STATE OF RHODE ISLAND
IN GENERAL ASSEMBLY
JANUARY SESSION, A.D. 2022

A N A C T
RELATING TO TAXATION -- PROPERTY SUBJECT TO TAXATION

Introduced By: Representatives Morales, Williams, Ranglin-Vassell, J Lombardi, Diaz, Biah, Batista, and Perez
Date Introduced: March 07, 2022
Referred To: House Municipal Government & Housing

It is enacted by the General Assembly as follows:

SECTION 1. The general assembly finds as follows:

WHEREAS, In the 1900s, the general assembly enacted numerous charters incorporating nonprofit colleges and universities for specific educational purposes set forth in the charters; and

WHEREAS, The corporate charters of colleges and universities exempted from taxation property owned by said educational institutions, provided that the real estate "not used for the corporate purposes shall not be so exempt;" and

WHEREAS, The state supreme court has further indicated that issues regarding statutory tax exemptions for chartered and nonprofit organizations implicate public policy decisions to be addressed by the general assembly; and

WHEREAS, The language of chartered colleges and universities has never been amended to remove the tax exemptions provided by the legislation; and

WHEREAS, The real and personal property held by the chartered entities has increased exponentially, far exceeding what the general assembly would have contemplated when the charters were enacted over a century ago; and

WHEREAS, Chartered colleges, universities hold property for use by and for commercial, for-profit ventures such as eating establishments, shopping centers, parking garages, and other operations not directly related to the provision of education; and

WHEREAS, The tax exemptions afforded to all property owned by chartered nonprofit colleges and universities, regardless of their uses, imposes a significant burden on the cities and
towns in which they are located, and the taxpaying residents of such cities and towns; and

THEREFORE, The general assembly deems it appropriate to place limitations on the tax
exempt real and personal property a nonprofit college or university may hold.

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

44-3-3. Property exempt. [Effective January 1, 2022.]

(a) The following property is exempt from taxation:

(1) Property belonging to the state, except as provided in § 44-4-4.1;

(2) Lands ceded or belonging to the United States;

(3) Bonds and other securities issued and exempted from taxation by the government of
the United States or of this state;

(4) Real estate, used exclusively for military purposes, owned by chartered or incorporated
organizations approved by the adjutant general and composed of members of the national guard,
the naval militia, or the independent, chartered-military organizations;

(5) Buildings for free public schools, buildings for religious worship, and the land upon
which they stand and immediately surrounding them, to an extent not exceeding five (5) acres so
far as the buildings and land are occupied and used exclusively for religious or educational
purposes;

(6) Dwellings houses and the land on which they stand, not exceeding one acre in size, or
the minimum lot size for zone in which the dwelling house is located, whichever is the greater,
owned by, or held in trust for, any religious organization and actually used by its officiating clergy;
provided, further, that in the town of Charlestown, where the property previously described in this
paragraph is exempt in total, along with dwelling houses and the land on which they stand in
Charlestown, not exceeding one acre in size, or the minimum lot size for zone in which the dwelling
house is located, whichever is the greater, owned by, or held in trust for, any religious organization
and actually used by its officiating clergy, or used as a convent, nunnery, or retreat center by its
religious order;

(7) Intangible personal property owned by, or held in trust for, any religious or charitable
organization, if the principal or income is used or appropriated for religious or charitable purposes;

(8) Buildings and personal estate owned by any corporation used for a school, academy, or
seminary of learning, except for a nonprofit institution of higher education and of any incorporated
public charitable institution, and the land upon which the buildings stand and immediately
surrounding them to an extent not exceeding one acre, so far as they are used exclusively for
educational purposes, but no property or estate whatever is hereafter exempt from taxation in any
case where any part of its income or profits, or of the business carried on there, is divided among its owners or stockholders; provided, however, that unless any private nonprofit corporation organized as a college or university located in the town of Smithfield reaches a memorandum of agreement with the town of Smithfield, the town of Smithfield shall bill the actual costs for police, fire, and rescue services supplied, unless otherwise reimbursed, to said corporation commencing March 1, 2014;

