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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2012

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A N A C T

RELATING TO TAXATION -- EXCISE ON MOTOR VEHICLES AND TRAILERS

Introduced By: Representatives Azzinaro, Corvese, DaSilva, Guthrie, and Blazejewski

Date Introduced: January 24, 2012

Referred To: House Municipal Government

It is enacted by the General Assembly as follows:

1 SECTION 1. Sections 44-34-2, 44-34-3, 44-34-8, 44-34-9 and 44-34-11 of the General
2 Laws in Chapter 44-34 entitled "Excise on Motor Vehicles and Trailers" are hereby amended to
3 read as follows:
4 **44-34-2. Assessment -- Valuation -- Proration -- Abatement and cancellation --**
5 **Exemptions from tax.** -- (a) Except as provided in this section, the tax assessors of each city and
6 town shall assess and levy in each calendar year on every vehicle and trailer registered under
7 chapter 3 of title 31, for the privilege of the registration, an excise measured by its value, as
8 subsequently defined and determined. For the purpose of this excise, the uniform value of each
9 vehicle shall be determined in accordance with ~~the regulations of the vehicle value commission~~
10 [section 44-34-11](#). Any vehicle which is more than twenty-five (25) years old, whether or not the
11 vehicle is an antique motor car as defined in section 31-1-3(a), shall be deemed to possess an
12 average retail value of five hundred dollars (\$500). Any vehicle more than twenty-five (25) years
13 old on June 16, 1987, whether or not the vehicle is an antique motor car as defined in section 31-
14 1-3(a), shall be deemed to have an average retail value of five hundred dollars (\$500) or its actual
15 retail value whichever is less. The minimum excise tax on any vehicle, if registered to the same
16 owner for a full year or portion of the year, shall not be less than five dollars (\$5.00) unless the
17 registration is transferred to one or more additional vehicles or trailers, in which case the
18 minimum or combined excise taxes shall not be less than five dollars (\$5.00). Beginning in fiscal
19 year 2001, the assessor may, but is not required to, issue minimum tax bills as authorized by this

1 section or any general or public law. Beginning in fiscal year 2002 and thereafter, the assessor
2 shall not issue minimum tax bills, notwithstanding any general or public law to the contrary. The
3 assessor may waive the excise tax on any vehicle where the annual levy would be less than five
4 dollars (\$5.00). The state shall not provide reimbursement for any waiver.

5 (b) Vehicle and trailer excises shall be prorated over the calendar year prior to the year in
6 which the excises are levied and billed, that year being referred to as the calendar year of
7 proration.

8 (c) The excise levy on every vehicle and trailer registered under chapter 3 of title 31
9 shall be based on the ratio that the number of days the vehicle or trailer is registered is to the
10 number of days in the calendar year of proration.

11 (d) If during the calendar year of proration, the owner of a vehicle or trailer subject to the
12 excise moves permanently with his or her vehicle to another state and cancels his or her
13 registration in this state and returns the registration plates, the vehicle shall be exempt from excise
14 for the ensuing year.

15 (e) "Year of manufacture" as used in this section means the year used by the
16 manufacturer of the vehicle or trailer in connection with the designation by the manufacturer of
17 the model of the vehicle or trailer. Where the presumptive price of a vehicle or trailer is not
18 readily obtainable, or special equipment is installed on the vehicle or trailer, the tax assessor shall
19 prescribe the retail price to be used or the manner in which the retail price shall be determined.

20 (f) Nothing in this section shall be construed to prevent any city or town council from
21 granting an abatement, in whole or in part, when there is an error in the assessment of a tax, and
22 the tax assessors have certified to the fact, in writing, to the city or town council to cancel taxes
23 stating the nature of the error, the valuation of the vehicle or trailer, the amount of the assessed
24 tax and the name of the person to whom the vehicle or trailer was taxed.

