

2022 -- S 2600

LC003635

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2022

A N A C T

RELATING TO TAXATION -- PROPERTY SUBJECT TO TAXATION

Introduced By: Senators Mack, Bell, Anderson, Calkin, Mendes, Euer, Kallman,  
Quezada, and Sosnowski

Date Introduced: March 10, 2022

Referred To: Senate Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. The general assembly finds as follows:

2 WHEREAS, In the 1890s, the general assembly enacted numerous charters incorporating  
3 nonprofit hospitals throughout the state; and

4 WHEREAS, In the 1900s, the general assembly enacted numerous charters incorporating  
5 nonprofit colleges and universities for specific educational purposes set forth in the charters; and

6 WHEREAS, The corporate charters of colleges and universities exempted from taxation  
7 property owned by said educational institutions, provided that the real estate "not used for the  
8 corporate purposes shall not be so exempt;" and

9 WHEREAS, The corporate charters of the hospitals, in general, authorizes them to erect,  
10 support and maintain facilities for the non-business purposes for which the entities are incorporated,  
11 and require that the corporations be managed by their boards of directors, which boards are defined  
12 and delineated in the legislative corporate charters; and

13 WHEREAS, Pursuant to the legislatively-granted charters, the nonprofit hospitals in the  
14 state have enjoyed exemptions from taxation on all real and personal property owned by the  
15 hospitals, pursuant to provisions of the legislation stating that: "the property and estate of said  
16 corporation, both real and personal, shall not at any time be liable to be assessed in the  
17 apportionment of any state or town tax;" and

18 WHEREAS, In the absence of an express statutory definition to the contrary, the state  
19 supreme court has held that the language in the hospital charters affords tax exempt status to all

1 hospital owned property as long as the net income from the property is devoted to the general uses  
2 of the hospital, regardless of whether the property is used "wholly" or "exclusively" for the missions  
3 and functions of a hospital; and

4 WHEREAS, The state supreme court has further indicated that issues regarding statutory  
5 tax exemptions for chartered and nonprofit organizations implicate public policy decisions to be  
6 addressed by the general assembly; and

7 WHEREAS, The language of chartered colleges and universities and nonprofit hospitals  
8 has never been amended to remove the tax exemptions provided by the legislation; and

9 WHEREAS, The real and personal property held by the chartered entities has increased  
10 exponentially, far exceeding what the general assembly would have contemplated when the charters  
11 were enacted over a century ago; and

12 WHEREAS, Chartered colleges, universities and hospitals hold property for use by and for  
13 commercial, for-profit ventures such as eating establishments, shopping centers, parking garages,  
14 and other operations not directly related to the provision of education or for hospital medical care;  
15 and

16 WHEREAS, Nonprofit hospitals now expend funds on mass marketing campaigns, large  
17 network "holding" and management corporations which are comprised of a board of directors that  
18 oversees each hospital and legislatively delineated hospital board, and which conduct business on  
19 behalf of not only the hospitals, but also on behalf of physicians' groups, laboratories, imaging  
20 centers and other matters not related to the acquisition and maintenance of a hospital; and

21 WHEREAS, The tax exemptions afforded to all property owned by chartered nonprofit  
22 colleges, universities and hospitals, regardless of their uses, imposes a significant burden on the  
23 cities and towns in which they are located, and the taxpaying residents of such cities and towns;  
24 and

25 THEREFORE, The general assembly deems it appropriate to place limitations on the tax  
26 exempt real and personal property a nonprofit college, university or hospital may hold.

27 SECTION 2. Section 44-3-3 of the General Laws in Chapter 44-3 entitled "Property  
28 Subject to Taxation" is hereby amended to read as follows:

29 **44-3-3. Property exempt. [Effective January 1, 2022.]**

30 (a) The following property is exempt from taxation:

31 (1) Property belonging to the state, except as provided in § 44-4-4.1;

32 (2) Lands ceded or belonging to the United States;

33 (3) Bonds and other securities issued and exempted from taxation by the government of  
34 the United States or of this state;

1 (4) Real estate, used exclusively for military purposes, owned by chartered or incorporated  
2 organizations approved by the adjutant general and composed of members of the national guard,  
3 the naval militia, or the independent, chartered-military organizations;

