

2020 -- S 2073

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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2020

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A N A C T

RELATING TO TAXATION -- LEVY AND ASSESSMENT OF LOCAL TAXES

Introduced By: Senators Seveney, DiPalma, and Euer

Date Introduced: January 21, 2020

Referred To: Senate Housing & Municipal Government

It is enacted by the General Assembly as follows:

1 SECTION 1. Sections 44-5-1, 44-5-12, 44-5-13 and 44-5-30 of the General Laws in
2 Chapter 44-5 entitled "Levy and Assessment of Local Taxes" are hereby amended to read as
3 follows:

4 **44-5-1. Powers of city or town electors to levy -- Date of assessment of valuations.**

5 The electors of any city or town qualified to vote on any proposition to impose a tax or
6 for the expenditure of money, when legally assembled, may levy a tax for the purposes authorized
7 by law, on the ratable property of the city or town, either in a sum certain, or in a sum not less
8 than a certain sum and not more than a certain sum. The tax is apportioned upon the assessed
9 valuations [pursuant to § 44-5-12](#) as determined by the assessors of the city or town as of
10 December 31 in each year at 12:00 A.M. midnight, the date being known as the date of
11 assessment of city or town valuations.

12 **44-5-12. Assessment at full and fair cash value.**

13 (a) All real property subject to taxation shall be assessed at its full and fair cash value, [as](#)
14 [of December 31 in the year of the last update or revaluation](#), or at a uniform percentage ~~of its~~
15 ~~value thereof~~, not to exceed one hundred percent (100%), to be determined by the assessors in
16 each town or city; provided, that:

17 (1) Any residential property encumbered by a covenant recorded in the land records in
18 favor of a governmental unit or Rhode Island housing and mortgage finance corporation
19 restricting either or both the rents that may be charged or the incomes of the occupants shall be

1 assessed and taxed in accordance with § 44-5-13.11;

2 (2) In assessing real estate that is classified as farm land, forest, or open space land in
3 accordance with chapter 27 of this title, the assessors shall consider no factors in determining the
4 full and fair cash value of the real estate other than those that relate to that use without regard to
5 neighborhood land use of a more intensive nature;

6 (3) Warwick. The city council of the city of Warwick is authorized to provide, by
7 ordinance, that the owner of any dwelling of one to three (3) family units in the city of Warwick
8 who makes any improvements or additions on his or her principal place of residence in the
9 amount up to fifteen thousand dollars (\$15,000), as may be determined by the tax assessor of the
10 city of Warwick, is exempt from reassessment of property taxes on the improvement or addition
11 until the next general citywide reevaluation of property values by the tax assessor. For the
12 purposes of this section, "residence" is defined as voting address. This exemption does not apply
13 to any commercial structure. The property owner shall supply all necessary plans to the building
14 official for the improvements or addition and shall pay all requisite building and other permitting
15 fees as now are required by law; and

16 (4) Central Falls. The city council of the city of Central Falls is authorized to provide, by
17 ordinance, that the owner of any dwelling of one to eight (8) units who makes any improvements
18 or additions to his or her residential or rental property in an amount not to exceed twenty-five
19 thousand dollars (\$25,000), as determined by the tax assessor of the city of Central Falls, is
20 exempt from reassessment of property taxes on the improvement or addition until the next general
21 citywide reevaluation of property values by the tax assessor. The property owner shall supply all
22 necessary plans to the building official for the improvements or additions and shall pay all
23 requisite building and other permitting fees as are now required by law.

24 (5) Tangible property shall be assessed according to the asset classification table as
25 defined in § 44-5-12.1.

26 (6) Provided, however, that, for taxes levied after December 31, 2015, new construction
27 on development property is exempt from the assessment of taxes under this chapter at the full and
28 fair cash value of the improvements, as long as:

29 (i) An owner of development property files an affidavit claiming the exemption with the
30 local tax assessor by December 31 each year; and

31 (ii) The assessor shall then determine if the real property on which new construction is
32 located is development property. If the real property is development property, the assessor shall
33 exempt the new construction located on that development property from the collection of taxes on
34 improvements, until such time as the real property no longer qualifies as development property,

1 as defined herein.

