

2013 -- H 5176

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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2013

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A N A C T

RELATING TO TAXATION - POWERS AND DUTIES OF FIRE DISTRICTS

Introduced By: Representatives Guthrie, Tomasso, and Serpa

Date Introduced: January 29, 2013

Referred To: House Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Title 44 of the General Laws entitled "TAXATION" is hereby amended by
2 adding thereto the following chapter:

3 CHAPTER 5.2

4 POWERS AND DUTIES OF FIRE DISTRICTS

5 **44-5.2-1. Tax classification. -- (a) Any fire district may adopt a tax classification plan,**
6 **by a majority vote of the electors of the district, with the following limitations:**

7 (1) The designated classes of property shall be limited to the four (4) classes as defined
8 in subsection (b) of this section.

9 (2) The effective tax rate applicable to any class excluding class 4 shall not exceed by
10 fifty percent (50%) the rate applicable to any other class.

11 (3) Any tax rate changes from one year to the next shall be applied such that the same
12 percentage rate change is applicable to all classes, excluding class 4.

13 (4) Notwithstanding subdivisions (2) and (3) of this subsection, the tax rates applicable to
14 wholesale and retail inventory within class 3 as defined in subsection (b) of this section are
15 governed by section 44-3-29.1.

16 (5) The tax rates applicable to motor vehicles within class 4 as defined in subsection (b)
17 of this section are governed by section 44-34.1-1.

18 (6) The provisions of chapter 35 of this title relating to property tax and fiscal disclosure
19 applies to the reporting of and compliance with these classification restrictions.

1 (b) Classes of Property.

2 (1) Class 1: Residential real estate consisting of no more than five (5) dwelling units, land
3 classified as open space, and dwellings on leased land including mobile homes.

4 (2) Class 2: Commercial and industrial real estate, residential properties containing partial
5 commercial or business uses and residential real estate of more than five (5) dwelling units.

6 (3) Class 3: All ratable tangible personal property.

7 (4) Class 4: Motor vehicles and trailers subject to the excise tax created by chapter 34 of
8 this title.

9 **44-5.2-2. Supplemental taxes.--** In order to maintain a balanced budget and to prevent a
10 deficit projected for a current fiscal year, a fire district may adopt a supplemental tax by a
11 majority vote of the electors of the district.

12 **44-5.2-3. Audit of Accounts and Installation of Systems. --** All fire districts located
13 within the cities and towns of the state shall be required to conduct an independent annual audit.

14 **44-5.2-4. Availability of funds upon failure of fire district to approve annual**
15 **appropriation. --** Unless otherwise provided by charter, if a fire district fails to approve an
16 annual appropriation measure, the same amounts appropriated in the previous fiscal year shall be
17 available provided, that such appropriation shall be increased by such amount as is necessary for
18 expenditures for payment of existing bonded indebtedness of the fire district and interest thereon.

19 **44-5.2-5. Compliance. --** Unless otherwise provided, the division of municipal finance in
20 the department of revenue shall monitor fire district compliance with this chapter and issue
21 periodic reports to the general assembly on compliance.

22 **44-5.2-6. Application. --** The powers and duties set forth in this chapter shall not apply
23 if specifically prohibited by the charter of any fire district..

24 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 - POWERS AND DUTIES OF FIRE DISTRICTS

- 1 This act would provide fire districts with the power to adopt tax classification rates, adopt
- 2 supplemental taxes and operate under a previous fiscal year's budget under certain circumstances.
- 3 It would also subject fire districts to audit of accounts and installation of systems.
- 4 This act would take effect upon passage.

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