

2022 -- H 7339

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LC004474  
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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2022

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A N A C T

RELATING TO TOWNS AND CITIES -- STATE AID

Introduced By: Representatives Price, and Casimiro

Date Introduced: February 04, 2022

Referred To: House Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 45-13-5.1 of the General Laws in Chapter 45-13 entitled "State Aid"

2 is hereby amended to read as follows:

3 **45-13-5.1. General assembly appropriations in lieu of property tax from certain**  
4 **exempt private and state properties.**

5 (a) In lieu of the amount of local real property tax on real property owned by any private  
6 nonprofit institution of higher education, or any nonprofit hospital facility, or any state owned and  
7 operated hospital, veterans' residential facility, or correctional facility occupied by more than one  
8 hundred (100) residents which may have been or will be exempted from taxation by applicable  
9 state law, exclusive of any facility operated by the federal government, the state of Rhode Island,  
10 or any of its subdivisions, the general assembly shall annually appropriate for payment to the  
11 several cities and towns in which the property lies a sum equal to twenty-seven percent (27%) of  
12 all tax that would have been collected had the real property been taxable; provided, however, said  
13 percentage shall be subject to adjustment pursuant to subsection (e) of this section; and provided  
14 further, that such annual payment shall also apply to any and all real estate owned by the State of  
15 Rhode Island within the town of Exeter, notwithstanding the restriction stated above.

16 (b) In no event shall any city or town record in a fiscal year both: (1) Taxes and/or payments  
17 under a stabilization agreement with a for-profit hospital facility; and (2) Distributions of  
18 appropriations under this section attributable to the prior nonprofit status of said for-profit hospital  
19 facility.

1 (c) As used in this section, "private nonprofit institution of higher education" means any  
2 institution engaged primarily in education beyond the high school level, the property of which is  
3 exempt from property tax under any of the subdivisions, and "nonprofit hospital facility" means  
4 any nonprofit hospital licensed by the state and which is used for the purpose of general medical,  
5 surgical, or psychiatric care and treatment.

6 (d) The grant payable to any municipality under the provision of this section shall be equal  
7 to twenty-seven percent (27%) of the property taxes that, except for any exemption to any  
8 institution of higher education or general hospital facility, would have been paid with respect to  
9 that exempt real property on the assessment list in the municipality for the assessment date of  
10 December 31, 1986, and with respect to such exempt real property appearing on an assessment list  
11 in the municipality on succeeding assessment dates. Provided, however, that the grant paid for the  
12 fiscal year ending June 30, 2008, shall be based upon the assessment list in the municipality as of  
13 December 31, 2004.

14 (e) The state budget offices shall include the amount of the annual appropriation in the state  
15 budget for the fiscal year commencing July 1, 1988, and each fiscal year thereafter. The amount of  
16 the annual distribution of appropriation payable to each eligible municipality in any year in  
17 accordance with this section shall be reduced proportionately in the event that the total of the annual  
18 appropriation in the state budget is insufficient to pay the eligible municipalities the amounts  
19 otherwise payable to said communities pursuant to subsection (a) of this section.

20 (f) Distribution of appropriations shall be made by the state on or before July 31 of 1988  
21 and each July 31 thereafter or following verified receipt of a municipality's assessment data for the  
22 following fiscal year's payment, whichever is later, and the payments may be counted as a  
23 receivable by any city or town for a fiscal year ending the preceding June 30.

24 (g) Any act or omission by the state with respect to this chapter shall in no way diminish  
25 the duty of any town or municipality to provide public safety or other ordinary services to the  
26 properties or facilities of the type listed in subsection (a) of this section. The duty to provide public  
27 safety services shall not pertain to providing law enforcement services by the town of Exeter unless  
28 and until the town of Exeter shall establish a municipal police department.

29 (h) Provided, that payments authorized pursuant to this section shall be initially applied to  
30 create a municipal police department in any community that does not have a police department on  
31 January 1, 2022, or to defray negotiated amounts paid by such municipality to the state for state  
32 police presence and coverage within that municipality, and thereafter such payments shall be  
33 reduced pro rata, for that period of time that the municipality or local districts located therein  
34 ~~suspends suspend~~ or ~~reduces reduce such~~ essential services to eligible facilities. For the purposes

1 of this section "essential services" include, but are not to be limited to, police, fire and rescue.

2 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 TOWNS AND CITIES -- STATE AID

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1           This act would provide that state owned real estate located within the town of Exeter would  
2 no longer be exempt from payment of appropriations in lieu of taxes. This act would also provide  
3 that the town of Exeter shall have no duty to provide public safety law enforcement services to state  
4 properties unless they establish a police department. This act would also provide that any payments  
5 made be applied to establish a police department or defray expenses paid to the state for state police  
6 presence.

7           This act would take effect upon passage.

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