4 (5) Buildings for free public schools, buildings for religious worship, and the land upon  
5 which they stand and immediately surrounding them, to an extent not exceeding five (5) acres so  
6 far as the buildings and land are occupied and used exclusively for religious or educational  
7 purposes;

8 (6) Dwellings houses and the land on which they stand, not exceeding one acre in size, or  
9 the minimum lot size for zone in which the dwelling house is located, whichever is the greater,  
10 owned by, or held in trust for, any religious organization and actually used by its officiating clergy;  
11 provided, further, that in the town of Charlestown, where the property previously described in this  
12 paragraph is exempt in total, along with dwelling houses and the land on which they stand in  
13 Charlestown, not exceeding one acre in size, or the minimum lot size for zone in which the dwelling  
14 house is located, whichever is the greater, owned by, or held in trust for, any religious organization  
15 and actually used by its officiating clergy, or used as a convent, nunnery, or retreat center by its  
16 religious order;

17 (7) Intangible personal property owned by, or held in trust for, any religious or charitable  
18 organization, if the principal or income is used or appropriated for religious or charitable purposes;

19 (8) Buildings and personal estate owned by any corporation used for a school, academy, or  
20 seminary of learning, [except for a nonprofit institution of higher education](#) and of any incorporated  
21 public charitable institution, and the land upon which the buildings stand and immediately  
22 surrounding them to an extent not exceeding one acre, so far as they are used exclusively for  
23 educational purposes, but no property or estate whatever is hereafter exempt from taxation in any  
24 case where any part of its income or profits, or of the business carried on there, is divided among  
25 its owners or stockholders; provided, however, that unless any private nonprofit corporation  
26 organized as a college or university located in the town of Smithfield reaches a memorandum of  
27 agreement with the town of Smithfield, the town of Smithfield shall bill the actual costs for police,  
28 fire, and rescue services supplied, unless otherwise reimbursed, to said corporation commencing  
29 March 1, 2014;

30 (9) ~~Estates, persons, and families of the president and professors for the time being of~~  
31 ~~Brown University for not more than ten thousand dollars (\$10,000) for each officer, the officer's~~  
32 ~~estate, person, and family included, but only to the extent that any person had claimed and utilized~~  
33 ~~the exemption prior to, and for a period ending, either on or after December 31, 1996;~~

34 (10) Property especially exempt by charter unless the exemption has been waived in whole

1 or in part, and except as provided in subsection (c) of this section;

2 (11) Lots of land exclusively for burial grounds;

3 (12) Property, real and personal, held for, or by, an incorporated library, society, or any  
4 free public library, or any free public library society, so far as the property is held exclusively for  
5 library purposes, or for the aid or support of the aged poor, or poor friendless children, or the poor  
6 generally, ~~or for a nonprofit hospital for the sick or disabled~~;

7 (13) Real or personal estate belonging to, or held in trust for, the benefit of incorporated  
8 organizations of veterans of any war in which the United States has been engaged, the parent body  
9 of which has been incorporated by act of Congress, to the extent of four hundred thousand dollars  
10 (\$400,000) if actually used and occupied by the association; provided, that the city council of the  
11 city of Cranston may by ordinance exempt the real or personal estate as previously described in  
12 this subdivision located within the city of Cranston to the extent of five hundred thousand dollars  
13 (\$500,000);

14 (14) Property, real and personal, held for, or by, the fraternal corporation, association, or  
15 body created to build and maintain a building or buildings for its meetings or the meetings of the  
16 general assembly of its members, or subordinate bodies of the fraternity, and for the  
17 accommodation of other fraternal bodies or associations, the entire net income of which real and  
18 personal property is exclusively applied or to be used to build, furnish, and maintain an asylum or  
19 asylums, a home or homes, a school or schools, for the free education or relief of the members of  
20 the fraternity, or the relief, support, and care of worthy and indigent members of the fraternity, their  
21 wives, widows, or orphans, and any fund given or held for the purpose of public education,  
22 almshouses, and the land and buildings used in connection therewith;

23 (15) Real estate and personal property of any incorporated volunteer fire engine company  
24 or incorporated volunteer ambulance or rescue corps in active service;

