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ARTICLE 18

RELATING TO RENEWABLE ENERGY PROGRAMS

SECTION 1. Section 39-2-1.2 of the General Laws in Chapter 39-2 entitled "Duties of Utilities and Carriers" is hereby amended to read as follows:

§ 39-2-1.2. Utility base rate – Advertising, demand side management and renewables. – (a) In addition to costs prohibited in § 39-1-27.4(b), no public utility distributing or providing heat, electricity, or water to or for the public shall include as part of its base rate any expenses for advertising, either direct or indirect, which promotes the use of its product or service, or is designed to promote the public image of the industry. No public utility may furnish support of any kind, direct, or indirect, to any subsidiary, group, association, or individual for advertising and include the expense as part of its base rate. Nothing contained in this section shall be deemed as prohibiting the inclusion in the base rate of expenses incurred for advertising, informational or educational in nature, which is designed to promote public safety conservation of the public utility's product or service. The public utilities commission shall promulgate such rules and regulations as are necessary to require public disclosure of all advertising expenses of any kind, direct or indirect, and to otherwise effectuate the provisions of this section.

(b) Effective as of January 1, 2008, and for a period of fifteen (15) years thereafter, each electric distribution company shall include a charge per kilowatt-hour delivered to fund demand side management programs. The 0.3 mills per kilowatt-hour delivered to fund renewable energy programs shall remain in effect until December 31, ~~2017~~ 2022. The electric distribution company shall establish and, after July 1, 2007, maintain two (2) separate accounts, one for demand side management programs (the "demand side account"), which shall be funded by the electric demand side charge and administered and implemented by the distribution company, subject to the regulatory reviewing authority of the commission, and one for renewable energy programs, which shall be administered by the Rhode Island commerce corporation pursuant to § 42-64-13.2 and, shall be held and disbursed by the distribution company as directed by the Rhode Island commerce corporation for the purposes of developing, promoting and supporting renewable energy programs.

During the time periods established in § 39-2-1.2(b), the commission may, in its discretion, after notice and public hearing, increase the sums for demand side management and

1 renewable resources. In addition, the commission shall, after notice and public hearing, determine
2 the appropriate charge for these programs. The office of energy resources and/or the administrator
3 of the renewable energy programs may seek to secure for the state an equitable and reasonable
4 portion of renewable energy credits or certificates created by private projects funded through
5 those programs. As used in this section, "renewable energy resources" shall mean: (1) power
6 generation technologies as defined in § 39-26-5, "eligible renewable energy resources", including
7 off-grid and on-grid generating technologies located in Rhode Island as a priority; (2) research
8 and development activities in Rhode Island pertaining to eligible renewable energy resources and
9 to other renewable energy technologies for electrical generation; or (3) projects and activities
10 directly related to implementing eligible renewable energy resources projects in Rhode Island.
11 Technologies for converting solar energy for space heating or generating domestic hot water may
12 also be funded through the renewable energy programs. Fuel cells may be considered an energy
13 efficiency technology to be included in demand sided management programs. Special rates for
14 low-income customers in effect as of August 7, 1996 shall be continued, and the costs of all of
15 these discounts shall be included in the distribution rates charged to all other customers. Nothing
16 in this section shall be construed as prohibiting an electric distribution company from offering
17 any special rates or programs for low-income customers which are not in effect as of August 7,
18 1996, subject to the approval by the commission.

19 (1) The renewable energy investment programs shall be administered pursuant to rules
20 established by the Rhode Island commerce corporation. Said rules shall provide transparent
21 criteria to rank qualified renewable energy projects, giving consideration to:

- 22 (i) the feasibility of project completion;
- 23 (ii) the anticipated amount of renewable energy the project will produce;
- 24 (iii) the potential of the project to mitigate energy costs over the life of the project; and
- 25 (iv) the estimated cost per kilo-watt hour (kwh) of the energy produced from the project.
- 26 (c) [Deleted by P.L. 2012, ch. 241, art. 4, § 14].

