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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2014

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A N A C T

RELATING TO TAXATION - EXCISE ON MOTOR VEHICLES AND TRAILERS

Introduced By: Representatives McNamara, Shekarchi, Malik, Azzinaro, and Corvese

Date Introduced: January 16, 2014

Referred To: House Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Sections 44-34-3, 44-34-8 and 44-34-11 of the General Laws in Chapter 44-
2 34 entitled "Excise on Motor Vehicles and Trailers" are hereby amended to read as follows:

3 **44-34-3. Assessment roll -- Rate -- Payment -- Penalty upon non-payment.** -- (a) The
4 assessor, on the basis of a list of uniform values for motor vehicles prepared by the Rhode Island
5 vehicle value commission pursuant to section 44-34-8, shall make a list containing the value of
6 every vehicle and trailer in the city or town which is subject to the provisions of section 44-34-2,
7 the values to be at the average ~~retail~~ trade-in price as determined under section 44-34-2 or at a
8 uniform percentage of these, not to exceed one hundred percent (100%), to be determined by the
9 assessors in each city or town; provided, that every vehicle and trailer in the city of Pawtucket
10 shall be assessed in accordance with sections 44-5-20.1 and 44-5-20.2; provided, further, that
11 motor vehicles owned, leased, or utilized by rental companies, as those terms are defined in
12 section 31-34.1-1, shall not be valued for excise tax purposes at an amount greater than the
13 National Automobile Dealers Association average ~~retail~~ trade-in value for new vehicles for the
14 year and vehicle model in question.

15 (b) The excise tax levy shall be applied to the excise assessment roll at the rate
16 established by the assessors for all other property except manufacturer's machinery and
17 equipment in accordance with section 44-5-22 and the resulting tax roll shall be certified by the
18 assessors to the city or town clerk, treasurer, or tax collector, as the case may be, not later than
19 June 15 next succeeding. Prior to the resulting tax roll being certified to the Pawtucket city clerk,

1 the excise levy shall be applied to the excise assessment roll in accordance with the property tax
2 classification described in sections 44-5-20.3 and 44-5-20.5. In the city of Woonsocket, the excise
3 tax levy shall be applied to the excise assessment roll at a rate that will produce no more than
4 nineteen percent (19%) of the total tax levy as prescribed in section 44-5-11.6. In the town of
5 Lincoln, the excise tax levy shall be applied to the excise assessment roll at a rate that produces
6 an amount equal to no more than seventeen percent (17%) of the total real estate tax levy.

7 (c) If any vehicle or trailer liable to taxation in any city or town has been omitted from
8 the tax roll, the tax assessment shall assess the vehicle or trailer on a supplemental excise
9 assessment roll and shall certify the assessment to the tax collector after June 15, but not later
10 than December 31 next succeeding.

11 (d) As soon after this as possible, the tax collector shall cause excise bills to be sent by
12 first class mail to all persons, corporations, partnerships, joint stock companies, or associations
13 that have registered vehicles or trailers during the calendar year of proration. The bills shall be
14 paid in accordance with section 44-5-7 at the same time and on the same schedule as property tax
15 bills. Failure to pay the excise at the appropriated time shall bring about a penalty of eighteen
16 percent (18%) per annum, or, in the case of the city of Cranston, a penalty of twelve percent
17 (12%) per annum which applies on the date of the delinquency or, for any city or town fiscal year
18 commencing between January 1, 1980, and December 31, 1980, after approval by the proper local
19 authority, at the same rate of interest as that which is applied to delinquent property taxes in the
20 taxing jurisdiction.

21 (e) Failure by the tax collector to send, or by the taxpayer to receive, a bill shall not
22 excuse the nonpayment of the tax or affect its validity or any proceedings for the collection.

23 (f) This section does not apply to any and all entities which are exempt from the excise
24 as prescribed in section 44-34-2.

25 (g) The assessors of the cities and towns shall, in the year 2015 assess ninety-five percent
26 (95%) of clean retail value. In the year 2016 the assessors of the cities and towns shall assess
27 ninety percent (90%) of clean retail value and in the year 2017 and thereafter, the assessors of the
28 cities and towns shall assess one hundred percent (100%) of the average trade-in value.