25 (16) The estate of any person who, in the judgment of the assessors, is unable from infirmity  
26 or poverty to pay the tax; provided, that in the towns of Burrillville and West Greenwich, the tax  
27 shall constitute a lien for five (5) years on the property where the owner is entitled to the exemption.  
28 At the expiration of five (5) years, the lien shall be abated in full. Provided, if the property is sold  
29 or conveyed, or if debt secured by the property is refinanced during the five-year (5) period, the  
30 lien immediately becomes due and payable; any person claiming the exemption aggrieved by an  
31 adverse decision of an assessor shall appeal the decision to the local board of tax review and  
32 thereafter according to the provisions of § 44-5-26;

33 (17) Household furniture and family stores of a housekeeper in the whole, including  
34 clothing, bedding, and other white goods, books, and all other tangible personal property items that

1 are common to the normal household;

2 (18) Improvements made to any real property to provide a shelter and fallout protection  
3 from nuclear radiation, to the amount of one thousand five hundred dollars (\$1,500); provided, that  
4 the improvements meet applicable standards for shelter construction established, from time to time,  
5 by the Rhode Island emergency management agency. The improvements are deemed to comply  
6 with the provisions of any building code or ordinance with respect to the materials or the methods  
7 of construction used and any shelter or its establishment is deemed to comply with the provisions  
8 of any zoning code or ordinance;

9 (19) Aircraft for which the fee required by § 1-4-6 has been paid to the tax administrator;

10 (20) Manufacturer's inventory.

11 (i) For the purposes of §§ 44-4-10, 44-5-3, 44-5-20, and 44-5-38, a person is deemed to be  
12 a manufacturer within a city or town within this state if that person uses any premises, room, or  
13 place in it primarily for the purpose of transforming raw materials into a finished product for trade  
14 through any or all of the following operations: adapting, altering, finishing, making, and  
15 ornamenting; provided, that public utilities; non-regulated power producers commencing  
16 commercial operation by selling electricity at retail or taking title to generating facilities on or after  
17 July 1, 1997; building and construction contractors; warehousing operations, including distribution  
18 bases or outlets of out-of-state manufacturers; and fabricating processes incidental to warehousing  
19 or distribution of raw materials, such as alteration of stock for the convenience of a customer; are  
20 excluded from this definition;

21 (ii) For the purposes of this section and §§ 44-4-10 and 44-5-38, the term "manufacturer's  
22 inventory," or any similar term, means and includes the manufacturer's raw materials, the  
23 manufacturer's work in process, and finished products manufactured by the manufacturer in this  
24 state, and not sold, leased, or traded by the manufacturer or its title or right to possession divested;  
25 provided, that the term does not include any finished products held by the manufacturer in any retail  
26 store or other similar selling place operated by the manufacturer whether or not the retail  
27 establishment is located in the same building in which the manufacturer operates the manufacturing  
28 plant;

29 (iii) For the purpose of § 44-11-2, a "manufacturer" is a person whose principal business  
30 in this state consists of transforming raw materials into a finished product for trade through any or  
31 all of the operations described in paragraph (i) of this subdivision. A person will be deemed to be  
32 principally engaged if the gross receipts that person derived from the manufacturing operations in  
33 this state during the calendar year or fiscal year mentioned in § 44-11-1 amounted to more than  
34 fifty percent (50%) of the total gross receipts that person derived from all the business activities in

1 which that person engaged in this state during the taxable year. For the purpose of computing the  
2 percentage, gross receipts derived by a manufacturer from the sale, lease, or rental of finished  
3 products manufactured by the manufacturer in this state, even though the manufacturer's store or  
4 other selling place may be at a different location from the location of the manufacturer's  
5 manufacturing plant in this state, are deemed to have been derived from manufacturing;

