase-out exemption.](#)

22 [\(e\) Commencing on July 1, 2017 the fund shall also receive all fees generated by the](#)  
23 [division of motor vehicles through §§31-3.1-6 and 31-41.1-11 and chapters 3, 6, 10 and 10.1 of](#)  
24 [title 31.](#)

25 SECTION 2. Section 39-18.1-4 of the General Laws in Chapter 39-18.1 entitled  
26 "Transportation Investment and Debt Reduction Act of 2011" is hereby amended to read as  
27 follows:

28 **[39-18.1-4. Rhode Island highway maintenance account created.](#)** -- (a) There is hereby  
29 created a special account in the intermodal surface transportation fund as established in section  
30 31-36-20 that is to be known as the Rhode Island highway maintenance account. (b) The fund  
31 shall consist of all those moneys which the state may from time to time direct to the fund,  
32 including, not necessarily limited to, moneys derived from the following sources: (1) There is  
33 imposed a surcharge of thirty dollars (\$30.00) per vehicle or truck, other than those with specific  
34 registrations set forth below in subsection (b)(1)(i). Such surcharge shall be paid by each vehicle

1 or truck owner in order to register that owner's vehicle or truck and upon each subsequent  
2 biennial registration. This surcharge shall be phased in at the rate of ten dollars (\$10.00) each  
3 year. The total surcharge will be ten dollars (\$10.00) from July 1, 2013 through June 30, 2014,  
4 twenty dollars (\$20.00) from July 1, 2014 through June 30, 2015, and thirty dollars (\$30.00) from  
5 July 1, 2015 through June 30, 2016 and each year thereafter. (i) For owners of vehicles or trucks  
6 with the following plate types, the surcharge shall be as set forth below and shall be paid in full in  
7 order to register the vehicle or truck and upon each subsequent renewal:

8 Plate Type	Surcharge
9 Antique	\$5.00
10 Farm	\$10.00
11 Motorcycle	\$13.00

12 (ii) For owners of trailers, the surcharge shall be one-half (1/2) of the biennial  
13 registration amount and shall be paid in full in order to register the trailer and upon each  
14 subsequent renewal.

15 (2) There is imposed a surcharge of fifteen dollars (\$15.00) per vehicle or truck, other  
16 than those with specific registrations set forth in subsection (b)(2)(i) below, for those vehicles or  
17 trucks subject to annual registration, to be paid annually by each vehicle or truck owner in order  
18 to register that owner's vehicle, trailer or truck and upon each subsequent annual registration. This  
19 surcharge will be phased in at the rate of five dollars (\$5.00) each year. The total surcharge will  
20 be five dollars (\$5.00) from July 1, 2013 through June 30, 2014, ten dollars (\$10.00) from July 1,  
21 2014 through June 30, 2015, and fifteen dollars (\$15.00) from July 1, 2015 through June 30, 2016  
22 and each year thereafter.

23 (i) For registrations of the following plate types, the surcharge shall be as set forth below  
24 and shall be paid in full in order to register the plate, and upon each subsequent renewal:

25 Plate Type	Surcharge
26 Boat Dealer	\$6.25
27 Cycle Dealer	\$6.25
28 In-transit	\$5.00
29 Manufacturer	\$5.00
30 New Car Dealer	\$5.00
31 Used Car Dealer	\$5.00
32 Racer Tow	\$5.00
33 Transporter	\$5.00
34 Bailee	\$5.00

1 (ii) For owners of trailers, the surcharge shall be one-half (1/2) of the annual registration  
2 amount and shall be paid in full in order to register the trailer and upon each subsequent renewal.

3 (iii) For owners of school buses, the surcharge will be phased in at the rate of six dollars  
4 and twenty-five cents (\$6.25) each year. The total surcharge will be six dollars and twenty-five  
5 cents (\$6.25) from July 1, 2013 through June 30, 2014 and twelve dollars and fifty cents (\$12.50)  
6 from July 1, 2014 through June 30, 2015 and each year thereafter.

7 (3) There is imposed a surcharge of thirty dollars (\$30.00) per license to operate a motor  
8 vehicle to be paid every five (5) years by each licensed operator of a motor vehicle. This  
9 surcharge will be phased in at the rate of ten dollars (\$10.00) each year. The total surcharge will  
10 be ten dollars (\$10.00) from July 1, 2013 through June 30, 2014, twenty dollars (\$20.00) from  
11 July 1, 2014 through June 30, 2015, and thirty dollars (\$30.00) from July 1, 2015 through June  
12 30, 2016 and each year thereafter. In the event that a license is issued or renewed for a period of  
13 less than five (5) years, the surcharge will be prorated according to the period of time the license  
14 will be valid.

15 (c) All funds collected pursuant to this section shall be deposited in the Rhode Island  
16 highway maintenance account and shall be used only for the purposes set forth in this chapter.

17 (d) Unexpended balances and any earnings thereon shall not revert to the general fund but  
18 shall remain in the Rhode Island highway maintenance account. There shall be no requirement  
19 that monies received into the Rhode Island highway maintenance account during any given  
20 calendar year or fiscal year be expended during the same calendar year or fiscal year.

21 (e) The Rhode Island highway maintenance account shall be administered by the director,  
22 who shall allocate and spend monies from the fund only in accordance with the purposes and  
23 procedures set forth in this chapter.

24 (4) ~~All Twenty-five percent (25%) of the~~ fees assessed pursuant to § 31-47.1-11, and  
25 chapters 3, 6, 10, and 10.1 of title 31 shall be deposited into the Rhode Island highway  
26 maintenance account, ~~provided that for the 2016 fiscal years year. 2016, 2017 and 2018 these fees~~  
27 ~~be transferred as follows:~~

28 (i) ~~From July 1, 2015 through June 30, 2016, twenty five percent (25%) will be~~  
29 ~~deposited;~~

30 (ii) ~~From July 1, 2016 through June 30, 2017, seventy five percent (75%) will be~~  
31 ~~deposited; and~~

32 (iii) ~~From July 1, 2017 and each year thereafter, one hundred percent (100%) will be~~  
33 ~~deposited;~~

34 (5) All remaining funds from previous general obligation bond issues that have not

1 otherwise been allocated.

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

=====  
LC005106  
=====

EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF  
A N A C T  
RELATING TO TAXATION -- MOTOR VEHICLE EXCISE TAX

\*\*\*

1           This act would create a statewide uniform motor vehicle excise tax rate and would  
2 establish a fund to reimburse the cities and towns that will financially lose taxes due to the  
3 enactment of the statewide motor vehicle excise tax rate. It would be funded by motor vehicle  
4 related-fees and the motor vehicle excise tax phase-out exemption to be paid by the state.

5           This act would take effect upon passage.

=====  
LC005106  
=====