29 **44-34-8. Appeal procedure.** -- (a) ~~(+) Any taxpayer aggrieved by a valuation may appeal~~
30 ~~that valuation to the tax assessor within thirty (30) days of notice of valuation by~~
31 ~~presenting to the tax assessor a certified appraisal that reflects the value of the vehicle on the date~~
32 ~~of the assessment from a licensed motor vehicle dealer as determined by chapter 31-5. Provided,~~
33 ~~however, that the appraisal so conducted shall reference any additional mileage or wear and tear~~
34 ~~which may have accumulated during the period between the assessment and the appeal and that~~

1 said additional mileage and wear and tear shall not be considered as part of the appeal. When the
2 valuation of the vehicle has been made by the assessor, the assessor shall render a decision within
3 ~~ten (10)~~ thirty (30) days of the filing of the appeal. ~~When the valuation of the vehicle has been~~
4 ~~made by the Rhode Island vehicle valuation commission, the assessor shall forward the appeal on~~
5 ~~the form provided by the commission to the Rhode Island vehicle valuation commission within~~
6 ~~ten (10) days. The commission shall transmit its decision to the tax assessor within twenty (20)~~
7 ~~days of the receipt of the appeal.~~

8 ~~(2) The tax assessor shall notify the aggrieved taxpayer, by writing, of the commission~~
9 ~~decision within ten (10) days of the receipt of the commission decision.~~

10 (b) Within thirty (30) days of the notification of the decision of the tax assessor ~~or the~~
11 ~~commission,~~ an aggrieved taxpayer may appeal the decision to the district court for the judicial
12 division within which the city or town is located.

13 (c) A party aggrieved by a final order of the district court may seek review of this order
14 in the state supreme court by writ of certiorari. The petition for a writ of certiorari shall state the
15 errors claimed. Upon the filing of the petition with the clerk of the supreme court, the supreme
16 court may, if it sees fit, issue its writ of certiorari to the district court to certify to the supreme
17 court the record of the proceeding under review, or so much of this as was submitted to the
18 district court by the parties, together with any additional record of the proceedings in the district
19 court.

20 **44-34-11. Rhode Island vehicle value commission.** -- (a) There is hereby authorized,
21 created, and established the "Rhode Island vehicle value commission" whose function it is to
22 establish presumptive values of vehicles and trailers subject to the excise tax.

23 (b) The commission shall consist of the following seven (7) members as follows:

24 (1) The director of the department of revenue or his/her designee from the department of
25 revenue, who shall serve as chair;

26 (2) Five (5) local tax officials named by the governor, at least one of whom shall be from
27 a city or town under ten thousand (10,000) population and at least one of whom is from a city or
28 town over fifty thousand (50,000) population in making these appointments the governor shall
29 give due consideration to the recommendations submitted by the President of the Rhode Island
30 League of Cities and Towns and each appointment shall be subject to the advice and consent of
31 the senate;

32 (3) And one motor vehicle dealer appointed by the governor upon giving due
33 consideration to the recommendation of the director of revenue and subject to the advice and
34 consent of the senate.

1 (4) All members shall serve for a term of three (3) years.

2 (5) Current legislative appointees shall cease to be members of the commission upon the
3 effective date of this act. Non-legislative appointees to the commission may serve out their terms
4 whereupon their successors shall be appointed in accordance with this act. No one shall be
5 eligible for appointment to the commission unless he or she is a resident of this state.

6 (6) Public members of the commission shall be removable by the governor pursuant to
7 section 36-1-7 for cause only, and removal solely for partisan or personal reasons unrelated to
8 capacity or fitness for the office shall be unlawful.

9 (7) The governor shall appoint a chairperson from the commission's members. The
10 commission shall elect from among its members other officers as it may deem appropriate.

