

2019 -- H 6253

LC002897

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2019

A N A C T

RELATING TO TAXATION - SURETY BOND REQUIRED FOR TAX CREDITS

Introduced By: Representatives Vella-Wilkinson, Williams, Morin, Ucci, and Almeida

Date Introduced: June 25, 2019

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 70

4 SURETY BOND REQUIRED FOR TAX CREDITS

5 **44-70-1. Surety bond required for tax credits.**

6 The awarding of any tax credit under this title shall require that any real estate developer
7 or owner developing a project or development with a value of five million dollars (\$5,000,000) or
8 greater, state by sworn affidavit that there are no outstanding liens on any properties owned by
9 that developer or owner, and file with the proper authority good and sufficient bond with surety
10 furnished by any surety company authorized to do business in the state, conditioned upon the
11 payment for labor performed and material furnished in connection therewith. Waiver of the
12 bonding requirements of this section is expressly prohibited.

13 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 - SURETY BOND REQUIRED FOR TAX CREDITS

1 This act would require an owner or developer of a project valued at or above five million
2 dollars (\$5,000,000) or more to attest by sworn affidavit that the properties have no outstanding
3 liens and to file a surety bond conditioned upon payment for labor and materials of the project,
4 and any waiver of the bond is prohibited.

5 This act would take effect upon passage.

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