6 (iv) Within the meaning of the preceding paragraphs of this subdivision, the term  
7 "manufacturer" also includes persons who are principally engaged in any of the general activities  
8 coded and listed as establishments engaged in manufacturing in the Standard Industrial  
9 Classification Manual prepared by the Technical Committee on Industrial Classification, Office of  
10 Statistical Standards, Executive Office of the President, United States Bureau of the Budget, as  
11 revised from time to time, but eliminating as manufacturers those persons, who, because of their  
12 limited type of manufacturing activities, are classified in the manual as falling within the trade  
13 rather than an industrial classification of manufacturers. Among those thus eliminated, and  
14 accordingly also excluded as manufacturers within the meaning of this paragraph, are persons  
15 primarily engaged in selling, to the general public, products produced on the premises from which  
16 they are sold, such as neighborhood bakeries, candy stores, ice cream parlors, shade shops, and  
17 custom tailors, except, that a person who manufactures bakery products for sale primarily for home  
18 delivery, or through one or more non-baking retail outlets, and whether or not retail outlets are  
19 operated by the person, is a manufacturer within the meaning of this paragraph;

20 (v) The term "Person" means and includes, as appropriate, a person, partnership, or  
21 corporation; and

22 (vi) The department of revenue shall provide to the local assessors any assistance that is  
23 necessary in determining the proper application of the definitions in this subdivision;

24 (21) Real and tangible personal property acquired to provide a treatment facility used  
25 primarily to control the pollution or contamination of the waters or the air of the state, as defined  
26 in chapter 12 of title 46 and chapter 25 of title 23, respectively, the facility having been constructed,  
27 reconstructed, erected, installed, or acquired in furtherance of federal or state requirements or  
28 standards for the control of water or air pollution or contamination, and certified as approved in an  
29 order entered by the director of environmental management. The property is exempt as long as it is  
30 operated properly in compliance with the order of approval of the director of environmental  
31 management; provided, that any grant of the exemption by the director of environmental  
32 management in excess of ten (10) years is approved by the city or town in which the property is  
33 situated. This provision applies only to water and air pollution control properties and facilities  
34 installed for the treatment of waste waters and air contaminants resulting from industrial

1 processing; furthermore, it applies only to water or air pollution control properties and facilities  
2 placed in operation for the first time after April 13, 1970;

3 (22) Manufacturing machinery and equipment acquired or used by a manufacturer after  
4 December 31, 1974. Manufacturing machinery and equipment is defined as:

5 (i) Machinery and equipment used exclusively in the actual manufacture or conversion of  
6 raw materials or goods in the process of manufacture by a manufacturer, as defined in subdivision  
7 (20), and machinery, fixtures, and equipment used exclusively by a manufacturer for research and  
8 development or for quality assurance of its manufactured products;

9 (ii) Machinery and equipment that is partially used in the actual manufacture or conversion  
10 of raw materials or goods in process of manufacture by a manufacturer, as defined in subdivision  
11 (20), and machinery, fixtures, and equipment used by a manufacturer for research and development  
12 or for quality assurance of its manufactured products, to the extent to which the machinery and  
13 equipment is used for the manufacturing processes, research and development, or quality assurance.  
14 In the instances where machinery and equipment is used in both manufacturing and/or research and  
15 development and/or quality assurance activities and non-manufacturing activities, the assessment  
16 on machinery and equipment is prorated by applying the percentage of usage of the equipment for  
17 the manufacturing, research and development, and quality-assurance activity to the value of the  
18 machinery and equipment for purposes of taxation, and the portion of the value used for  
19 manufacturing, research and development, and quality assurance is exempt from taxation. The  
20 burden of demonstrating this percentage usage of machinery and equipment for manufacturing and  
21 for research and development and/or quality assurance of its manufactured products rests with the  
22 manufacturer; and

23 (iii) Machinery and equipment described in §§ 44-18-30(7) and 44-18-30(22) that was  
24 purchased after July 1, 1997; provided that the city or town council of the city or town in which the  
25 machinery and equipment is located adopts an ordinance exempting the machinery and equipment  
26 from taxation. For purposes of this subsection, city councils and town councils of any municipality  
27 may, by ordinance, wholly or partially exempt from taxation the machinery and equipment  
28 discussed in this subsection for the period of time established in the ordinance and may, by  
29 ordinance, establish the procedures for taxpayers to avail themselves of the benefit of any  
30 exemption permitted under this section; provided, that the ordinance does not apply to any  
31 machinery or equipment of a business, subsidiary, or any affiliated business that locates or relocates  
32 from a city or town in this state to another city or town in the state;

33 (23) Precious metal bullion, meaning any elementary metal that has been put through a  
34 process of melting or refining, and that is in a state or condition that its value depends upon its