   (9) Estates, persons, and families of the president and professors for the time being of Brown University for not more than ten thousand dollars ($10,000) for each officer, the officer's estate, person, and family included, but only to the extent that any person had claimed and utilized the exemption prior to, and for a period ending, either on or after December 31, 1996;

   (10) Property especially exempt by charter unless the exemption has been waived in whole or in part, and except as provided in subsection (c) of this section;

   (11) Lots of land exclusively for burial grounds;

   (12) Property, real and personal, held for, or by, an incorporated library, society, or any free public library, or any free public library society, so far as the property is held exclusively for library purposes, or for the aid or support of the aged poor, or poor friendless children, or the poor generally, or for a nonprofit hospital for the sick or disabled;

   (13) Real or personal estate belonging to, or held in trust for, the benefit of incorporated organizations of veterans of any war in which the United States has been engaged, the parent body of which has been incorporated by act of Congress, to the extent of four hundred thousand dollars ($400,000) if actually used and occupied by the association; provided, that the city council of the city of Cranston may by ordinance exempt the real or personal estate as previously described in this subdivision located within the city of Cranston to the extent of five hundred thousand dollars ($500,000);

   (14) Property, real and personal, held for, or by, the fraternal corporation, association, or body created to build and maintain a building or buildings for its meetings or the meetings of the general assembly of its members, or subordinate bodies of the fraternity, and for the accommodation of other fraternal bodies or associations, the entire net income of which real and personal property is exclusively applied or to be used to build, furnish, and maintain an asylum or asylums, a home or homes, a school or schools, for the free education or relief of the members of the fraternity, or the relief, support, and care of worthy and indigent members of the fraternity, their wives, widows, or orphans, and any fund given or held for the purpose of public education, almshouses, and the land and buildings used in connection therewith;

   (15) Real estate and personal property of any incorporated volunteer fire engine company
or incorporated volunteer ambulance or rescue corps in active service;

(16) The estate of any person who, in the judgment of the assessors, is unable from infirmity or poverty to pay the tax; provided, that in the towns of Burrillville and West Greenwich, the tax shall constitute a lien for five (5) years on the property where the owner is entitled to the exemption. At the expiration of five (5) years, the lien shall be abated in full. Provided, if the property is sold or conveyed, or if debt secured by the property is refinanced during the five-year (5) period, the lien immediately becomes due and payable; any person claiming the exemption aggrieved by an adverse decision of an assessor shall appeal the decision to the local board of tax review and thereafter according to the provisions of § 44-5-26;

(17) Household furniture and family stores of a housekeeper in the whole, including clothing, bedding, and other white goods, books, and all other tangible personal property items that are common to the normal household;

(18) Improvements made to any real property to provide a shelter and fallout protection from nuclear radiation, to the amount of one thousand five hundred dollars ($1,500); provided, that the improvements meet applicable standards for shelter construction established, from time to time, by the Rhode Island emergency management agency. The improvements are deemed to comply with the provisions of any building code or ordinance with respect to the materials or the methods of construction used and any shelter or its establishment is deemed to comply with the provisions of any zoning code or ordinance;

(19) Aircraft for which the fee required by § 1-4-6 has been paid to the tax administrator;

(20) Manufacturer's inventory.

(i) For the purposes of §§ 44-4-10, 44-5-3, 44-5-20, and 44-5-38, a person is deemed to be a manufacturer within a city or town within this state if that person uses any premises, room, or place in it primarily for the purpose of transforming raw materials into a finished product for trade through any or all of the following operations: adapting, altering, finishing, making, and ornamenting; provided, that public utilities; non-regulated power producers commencing commercial operation by selling electricity at retail or taking title to generating facilities on or after July 1, 1997; building and construction contractors; warehousing operations, including distribution bases or outlets of out-of-state manufacturers; and fabricating processes incidental to warehousing or distribution of raw materials, such as alteration of stock for the convenience of a customer; are excluded from this definition;