25 (g) The city or town council may cancel, in whole or in part, an excise tax assessed to a
26 person who has died leaving no estate, or a person who has moved from the state, and the tax
27 collector or person acting in the capacity of tax collector certifies to the city or town council the
28 facts of the case.

29 (h) The excise imposed by this section shall not apply to vehicles or trailers owned by
30 the state of Rhode Island or any of its political subdivisions, or to vehicles or trailers owned by a
31 corporation, association or other organization whose tangible personal property is exempt under
32 section 44-3-3(1) -- (15), or to vehicles assessed and taxed under section 44-13-13, or those
33 owned by the United States government. Farm vehicles shall be exempt to the extent prescribed
34 in section 44-5-42.

1 **44-34-3. Assessment roll -- Rate -- Payment -- Penalty upon non-payment.** -- (a) The
2 assessor, on the basis of a list of uniform values for motor vehicles prepared by the Rhode Island
3 vehicle value commission pursuant to section 44-34-8, shall make a list containing the value of
4 every vehicle and trailer in the city or town which is subject to the provisions of section 44-34-2,
5 the values to be ~~at the average retail price as determined under section 44-34-2 or at a uniform~~
6 ~~percentage of these, not to exceed one hundred percent (100%), to be determined by the assessors~~
7 ~~in each city or town~~ determined according to the provisions of section 44-34-11; provided, that
8 every vehicle and trailer in the city of Pawtucket shall be assessed in accordance with sections 44-
9 5-20.1 and 44-5-20.2; provided, further, that motor vehicles owned, leased, or utilized by rental
10 companies, as those terms are defined in section 31-34.1-1, shall not be valued for excise tax
11 purposes at an amount greater than the ~~National Automobile Dealers Association average retail~~
12 ~~value~~ Kelley Blue Book values online edition for new vehicles for the year and vehicle model in
13 question.

14 (1) Provided, however, that relative to the manufacture year of a vehicle, the excise tax
15 paid on the vehicle or trailer shall be on one hundred percent (100%) of the vehicle's presumptive
16 value. Thereafter, in the sixth (6th) year, the vehicle shall be taxed at a rate of ninety-five percent
17 (95%) of the presumptive value, and shall be reduced in each subsequent year by five percent
18 (5%) until years fifteen (15) through nineteen (19), at which time the vehicle shall be taxed at a
19 rate of fifty percent (50%) of the presumptive value. Thereafter in year twenty (20), the vehicle
20 shall be taxed at a rate of forty-five percent (45%) of the presumptive value, and shall be reduced
21 five percent (5%) per year in each subsequent year until years twenty-three (23) and twenty-four
22 (24), in which the vehicle shall be taxed at a rate of thirty percent (30%) of the presumptive value.

23 (b) The excise tax levy shall be applied to the excise assessment roll at the rate
24 established by the assessors for all other property except manufacturer's machinery and
25 equipment in accordance with section 44-5-22 and the resulting tax roll shall be certified by the
26 assessors to the city or town clerk, treasurer, or tax collector, as the case may be, not later than
27 June 15 next succeeding. Prior to the resulting tax roll being certified to the Pawtucket city clerk,
28 the excise levy shall be applied to the excise assessment roll in accordance with the property tax
29 classification described in sections 44-5-20.3 and 44-5-20.5. In the city of Woonsocket, the excise
30 tax levy shall be applied to the excise assessment roll at a rate that will produce no more than
31 nineteen percent (19%) of the total tax levy as prescribed in section 44-5-11.6. In the town of
32 Lincoln, the excise tax levy shall be applied to the excise assessment roll at a rate that produces
33 an amount equal to no more than seventeen percent (17%) of the total real estate tax levy.

34 (c) If any vehicle or trailer liable to taxation in any city or town has been omitted from

1 the tax roll, the tax assessment shall assess the vehicle or trailer on a supplemental excise
2 assessment roll and shall certify the assessment to the tax collector after June 15, but not later
3 than December 31 next succeeding.