1 content and not its form. The term does not include fabricated precious metal that has been  
2 processed or manufactured for some one or more specific and customary industrial, professional,  
3 or artistic uses;

4 (24) Hydroelectric power-generation equipment, which includes, but is not limited to,  
5 turbines, generators, switchgear, controls, monitoring equipment, circuit breakers, transformers,  
6 protective relaying, bus bars, cables, connections, trash racks, headgates, and conduits. The  
7 hydroelectric power-generation equipment must have been purchased after July 1, 1979, and  
8 acquired or used by a person or corporation who or that owns or leases a dam and utilizes the  
9 equipment to generate hydroelectric power;

10 (25) Subject to authorization by formal action of the council of any city or town, any real  
11 or personal property owned by, held in trust for, or leased to an organization incorporated under  
12 chapter 6 of title 7, as amended, or an organization meeting the definition of "charitable trust" set  
13 out in § 18-9-4, as amended, or an organization incorporated under the not-for-profits statutes of  
14 another state or the District of Columbia, the purpose of which is the conserving of open space, as  
15 that term is defined in chapter 36 of title 45, as amended, provided the property is used exclusively  
16 for the purposes of the organization;

17 (26) Tangible personal property, the primary function of which is the recycling, reuse, or  
18 recovery of materials (other than precious metals, as defined in § 44-18-30(24)(ii) and (iii)), from,  
19 or the treatment of "hazardous wastes," as defined in § 23-19.1-4, where the "hazardous wastes"  
20 are generated primarily by the same taxpayer and where the personal property is located at, in, or  
21 adjacent to a generating facility of the taxpayer. The taxpayer may, but need not, procure an order  
22 from the director of the department of environmental management certifying that the tangible  
23 personal property has this function, which order effects a conclusive presumption that the tangible  
24 personal property qualifies for the exemption under this subdivision. If any information relating to  
25 secret processes or methods of manufacture, production, or treatment is disclosed to the department  
26 of environmental management only to procure an order, and is a "trade secret" as defined in § 28-  
27 21-10(b), it shall not be open to public inspection or publicly disclosed unless disclosure is  
28 otherwise required under chapter 21 of title 28 or chapter 24.4 of title 23;

29 (27) Motorboats as defined in § 46-22-2 for which the annual fee required in § 46-22-4 has  
30 been paid;

31 (28) Real and personal property of the Providence Performing Arts Center, a non-business  
32 corporation as of December 31, 1986;

33 (29) Tangible personal property owned by, and used exclusively for the purposes of, any  
34 religious organization located in the city of Cranston;



1 (30) Real and personal property of the Travelers Aid Society of Rhode Island, a nonprofit  
2 corporation, the Union Mall RealEstate Corporation, and any limited partnership or limited liability  
3 company that is formed in connection with, or to facilitate the acquisition of, the Providence YMCA  
4 Building;

5 (31) Real and personal property of Meeting Street Center or MSC Realty, Inc., both not-  
6 for-profit Rhode Island corporations, and any other corporation, limited partnership, or limited  
7 liability company that is formed in connection with, or to facilitate the acquisition of, the properties  
8 designated as the Meeting Street National Center of Excellence on Eddy Street in Providence,  
9 Rhode Island;

10 (32) The buildings, personal property, and land upon which the buildings stand, located on  
11 Pomham Island, East Providence, currently identified as Assessor's Map 211, Block 01, Parcel  
12 001.00, that consists of approximately twenty-one thousand three hundred (21,300) square feet and  
13 is located approximately eight hundred sixty feet (860'), more or less, from the shore, and limited  
14 exclusively to these said buildings, personal estate and land, provided that said property is owned  
15 by a qualified 501(c)(3) organization, such as the American Lighthouse Foundation, and is used  
16 exclusively for a lighthouse;

17 (33) The Stadium Theatre Performing Arts Centre building located in Monument Square,  
18 Woonsocket, Rhode Island, so long as said Stadium Theatre Performing Arts Center is owned by  
19 the Stadium Theatre Foundation, a Rhode Island nonprofit corporation;

20 (34) Real and tangible personal property of St. Mary Academy -- Bay View, located in East  
21 Providence, Rhode Island;

