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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:

1 SECTION 1. The general assembly finds as follows:

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

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

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

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

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

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

18 WHEREAS, The tax exemptions afforded to all property owned by chartered nonprofit
19 colleges and universities, regardless of their uses, imposes a significant burden on the cities and

1 towns in which they are located, and the taxpaying residents of such cities and towns; and

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

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

6 **44-3-3. Property exempt. [Effective January 1, 2022.]**

7 (a) The following property is exempt from taxation:

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

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

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

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

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

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

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

30 (8) Buildings and personal estate owned by any corporation used for a school, academy, or
31 seminary of learning, [except for a nonprofit institution of higher education](#) and of any incorporated
32 public charitable institution, and the land upon which the buildings stand and immediately
33 surrounding them to an extent not exceeding one acre, so far as they are used exclusively for
34 educational purposes, but no property or estate whatever is hereafter exempt from taxation in any

1 case where any part of its income or profits, or of the business carried on there, is divided among
2 its owners or stockholders; provided, however, that unless any private nonprofit corporation
3 organized as a college or university located in the town of Smithfield reaches a memorandum of
4 agreement with the town of Smithfield, the town of Smithfield shall bill the actual costs for police,
5 fire, and rescue services supplied, unless otherwise reimbursed, to said corporation commencing
6 March 1, 2014;

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

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

13 (11) Lots of land exclusively for burial grounds;

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

18 (13) Real or personal estate belonging to, or held in trust for, the benefit of incorporated
19 organizations of veterans of any war in which the United States has been engaged, the parent body
20 of which has been incorporated by act of Congress, to the extent of four hundred thousand dollars
21 (\$400,000) if actually used and occupied by the association; provided, that the city council of the
22 city of Cranston may by ordinance exempt the real or personal estate as previously described in
23 this subdivision located within the city of Cranston to the extent of five hundred thousand dollars
24 (\$500,000);

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

34 (15) Real estate and personal property of any incorporated volunteer fire engine company

1 or incorporated volunteer ambulance or rescue corps in active service;

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

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

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

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

21 (20) Manufacturer's inventory.

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

32 (ii) For the purposes of this section and §§ 44-4-10 and 44-5-38, the term "manufacturer's
33 inventory," or any similar term, means and includes the manufacturer's raw materials, the
34 manufacturer's work in process, and finished products manufactured by the manufacturer in this

1 state, and not sold, leased, or traded by the manufacturer or its title or right to possession divested;
2 provided, that the term does not include any finished products held by the manufacturer in any retail
3 store or other similar selling place operated by the manufacturer whether or not the retail
4 establishment is located in the same building in which the manufacturer operates the manufacturing
5 plant;

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

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

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

33 (vi) The department of revenue shall provide to the local assessors any assistance that is
34 necessary in determining the proper application of the definitions in this subdivision;

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

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

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

20 (ii) Machinery and equipment that is partially used in the actual manufacture or conversion
21 of raw materials or goods in process of manufacture by a manufacturer, as defined in subdivision
22 (20), and machinery, fixtures, and equipment used by a manufacturer for research and development
23 or for quality assurance of its manufactured products, to the extent to which the machinery and
24 equipment is used for the manufacturing processes, research and development, or quality assurance.
25 In the instances where machinery and equipment is used in both manufacturing and/or research and
26 development and/or quality assurance activities and non-manufacturing activities, the assessment
27 on machinery and equipment is prorated by applying the percentage of usage of the equipment for
28 the manufacturing, research and development, and quality-assurance activity to the value of the
29 machinery and equipment for purposes of taxation, and the portion of the value used for
30 manufacturing, research and development, and quality assurance is exempt from taxation. The
31 burden of demonstrating this percentage usage of machinery and equipment for manufacturing and
32 for research and development and/or quality assurance of its manufactured products rests with the
33 manufacturer; and

34 (iii) Machinery and equipment described in §§ 44-18-30(7) and 44-18-30(22) that was

1 purchased after July 1, 1997; provided that the city or town council of the city or town in which the
2 machinery and equipment is located adopts an ordinance exempting the machinery and equipment
3 from taxation. For purposes of this subsection, city councils and town councils of any municipality
4 may, by ordinance, wholly or partially exempt from taxation the machinery and equipment
5 discussed in this subsection for the period of time established in the ordinance and may, by
6 ordinance, establish the procedures for taxpayers to avail themselves of the benefit of any
7 exemption permitted under this section; provided, that the ordinance does not apply to any
8 machinery or equipment of a business, subsidiary, or any affiliated business that locates or relocates
9 from a city or town in this state to another city or town in the state;

