

2018 -- S 2904

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LC005597
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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2018

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A N A C T

RELATING TO TAXATION - MIDDLETOWN REAL ESTATE ASSESSMENT - TAXATION
MIDDLETOWN - TAX LEVY

Introduced By: Senator Louis P. DiPalma

Date Introduced: May 17, 2018

Referred To: Senate Finance

(by request)

It is enacted by the General Assembly as follows:

1 SECTION 1. Chapter 44-5 of the General Laws entitled "Levy and Assessment of Local
2 Taxes" is hereby amended by adding thereto the following section:

3 **44-5-12.2. Middletown - Annual real estate tax assessments.**

4 (a) Notwithstanding §§ 44-5-11.6 and 44-5-12, the town of Middletown is authorized to
5 annually assess the fair market value of its taxable property, with limitations on its assessment
6 increases, in accordance with the following:

7 (1) The base year assessment shall be set as of December 31, 2017;

8 (2) Real property assessment shall increase annually by the CPI, as defined in § 44-5-12
9 with a cap of two percent (2%), or may be reduced to reflect substantial damage, destruction or
10 other factors causing a decline in value;

11 (3) The base year assessment shall be reset when one of the following events takes place,
12 and the assessment shall be equal to the current market value, as of the date of that event, except
13 that:

14 (i) Property taken by eminent domain proceedings; property owners may transfer their
15 existing assessed value to a new property of similar size and function;

16 (ii) Property transferred between spouses or between parents and children is excluded
17 from triggering reassessment;

18 (iii) Property damaged or destroyed in a disaster, property owner may transfer their

1 existing assessed value to a comparable replacement property;

2 (iv) Homeowners over the age of fifty-five (55) may transfer their existing assessed value
3 to a new home of equal or lesser market value;

4 (v) Disabled homeowners may transfer their existing assessed value from their home to a
5 newly purchased home of equal or lesser market value;

6 (vi) Property transfers between grandparents and grandchildren (when the parents are
7 deceased) are excluded from triggering reassessment;

8 (vii) Property owners whose property is rendered unusable by an environmental problem
9 or disaster, may transfer their existing assessed value to a comparable replacement;

10 (viii) Transfers to a trustee for the beneficial use of a spouse, or the surviving spouse of a
11 deceased transferor, or by a trustee of such a trust to the spouse of the trustor;

12 (ix) Transfers to a spouse that take effect upon the death of a spouse;

13 (x) Transfers to a spouse or former spouse in connection with a property settlement
14 agreement or decree of dissolution of a marriage or legal separation;

15 (xi) The creation, transfer, or termination, solely between spouses, of any co-ownership
16 interest;

17 (4) Present owner rebuilds structure which is then assessed at the current market value, as
18 of the date of its completion;

19 (5) Present owner constructs a substantial addition and/or renovation to existing structure
20 whose addition and/or renovation work shall be assessed at current market value, as of the date of
21 completion, and then added to the original base amount.

22 (6) The town shall continue to conduct property revaluations in accordance with § 44-5-
23 11.6.

24 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 - MIDDLETOWN REAL ESTATE ASSESSMENT - TAXATION
MIDDLETOWN - TAX LEVY

- 1 This act would allow the town of Middletown to adopt annual fair market assessments of
- 2 its ratable property that do not exceed the two percent (2%) annual increase ceiling.
- 3 This act would take effect upon passage.

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