

2014 -- S 2477

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LC004687  
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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2014

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A N A C T

RELATING TO TAXATION - LEVY AND ASSESSMENT OF LOCAL TAXES

Introduced By: Senators Goldin, Pearson, Crowley, Metts, and Satchell

Date Introduced: February 27, 2014

Referred To: Senate Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 44-5-12 of the General Laws in Chapter 44-5 entitled "Levy and  
2 Assessment of Local Taxes" is hereby amended to read as follows:

3 **44-5-12. Assessment at full and fair cash value.** -- (a) All real property subject to  
4 taxation shall be assessed at its full and fair cash value, or at a uniform percentage of its value,  
5 not to exceed one hundred percent (100%), to be determined by the assessors in each town or  
6 city; provided, that:

7 (1) Any residential property encumbered by a covenant recorded in the land records in  
8 favor of a governmental unit or Rhode Island housing and mortgage finance corporation  
9 restricting either or both the rents that may be charged or the incomes of the occupants shall be  
10 ~~assessed and taxed in accordance with section 44-5-13.11~~ subject to a tax that equals eight  
11 percent (8%) of the property's previous year's gross scheduled rental income or a lesser  
12 percentage as determined by each municipality;

13 (2) In assessing real estate which is classified as farm land, forest, or open space land in  
14 accordance with chapter 27 of this title the assessors shall consider no factors in determining the  
15 full and fair cash value of the real estate other than those which relate to that use without regard  
16 to neighborhood land use of a more intensive nature;

17 (3) Warwick. - The city council of the city of Warwick is authorized to provide, by  
18 ordinance, that the owner of any dwelling of one to three (3) family units in the city of Warwick  
19 who makes any improvements or additions on his or her principal place of residence in the

1 amount up to fifteen thousand dollars (\$15,000), as may be determined by the tax assessor of the  
2 city of Warwick, is exempt from reassessment of property taxes on the improvement or addition  
3 until the next general citywide reevaluation of property values by the tax assessor. For the  
4 purposes of this section, "residence" is defined as voting address. This exemption does not apply  
5 to any commercial structure. The property owner shall supply all necessary plans to the building  
6 official for the improvements or addition and shall pay all requisite building and other permitting  
7 fees as now are required by law; and

8 (4) Central Falls. - The city council of the city of Central Falls is authorized to provide,  
9 by ordinance, that the owner of any dwelling of one to eight (8) units who makes any  
10 improvements or additions to his or her residential or rental property in an amount not to exceed  
11 twenty-five thousand dollars (\$25,000) as determined by the tax assessor of the city of Central  
12 Falls is exempt from reassessment of property taxes on the improvement or addition until the next  
13 general citywide reevaluation of property values by the tax assessor. The property owner shall  
14 supply all necessary plans to the building official for the improvements or additions and shall pay  
15 all requisite building and other permitting fees as are now required by law.

16 (5) Tangible property shall be assessed according to the asset classification table as  
17 defined in section 44-5-12.1.

18 (b) Municipalities shall make available to every land owner whose property is taxed  
19 under the provisions of this section a document which may be signed before a notary public  
20 containing language to the effect that they are aware of the additional taxes imposed by the  
21 provisions of section 44-5-39 in the event that they use land classified as farm, forest, or open  
22 space land for another purpose.

23 (c) Pursuant to the provisions of section 44-3-29.1, all wholesale and retail inventory  
24 subject to taxation is assessed at its full and fair cash value, or at a uniform percentage of its  
25 value, not to exceed one hundred percent (100%), for fiscal year 1999, by the assessors in each  
26 town and city. Once the fiscal year 1999 value of the inventory has been assessed, this value shall  
27 not increase. The phase-out rate schedule established in section 44-3-29.1(d) applies to this fixed  
28 value in each year of the phase-out.

29 SECTION 2. Section 44-5-13.11 of the General Laws in Chapter 44-5 entitled "Levy and  
30 Assessment of Local Taxes" is hereby repealed.

31 ~~44-5-13.11. Qualifying low-income housing -- Assessment and taxation. -- Any~~  
32 ~~residential property that has been issued an occupancy permit on or after January 1, 1995, after~~  
33 ~~substantial rehabilitation as defined by the U.S. Department of Housing and Urban Development~~  
34 ~~and is encumbered by a covenant recorded in the land records in favor of a governmental unit or~~

1 ~~Rhode Island housing and mortgage finance corporation restricting either or both the rents that~~  
2 ~~may be charged to tenants of the property or the incomes of the occupants of the property, is~~  
3 ~~subject to a tax that equals eight percent (8%) of the property's previous years' gross scheduled~~  
4 ~~rental income or a lesser percentage as determined by each municipality.~~

5 SECTION 3. This act shall take effect upon passage.

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EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF  
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- 1           This act would amend the law on assessing and taxing low income housing so that such
- 2 property would be taxed at eight percent (8%) of the gross rental income or a lesser amount
- 3 determined by the municipality in which the low income housing is located.
- 4           This act would take effect upon passage.

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