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

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

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

28 (26) Tangible personal property, the primary function of which is the recycling, reuse, or
29 recovery of materials (other than precious metals, as defined in § 44-18-30(24)(ii) and (iii)), from,
30 or the treatment of "hazardous wastes," as defined in § 23-19.1-4, where the "hazardous wastes"
31 are generated primarily by the same taxpayer and where the personal property is located at, in, or
32 adjacent to a generating facility of the taxpayer. The taxpayer may, but need not, procure an order
33 from the director of the department of environmental management certifying that the tangible
34 personal property has this function, which order effects a conclusive presumption that the tangible

1 personal property qualifies for the exemption under this subdivision. If any information relating to
2 secret processes or methods of manufacture, production, or treatment is disclosed to the department
3 of environmental management only to procure an order, and is a "trade secret" as defined in § 28-
4 21-10(b), it shall not be open to public inspection or publicly disclosed unless disclosure is
5 otherwise required under chapter 21 of title 28 or chapter 24.4 of title 23;

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

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

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

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

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

21 (32) The buildings, personal property, and land upon which the buildings stand, located on
22 Pomham Island, East Providence, currently identified as Assessor's Map 211, Block 01, Parcel
23 001.00, that consists of approximately twenty-one thousand three hundred (21,300) square feet and
24 is located approximately eight hundred sixty feet (860'), more or less, from the shore, and limited
25 exclusively to these said buildings, personal estate and land, provided that said property is owned
26 by a qualified 501(c)(3) organization, such as the American Lighthouse Foundation, and is used
27 exclusively for a lighthouse;

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

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

33 (35) Real and personal property of East Bay Community Action Program and its
34 predecessor, Self Help, Inc; provided, that the organization is qualified as a tax-exempt corporation

1 under § 501(c)(3) of the United States Internal Revenue Code;

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

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

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

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

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

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

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

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

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

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

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

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

33 (48) Renewable energy resources, as defined in § 39-26-5, used in residential systems and
34 associated equipment used therewith in service after December 31, 2015;

1 (49) Renewable energy resources, as defined in § 39-26-5, if employed by a manufacturer,
2 as defined in subsection (a) of this section, shall be exempt from taxation in accordance with
3 subsection (a) of this section;

4 (50) Real and personal property located at 415 Tower Hill Road within the town of North
5 Kingstown, of South County Community Action, Inc., a qualified tax-exempt corporation under §
6 501(c)(3) of the United States Internal Revenue Code;

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

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

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

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

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

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

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

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

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

30 (60) Real and personal property located at 321 Main Street, within the town of South
31 Kingstown, of the Contemporary Theatre Company, a qualified, tax-exempt corporation under §
32 501(c)(3) of the United States Internal Revenue Code;

33 (61) Real and personal property of The Samaritans, Inc., a Rhode Island nonprofit §
34 501(c)(3) corporation located at 67 Park Place, Pawtucket, Rhode Island, to the extent the city

1 council of Pawtucket may from time to time determine;

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

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

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

11 (65) Real and tangible personal property of Providence Country Day School, a Rhode
12 Island nonprofit corporation, located in East Providence, Rhode Island and further identified as plat
13 406, block 6, lot 6, and plat 506, block 1, lot 8;

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

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

20 (68) Real property of Ocean State Community Wellness, Inc., a qualified tax-exempt
21 corporation under § 501(c)(3) of the United States Internal Revenue Code, located in North
22 Kingstown, Rhode Island, with a physical address of 7450 Post Road, and further identified as plat
23 108, lot 83;

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

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

31 (71) In the city of Central Falls and the city of Pawtucket, real property and tangible
32 personal property located on or in the premise acquired or leased by a railroad entity and for the
33 purpose of providing boarding and disembarking of railroad passengers and the supporting
34 passenger railroad operations and services. For the purpose of this section, a railroad entity shall be

1 any incorporated entity that has been duly authorized by the Rhode Island public utilities
2 commission to provide passenger railroad services.

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

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

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

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

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

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

34 (3) Any and all real property owned, leased or operated within the city or town, or any

1 portion thereof, regardless of whether or not the net income from the said property, or any portion
2 thereof, is applied to, shall be used for, supports, or financially maintains the purposes for which
3 the nonprofits were incorporated, as set forth in their respective charters;

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

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

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

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

22 SECTION 4. This act shall take effect upon passage.

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LC004984
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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
A N A C T
RELATING TO TAXATION -- PROPERTY SUBJECT TO TAXATION

- 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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