27 (d) The ~~executive director of the economic development~~ commerce corporation is
28 authorized and may enter into a contract with a contractor for the cost effective administration of
29 the renewable energy programs funded by this section. A competitive bid and contract award for
30 administration of the renewable energy programs may occur every three (3) years and shall
31 include as a condition that after July 1, 2008 the account for the renewable energy programs shall
32 be maintained and administered by the ~~economic development~~ commerce corporation as provided
33 for in subdivision (b) above.

34 (e) Effective January 1, 2007, and for a period of sixteen (16) years thereafter, each gas

1 distribution company shall include, with the approval of the commission, a charge per deca therm
2 delivered to fund demand side management programs (the "gas demand side charge"), including,
3 but not limited to, programs for cost-effective energy efficiency, energy conservation, combined
4 heat and power systems, and weatherization services for low income households.

5 (f) Each gas company shall establish a separate account for demand side management
6 programs (the "gas demand side account"), which shall be funded by the gas demand side charge
7 and administered and implemented by the distribution company, subject to the regulatory
8 reviewing authority of the commission. The commission may establish administrative
9 mechanisms and procedures that are similar to those for electric demand side management
10 programs administered under the jurisdiction of the commissions and that are designed to achieve
11 cost-effectiveness and high life-time savings of efficiency measures supported by the program.

12 (g) The commission may, if reasonable and feasible, except from this demand side
13 management charge:

14 (i) gas used for distribution generation; and

15 (ii) gas used for the manufacturing processes, where the customer has established a self-
16 directed program to invest in and achieve best effective energy efficiency in accordance with a
17 plan approved by the commission and subject to periodic review and approval by the
18 commission, which plan shall require annual reporting of the amount invested and the return on
19 investments in terms of gas savings.

20 (h) The commission may provide for the coordinated and/or integrated administration of
21 electric and gas demand side management programs in order to enhance the effectiveness of the
22 programs. Such coordinated and/or integrated administration may after March 1, 2009, upon the
23 recommendation of the office of energy resources, be through one or more third-party entities
24 designated by the commission pursuant to a competitive selection process.

25 (i) Effective January 1, 2007, the commission shall allocate from demand-side
26 management gas and electric funds authorized pursuant to this § 39-2-1.2, an amount not to
27 exceed two percent (2%) of such funds on an annual basis for the retention of expert consultants,
28 and reasonable administrations costs of the energy efficiency and resources management council
29 associated with planning, management, and evaluation of energy efficiency programs, renewable
30 energy programs, system reliability least-cost procurement, and with regulatory proceedings,
31 contested cases, and other actions pertaining to the purposes, powers and duties of the council,
32 which allocation may by mutual agreement, be used in coordination with the office of energy
33 resources to support such activities.

34 (j) Effective January 1, 2016, the commission shall annually allocate from the

1 administrative funding amount allocated in subsection (i) from the demand-side management
2 program as described in subsection (i) as follows: fifty percent (50%) for the purposes identified
3 in subsection (i) and fifty percent (50%) annually to the office of energy resources for activities
4 associated with planning management, and evaluation of energy efficiency programs, renewable
5 energy programs, system reliability, least-cost procurement, and with regulatory proceedings,
6 contested cases, and other actions pertaining to the purposes, powers and duties of the office of
7 energy resources.

8 (k) On April 15, of each year the office and the council shall submit to the governor, the
9 president of the senate, and the speaker of the house of representatives, separate financial and
10 performance reports regarding the demand-side management programs, including the specific
11 level of funds that were contributed by the residential, municipal, and commercial and industrial
12 sectors to the overall programs; the businesses, vendors, and institutions that received funding
13 from demand-side management gas and electric funds used for the purposes in § 39-2-1.2; and the
14 businesses, vendors, and institutions that received the administrative funds for the purposes in
15 sections 39-2-1.2(i) and 39-2-1.2(j). These reports shall be posted electronically on the websites
16 of the office of energy resources and the energy efficiency resource management council.

17 (l) On or after August 1, 2015, at the request of the Rhode Island infrastructure bank,
18 each electric distribution company, except for the Pascoag Utility District and Block Island Power
19 Company, shall remit two percent (2%) of the amount of the 2014 electric demand side charge
20 collections to the Rhode Island infrastructure bank in accordance with the terms of § 46-12.2-
21 14.1.