11 (c) The commission shall annually determine the presumptive values of vehicles and
12 trailers subject to the excise tax in the following manner:

13 (1) Not earlier than September 30 and not later than December 31 of each year, the
14 commission shall by rule adopt a methodology for determining the presumptive value of vehicles
15 and trailers subject to the excise tax which shall give consideration to the following factors:

16 (i) The average ~~retail~~ [trade-in](#) price of similar vehicles of the same make, model, type,
17 and year of manufacture as reported by motor vehicle dealers or by official used car guides, such
18 as that of the National Automobile Dealers Association for New England. Where regional guides
19 are not available, the commission shall use other publications deemed appropriate; and

20 (ii) Other information concerning the average ~~retail~~ [trade-in](#) prices for make, model,
21 type, and year of manufacture of motor vehicles as the director and the Rhode Island vehicle
22 value commission may deem appropriate to determine fair values.

23 (2) On or before February 1 of each year, it shall adopt a list of values for vehicles and
24 trailers of the same make, model, type, and year of manufacture as of the preceding December 31
25 in accordance with the methodology adopted between September 30 and December 31; the list
26 shall be subject to a public hearing at least five (5) business days prior to the date of its adoption.

27 (3) Nothing in this section shall be deemed to require the commission to determine the
28 presumptive value of vehicles and trailers which are unique, to which special equipment has been
29 added or to which special modifications have been made, or for which adequate information is
30 not available from the sources referenced in subdivision (1) of this subsection; provided, that the
31 commission may consider those factors in its lists or regulations.

32 (4) The commission shall annually provide the list of presumptive values of vehicles and
33 trailers to each tax assessor on or before February 15 of each year.

34 (d) The commission shall adopt rules governing its organization and the conduct of its

1 business; prior to the adoption of the rules, the chair shall have the power to call meetings, and a
2 simple majority of the members of the commission, as provided for in subsection (b) of this
3 section, is necessary for a quorum, which quorum by majority vote shall have the power to
4 conduct business in the name of the commission. The commission may adopt rules and elect from
5 among its members such other officers as it deems necessary.

6 (e) The commission shall have the power to contract for professional services that it
7 deems necessary for the development of the methodology for determining presumptive values, for
8 calculating presumptive values according to the methodology, and for preparing the list of
9 presumptive values in a form and format that is generally usable by cities and towns in their
10 preparation of tax bills. The commission shall also have the power to incur reasonable expenses
11 in the conduct of its business as required by this chapter and to authorize payments for the
12 expenses.

13 (f) Commission members shall receive no compensation for the performance of their
14 duties but may be reimbursed for their reasonable expenses incurred in carrying out such duties.

15 (g) The commission shall respond to petitions of appeal by local boards of review in
16 accordance with the provisions of section 44-34-9.

17 (h) The commission shall establish, by rule, procedures for adopting an annual budget
18 and for administering its finances. After July 1, 1986, one-half (1/2) of the cost of the
19 commission's operations shall be borne by the state and one-half (1/2) shall be borne by cities
20 and towns within the state, with the city and town share distributed among cities and towns on a
21 per capita basis.

22 (i) Within ninety (90) days after the end of each fiscal year, the commission shall
23 approve and submit an annual report to the governor, the speaker of the house of representatives,
24 the president of the senate, and the secretary of state of its activities during that fiscal year. The
25 report shall provide: an operating statement summarizing meetings or hearings held, meeting
26 minutes if requested, subjects addressed, decisions rendered, rules or regulations promulgated,
27 studies conducted, policies and plans developed, approved, or modified, and programs
28 administered or initiated; a consolidated financial statement of all funds received and expended
29 including the source of the funds, a listing of any staff supported by these funds, and a summary
30 of any clerical, administrative or technical support received; a summary of performance during
31 the previous fiscal year including accomplishments, shortcomings and remedies; a synopsis of
32 hearings, complaints, suspensions, or other legal matters related to the authority of the
33 commission; a summary of any training courses held pursuant to this subsection, a briefing on
34 anticipated activities in the upcoming fiscal year; and findings and recommendations for

1 improvements. The report shall be posted electronically on the general assembly and the secretary
2 of state's websites as prescribed in section 42-20-8.2. The director of the department of revenue
3 shall be responsible for the enforcement of this provision.

4 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 - EXCISE ON MOTOR VEHICLES AND TRAILERS

- 1 This act would amend car tax statutes so that the assessment of used motor vehicles
- 2 would be based on the average trade-in price, rather than the retail price. It would also extend the
- 3 appeal period to forty-five (45) days.
- 4 This act would take effect upon passage.

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