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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2016

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A N A C T

RELATING TO TAXATION - EXCISE ON MOTOR VEHICLES AND TRAILERS

Introduced By: Senators Pichardo, Walaska, Miller, Goodwin, and Gallo

Date Introduced: January 27, 2016

Referred To: Senate 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 § 44-34-8, shall make a list containing the value of every
6 vehicle and trailer in the city or town which is subject to the provisions of § 44-34-2, the values to
7 be at the average ~~retail~~ trade-in price as determined under § 44-34-2 or at a uniform percentage of
8 these, not to exceed one hundred percent (100%), to be determined by the assessors in each city
9 or town; provided, that every vehicle and trailer in the city of Pawtucket shall be assessed in
10 accordance with §§ 44-5-20.1 and 44-5-20.2; provided, further, that motor vehicles owned,
11 leased, or utilized by rental companies, as those terms are defined in § 31-34.1-1, shall not be
12 valued for excise tax purposes at an amount greater than the National Automobile Dealers
13 Association average ~~retail~~ trade-in value for new vehicles for the year and vehicle model in
14 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 § 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 §§ 44-5-20.3 and 44-5-20.5. In the city of Woonsocket, the excise tax
3 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 § 44-5-11.6. In the town of Lincoln,
5 the excise tax levy shall be applied to the excise assessment roll at a rate that produces an amount
6 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 § 44-5-7 at the same time and on the same schedule as property tax bills.
15 Failure to pay the excise at the appropriated time shall bring about a penalty of eighteen percent
16 (18%) per annum, or, in the case of the city of Cranston, a penalty of twelve percent (12%) per
17 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 § 44-34-2.

25 (g) The assessors of the cities and towns shall, in the year 2016, assess each such vehicle
26 or trailer at ninety-five percent (95%) of clean retail value. In the year 2017 the assessors of the
27 cities and towns shall assess each such vehicle or trailer at ninety percent (90%) of clean retail
28 value and in the year 2018 and thereafter, the assessors of the cities and towns shall assess each
29 such vehicle or trailer at one hundred percent (100%) of the average trade-in value.

30 (h) Each city and town shall be indemnified by the state for the loss in tax revenue
31 occasioned by the provisions of subsection (g) of this section, and the general assembly shall
32 identify and provide a revenue source for such indemnification.

33 **44-34-8. Appeal procedure.** -- (a) (1) Any taxpayer aggrieved by a valuation may appeal
34 that valuation to the tax assessor within forty-five (45) days of notice of valuation by presenting

1 to the tax assessor a certified appraisal that reflects the value of the vehicle on the date of the
2 assessment from a licensed motor vehicle dealer as determined by chapter 5 of title 31. Provided,
3 however, that the appraisal so conducted shall reference any additional mileage or wear and tear
4 which may have accumulated during the period between the assessment and the appeal and that
5 said additional mileage and wear and tear shall not be considered as part of the appeal. When the
6 valuation of the vehicle has been made by the assessor, the assessor shall render a decision within
7 ~~ten (10)~~ thirty (30) days of the filing of the appeal. ~~When the valuation of the vehicle has been~~
8 ~~made by the Rhode Island vehicle valuation commission, the assessor shall forward the appeal on~~
9 ~~the form provided by the commission to the Rhode Island vehicle valuation commission within~~
10 ~~ten (10) days. The commission shall transmit its decision to the tax assessor within twenty (20)~~
11 ~~days of the receipt of the appeal.~~

12 (2) ~~The tax assessor shall notify the aggrieved taxpayer, in writing, of the commission~~
13 ~~decision within ten (10) days of the receipt of the commission decision.~~

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

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

24 **44-34-11. Rhode Island vehicle value commission.** -- (a) There is hereby authorized,
25 created, and established the "Rhode Island vehicle value commission" whose function it is to
26 establish presumptive values of vehicles and trailers subject to the excise tax.

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

28 (1) The director of the department of revenue or his/her designee from the department of
29 revenue;

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

1 the senate;

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

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

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

10 (6) Public members of the commission shall be removable by the governor pursuant to §
11 36-1-7 for cause only, and removal solely for partisan or personal reasons unrelated to capacity or
12 fitness for the office shall be unlawful.

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

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

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

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

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

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

31 (3) Nothing in this section shall be deemed to require the commission to determine the
32 presumptive value of vehicles and trailers which are unique, to which special equipment has been
33 added or to which special modifications have been made, or for which adequate information is
34 not available from the sources referenced in subdivision (1) of this subsection; provided, that the

1 commission may consider those factors in its lists or regulations.

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

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

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

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

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

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

26 (i) Within ninety (90) days after the end of each fiscal year, the commission shall
27 approve and submit an annual report to the governor, the speaker of the house of representatives,
28 the president of the senate, and the secretary of state of its activities during that fiscal year. The
29 report shall provide: an operating statement summarizing meetings or hearings held, meeting
30 minutes if requested, subjects addressed, decisions rendered, rules or regulations promulgated,
31 studies conducted, policies and plans developed, approved, or modified, and programs
32 administered or initiated; a consolidated financial statement of all funds received and expended
33 including the source of the funds, a listing of any staff supported by these funds, and a summary
34 of any clerical, administrative or technical support received; a summary of performance during

1 the previous fiscal year including accomplishments, shortcomings and remedies; a synopsis of
2 hearings, complaints, suspensions, or other legal matters related to the authority of the
3 commission; a summary of any training courses held pursuant to this subsection, a briefing on
4 anticipated activities in the upcoming fiscal year; and findings and recommendations for
5 improvements. The report shall be posted electronically on the general assembly and the secretary
6 of state's websites as prescribed in § 42-20-8.2. The director of the department of revenue shall be
7 responsible for the enforcement of this provision.

8 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 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 reduced to 95% of clean retail value for the first year after passage, then 90% of the
3 clean retail value for the subsequent year, and thereafter 100% of the average trade-in value. The
4 state would indemnify each city and town for lost revenue by a method to be established by the
5 general assembly.

6 This act would take effect upon passage.

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