22 (35) Real and personal property of East Bay Community Action Program and its  
23 predecessor, Self Help, Inc; provided, that the organization is qualified as a tax-exempt corporation  
24 under § 501(c)(3) of the United States Internal Revenue Code;

25 (36) Real and personal property located within the city of East Providence of the Columbus  
26 Club of East Providence, a Rhode Island charitable nonprofit corporation;

27 (37) Real and personal property located within the city of East Providence of the Columbus  
28 Club of Barrington, a Rhode Island charitable nonprofit corporation;

29 (38) Real and personal property located within the city of East Providence of Lodge 2337  
30 BPO Elks, a Rhode Island nonprofit corporation;

31 (39) Real and personal property located within the city of East Providence of the St.  
32 Andrews Lodge No. 39, a Rhode Island charitable nonprofit corporation;

33 (40) Real and personal property located within the city of East Providence of the Trustees  
34 of Methodist Health and Welfare service a/k/a United Methodist Elder Care, a Rhode Island

1 nonprofit corporation;

2 (41) Real and personal property located on the first floor of 90 Leonard Avenue within the  
3 city of East Providence of the Zion Gospel Temple, Inc., a religious nonprofit corporation;

4 (42) Real and personal property located within the city of East Providence of the Cape  
5 Verdean Museum Exhibit, a Rhode Island nonprofit corporation;

6 (43) The real and personal property owned by a qualified 501(c)(3) organization that is  
7 affiliated and in good standing with a national, congressionally chartered organization and thereby  
8 adheres to that organization's standards and provides activities designed for recreational,  
9 educational, and character building purposes for children from ages six (6) years to seventeen (17)  
10 years;

11 (44) Real and personal property of the Rhode Island Philharmonic Orchestra and Music  
12 School; provided, that the organization is qualified as a tax-exempt corporation under § 501(c)(3)  
13 of the United States Internal Revenue Code;

14 (45) The real and personal property located within the town of West Warwick at 211  
15 Cowesett Avenue, Plat 29-Lot 25, which consists of approximately twenty-eight thousand seven  
16 hundred fifty (28,750) square feet and is owned by the Station Fire Memorial Foundation of East  
17 Greenwich, a Rhode Island nonprofit corporation;

18 (46) Real and personal property of the Comprehensive Community Action Program, a  
19 qualified tax-exempt corporation under § 501(c)(3) of the United States Internal Revenue Code;

20 (47) Real and personal property located at 52 Plain Street, within the city of Pawtucket of  
21 the Pawtucket Youth Soccer Association, a Rhode Island nonprofit corporation;

22 (48) Renewable energy resources, as defined in § 39-26-5, used in residential systems and  
23 associated equipment used therewith in service after December 31, 2015;

24 (49) Renewable energy resources, as defined in § 39-26-5, if employed by a manufacturer,  
25 as defined in subsection (a) of this section, shall be exempt from taxation in accordance with  
26 subsection (a) of this section;

27 (50) Real and personal property located at 415 Tower Hill Road within the town of North  
28 Kingstown, of South County Community Action, Inc., a qualified tax-exempt corporation under §  
29 501(c)(3) of the United States Internal Revenue Code;

30 (51) As an effort to promote business growth, tangible business or personal property, in  
31 whole or in part, within the town of Charlestown's community limits, subject to authorization by  
32 formal action of the town council of the town of Charlestown;

33 (52) All real and personal property located at 1300 Frenchtown Road, within the town of  
34 East Greenwich, identified as assessor's map027, plat 019, lot 071, and known as the New England

1 Wireless and Steam Museum, Inc., a qualified tax-exempt corporation under § 501(c)(3) of the  
2 United States Internal Revenue Code;

3 (53) Real and tangible personal property of Mount Saint Charles Academy located within  
4 the city of Woonsocket, specifically identified as the following assessor's plats and lots: Logee  
5 Street, plat 23, lot 62, Logee Street, plat 24, lots 304 and 305; Welles Street, plat 23, lot 310;  
6 Monroe Street, plat 23, lot 312; and Roberge Avenue, plat 24, lot 47;

7 (54) Real and tangible personal property of Steere House, a Rhode Island nonprofit  
8 corporation, located in Providence, Rhode Island;

9 (55) Real and personal property located within the town of West Warwick of Tides Family  
10 Services, Inc., a Rhode Island nonprofit corporation;