22 (m) On or after August 1, 2015, at the request of the Rhode Island infrastructure bank,
23 each gas distribution company shall remit two percent (2%) of the amount of the 2014 gas
24 demand side charge collections to the Rhode Island infrastructure bank in accordance with the
25 terms of § 46-12.2-14.1.

26 SECTION 2. Section 39-26.4-2 of the General Laws in Chapter 39-26.4 entitled "Net
27 Metering" is hereby amended to read as follows:

28 **§ 39-26.4-2. Definitions.** – Terms not defined in this section herein shall have the same
29 meaning as contained in chapter 26 of title 39 of the general laws. When used in this chapter:

30 (1) "Eligible net metering resource" means eligible renewable energy resource as defined
31 in § 39-26-5 including biogas created as a result of anaerobic digestion, but, specifically
32 excluding all other listed eligible biomass fuels;

33 (2) "Eligible Net Metering System" means a facility generating electricity using an
34 eligible net metering resource that is reasonably designed and sized to annually produce

1 electricity in an amount that is equal to or less than the renewable self-generator's usage at the
2 eligible net metering system site measured by the three (3) year average annual consumption of
3 energy over the previous three (3) years at the electric distribution account(s) located at the
4 eligible net metering system site. A projected annual consumption of energy may be used until
5 the actual three (3) year average annual consumption of energy over the previous three (3) years
6 at the electric distribution account(s) located at the eligible net metering system site becomes
7 available for use in determining eligibility of the generating system. The eligible net metering
8 system ~~may must~~ be owned by the same entity that is the customer of record on the net metered
9 accounts or by a third-party company through a third-party financing arrangement.
10 Notwithstanding any other provisions of this chapter, any eligible net metering resource: (i)
11 owned by a public entity or multi-municipal collaborative or (ii) owned and operated by a
12 renewable generation developer on behalf of a public entity or multi-municipal collaborative
13 through public or private entity net metering financing arrangement shall be treated as an eligible
14 net metering system and all accounts designated by the public entity or multi-municipal
15 collaborative for net metering shall be treated as accounts eligible for net metering within an
16 eligible net metering system site.

17 (3) "Eligible Net Metering System Site" means the site where the eligible net metering
18 system is located or is part of the same campus or complex of sites contiguous to one another and
19 the site where the eligible net metering system is located or a farm in which the eligible net
20 metering system is located. Except for an eligible net metering system owned by or operated on
21 behalf of a public entity or multi-municipal collaborative through a public entity net metering
22 financing arrangement, the purpose of this definition is to reasonably assure that energy generated
23 by the eligible net metering system is consumed by net metered electric service account(s) that
24 are actually located in the same geographical location as the eligible net metering system. Except
25 for an eligible net metering system owned by or operated on behalf of a public entity or multi-
26 municipal collaborative through a public entity net metering financing arrangement or through a
27 third-party financing arrangement, all of the net metered accounts at the eligible net metering
28 system site must be the accounts of the same customer of record and customers are not permitted
29 to enter into agreements or arrangements to change the name on accounts for the purpose of
30 artificially expanding the eligible net metering system site to contiguous sites in an attempt to
31 avoid this restriction. However, a property owner may change the nature of the metered service at
32 the accounts at the site to be master metered in the owner's name, or become the customer of
33 record for each of the accounts, provided that the owner becoming the customer of record actually
34 owns the property at which the account is located, and, if the net metering system arrangement is

1 [done through a third-party financing arrangement, then the net metering system can be owned by](#)
2 [the third-party company](#). As long as the net metered accounts meet the requirements set forth in
3 this definition, there is no limit on the number of accounts that may be net metered within the
4 eligible net metering system site.

5 (4) "Excess Renewable Net Metering Credit" means a credit that applies to an eligible net
6 metering system for that portion of the renewable self-generator's production of electricity
7 beyond one hundred percent (100%) and no greater than one hundred twenty-five percent (125%)
8 of the renewable self-generator's own consumption at the eligible net metering system site during
9 the applicable billing period. Such excess renewable net metering credit shall be equal to the
10 electric distribution company's avoided cost rate, which is hereby declared to be the electric
11 distribution company's standard offer service kilo-watt hour (kWh) charge for the rate class and
12 time-of-use billing period (if applicable) applicable to the distribution customer account(s) at the
13 eligible net metering system site. Where there are accounts at the eligible net metering system site
14 in different rate classes, the electric distribution company may calculate the excess renewable net
15 metering credit based on the average of the standard offer service rates applicable to those on-site
16 accounts. The electric distribution company has the option to use the energy received from such
17 excess generation to serve the standard offer service load. The commission shall have the
18 authority to make determinations as to the applicability of this credit to specific generation
19 facilities to the extent there is any uncertainty or disagreement.