4 (d) As soon after this as possible, the tax collector shall cause excise bills to be sent by
5 first class mail to all persons, corporations, partnerships, joint stock companies, or associations
6 that have registered vehicles or trailers during the calendar year of proration. The bills shall be
7 paid in accordance with section 44-5-7 at the same time and on the same schedule as property tax
8 bills. Failure to pay the excise at the appropriated time shall bring about a penalty of eighteen
9 percent (18%) per annum, or, in the case of the city of Cranston, a penalty of twelve percent
10 (12%) per annum which applies on the date of the delinquency or, for any city or town fiscal year
11 commencing between January 1, 1980, and December 31, 1980, after approval by the proper local
12 authority, at the same rate of interest as that which is applied to delinquent property taxes in the
13 taxing jurisdiction.

14 (e) Failure by the tax collector to send, or by the taxpayer to receive, a bill shall not
15 excuse the nonpayment of the tax or affect its validity or any proceedings for the collection.

16 (f) This section does not apply to any and all entities which are exempt from the excise
17 as prescribed in section 44-34-2.

18 **44-34-8. Appeal procedure.** -- (a) (1) Any taxpayer aggrieved by a valuation may appeal
19 that valuation to the tax assessor within thirty (30) days of notice of valuation. When the
20 valuation of the vehicle has been made by the assessor, the assessor shall render a decision within
21 ~~ten (10)~~ twenty (20) days of the filing of the appeal. When the valuation of the vehicle has been
22 made by the Rhode Island vehicle valuation commission, the assessor shall forward the appeal on
23 the form provided by the commission to the Rhode Island vehicle valuation commission within
24 ten (10) days. The commission shall transmit its decision to the tax assessor within twenty (20)
25 days of the receipt of the appeal.

26 (2) An aggrieved party who files a notice of appeal may present evidence in the form of a
27 notarized affidavit, signed by a vehicle appraiser licensed by the state of Rhode Island, as to the
28 appraiser's opinion as to the actual value of the vehicle inspected. The affidavit shall identify the
29 vehicle by year, make, model and vehicle identification number, and shall set forth all criteria
30 used in which to appraise the vehicle. It shall be the aggrieved parties' responsibility to pay for
31 the appraisal of the vehicle.

32 ~~(2)~~(3) The tax assessor shall notify the aggrieved taxpayer, by writing, of the
33 commission decision within ten (10) days of the receipt of the commission decision.

34 (b) Within thirty (30) days of the notification of the decision of the tax assessor or the

1 commission, an aggrieved taxpayer may appeal the decision to the district court for the judicial
2 division within which the city or town is located.

3 (c) A party aggrieved by a final order of the district court may seek review of this order
4 in the state supreme court by writ of certiorari. The petition for a writ of certiorari shall state the
5 errors claimed. Upon the filing of the petition with the clerk of the supreme court, the supreme
6 court may, if it sees fit, issue its writ of certiorari to the district court to certify to the supreme
7 court the record of the proceeding under review, or so much of this as was submitted to the
8 district court by the parties, together with any additional record of the proceedings in the district
9 court.

10 **44-34-9. Valuation of motor vehicles.** -- For the purpose of the imposition of an excise
11 tax upon motor vehicles, the tax assessor shall determine the value of each motor vehicle in
12 accordance with the following procedures:

13 (1) Each vehicle and trailer of the same make, type, model, and year of manufacture in
14 this state shall be deemed to have one uniform statewide value to be utilized in each city and
15 town, except in those instances where no uniform value is established pursuant to the rules of the
16 vehicle value commission section 44-34-11 or where a value is established by the assessor
17 pursuant to section 44-34-2.

18 (2) The uniform value of each type of vehicle and trailer shall be determined by the
19 Rhode Island vehicle value commission or in accordance with the rules of the vehicle value
20 commission.

