

2015 -- S 0238 SUBSTITUTE A

LC000149/SUB A

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2015

A N A C T

RELATING TO TAXATION -- LEVY AND ASSESSMENT OF LOCAL TAXES

Introduced By: Senators Walaska, Felag, and McCaffrey

Date Introduced: February 11, 2015

Referred To: Senate Housing & Municipal Government

It is enacted by the General Assembly as follows:

1 SECTION 1. Sections 44-5-11.5 and 44-5-11.6 of the General Laws in Chapter 44-5
2 entitled "Levy and Assessment of Local Taxes" are hereby amended to read as follows:

3 **44-5-11.5. Legislative findings -- Revaluation cycle.** -- It is found and declared that:

4 (1) Rhode Island property taxes continue to play a significant role in the financing of
5 local educational and municipal services. The general assembly recognizes that the way the
6 property tax is assessed, levied and collected can be improved to provide ~~more reliable and up-to-~~
7 ~~date property values in each of the cities and towns~~ maximum efficiencies and cost savings while
8 maintaining reliable property values in each of the cities and towns.

9 ~~(2) The state's ten (10)-year property revaluation cycle is the longest revaluation cycle in~~
10 ~~the country. Infrequent revaluations translate into disparities in property tax burden between types~~
11 ~~and classes of property within and among cities and towns. In addition, because each city and~~
12 ~~town represents multiple systems and procedures for administering the property tax, there is an~~
13 ~~inconsistent administration of property tax law and regulations.~~

14 ~~(3)~~(2) It is the intent of the general assembly to ensure that all taxpayers in Rhode Island
15 are treated equitably. ~~The more frequent the revaluation, the greater the equity within and among~~
16 ~~jurisdictions.~~ Ensuring that taxpayers are treated fairly begins with modernizing the
17 administration of the property tax that ensures:

18 (i) Up-to-date property values are maintained through ~~more frequent~~ property
19 revaluations;

1 (ii) Cities and towns meet defined standards related to performing updates of property
2 values;

3 (iii) The state shares in the cost of performing updates of property values in the cities and
4 towns;

5 (iv) A meaningful and effective method of ensuring that cities and towns comply with
6 the ~~nine (9)~~ fifteen (15) year revaluation cycle and the updates of property values are developed;

7 (v) Procedures for administering the property tax are standardized -- such as general
8 reporting and classification systems;

9 (vi) Assessors and contracted property revaluation companies meet appropriate
10 qualifications and standards; and

11 (vii) Intergovernmental cooperation in the administration of the property tax is
12 maximized.

13 ~~(4)(3)~~ With these findings in mind, it is the intent of the general assembly to institute a
14 revaluation cycle where every city or town conducts ~~a revaluation within nine (9)~~ two (2) updates
15 every five (5) years of the date of the prior revaluation and shall conduct ~~an update~~ a revaluation
16 of real property ~~every three (3)~~ within five (5) years from the date of the last ~~revaluation~~ update.
17 Nothing contained within this section shall prohibit a city or town from conducting more frequent
18 updates or revaluations.

19 **44-5-11.6. Assessment of valuations -- Apportionment of levies.** -- (a) Notwithstanding
20 the provisions of § 44-5-11 [repealed] beginning on December 31, 2000, the assessors in the
21 several towns and cities shall conduct an update as defined in this section or shall assess all
22 valuations and apportion the levy of all taxes legally ordered under the rules and regulations, not
23 repugnant to law, as the town meetings and city councils, respectively, shall, from time to time,
24 prescribe; provided, that the update or valuation is performed in accordance with the following
25 schedules:

26 (1)(i) For a transition period, for cities and towns that conducted or implemented a
27 revaluation as of 1993 or in years later:

	Update	Revaluation
28 Lincoln	2000	2003
29 South Kingstown	2000	2003
30 Smithfield	2000	2003
31 West Warwick	2000	2003
32 Johnston	2000	2003
33 Burrillville	2000	2003

1	North Smithfield	2000	2003
2	Central Falls	2000	2003
3	North Kingstown	2000	2003
4	Jamestown	2000	2003
5	North Providence	2001	2004
6	Cumberland	2001	2004
7	Bristol	2004	2001
8	Charlestown	2001	2004
9	East Greenwich	2002	2005
10	Cranston	2002	2005
11	Barrington	2002	2005
12	Warwick	2003	2006
13	Warren	2003	2006
14	East Providence	2003	2006

15 (ii) Provided that the reevaluation period for the town of New Shoreham shall be
16 extended to 2003 and the update for the town of Hopkinton may be extended to 2007 with no
17 additional reimbursements by the state relating to the delay.