20 (5) "Farm" shall be defined in accordance with § 44-27-2, except that all buildings
21 associated with the farm shall be eligible for net metering credits as long as: (i) The buildings are
22 owned by the same entity operating the farm or persons associated with operating the farm; and
23 (ii) The buildings are on the same farmland as the project on either a tract of land contiguous with
24 or reasonably proximate to such farmland or across a public way from such farmland.

25 (6) "Multi-municipal collaborative" means a group of towns and/or cities that enter into
26 an agreement for the purpose of co-owning a renewable generation facility or entering into a
27 financing arrangement pursuant to subdivision (7).

28 (7) "Public [and private](#) entity net metering financing arrangement" means arrangements
29 entered into by a [residential, commercial, private, or public institution](#), public entity or multi-
30 municipal collaborative with a private entity to facilitate the financing and operation of a net
31 metering resource, in which the private entity owns and operates an eligible net metering resource
32 on behalf of a [residential, commercial, private, or public institution](#), public entity or multi-
33 municipal collaborative, where: (i) The eligible net metering resource is located on property
34 owned or controlled by the [residential, commercial, private, or public institution](#), public entity or

1 one of the municipalities, as applicable, and (ii) The production from the eligible net metering
2 resource and primary compensation paid by the [residential, commercial, private, or public](#)
3 [institution](#), public entity or multi-municipal collaborative to the private entity for such production
4 is directly tied to the consumption of electricity occurring at the designated net metered accounts.

5 (8) "Net metering" means using electricity generated by an eligible net metering system
6 for the purpose of self-supplying power at the eligible net metering system site and thereby
7 offsetting consumption at the eligible net metering system site through the netting process
8 established in this chapter.

9 (9) "Net metering customer" means a customer of the electric distribution company
10 receiving and being billed for distribution service whose distribution account(s) are being net
11 metered.

12 (10) "Person" means an individual, firm, corporation, association, partnership, farm, town
13 or city of the State of Rhode Island, multi-municipal collaborative, or the State of Rhode Island or
14 any department of the state government, governmental agency or public instrumentality of the
15 state.

16 (11) "Project" means a distinct installation of an eligible net metering system. An
17 installation will be considered distinct if it is installed in a different location, or at a different
18 time, or involves a different type of renewable energy.

19 (12) "Public [and private](#) entity" means the state of Rhode Island, municipalities,
20 wastewater treatment facilities, public transit agencies, [residential, commercial, private, or public](#)
21 [institutions](#) or any water distributing plant or system employed for the distribution of water to the
22 consuming public within this state including the water supply board of the city of Providence.

23 (13) "Renewable Net Metering Credit" means a credit that applies to an Eligible Net
24 Metering System up to one hundred percent (100%) of the renewable self-generator's usage at the
25 Eligible Net Metering System Site over the applicable billing period. This credit shall be equal to
26 the total kilowatt hours of electricity generated and consumed on-site during the billing period
27 multiplied by the sum of the distribution company's:

28 (i) Standard offer service kilowatt hour charge for the rate class applicable to the net
29 metering customer;

30 (ii) Distribution kilowatt hour charge;

31 (iii) Transmission kilowatt hour charge; and

32 (iv) Transition kilowatt hour charge.

33 (14) "Renewable self-generator" means an electric distribution service customer who
34 installs or arranges for an installation of renewable generation that is primarily designed to

1 produce electricity for consumption by that same customer at its distribution service account(s).

2 (15) "Third-party company" means a company owning or operating a renewable energy
3 system that is used by a public or private entity to engage in net metering. A third-party company
4 engaged in a third-party financing arrangement with a public or private entity is not a public
5 utility as defined in 39-1-2(20).