11 (56) Real and personal property of Tides Family Services, Inc., a Rhode Island nonprofit  
12 corporation, located in the city of Pawtucket at 242 Dexter Street, plat 44, lot 444;

13 (57) Real and personal property located within the town of Middletown of Lucy's Hearth,  
14 a Rhode Island nonprofit corporation;

15 (58) Real and tangible personal property of Habitat for Humanity of Rhode Island--Greater  
16 Providence, Inc., a Rhode Island nonprofit corporation, located in Providence, Rhode Island;

17 (59) Real and personal property of the Artic Playhouse, a Rhode Island nonprofit  
18 corporation, located in the town of West Warwick at 1249 Main Street;

19 (60) Real and personal property located at 321 Main Street, within the town of South  
20 Kingstown, of the Contemporary Theatre Company, a qualified, tax-exempt corporation under §  
21 501(c)(3) of the United States Internal Revenue Code;

22 (61) Real and personal property of The Samaritans, Inc., a Rhode Island nonprofit §  
23 501(c)(3) corporation located at 67 Park Place, Pawtucket, Rhode Island, to the extent the city  
24 council of Pawtucket may from time to time determine;

25 (62) Real and personal property of North Kingstown, Exeter Animal Protection League,  
26 Inc., dba "Pet Refuge," 500 Stony Lane, a Rhode Island nonprofit corporation, located in North  
27 Kingstown, Rhode Island;

28 (63) Real and personal property located within the city of East Providence of Foster  
29 Forward (formerly the Rhode Island Foster Parents Association), a Rhode Island charitable  
30 nonprofit corporation;

31 (64) Real and personal property located at 54 Kelly Avenue within the town of East  
32 Providence, of the Associated Radio Amateurs of Southern New England, a Rhode Island nonprofit  
33 corporation;

34 (65) Real and tangible personal property of Providence Country Day School, a Rhode

1 Island nonprofit corporation, located in East Providence, Rhode Island and further identified as plat  
2 406, block 6, lot 6, and plat 506, block 1, lot 8;

3 (66) As an effort to promote business growth, tangible business or personal property, in  
4 whole or in part, within the town of Bristol's community limits, subject to authorization by formal  
5 action of the town council of the town of Bristol;

6 (67) Real and tangible personal property of the Heritage Harbor Foundation, a Rhode  
7 Island nonprofit corporation, located at 1445 Wampanoag Trail, Suites 103 and 201, within the city  
8 of East Providence;

9 (68) Real property of Ocean State Community Wellness, Inc., a qualified tax-exempt  
10 corporation under § 501(c)(3) of the United States Internal Revenue Code, located in North  
11 Kingstown, Rhode Island, with a physical address of 7450 Post Road, and further identified as plat  
12 108, lot 83;

13 (69) Real and tangible personal property of St. John Baptist De La Salle Institute, d/b/a La  
14 Salle Academy, a Rhode Island domestic nonprofit corporation, located in Providence, Rhode  
15 Island denominated at the time this subsection was adopted as Plat 83 Lot 276 by the tax assessor  
16 for the city of Providence comprising approximately 26.08 acres of land along with all buildings  
17 and improvements that have been or may be made;

18 (70) Real and tangible personal property of The Providence Community Health Centers,  
19 Inc., a Rhode Island domestic nonprofit corporation, located in Providence, Rhode Island; and

20 (71) In the city of Central Falls and the city of Pawtucket, real property and tangible  
21 personal property located on or in the premise acquired or leased by a railroad entity and for the  
22 purpose of providing boarding and disembarking of railroad passengers and the supporting  
23 passenger railroad operations and services. For the purpose of this section, a railroad entity shall be  
24 any incorporated entity that has been duly authorized by the Rhode Island public utilities  
25 commission to provide passenger railroad services.

26 (b) Except as provided below, when a city or town taxes a for-profit hospital facility, the  
27 value of its real property shall be the value determined by the most recent full revaluation or  
28 statistical property update performed by the city or town; provided, however, in the year a nonprofit  
29 hospital facility converts to or otherwise becomes a for-profit hospital facility, or a for-profit  
30 hospital facility is initially established, the value of the real property and personal property of the  
31 for-profit hospital facility shall be determined by a valuation performed by the assessor for the  
32 purpose of determining an initial assessed value of real and personal property, not previously taxed  
33 by the city or town, as of the most recent date of assessment pursuant to § 44-5-1, subject to a right  
34 of appeal by the for-profit hospital facility which shall be made to the city or town tax assessor with

1 a direct appeal from an adverse decision to the Rhode Island superior court business calendar.

