

2015 -- H 5173

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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2015

A N A C T

RELATING TO TAXATION

Introduced By: Representatives Shekarchi, Edwards, Solomon, Casey, and Trillo

Date Introduced: January 21, 2015

Referred To: House Municipal Government

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 44-5-12 of the General Laws in Chapter 44-5 entitled "Levy and
2 Assessment of Local Taxes" is hereby amended to read as follows:

3 **44-5-12. Assessment at full and fair cash value.** -- (a) All real property subject to
4 taxation shall be assessed at its full and fair cash value, or at a uniform percentage of its value,
5 not to exceed one hundred percent (100%), to be determined by the assessors in each town or
6 city; provided, that:

7 (1) Any residential property encumbered by a covenant recorded in the land records in
8 favor of a governmental unit or Rhode Island housing and mortgage finance corporation
9 restricting either or both the rents that may be charged or the incomes of the occupants shall be
10 assessed and taxed in accordance with § 44-5-13.11;

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

15 (3) Warwick. - The city council of the city of Warwick is authorized to provide, by
16 ordinance, that the owner of any dwelling of one to three (3) family units in the city of Warwick
17 who makes any improvements or additions on his or her principal place of residence in the
18 amount up to fifteen thousand dollars (\$15,000), as may be determined by the tax assessor of the
19 city of Warwick, is exempt from reassessment of property taxes on the improvement or addition

1 until the next general citywide reevaluation of property values by the tax assessor. For the
2 purposes of this section, "residence" is defined as voting address. This exemption does not apply
3 to any commercial structure. The property owner shall supply all necessary plans to the building
4 official for the improvements or addition and shall pay all requisite building and other permitting
5 fees as now are required by law; and

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

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

16 (6)(i) For taxes levied after December 31, 2014, new construction on development
17 property is exempt from the assessment of taxes under this chapter at the full and fair cash value
18 of the improvements, provided that:

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

21 (B) The assessor shall determine whether the real property on which new construction is
22 located is development property. If the real property is development property, the assessor shall
23 exempt the new construction located on that development property from the collection of taxes on
24 improvements, until such time as the real property no longer qualifies as development property.

25 (ii) For purposes of this section, "development property" means commercial real estate
26 which shall be defined as any real estate other than: (A) Real estate containing one to four (4)
27 residential units; (B) Real estate on which no buildings or structures are located and which is
28 zoned for single-family residential use; or (C) Single-family residential units such as
29 condominiums, townhouses, or homes singly or in a subdivision when sold, leased or otherwise
30 conveyed on a unit by unit basis, even though these units may be part of a larger building or
31 parcel of real estate containing more than four (4) residential units.

32 (iii) Property described in § 44-5-12(a)(6)(ii) shall continue to be taxed at the assessed
33 value at the time of purchase until such time as such property is sold or occupied and no longer
34 qualifies as development property. As to condominiums, this exemption shall not affect taxes on

1 the common areas and facilities as set forth in § 34-36-27. In no circumstance shall such
2 designation as development property extend beyond two (2) tax years and a qualification as a
3 development property shall only apply to property which applies for or receives a construction
4 permit after July 1, 2015. Further, the exemptions set forth in this section shall not apply to land.

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

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

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

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
A N A C T
RELATING TO TAXATION

- 1 This act would establish an exemption from taxation on improvements for new
- 2 construction on commercial development property.
- 3 This act would take effect upon passage.

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