6 (16) "Third-party financing arrangement" means a financial arrangement that enables the
7 financing of a renewable energy system through a lease arrangement or power purchase
8 agreement.

9 ~~(15)~~(17) "Municipality" means any Rhode Island town or city, including any agency or
10 instrumentality thereof, with the powers set forth in title 45 of the general laws.

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

13 **§ 44-3-3. Property exempt.** – (a) The following property is exempt from taxation.

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

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

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

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

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

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

34 (7) Intangible personal property owned by, or held in trust for, any religious or charitable

1 organization, if the principal or income is used or appropriated for religious or charitable
2 purposes;

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

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

17 (10) Property especially exempt by charter unless the exemption has been waived in
18 whole or in part;

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

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

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

31 (14) Property, real and personal, held for, or by, the fraternal corporation, association, or
32 body created to build and maintain a building or buildings for its meetings or the meetings of the
33 general assembly of its members, or subordinate bodies of the fraternity, and for the
34 accommodation of other fraternal bodies or associations, the entire net income of which real and

1 personal property is exclusively applied or to be used to build, furnish, and maintain an asylum or
2 asylums, a home or homes, a school or schools, for the free education or relief of the members of
3 the fraternity, or the relief, support, and care of worthy and indigent members of the fraternity,
4 their wives, widows, or orphans, and any fund given or held for the purpose of public education,
5 almshouses, and the land and buildings used in connection therewith;

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

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

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

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

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

27 (20) *Manufacturer's inventory*

28 (i) For the purposes of §§ 44-4-10, 44-5-3, 44-5-20, and 44-5-38, a person is deemed to
29 be a manufacturer within a city or town within this state if that person uses any premises, room,
30 or place in it primarily for the purpose of transforming raw materials into a finished product for
31 trade through any or all of the following operations: adapting, altering, finishing, making, and
32 ornamenting; provided, that public utilities; non-regulated power producers commencing
33 commercial operation by selling electricity at retail or taking title to generating facilities on or
34 after July 1, 1997; building and construction contractors; warehousing operations, including

1 distribution bases or outlets of out-of-state manufacturers; and fabricating processes incidental to
2 warehousing or distribution of raw materials, such as alteration of stock for the convenience of a
3 customer; are excluded from this definition;

4 (ii) For the purposes of §§ 44-3-3, 44-4-10, and 44-5-38, the term "manufacturer's
5 inventory" or any similar term means and includes the manufacturer's raw materials, the
6 manufacturer's work in process, and finished products manufactured by the manufacturer in this
7 state, and not sold, leased, or traded by the manufacturer or its title or right to possession
8 divested; provided, that the term does not include any finished products held by the manufacturer
9 in any retail store or other similar selling place operated by the manufacturer whether or not the
10 retail establishment is located in the same building in which the manufacturer operates the
11 manufacturing plant;

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

23 (iv) Within the meaning of the preceding paragraphs of this subdivision, the term
24 "manufacturer" also includes persons who are principally engaged in any of the general activities
25 coded and listed as establishments engaged in manufacturing in the Standard Industrial
26 Classification Manual prepared by the Technical Committee on Industrial Classification, Office
27 of Statistical Standards, Executive Office of the President, United States Bureau of the Budget, as
28 revised from time to time, but eliminating as manufacturers those persons, who, because of their
29 limited type of manufacturing activities, are classified in the manual as falling within the trade
30 rather than an industrial classification of manufacturers. Among those thus eliminated, and
31 accordingly also excluded as manufacturers within the meaning of this paragraph, are persons
32 primarily engaged in selling, to the general public, products produced on the premises from which
33 they are sold, such as neighborhood bakeries, candy stores, ice cream parlors, shade shops, and
34 custom tailors, except, that a person who manufactures bakery products for sale primarily for

1 home delivery, or through one or more non-baking retail outlets, and whether or not retail outlets
2 are operated by person, is a manufacturer within the meaning of this paragraph;

