

2014 -- H 7165

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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 TOWNS AND CITIES - STATE AID

Introduced By: Representatives Ruggiero, Finn, and Abney

Date Introduced: January 23, 2014

Referred To: House Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 45-13-5.1 of the General Laws in Chapter 45-13 entitled "State
2 Aid" is hereby amended to read as follows:

3 **45-13-5.1. General assembly appropriations in lieu of property tax from certain**
4 **exempt private and state properties.** -- (a) In lieu of the amount of local real property tax on
5 real property owned by any private nonprofit institution of higher education, or any nonprofit
6 hospital facility, or any state owned and operated hospital, veterans' residential facility, or
7 correctional facility occupied by more than one hundred (100) residents or any active military
8 installation which may have been or will be exempted from taxation by applicable state law,
9 exclusive of any facility operated by ~~the federal government,~~ the state of Rhode Island, or any of
10 its subdivisions, the general assembly shall annually appropriate for payment to the several cities
11 and towns in which the property lies a sum equal to twenty-seven percent (27%) of all tax that
12 would have been collected had the property been taxable.

13 (b) As used in this section, "private nonprofit institution of higher education" means any
14 institution engaged primarily in education beyond the high school level, the property of which is
15 exempt from property tax under any of the subdivisions, and "nonprofit hospital facility" means
16 any nonprofit hospital licensed by the state and which is used for the purpose of general medical,
17 surgical, or psychiatric care and treatment.

18 (c) The grant payable to any municipality under the provision of this section shall be
19 equal to twenty-seven percent (27%) of the property taxes which, except for any exemption to

1 any institution of higher education or general hospital facility, would have been paid with respect
2 to that exempt real property on the assessment list in the municipality for the assessment date of
3 December 31, 1986 and with respect to such exempt real property appearing on an assessment list
4 in the municipality on succeeding assessment dates. Provided however that the grant paid for the
5 fiscal year ending June 30, 2008 shall be based upon the assessment list in the municipality as of
6 December 31, 2004.

7 (d) The state budget offices shall include the amount of the annual grant in the state
8 budget for the fiscal year commencing July 1, 1988 and each fiscal year thereafter. The amount of
9 the annual grant payable to each municipality in any year in accordance with this section shall be
10 reduced proportionately in the event that the total of the annual grants in any year exceeds the
11 amount appropriated that year for the purposes of this section.

12 (e) Distribution of appropriations shall be made by the state on or before July 31 of 1988
13 and each July 31 thereafter, and the payments may be counted as a receivable by any city or town
14 for a fiscal year ending the preceding June 30.

15 (f) Any act or omission by the state with respect to this chapter shall in no way diminish
16 the duty of any town or municipality to provide public safety or other ordinary services to the
17 properties or facilities of the type listed in subsection (a).

18 (g) Provided, that payments authorized pursuant to this section shall be reduced pro rata,
19 for that period of time that the municipality suspends or reduces essential services to eligible
20 facilities. For the purposes of this section "essential services" include, but are not to be limited to,
21 police, fire and rescue.

22 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 allow cities and towns to receive state aid in lieu of taxes not paid by
- 2 federal government facilities located in their jurisdictions.
- 3 This act would take effect upon passage.

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