

2020 -- S 2555

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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2020

A N A C T

RELATING TO TAXATION—SURETY BOND FOR TAX CREDITS

Introduced By: Senators Lombardi, Lombardo, Ciccone, Archambault, and Rogers

Date Introduced: February 25, 2020

Referred To: Senate Judiciary

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 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 mechanics' liens as defined in § 34-
9 28, et seq., on any properties owned by that developer or owner, and file with the proper authority
10 good and sufficient bond with surety furnished by any surety company authorized to do business
11 in this state, conditioned upon the payment for labor performed and material furnished in
12 connection therewith. Waiver of the 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 FOR TAX CREDITS

1 This act would require that any tax credit awarded to any real estate developer or owner
2 developing a project or development with a value of five million dollars (\$5,000,000) or greater
3 must provide a sworn affidavit stating there are no outstanding mechanics' liens on any property
4 owned by that individual and must furnish a bond with surety.

5 This act would take effect upon passage.

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