

2021 -- S 0366

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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2021

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A N A C T

RELATING TO TOWNS AND CITIES - STATE AID

Introduced By: Senators Quezada, Pearson, DiPalma, and Seveney

Date Introduced: February 25, 2021

Referred To: Senate Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 45-13-14 of the General Laws in Chapter 45-13 entitled "State Aid"

2 is hereby amended to read as follows:

3 **45-13-14. Adjustments to tax levy, assessed value, and full value when computing state**
4 **aid.**

5 (a) Whenever the director of revenue computes the relative wealth of municipalities for the
6 purpose of distributing state aid in accordance with title 16 and the provisions of § 45-13-12, he or
7 she shall base it on the full value of all property except:

8 (1) That exempted from taxation by acts of the general assembly and reimbursed under §
9 45-13-5.1 of the general laws, which shall have its value calculated as if the payment in lieu of tax
10 revenues received pursuant to § 45-13-5.1, has resulted from a tax levy;

11 (2) That whose tax levy or assessed value is based on a tax treaty agreement authorized by
12 a special public law or by reason of agreements between a municipality and the economic
13 development corporation in accordance with § 42-64-20 ~~prior to May 15, 2005~~, which shall not
14 have its value included;

15 (3) That whose tax levy or assessed value is based on tax treaty agreements or tax
16 stabilization agreements ~~in force prior to May 15, 2005~~, which shall not have its value included;

17 (4) That which is subject to a payment in lieu of tax agreement ~~in force prior to May 15,~~
18 ~~2005~~;

19 (5) Any other property exempt from taxation under state law; or

1 (6) Any property subject to chapter 27 of title 44, taxation of Farm, Forest, and Open Space
2 Land.

3 (b) The tax levy of each municipality and fire district shall be adjusted for any real estate
4 and personal property exempt from taxation by act of the general assembly by the amount of
5 payment in lieu of property tax revenue anticipated to be received pursuant to § 45-13-5.1 relating
6 to property tax from certain exempt private and state properties, and for any property subject to any
7 payment in lieu of tax agreements, any tax treaty agreements or tax stabilization agreements in
8 force after May 15, 2005, by the amount of the payment in lieu of taxes pursuant to such
9 agreements.

10 (c) Fire district tax levies within a city or town shall be included as part of the total levy
11 attributable to that city or town.

12 (d) The changes as required by subsections (a) through (c) of this section shall be
13 incorporated into the computation of entitlements effective for distribution in fiscal year 2007-2008
14 and thereafter.

15 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 TOWNS AND CITIES - STATE AID

1 This act would amend the computation of relative wealth of municipalities for the purpose
2 of distributing state aid by eliminating the requirement that certain exemptions include tax treaties
3 that are conditioned on being in force on May 15, 2005.

4 This act would take effect upon passage.

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