2 For the purposes of this section, "development property" means: (A) Real property on
3 which a single-family residential dwelling or residential condominium is situated and said single-
4 family residential dwelling or residential condominium unit is not occupied, has never been
5 occupied, is not under contract, and is on the market for sale; or (B) Improvements and/or
6 rehabilitation of single-family residential dwellings or residential condominiums that the owner
7 of such development property purchased out of a foreclosure sale, auction, or from a bank, and
8 which property is not occupied. Such property described in § 44-5-12(a)(6)(ii) shall continue to
9 be taxed at the assessed value at the time of purchase until such time as such property is sold or
10 occupied and no longer qualifies as development property. As to residential condominiums, this
11 exemption shall not affect taxes on the common areas and facilities as set forth in § 34-36-27. In
12 no circumstance shall such designation as development property extend beyond two (2) tax years
13 and a qualification as a development property shall only apply to property that applies for, or
14 receives, construction permits after July 1, 2015. Further, the exemptions set forth in this section
15 shall not apply to land.

16 The exemptions set forth in this subsection (a)(6) for development property shall expire
17 as of December 31, 2021.

18 (b) Municipalities shall make available to every land owner whose property is taxed
19 under the provisions of this section a document that may be signed before a notary public
20 containing language to the effect that they are aware of the additional taxes imposed by the
21 provisions of § 44-5-39 in the event that they use land classified as farm, forest, or open space
22 land for another purpose.

23 (c) Pursuant to the provisions of § 44-3-29.1, all wholesale and retail inventory subject to
24 taxation is assessed at its full and fair cash value, or at a uniform percentage of its value, not to
25 exceed one hundred percent (100%), for fiscal year 1999, by the assessors in each town and city.
26 Once the fiscal year 1999 value of the inventory has been assessed, this value shall not increase.
27 The phase-out rate schedule established in § 44-3-29.1(d) applies to this fixed value in each year
28 of the phase out.

29 **44-5-13. Assessment and apportionment according to law -- Date of assessment.**

30 The assessors shall assess all valuation and apportion any tax levy on the inhabitants of
31 the city or town and the ratable property in the city or town according to law, and the assessed
32 valuation of the ratable property is made as of the date of assessment provided in § 44-5-1 [and](#)
33 [shall be in accordance with the provisions of § 44-5-12](#); except that personal property consisting
34 of stocks in trade and materials used in manufacture, which include raw materials, fuel, goods in

1 process of manufacture, and completed products, except those which are specifically exempt by
2 statute, are estimated at the average of the personalty kept on hand or located in the taxing district
3 during the twelve (12) months ending with the date of assessment, or the average of any portion
4 of the twelve (12) months when the business has not been carried on or located in the taxing
5 district for a year.

6 **44-5-30. Judgment on petition where taxpayer has filed account.**

7 If the taxpayer has given in an account, and if on the trial of the petition, either with or
8 without a jury, it appears that the taxpayer's real estate, tangible personal property, or intangible
9 personal property has been assessed, ~~if assessment has been made at full and fair cash value, at a~~
10 ~~value in excess of its full and fair cash value, or if assessment has purportedly been made at a~~
11 ~~uniform percentage of full and fair cash value, at a percentage in excess of the uniform~~
12 ~~percentage,~~ in excess of the provisions of § 44-5-12 or if it appears that the tax assessed is illegal
13 in whole or in part, the court shall give judgment that the sum by which the taxpayer has been so
14 overtaxed, or illegally taxed, with his or her costs, be deducted from his or her tax; but if the
15 taxpayer's tax be paid, whether before or after the filing of the petition, then the court shall give
16 judgment for the petitioner for the sum by which he or she has been so overtaxed, or illegally
17 taxed, plus the amount of any penalty paid on the tax, with interest from the date on which the tax
18 and penalty were paid and costs, which judgment shall be paid to the petitioner by the city or
19 town treasurer out of the treasury. If, however, on the trial of the petition, it appears that the
20 taxpayer has fraudulently concealed or omitted any property from his or her account, or if it
21 appears that the assessors have not assessed either the taxpayer's real estate or his or her tangible
22 personal property or his or her intangible personal property at a value in excess of ~~its full and fair~~
23 ~~cash value, if assessment has been made at full and fair cash value, or if assessment has~~
24 ~~purportedly been made at a uniform percentage of full and fair cash value, at a percentage in~~
25 ~~excess of the uniform percentage~~ the provisions of § 44-5-12, and that the taxpayer has not been
26 illegally taxed, the assessors shall have judgment and execution for their costs.

27 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

1 This act would authorize tax assessors in the cities and towns to use the last statutory
2 update or revaluation as the assessed valuation upon which to levy taxes regarding their real
3 property.

4 This act would take effect upon passage.

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