(ii) For the purposes of this section and §§ 44-4-10 and 44-5-38, the term "manufacturer's inventory," or any similar term, means and includes the manufacturer's raw materials, the manufacturer's work in process, and finished products manufactured by the manufacturer in this
state, and not sold, leased, or traded by the manufacturer or its title or right to possession divested;
provided, that the term does not include any finished products held by the manufacturer in any retail
store or other similar selling place operated by the manufacturer whether or not the retail
establishment is located in the same building in which the manufacturer operates the manufacturing
plant;

(iii) For the purpose of § 44-11-2, a "manufacturer" is a person whose principal business
in this state consists of transforming raw materials into a finished product for trade through any or
all of the operations described in paragraph (i) of this subdivision. A person will be deemed to be
principally engaged if the gross receipts that person derived from the manufacturing operations in
this state during the calendar year or fiscal year mentioned in § 44-11-1 amounted to more than
fifty percent (50%) of the total gross receipts that person derived from all the business activities in
which that person engaged in this state during the taxable year. For the purpose of computing the
percentage, gross receipts derived by a manufacturer from the sale, lease, or rental of finished
products manufactured by the manufacturer in this state, even though the manufacturer's store or
other selling place may be at a different location from the location of the manufacturer's
manufacturing plant in this state, are deemed to have been derived from manufacturing;

(iv) Within the meaning of the preceding paragraphs of this subdivision, the term
"manufacturer" also includes persons who are principally engaged in any of the general activities
coded and listed as establishments engaged in manufacturing in the Standard Industrial
Classification Manual prepared by the Technical Committee on Industrial Classification, Office of
Statistical Standards, Executive Office of the President, United States Bureau of the Budget, as
revised from time to time, but eliminating as manufacturers those persons, who, because of their
limited type of manufacturing activities, are classified in the manual as falling within the trade
rather than an industrial classification of manufacturers. Among those thus eliminated, and
accordingly also excluded as manufacturers within the meaning of this paragraph, are persons
primarily engaged in selling, to the general public, products produced on the premises from which
they are sold, such as neighborhood bakeries, candy stores, ice cream parlors, shade shops, and
custom tailors, except, that a person who manufactures bakery products for sale primarily for home
delivery, or through one or more non-baking retail outlets, and whether or not retail outlets are
operated by the person, is a manufacturer within the meaning of this paragraph;

(v) The term "Person" means and includes, as appropriate, a person, partnership, or
corporation; and

(vi) The department of revenue shall provide to the local assessors any assistance that is
necessary in determining the proper application of the definitions in this subdivision;
(21) Real and tangible personal property acquired to provide a treatment facility used
primarily to control the pollution or contamination of the waters or the air of the state, as defined
in chapter 12 of title 46 and chapter 25 of title 23, respectively, the facility having been constructed,
reconstructed, erected, installed, or acquired in furtherance of federal or state requirements or
standards for the control of water or air pollution or contamination, and certified as approved in an
order entered by the director of environmental management. The property is exempt as long as it is
operated properly in compliance with the order of approval of the director of environmental
management; provided, that any grant of the exemption by the director of environmental
management in excess of ten (10) years is approved by the city or town in which the property is
situated. This provision applies only to water and air pollution control properties and facilities
installed for the treatment of waste waters and air contaminants resulting from industrial
processing; furthermore, it applies only to water or air pollution control properties and facilities
placed in operation for the first time after April 13, 1970;

(22) Manufacturing machinery and equipment acquired or used by a manufacturer after
December 31, 1974. Manufacturing machinery and equipment is defined as:

(i) Machinery and equipment used exclusively in the actual manufacture or conversion of
raw materials or goods in the process of manufacture by a manufacturer, as defined in subdivision
(20), and machinery, fixtures, and equipment used exclusively by a manufacturer for research and
development or for quality assurance of its manufactured products;

(ii) Machinery and equipment that is partially used in the actual manufacture or conversion
of raw materials or goods in process of manufacture by a manufacturer, as defined in subdivision
(20), and machinery, fixtures, and equipment used by a manufacturer for research and development
or for quality assurance of its manufactured products, to the extent to which the machinery and
equipment is used for the manufacturing processes, research and development, or quality assurance.