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

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

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

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

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

26 (ii) Machinery and equipment that is partially used in the actual manufacture or
27 conversion of raw materials or goods in process of manufacture by a manufacturer, as defined in
28 subdivision (20) of this section, and machinery, fixtures, and equipment used by a manufacturer
29 for research and development or for quality assurance of its manufactured products, to the extent
30 to which the machinery and equipment is used for the manufacturing processes, research and
31 development, or quality assurance. In the instances where machinery and equipment is used in
32 both manufacturing and/or research and development, and/or quality assurance activities and non-
33 manufacturing activities, the assessment on machinery and equipment is prorated by applying the
34 percentage of usage of the equipment for the manufacturing, research and development and

1 quality assurance activity to the value of the machinery and equipment for purposes of taxation,
2 and the portion of the value used for manufacturing, research and development, and quality
3 assurance is exempt from taxation. The burden of demonstrating this percentage usage of
4 machinery and equipment for manufacturing and for research and development, and/or quality
5 assurance of its manufactured products rests with the manufacturer; and

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

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

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

27 (25) Renewable energy resources, as defined in § 39-26-5 and associated equipment,
28 including but not limited to, modules, panels, blades, towers, DC to AC inverters that
29 interconnect with utility power lines, monitoring equipment, manufactured mounting racks and
30 ballast pans for module or panel installation, collectors, pumps, heat exchangers, and storage
31 facilities, if they are placed in service for the first time after December 31, 2015; have had a final
32 inspection performed by the local inspector for the city or town where the renewable energy
33 resource is located; and participate in net metering as defined in § 39-26.4-2.

34 ~~(25)~~(26) Subject to authorization by formal action of the council of any city or town, any

1 real or personal property owned by, held in trust for, or leased to an organization incorporated
2 under chapter 6 of title 7, as amended, or an organization meeting the definition of "charitable
3 trust" set out in § 18-9-4, as amended, or an organization incorporated under the not for profits
4 statutes of another state or the District of Columbia, the purpose of which is the conserving of
5 open space, as that term is defined in chapter 36 of title 45, as amended, provided the property is
6 used exclusively for the purposes of the organization;

7 ~~(26)~~(27) Tangible personal property, the primary function of which is the recycling,
8 reuse, or recovery of materials (other than precious metals, as defined in § 44-18-30(24)(ii) and
9 (iii)), from or the treatment of "hazardous wastes" as defined in § 23-19.1-4, where the
10 "hazardous wastes" are generated primarily by the same taxpayer and where the personal property
11 is located at, in, or adjacent to a generating facility of the taxpayer. The taxpayer may, but need
12 not, procure an order from the director of the department of environmental management
13 certifying that the tangible personal property has this function, which order effects a conclusive
14 presumption that the tangible personal property qualifies for the exemption under this
15 subdivision. If any information relating to secret processes or methods of manufacture,
16 production, or treatment is disclosed to the department of environmental management only to
17 procure an order, and is a "trade secret" as defined in § 28-21-10(b), it shall not be open to public
18 inspection or publicly disclosed unless disclosure is otherwise required under chapter 21 of title
19 28 or chapter 24.4 of title 23;

20 ~~(27)~~(28) Motorboats as defined in § 46-22-2 for which the annual fee required in § 46-22-
21 4 has been paid;

22 ~~(28)~~(29) Real and personal property of the Providence Performing Arts Center, a non-
23 business corporation as of December 31, 1986;

24 ~~(29)~~(30) Tangible personal property owned by, and used exclusively for the purposes of,
25 any religious organization located in the city of Cranston;

26 ~~(30)~~(31) Real and personal property of the Travelers Aid Society of Rhode Island, a
27 nonprofit corporation, the Union Mall Real Estate Corporation, and any limited partnership or
28 limited liability company that is formed in connection with, or to facilitate the acquisition of, the
29 Providence YMCA Building; and

30 ~~(31)~~(32) Real and personal property of Meeting Street Center or MSC Realty, Inc., both
31 not-for-profit Rhode Island corporations, and any other corporation, limited partnership, or
32 limited liability company that is formed in connection with, or to facilitate the acquisition of, the
33 properties designated as the Meeting Street National Center of Excellence on Eddy Street in
34 Providence, Rhode Island.