18 (iii) The implementation date for this schedule is December 31 st, of the stated year.

19 (iv) Those cities and towns not listed in this schedule shall continue the revaluation
20 schedule pursuant to § 44-5-11 [repealed].

21 (2)(i) For the post transition period and in years thereafter:

22		Update #1	Update #2	Revaluation
23	Woonsocket	2002 <u>2011</u>	2005 <u>2014</u>	2008 <u>2019</u>
24	Pawtucket	2002 <u>2011</u>	2005 <u>2014</u>	2008 <u>2019</u>
25	Portsmouth	2001 <u>2010</u>	2004 <u>2013</u>	2007 <u>2018</u>
26	Coventry	2001 <u>2010</u>	2004 <u>2013</u>	2007 <u>2018</u>
27	Providence	2003 <u>2012</u>	2006 <u>2015</u>	2009 <u>2020</u>
28	Foster	2002 <u>2011</u>	2005 <u>2014</u>	2008 <u>2019</u>
29	Middletown	2002 <u>2011</u>	2005 <u>2014</u>	2008 <u>2019</u>
30	Little Compton	2003 <u>2012</u>	2006 <u>2015</u>	2009 <u>2020</u>
31	Scituate	2003 <u>2012</u>	2006 <u>2015</u>	2009 <u>2020</u>
32	Westerly	2003 <u>2012</u>	2006 <u>2015</u>	2009 <u>2020</u>
33	West Greenwich	2004 <u>2013</u>	2007 <u>2018</u>	2010 <u>2023</u>
34	Glocester	2004 <u>2013</u>	2007 <u>2018</u>	2010 <u>2023</u>

1	Richmond	2004	<u>2013</u>	2007	<u>2018</u>	2010	<u>2023</u>
2	Bristol	2004	<u>2013</u>	2007	<u>2018</u>	2010	<u>2023</u>
3	Tiverton	2005	<u>2014</u>	2008	<u>2019</u>	2011	<u>2024</u>
4	Newport	2005	<u>2014</u>	2008	<u>2019</u>	2011	<u>2024</u>
5	New Shoreham	2006	<u>2015</u>	2009	<u>2020</u>	2012	<u>2025</u>
6	Narragansett	2005	<u>2014</u>	2008	<u>2019</u>	2011	<u>2024</u>
7	Exeter	2005	<u>2014</u>	2008	<u>2019</u>	2011	<u>2024</u>
8	Hopkinton	2007	<u>2018</u>	2010	<u>2023</u>	2013	<u>2028</u>
9	Lincoln	2006	<u>2015</u>	2009	<u>2020</u>	2012	<u>2025</u>
10	South Kingstown	2006	<u>2015</u>	2009	<u>2020</u>	2012	<u>2025</u>
11	Smithfield	2006	<u>2015</u>	2009	<u>2020</u>	2012	<u>2025</u>
12	West Warwick	2006	<u>2015</u>	2009	<u>2020</u>	2012	<u>2025</u>
13	Johnston	2006	<u>2015</u>	2009	<u>2020</u>	2012	<u>2025</u>
14	Burrillville	2006	<u>2015</u>	2009	<u>2020</u>	2012	<u>2025</u>
15	North Smithfield	2006	<u>2015</u>	2009	<u>2020</u>	2012	<u>2025</u>
16	Central Falls	2006	<u>2015</u>	2009	<u>2020</u>	2012	<u>2025</u>
17	North Kingstown	2006	<u>2015</u>	2009	<u>2020</u>	2012	<u>2025</u>
18	Jamestown	2006	<u>2015</u>	2009	<u>2020</u>	2012	<u>2025</u>
19	North Providence	2007	<u>2018</u>	2010	<u>2023</u>	2013	<u>2028</u>
20	Cumberland	2007	<u>2018</u>	2010	<u>2023</u>	2013	<u>2028</u>
21	Charlestown	2007	<u>2018</u>	2010	<u>2023</u>	2013	<u>2028</u>
22	East Greenwich	2008	<u>2019</u>	2011	<u>2024</u>	2014	<u>2029</u>
23	Cranston	2008	<u>2019</u>	2011	<u>2024</u>	2014	<u>2029</u>
24	Barrington	2008	<u>2019</u>	2010	<u>2024</u>	2014	<u>2029</u>
25	Warwick	2009	<u>2020</u>	2012	<u>2025</u>	2015	<u>2030</u>
26	Warren	2009	<u>2020</u>	2012	<u>2025</u>	2016	<u>2030</u>
27	East Providence	2009	<u>2020</u>	2012	<u>2025</u>	2015	<u>2030</u>

