

2021 -- S 0178

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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2021

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A N A C T

RELATING TO TAXATION - PROPERTY SUBJECT TO TAXATION

Introduced By: Senator Walter S. Felag

Date Introduced: February 05, 2021

Referred To: Senate Judiciary

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 44-3-9 of the General Laws in Chapter 44-3 entitled "Property  
2 Subject to Taxation" is hereby amended to read as follows:

3 **44-3-9. Exemption or stabilizing of taxes on property used for manufacturing,**  
4 **commercial, or residential purposes.**

5 (a)(1) Except as provided in this section, the electors of any city or town qualified to vote  
6 on a proposition to appropriate money or impose a tax when legally assembled, may vote to  
7 authorize the city or town council, for a period not exceeding twenty (20) years, and subject to the  
8 conditions as provided in this section, to exempt from payment, in whole or in part, real and  
9 personal property which has undergone environmental remediation, is historically preserved, or is  
10 used for affordable housing, manufacturing, commercial, or residential purposes, or to determine a  
11 stabilized amount of taxes to be paid on account of the property, notwithstanding the valuation of  
12 the property or the rate of tax; provided, that after public hearings, at least ten (10) days' notice of  
13 which shall be given in a newspaper having a general circulation in the city or town, the city or  
14 town council determines that:

15 (i) Granting of the exemption or stabilization will inure to the benefit of the city or town  
16 by reason of:

17 (A) The willingness of the manufacturing or commercial concern to locate in the city or  
18 town, or of individuals to reside in such an area; or

19 (B) The willingness of a manufacturing firm to expand facilities with an increase in

1 employment or the willingness of a commercial or manufacturing concern to retain or expand its  
2 facility in the city or town and not substantially reduce its work force in the city or town; or

3 (C) An improvement of the physical plant of the city or town which will result in a long-  
4 term economic benefit to the city or town and state; or

5 (D) An improvement which converts or makes available land or facility that would  
6 otherwise be not developable or difficult to develop without substantial environmental remediation;  
7 or

8 (ii) Granting of the exemption or stabilization of taxes will inure to the benefit of the city  
9 or town by reason of the willingness of a manufacturing or commercial or residential firm or  
10 property owner to construct new or to replace, reconstruct, convert, expand, retain or remodel  
11 existing buildings, facilities, machinery, or equipment with modern buildings, facilities, fixtures,  
12 machinery, or equipment resulting in an increase or maintenance in plant, residential housing or  
13 commercial building investment by the firm or property owned in the city or town;

14 (2) Provided that should the city or town council make the determination in subparagraph  
15 (1)(i)(B) of this subsection, any exemption or stabilization may be granted as to new buildings,  
16 fixtures, machinery, or equipment for new buildings, firms or expansions, and may be granted as  
17 to existing buildings, fixtures, machinery and equipment for existing employers in the city or town.

18 (b) Cities shall have the same authority as is granted to towns except that authority granted  
19 to the qualified electors of a town and to town councils shall be exercised in the case of a city by  
20 the city council.

21 (c) For purposes of this section, "property used for commercial purposes" means any  
22 building or structures used essentially for offices or commercial enterprises.

23 (d) Except as provided in this section, property, the payment of taxes on which has been so  
24 exempted or which is subject to the payment of a stabilized amount of taxes, shall not, during the  
25 period for which the exemption or stabilization of the amount of taxes is granted, be further liable  
26 to taxation by the city or town in which the property is located so long as the property is used for  
27 the manufacturing or commercial, or residential purposes for which the exemption or stabilized  
28 amount of taxes was made.

29 (e) Notwithstanding any vote of the qualified electors of a town and findings of a town  
30 council or of any vote and findings by a city council, the property shall be assessed for and shall  
31 pay that portion of the tax, if any, assessed by the city or town in which the real or personal property  
32 is located, for the purpose of paying the indebtedness of the city or town and the indebtedness of  
33 the state or any political subdivision of the state to the extent assessed upon or apportioned to the  
34 city or town, and the interest on the indebtedness, and for appropriation to any sinking fund of the

1 city or town, which portion of the tax shall be paid in full, and the taxes so assessed and collected  
2 shall be kept in a separate account and used only for that purpose.

3 (f) Nothing in this section shall be deemed to permit the exemption or stabilization  
4 provided in this section for any manufacturing or commercial concern relocating from one city or  
5 town within the state of Rhode Island to another-; provided, however, that a manufacturing or  
6 commercial concern may, upon a form prescribed by the commerce corporation, apply to the  
7 commerce corporation, in conjunction with the municipality in which it seeks to relocate, for a  
8 determination that:

9 (1) The manufacturing or commercial concern could reasonably and efficiently relocate  
10 outside the state of Rhode Island; and

11 (2) Relocating outside the state of Rhode island would be economically advantageous and  
12 beneficial to the company.

13 The application shall include a copy of any proposed agreement with the municipality to  
14 which it seeks to relocate and a statement outlining the benefits the company could receive if it  
15 were to relocate outside the state of Rhode Island. If the commerce corporation, upon review of the  
16 application finds that the manufacturing or commercial concern would benefit from relocating  
17 outside the state of Rhode Island, it may permit the exemption or stabilization of taxes in another  
18 municipality within this state.

19 (g) Renewable energy resources, as defined in § 39-26-5, qualify for tax stabilization  
20 agreements pursuant to § 44-3-9(a).

21 SECTION 2. This act shall take effect upon passage.

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EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF  
A N A C T  
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1           This act would permit a manufacturing or commercial concern located in this state to apply  
2 to the commerce corporation, for an exemption or stabilization of taxes, when moving to another  
3 municipality within this state if it can show that it could reasonably and efficiently relocate outside  
4 the state and that such relocation would be economically advantageous.

5           This act would take effect upon passage.

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