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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2011

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A N A C T

RELATING TO TAXATION – LEVY AND ASSESSMENT OF LOCAL TAXES

Introduced By: Representative Brian C. Newberry

Date Introduced: May 12, 2011

Referred To: House Municipal Government

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 **44-5-2.3. North Smithfield - Maximum Levy. -- (a) Findings. The general assembly**  
4 **makes the following findings of fact:**

5 (1) The master plan for a large 600,000+ square foot retail development known as  
6 "Dowling Village" (now comprising lots numbered 406 through 412, both inclusive, and lots 414,  
7 415, 416, 418 and 419 on Plat 13, lots 401, 402, 404, 405 and 417 on Plat 21 and lot 50 on Plat  
8 21A in the records of the tax assessor of the town of North Smithfield, hereafter for the purposes  
9 of this section called "the Town") was approved by the planning board of the town on July 1,  
10 2004;

11 (2) It was anticipated that the Dowling Village project would add an aggregate of  
12 approximately one million dollars (\$1,000,000) per year to the property tax revenues collected by  
13 the town;

14 (3) The town was at the time reviewing certain proposals for school construction needed  
15 by the town, including a proposal to plan, design and construct a new middle school;

16 (4) Financing the proposed new middle school required the town to issue a thirty million  
17 dollar (\$30,000,000) bond;

18 (5) In deciding whether to go forward with planning for the proposed new middle school,  
19 and in deciding to ask the town's residents to approve the proposed new middle school and the

1 significant additional expense to be incurred in the construction of same, the then serving town  
2 council of the town determined to designate the approximately one million dollars (\$1,000,000)  
3 in additional aggregate property tax revenues to be derived from the Dowling Village project  
4 when it was completed as an offset to the costs of repaying the above referenced thirty million  
5 dollar (\$30,000,000) bond;

6 (6) In reliance upon the availability of said repayment source, the town's residents  
7 approved issuance of the bond in a special election on April 11, 2006;

8 (7) Due to no fault of either the town or the developer, the Dowling Village project was  
9 significantly delayed due to litigation brought against the town and the Dowling Village  
10 developer, and then further delayed such that major construction was only started in 2010;

11 (8) The result of such delays in construction and the subsequent amendment of Rhode  
12 Island general laws section 44-5-2 has deprived the town of the repayment source it anticipated  
13 when the new middle school project was planned and approved by the voters.

14 (b) Notwithstanding any other provisions of this chapter, any tax increment generated  
15 from the "Dowling Village" development as the same is described in subsection (a)(1) hereof in  
16 the town's fiscal year 2011 and thereafter up to and including the town's fiscal year 2031 which is  
17 designated for current and/or future debt service with respect to said middle school in accordance  
18 with the rules and regulations of the state department of revenue shall be excluded from the  
19 maximum tax the town may levy pursuant to the provisions of section 44-5-2 of the general laws.

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

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EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF  
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1           This act would exempt the tax revenues to be received by the town of North Smithfield  
2 from the "Dowling Village" development, so-called, from the cap provided for in Rhode Island  
3 general law section 44-5-2.

4           This act would take effect upon passage.

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