In the instances where machinery and equipment is used in both manufacturing and/or research and
development and/or quality assurance activities and non-manufacturing activities, the assessment
on machinery and equipment is prorated by applying the percentage of usage of the equipment for
the manufacturing, research and development, and quality-assurance activity to the value of the
machinery and equipment for purposes of taxation, and the portion of the value used for
manufacturing, research and development, and quality assurance is exempt from taxation. The
burden of demonstrating this percentage usage of machinery and equipment for manufacturing and
for research and development and/or quality assurance of its manufactured products rests with the
manufacturer; and

(iii) Machinery and equipment described in §§ 44-18-30(7) and 44-18-30(22) that was
purchased after July 1, 1997; provided that the city or town council of the city or town in which the machinery and equipment is located adopts an ordinance exempting the machinery and equipment from taxation. For purposes of this subsection, city councils and town councils of any municipality may, by ordinance, wholly or partially exempt from taxation the machinery and equipment discussed in this subsection for the period of time established in the ordinance and may, by ordinance, establish the procedures for taxpayers to avail themselves of the benefit of any exemption permitted under this section; provided, that the ordinance does not apply to any machinery or equipment of a business, subsidiary, or any affiliated business that locates or relocates from a city or town in this state to another city or town in the state;

(23) Precious metal bullion, meaning any elementary metal that has been put through a process of melting or refining, and that is in a state or condition that its value depends upon its content and not its form. The term does not include fabricated precious metal that has been processed or manufactured for some one or more specific and customary industrial, professional, or artistic uses;

(24) Hydroelectric power-generation equipment, which includes, but is not limited to, turbines, generators, switchgear, controls, monitoring equipment, circuit breakers, transformers, protective relaying, bus bars, cables, connections, trash racks, headgates, and conduits. The hydroelectric power-generation equipment must have been purchased after July 1, 1979, and acquired or used by a person or corporation who or that owns or leases a dam and utilizes the equipment to generate hydroelectric power;

(25) Subject to authorization by formal action of the council of any city or town, any real or personal property owned by, held in trust for, or leased to an organization incorporated under chapter 6 of title 7, as amended, or an organization meeting the definition of "charitable trust" set out in § 18-9-4, as amended, or an organization incorporated under the not-for-profits statutes of another state or the District of Columbia, the purpose of which is the conserving of open space, as that term is defined in chapter 36 of title 45, as amended, provided the property is used exclusively for the purposes of the organization;

(26) Tangible personal property, the primary function of which is the recycling, reuse, or recovery of materials (other than precious metals, as defined in § 44-18-30(24)(ii) and (iii)), from, or the treatment of "hazardous wastes," as defined in § 23-19.1-4, where the "hazardous wastes" are generated primarily by the same taxpayer and where the personal property is located at, in, or adjacent to a generating facility of the taxpayer. The taxpayer may, but need not, procure an order from the director of the department of environmental management certifying that the tangible personal property has this function, which order effects a conclusive presumption that the tangible
personal property qualifies for the exemption under this subdivision. If any information relating to
secret processes or methods of manufacture, production, or treatment is disclosed to the department
of environmental management only to procure an order, and is a "trade secret" as defined in § 28-21-10(b), it shall not be open to public inspection or publicly disclosed unless disclosure is
otherwise required under chapter 21 of title 28 or chapter 24.4 of title 23;

(27) Motorboats as defined in § 46-22-2 for which the annual fee required in § 46-22-4 has
been paid;

(28) Real and personal property of the Providence Performing Arts Center, a non-business
corporation as of December 31, 1986;

(29) Tangible personal property owned by, and used exclusively for the purposes of, any
religious organization located in the city of Cranston;

(30) Real and personal property of the Travelers Aid Society of Rhode Island, a nonprofit
corporation, the Union Mall Real Estate Corporation, and any limited partnership or limited liability
company that is formed in connection with, or to facilitate the acquisition of, the Providence YMCA
Building;

(31) Real and personal property of Meeting Street Center or MSC Realty, Inc., both not-
for-profit Rhode Island corporations, and any other corporation, limited partnership, or limited
liability company that is formed in connection with, or to facilitate the acquisition of, the properties
designated as the Meeting Street National Center of Excellence on Eddy Street in Providence,
Rhode Island;