21 (3) The value of each vehicle or trailer or each type vehicle or trailer not established by
22 the Rhode Island vehicle value commission shall be determined by the assessor of the city or
23 town in which the vehicle or trailer is registered. In making the determination, a uniform flat
24 value for the vehicles in the municipality may be utilized by the assessor.

25 [\(4\) Pursuant to subdivision 44-34-8\(a\)\(2\), an aggrieved party may submit other](#)
26 [appropriate evidence of the actual valuation of their vehicle by a motor vehicle appraiser licensed](#)
27 [by the state of Rhode Island.](#)

28 **44-34-11. Rhode Island vehicle value commission.** -- (a) There is hereby authorized,
29 created, and established the "Rhode Island vehicle value commission" whose function it is to
30 establish presumptive values of vehicles and trailers subject to the excise tax.

31 (b) The commission shall consist of the following seven (7) members as follows:

32 (1) The director of the department of revenue or his/her designee from the department of
33 revenue, who shall serve as chair;

34 (2) Five (5) local tax officials named by the governor, at least one of whom shall be from

1 a city or town under ten thousand (10,000) population and at least one of whom is from a city or
2 town over fifty thousand (50,000) population in making these appointments the governor shall
3 give due consideration to the recommendations submitted by the President of the Rhode Island
4 League of Cities and Towns and each appointment shall be subject to the advice and consent of
5 the senate;

6 (3) And one motor vehicle dealer appointed by the governor upon giving due
7 consideration to the recommendation of the director of revenue and subject to the advice and
8 consent of the senate.

9 (4) All members shall serve for a term of three (3) years.

10 (5) Current legislative appointees shall cease to be members of the commission upon the
11 effective date of this act. Non-legislative appointees to the commission may serve out their terms
12 whereupon their successors shall be appointed in accordance with this act. No one shall be
13 eligible for appointment to the commission unless he or she is a resident of this state.

14 (6) Public members of the commission shall be removable by the governor pursuant to
15 section 36-1-7 for cause only, and removal solely for partisan or personal reasons unrelated to
16 capacity or fitness for the office shall be unlawful.

17 (7) The governor shall appoint a chairperson from the commission's members. The
18 commission shall elect from among its members other officers as it may deem appropriate.

19 (c) ~~The~~ Not earlier than September 30 and not later than December 31 of each year,
20 commission shall annually determine the presumptive values of vehicles and trailers subject to
21 the excise tax using year of manufacture, make, model and type, which values shall be derived
22 using Kelley Blue Book values for a vehicle in "good" condition, and a "private-party sale," as
23 described in the Kelley Blue Book value online editions, provided that if the commission
24 determines that any particular values derived from the Kelley Blue Book value online editions
25 appears inflated and unreliable, then the commission may determine the presumptive values of
26 vehicles and trailers in the following manner:

27 (1) Not earlier than September 30 and not later than December 31 of each year, the
28 commission shall by rule adopt a methodology for determining the presumptive value of vehicles
29 and trailers subject to the excise tax which shall give consideration to the following factors:

30 (i) The average retail price of similar vehicles of the same make, model, type, and year
31 of manufacture as reported by motor vehicle dealers ~~or by official used car guides, such as that of~~
32 ~~the National Automobile Dealers Association for New England. Where regional guides are not~~
33 ~~available, the commission shall use other publications deemed appropriate;~~ and

34 (ii) Other information concerning the average retail prices for make, model, type, and

1 year of manufacture of motor vehicles as the director and the Rhode Island vehicle value
2 commission may deem appropriate to determine fair values.

3 [\(iii\) Pursuant to subdivision 44-34-8\(a\)\(2\), an aggrieved party may submit other](#)
4 [appropriate evidence of the actual valuation of their vehicle by a motor vehicle appraiser licensed](#)
5 [by the state of Rhode Island.](#)

6 (2) On or before February 1 of each year, it shall adopt a list of values for vehicles and
7 trailers of the same make, model, type, and year of manufacture as of the preceding December 31
8 in accordance with the methodology adopted between September 30 and December 31; the list
9 shall be subject to a public hearing at least five (5) business days prior to the date of its adoption.