1 ~~(32)~~(33) The buildings, personal property, and land upon which the buildings stand,
2 located on Pomham Island, East Providence, currently identified as Assessor's Map 211, Block
3 01, Parcel 001.00, that consists of approximately twenty-one thousand three hundred (21,300)
4 square feet and is located approximately eight hundred sixty feet (860'), more or less, from the
5 shore, and limited exclusively to these said buildings personal estate and land, provided that said
6 property is owned by a qualified 501(c)(3) organization, such as the American Lighthouse
7 Foundation, and is used exclusively for a lighthouse.

8 ~~(33)~~(34) The Stadium Theatre Performing Arts Center building located in Monument
9 Square, Woonsocket, Rhode Island, so long as said Stadium Theatre Performing Arts Center is
10 owned by the Stadium Theatre Foundation, a Rhode Island nonprofit corporation.

11 ~~(34)~~(35) Real and tangible personal property of St. Mary Academy – Bay View, located
12 in East Providence, Rhode Island.

13 ~~(35)~~(36) Real and personal property of East Bay Community Action Program and its
14 predecessor, Self Help, Inc; provided, that the organization is qualified as a tax exempt
15 corporation under § 501(c)(3) of the United States Internal Revenue Code.

16 ~~(36)~~(37) Real and personal property located within the city of East Providence of the
17 Columbus Club of East Providence, a Rhode Island charitable nonprofit corporation.

18 ~~(37)~~(38) Real and personal property located within the city of East Providence of the
19 Columbus Club of Barrington, a Rhode Island charitable nonprofit corporation.

20 ~~(38)~~(39) Real and personal property located within the city of East Providence of Lodge
21 2337 BPO Elks, a Rhode Island nonprofit corporation.

22 ~~(39)~~(40) Real and personal property located within the city of East Providence of the St.
23 Andrews Lodge No. 39, a Rhode Island charitable nonprofit corporation.

24 ~~(40)~~(41) Real and personal property located within the city of East Providence of the
25 Trustees of Methodist Health and Welfare service a/k/a United Methodist Elder Care, a Rhode
26 Island nonprofit corporation.

27 ~~(41)~~(42) Real and personal property located on the first floor of 90 Leonard Avenue
28 within the city of East Providence of the Zion Gospel Temple, Inc., a religious nonprofit
29 corporation.

30 ~~(42)~~(43) Real and personal property located within the city of East Providence of the
31 Cape Verdean Museum Exhibit, a Rhode Island nonprofit corporation.

32 ~~(43)~~(44) The real and personal property owned by a qualified 501(c)(3) organization that
33 is affiliated and in good standing with a national, congressionally chartered organization and
34 thereby adheres to that organization's standards and provides activities designed for recreational,

1 educational, and character building purposes for children from ages six (6) years to seventeen
2 (17) years.

3 ~~(44)~~(45) Real and personal property of the Rhode Island Philharmonic Orchestra and
4 Music School; provided, that the organization is qualified as a tax exempt corporation under §
5 501(c)(3) of the United States Internal Revenue Code.

6 ~~(45)~~(46) The real and personal property located within the town of West Warwick at 211
7 Cowesett Avenue, Plat 29-Lot 25, which consists of approximately twenty-eight thousand seven
8 hundred and fifty (28,750) square feet and is owned by the Station Fire Memorial Foundation of
9 East Greenwich, a Rhode Island nonprofit corporation.

10 ~~(46)~~(47) Real and personal property of the Comprehensive Community Action Program,
11 a qualified tax exempt corporation under § 501(c)(3) of the United States Internal Revenue Code.

12 ~~(47)~~(48) Real and personal property located at 52 Plain Street, within the city of
13 Pawtucket of the Pawtucket Youth Soccer Association, a Rhode Island nonprofit corporation.

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

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

34 SECTION 4. Chapter 44-3 of the General Laws entitled "Property Subject to Taxation" is

1 hereby amended by adding thereto the following section:

2 **§ 44-3-21.1. Renewable energy resources – Taxation.** The city or town councils of the
3 various cities and towns may, by ordinance, after consultation with the office of energy resources
4 and the division of taxation, tax any renewable energy resources and associated equipment that
5 are exempt pursuant to 44-3-3(a)(25), unless such property would be exempt from taxation
6 pursuant to another provision of § 44-3-3(a).

7 SECTION 5. This article shall take effect upon passage.