2 A "for-profit hospital facility" includes all real and personal property affiliated with any  
3 hospital as identified in an application filed pursuant to chapter 17 or 17.14 of title 23.  
4 Notwithstanding the above, a city or town may enter into a stabilization agreement with a for-profit  
5 hospital facility under § 44-3-9 or other laws specific to the particular city or town relating to  
6 stabilization agreements. In a year in which a nonprofit hospital facility converts to, or otherwise  
7 becomes, a for-profit hospital facility, or a for-profit hospital facility is otherwise established, in  
8 that year only the amount levied by the city or town and/or the amount payable under the  
9 stabilization agreement for that year related to the for-profit hospital facility shall not be counted  
10 towards determining the maximum tax levy permitted under § 44-5-2.

11 (c) Authorization to tax certain nonprofit properties within cities and towns exempt by  
12 charter, general, public, or special law.

13 (1) Notwithstanding any charter provision, any other provisions of this section or any other  
14 provision of the general, public, or special law to the contrary, each city and town may impose a  
15 property tax on the following real and/or personal property owned, leased or operated in whole or  
16 in part by any nonprofit institution of higher education or hospital:

17 (i) Any and all vacant lots, improved or unimproved, within the city or town, and/or such  
18 portion of a lot that is vacant; and

19 (ii) Any and all lots, buildings, structures or other property used for transient, overnight or  
20 permanent parking of motor vehicles, excepting any portion used wholly and exclusively for  
21 parking of vehicles owned or leased by the nonprofit entity and used for purposes of operating and  
22 maintaining the nonprofit entity owned or leased vehicle parking; and

23 (iii) Any and all real property owned, leased or operated within the city or town, or any  
24 portion thereof, that is not wholly and exclusively utilized for the purposes for which the nonprofits  
25 were incorporated, as set forth in their respective charters, or applicable provisions of the general,  
26 public, or special laws, regardless of whether or not the net income from the said property, or any  
27 portion thereof, is applied to, shall be used for, supports, or financially maintains the purposes for  
28 which the nonprofits were incorporated, as set forth in their respective charters.

29 (iv) When a city or town taxes any property and or portion of a property as set forth in  
30 subsections (c)(i) and (c)(ii) of this section, the value of the taxable real property shall be  
31 determined by the most recent full revaluation or statistical property update performed by the city  
32 or town; provided, however, in the year any real property is first taxed, the value of the property  
33 shall be determined by a valuation performed by the assessor for the purpose of determining an  
34 initial assessed value of real property not previously taxed by the city or town, as of the most recent

1 date of assessment pursuant to § 44-5-1, subject to any and all rights to appeal under § 44-5-26.

2 (v) When a city or town taxes any property and or portion of a property pursuant to  
3 subsection (c)(iii) of this section, such tax may be assessed and imposed effective December 31 in  
4 the year the next update or valuation is performed in accordance with § 44-5-11.6 after the effective  
5 date of this section, subject to any and all rights to appeal under § 44-5-26.

6 (vi) As used in this section, "nonprofit institution of higher education" means any  
7 institution engaged primarily in education beyond the high school level, and "nonprofit hospital"  
8 means any nonprofit hospital licensed by the state and which is used for the purpose of general  
9 medical, surgical, or psychiatric care and treatment.

10 SECTION 3. Provisions of nonprofit charters, general and special laws granted by the  
11 general assembly are hereby replaced, and/or amended, retroactively and prospectively, to the  
12 extent inconsistent with § 44-3-3(c).

13 SECTION 4. This act shall take effect upon passage.

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LC003635  
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EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF  
A N A C T  
RELATING TO TAXATION -- PROPERTY SUBJECT TO TAXATION

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- 1           This act would place limitations on the tax-exempt real and personal property a nonprofit
- 2 college, university or hospital may hold.
- 3           This act would take effect upon passage.

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