(32) The buildings, personal property, and land upon which the buildings stand, located on
Pomham Island, East Providence, currently identified as Assessor's Map 211, Block 01, Parcel
001.00, that consists of approximately twenty-one thousand three hundred (21,300) square feet and
is located approximately eight hundred sixty feet (860'), more or less, from the shore, and limited
exclusively to these said buildings, personal estate and land, provided that said property is owned
by a qualified 501(c)(3) organization, such as the American Lighthouse Foundation, and is used
exclusively for a lighthouse;

(33) The Stadium Theatre Performing Arts Centre building located in Monument Square,
Woonsocket, Rhode Island, so long as said Stadium Theatre Performing Arts Center is owned by
the Stadium Theatre Foundation, a Rhode Island nonprofit corporation;

(34) Real and tangible personal property of St. Mary Academy -- Bay View, located in East
Providence, Rhode Island;

(35) Real and personal property of East Bay Community Action Program and its
predecessor, Self Help, Inc.; provided, that the organization is qualified as a tax-exempt corporation
under § 501(c)(3) of the United States Internal Revenue Code;

(36) Real and personal property located within the city of East Providence of the Columbus
Club of East Providence, a Rhode Island charitable nonprofit corporation;

(37) Real and personal property located within the city of East Providence of the Columbus
Club of Barrington, a Rhode Island charitable nonprofit corporation;

(38) Real and personal property located within the city of East Providence of Lodge 2337
BPO Elks, a Rhode Island nonprofit corporation;

(39) Real and personal property located within the city of East Providence of the St.
Andrews Lodge No. 39, a Rhode Island charitable nonprofit corporation;

(40) Real and personal property located within the city of East Providence of the Trustees
of Methodist Health and Welfare service a/k/a United Methodist Elder Care, a Rhode Island
nonprofit corporation;

(41) Real and personal property located on the first floor of 90 Leonard Avenue within the
city of East Providence of the Zion Gospel Temple, Inc., a religious nonprofit corporation;

(42) Real and personal property located within the city of East Providence of the Cape
Verdean Museum Exhibit, a Rhode Island nonprofit corporation;

(43) The real and personal property owned by a qualified 501(c)(3) organization that is
affiliated and in good standing with a national, congressionally chartered organization and thereby
adheres to that organization's standards and provides activities designed for recreational,
educational, and character building purposes for children from ages six (6) years to seventeen (17)
years;

(44) Real and personal property of the Rhode Island Philharmonic Orchestra and Music
School; provided, that the organization is qualified as a tax-exempt corporation under § 501(c)(3)
of the United States Internal Revenue Code;

(45) The real and personal property located within the town of West Warwick at 211
Cowesett Avenue, Plat 29-Lot 25, which consists of approximately twenty-eight thousand seven
hundred fifty (28,750) square feet and is owned by the Station Fire Memorial Foundation of East
Greenwich, a Rhode Island nonprofit corporation;

(46) Real and personal property of the Comprehensive Community Action Program, a
qualified tax-exempt corporation under § 501(c)(3) of the United States Internal Revenue Code;

(47) Real and personal property located at 52 Plain Street, within the city of Pawtucket of
the Pawtucket Youth Soccer Association, a Rhode Island nonprofit corporation;

(48) Renewable energy resources, as defined in § 39-26-5, used in residential systems and
associated equipment used therewith in service after December 31, 2015;
(49) Renewable energy resources, as defined in § 39-26-5, if employed by a manufacturer, as defined in subsection (a) of this section, shall be exempt from taxation in accordance with subsection (a) of this section;

(50) Real and personal property located at 415 Tower Hill Road within the town of North Kingstown, of South County Community Action, Inc., a qualified tax-exempt corporation under § 501(c)(3) of the United States Internal Revenue Code;

(51) As an effort to promote business growth, tangible business or personal property, in whole or in part, within the town of Charlestown's community limits, subject to authorization by formal action of the town council of the town of Charlestown;