28 (ii) The implementation date for the schedule is December 31st of the stated year. Upon
29 the completion of the update and revaluation according to this schedule, each city and town shall
30 conduct ~~a revaluation within nine (9) years of the date of~~ two (2) updates within five (5) years of
31 each other and subsequent to the prior revaluation and shall conduct an update of real property
32 every ~~three (3)~~ five (5) years from the last ~~revaluation~~ update. Provided, that for the town of
33 Bristol, the time for the first statistical update following the 2010 revaluation shall be extended
34 from 2013 to 2014 and said statistical update shall be based on valuations as of December 31,

1 2014. Provided, however, the five (5) year update of real property shall not commence prior to
2 the completion of all previously scheduled revaluations as set forth in subsection (a)(2)(i) of this
3 section.

4 (b) No later than February 1, 1998, the director of the department of revenue shall
5 promulgate rules and regulations consistent with the provisions of this section to define the
6 requirements for the updates that shall include, but not be limited to:

7 (1) An analysis of sales;

8 (2) A rebuilding of land value tables;

9 (3) A rebuilding of cost tables of all improvement items; and

10 (4) A rebuilding of depreciation schedules. - Upon completion of an update, each city or
11 town shall provide for a hearing and/or appeal process for any aggrieved person to address any
12 issue that arose during the update.

13 (c) The costs incurred by the towns and cities for the first update shall be borne by the
14 state in an amount not to exceed twenty dollars (\$20.00) per parcel. The costs incurred by the
15 towns and cities for the second update shall be borne eighty percent (80%) by the state (in an
16 amount not to exceed sixteen dollars (\$16.00) per parcel) and twenty percent (20%) by the town
17 or city, and in the third update and thereafter, the state shall pay sixty percent (60%) of the update
18 (not to exceed twelve dollars (\$12.00) per parcel) and the town or city shall pay forty percent
19 (40%); provided, that for the second update and in all updates thereafter, that the costs incurred
20 by any city or town that is determined to be a distressed community pursuant to § 45-13-12 shall
21 be borne eighty percent (80%) by the state and twenty percent (20%) by the city or town for all
22 updates required by this section.

23 (d) The office of municipal affairs, after consultation with the League of Cities and
24 Towns and the Rhode Island Assessors' Association, shall recommend adjustments to the costs
25 formula described in subsection (c) of this section based upon existing market conditions.

26 (e) Any property that is either exempt from the local property tax pursuant to § 44-3-3 or
27 pays a city or town an amount in lieu of taxes is not required to have its values updated pursuant
28 to this section and the property is not eligible for the reimbursement provisions of subsection (c)
29 of this section. However, those properties that are exempt from taxation and are eligible for state
30 appropriations in lieu of property tax under the provisions of § 45-13-5.1 are eligible for state
31 reimbursement pursuant to subsection (c) of this section, provided, that these properties were
32 revalued as part of that city or town's most recent property revaluation.

33 (f) No city or town is required to conduct an update pursuant to this section unless the
34 state has appropriated sufficient funds to cover the state's costs as identified in subsection (c) of

1 this section.

2 (g) Any city or town that fails to conduct an update or revaluation as required by this
3 section, or requests and receives an extension of the dates specified in this section, shall receive
4 the same amount of state aid under §§ 45-13-1, 45-13-5.1, and 45-13-12 in the budget year for
5 which the new values were to apply as the city or town received in-state aid in the previous
6 budget year; provided, however, if the new year's entitlement is lower than the prior year's
7 entitlement, the lower amount applies, except for the town of New Shoreham for the fiscal year
8 2003.

9 (h) Any bill or resolution to extend the dates for a city or town to conduct an update or
10 revaluation must be approved by a two-thirds (2/3) majority of both houses of the general
11 assembly.

12 (i) The department of revenue shall annually publish a fifteen (15) year schedule of the
13 updates and revaluations required of each city and town in order to assist municipalities in
14 complying with the requirements of this section.

15 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 -- LEVY AND ASSESSMENT OF LOCAL TAXES

1 This act would increase from three (3) to five (5) years the interval of time within which
2 a city or town must conduct an update of its last real property revaluation. The five (5) year
3 update of real property would not commence prior to the completion of all previously scheduled
4 revaluations. It would also increase the time interval between revaluations from nine (9) years to
5 fifteen (15) years and would require the department of revenue to publish annually, a fifteen (15)
6 year schedule of updates and revaluations to assist the cities and towns with compliance of these
7 requirements.

8 This act would take effect upon passage.

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