10 (3) Nothing in this section shall be deemed to require the commission to determine the
11 presumptive value of vehicles and trailers which are unique, to which special equipment has been
12 added or to which special modifications have been made, or for which adequate information is
13 not available from the sources referenced in subdivision (1) of this subsection; provided, that the
14 commission may consider those factors in its lists or regulations.

15 (4) The commission shall annually provide the list of presumptive values of vehicles and
16 trailers to each tax assessor on or before February 15 of each year.

17 (d) The commission shall adopt rules governing its organization and the conduct of its
18 business; prior to the adoption of the rules, the chair shall have the power to call meetings, and a
19 simple majority of the members of the commission, as provided for in subsection (b) of this
20 section, is necessary for a quorum, which quorum by majority vote shall have the power to
21 conduct business in the name of the commission. The commission may adopt rules and elect from
22 among its members such other officers as it deems necessary.

23 (e) The commission shall have the power to contract for professional services that it
24 deems necessary for the development of the methodology for determining presumptive values, for
25 calculating presumptive values according to the methodology, and for preparing the list of
26 presumptive values in a form and format that is generally usable by cities and towns in their
27 preparation of tax bills. The commission shall also have the power to incur reasonable expenses
28 in the conduct of its business as required by this chapter and to authorize payments for the
29 expenses.

30 (f) Commission members shall receive no compensation for the performance of their
31 duties but may be reimbursed for their reasonable expenses incurred in carrying out such duties.

32 (g) The commission shall respond to petitions of appeal by local boards of review in
33 accordance with the provisions of section 44-34-9.

34 (h) The commission shall establish, by rule, procedures for adopting an annual budget

1 and for administering its finances. After July 1, 1986, one-half (1/2) of the cost of the
2 commission's operations shall be borne by the state and one-half (1/2) shall be borne by cities
3 and towns within the state, with the city and town share distributed among cities and towns on a
4 per capita basis.

5 (i) Within ninety (90) days after the end of each fiscal year, the commission shall
6 approve and submit an annual report to the governor, the speaker of the house of representatives,
7 the president of the senate, and the secretary of state of its activities during that fiscal year. The
8 report shall provide: an operating statement summarizing meetings or hearings held, meeting
9 minutes if requested, subjects addressed, decisions rendered, rules or regulations promulgated,
10 studies conducted, policies and plans developed, approved, or modified, and programs
11 administered or initiated; a consolidated financial statement of all funds received and expended
12 including the source of the funds, a listing of any staff supported by these funds, and a summary
13 of any clerical, administrative or technical support received; a summary of performance during
14 the previous fiscal year including accomplishments, shortcomings and remedies; a synopsis of
15 hearings, complaints, suspensions, or other legal matters related to the authority of the
16 commission; a summary of any training courses held pursuant to this subsection, a briefing on
17 anticipated activities in the upcoming fiscal year; and findings and recommendations for
18 improvements. The report shall be posted electronically on the general assembly and the secretary
19 of state's websites as prescribed in section 42-20-8.2. The director of the department of revenue
20 shall be responsible for the enforcement of this provision.

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
RELATING TO TAXATION -- EXCISE ON MOTOR VEHICLES AND TRAILERS

1 This act would revise the motor vehicle excise tax statute including determining the
2 presumptive value of a vehicle by using the “Kelley Blue Book” value for a vehicle in “good”
3 condition, allowing an aggrieved party to file an appeal by presenting evidence from a licensed
4 vehicle appraiser and calculating the amount of excise tax to be paid based on the vehicle’s age
5 and certain percentages of the vehicle’s presumptive value.

6 This act would take effect upon passage.

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