(52) All real and personal property located at 1300 Frenchtown Road, within the town of East Greenwich, identified as assessor's map 027, plat 019, lot 071, and known as the New England Wireless and Steam Museum, Inc., a qualified tax-exempt corporation under § 501(c)(3) of the United States Internal Revenue Code;

(53) Real and tangible personal property of Mount Saint Charles Academy located within the city of Woonsocket, specifically identified as the following assessor's plats and lots: Logee Street, plat 23, lot 62, Logee Street, plat 24, lots 304 and 305; Welles Street, plat 23, lot 310; Monroe Street, plat 23, lot 312; and Roberge Avenue, plat 24, lot 47;

(54) Real and tangible personal property of Steere House, a Rhode Island nonprofit corporation, located in Providence, Rhode Island;

(55) Real and personal property located within the town of West Warwick of Tides Family Services, Inc., a Rhode Island nonprofit corporation;

(56) Real and personal property of Tides Family Services, Inc., a Rhode Island nonprofit corporation, located in the city of Pawtucket at 242 Dexter Street, plat 44, lot 444;

(57) Real and personal property located within the town of Middletown of Lucy's Hearth, a Rhode Island nonprofit corporation;

(58) Real and tangible personal property of Habitat for Humanity of Rhode Island—Greater Providence, Inc., a Rhode Island nonprofit corporation, located in Providence, Rhode Island;

(59) Real and personal property of the Artic Playhouse, a Rhode Island nonprofit corporation, located in the town of West Warwick at 1249 Main Street;

(60) Real and personal property located at 321 Main Street, within the town of South Kingstown, of the Contemporary Theatre Company, a qualified, tax-exempt corporation under § 501(c)(3) of the United States Internal Revenue Code;

(61) Real and personal property of The Samaritans, Inc., a Rhode Island nonprofit § 501(c)(3) corporation located at 67 Park Place, Pawtucket, Rhode Island, to the extent the city
council of Pawtucket may from time to time determine;

(62) Real and personal property of North Kingstown, Exeter Animal Protection League, Inc., dba "Pet Refuge," 500 Stony Lane, a Rhode Island nonprofit corporation, located in North Kingstown, Rhode Island;

(63) Real and personal property located within the city of East Providence of Foster Forward (formerly the Rhode Island Foster Parents Association), a Rhode Island charitable nonprofit corporation;

(64) Real and personal property located at 54 Kelly Avenue within the town of East Providence, of the Associated Radio Amateurs of Southern New England, a Rhode Island nonprofit corporation;

(65) Real and tangible personal property of Providence Country Day School, a Rhode Island nonprofit corporation, located in East Providence, Rhode Island and further identified as plat 406, block 6, lot 6, and plat 506, block 1, lot 8;

(66) As an effort to promote business growth, tangible business or personal property, in whole or in part, within the town of Bristol's community limits, subject to authorization by formal action of the town council of the town of Bristol;

(67) Real and tangible personal property of the Heritage Harbor Foundation, a Rhode Island nonprofit corporation, located at 1445 Wampanoag Trail, Suites 103 and 201, within the city of East Providence;

(68) Real property of Ocean State Community Wellness, Inc., a qualified tax-exempt corporation under § 501(c)(3) of the United States Internal Revenue Code, located in North Kingstown, Rhode Island, with a physical address of 7450 Post Road, and further identified as plat 108, lot 83;

(69) Real and tangible personal property of St. John Baptist De La Salle Institute, d/b/a La Salle Academy, a Rhode Island domestic nonprofit corporation, located in Providence, Rhode Island denominated at the time this subsection was adopted as Plat 83 Lot 276 by the tax assessor for the city of Providence comprising approximately 26.08 acres of land along with all buildings and improvements that have been or may be made;

(70) Real and tangible personal property of The Providence Community Health Centers, Inc., a Rhode Island domestic nonprofit corporation, located in Providence, Rhode Island; and

(71) In the city of Central Falls and the city of Pawtucket, real property and tangible personal property located on or in the premise acquired or leased by a railroad entity and for the purpose of providing boarding and disembarking of railroad passengers and the supporting passenger railroad operations and services. For the purpose of this section, a railroad entity shall be
any incorporated entity that has been duly authorized by the Rhode Island public utilities
commission to provide passenger railroad services.

(b) Except as provided below, when a city or town taxes a for-profit hospital facility, the
value of its real property shall be the value determined by the most recent full revaluation or
statistical property update performed by the city or town; provided, however, in the year a nonprofit
hospital facility converts to or otherwise becomes a for-profit hospital facility, or a for-profit
hospital facility is initially established, the value of the real property and personal property of the
for-profit hospital facility shall be determined by a valuation performed by the assessor for the
purpose of determining an initial assessed value of real and personal property, not previously taxed
by the city or town, as of the most recent date of assessment pursuant to § 44-5-1, subject to a right
of appeal by the for-profit hospital facility which shall be made to the city or town tax assessor with a
direct appeal from an adverse decision to the Rhode Island superior court business calendar.

A "for-profit hospital facility" includes all real and personal property affiliated with any
hospital as identified in an application filed pursuant to chapter 17 or 17.14 of title 23.
Notwithstanding the above, a city or town may enter into a stabilization agreement with a for-profit
hospital facility under § 44-3-9 or other laws specific to the particular city or town relating to
stabilization agreements. In a year in which a nonprofit hospital facility converts to, or otherwise
becomes, a for-profit hospital facility, or a for-profit hospital facility is otherwise established, in
that year only the amount levied by the city or town and/or the amount payable under the
stabilization agreement for that year related to the for-profit hospital facility shall not be counted
towards determining the maximum tax levy permitted under § 44-5-2.

(c) Authorization to tax certain nonprofit properties within cities and towns exempt by
charter, general, public, or special law.

Notwithstanding any charter provision, any other provisions of this section or any other
provisions of the general, public, or special laws to the contrary, each city and town may impose a
property tax on the following real and/or personal property owned, leased or operated, in whole or
in part, by any nonprofit institution of higher education as follows:

(1) Any and all vacant lots, improved or unimproved, within the city or town, and/or such
portion of a lot that is vacant;

(2) Any and all lots, buildings, structures or other property used for transient, overnight or
permanent parking of motor vehicles, excepting any portion used wholly and exclusively for
parking of vehicles owned or leased by the nonprofit entity and used for purposes of operating and
maintaining the nonprofit entity owned or leased vehicle parking;

(3) Any and all real property owned, leased or operated within the city or town, or any
portion thereof, regardless of whether or not the net income from the said property, or any portion thereof, is applied to, shall be used for, supports, or financially maintains the purposes for which the nonprofits were incorporated, as set forth in their respective charters;

(4) When a city or town taxes any property and or portion of a property as set forth in subsections (c)(1) and (c)(2) of this section, the value of the taxable real property shall be determined by the most recent full revaluation or statistical property update performed by the city or town; provided, however, in the year any real property is first taxed, the value of the property shall be determined by a valuation performed by the assessor for the purpose of determining an initial assessed value of real property not previously taxed by the city or town, as of the most recent date of assessment pursuant to § 44-5-1, subject to any and all rights to appeal under § 44-5-26;

and

(5) When a city or town taxes any property and or portion of a property pursuant to subsection (c)(3) of this section, such tax may be assessed and imposed effective December 31 in the year the next update or valuation is performed in accordance with § 44-5-11.6 after the effective date of this subsection, subject to any and all rights to appeal under § 44-5-26.

(6) As used in this subsection, “nonprofit institution of higher education” means any private institution, including colleges and universities, engaged primarily in education beyond the high school level.

SECTION 3. Provisions of nonprofit charters, general and special laws granted by the general assembly are hereby replaced, and/or amended, retroactively and prospectively, to the extent of any inconsistency with § 44-3-3(c).

SECTION 4. This act shall take effect upon passage.
EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
A N    A C T
RELATING TO TAXATION -- PROPERTY SUBJECT TO TAXATION

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1 This act would place limitations on the tax-exempt real and personal property a private
2 nonprofit college or university may hold.
3 This act would take effect upon passage.

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LC004984
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