

2019 -- S 0080

LC000110

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2019

A N A C T

RELATING TO TAXATION - LEVY AND ASSESSMENT OF LOCAL TAXES

Introduced By: Senators Seveney, DiPalma, Coyne, Valverde, and Euer

Date Introduced: January 16, 2019

Referred To: Senate Judiciary

It is enacted by the General Assembly as follows:

1 SECTION 1. Sections 44-5-1, 44-5-12, 44-5-13, 44-5-26 and 44-5-30 of the General
2 Laws in Chapter 44-5 entitled "Levy and Assessment of Local Taxes" are hereby amended to
3 read as follows:

4 **44-5-1. Powers of city or town electors to levy -- Date of assessment of valuations.**

5 The electors of any city or town qualified to vote on any proposition to impose a tax or
6 for the expenditure of money, when legally assembled, may levy a tax for the purposes authorized
7 by law, on the ratable property of the city or town, either in a sum certain, or in a sum not less
8 than a certain sum and not more than a certain sum. The tax is apportioned upon the assessed
9 valuations [pursuant to § 44-5-12](#) as determined by the assessors of the city or town as of
10 December 31 in each year at 12:00 A.M. midnight, the date being known as the date of
11 assessment of city or town valuations.

12 **44-5-12. ~~Assessment at full and fair cash value.~~ Assessment of value.**

13 (a) All real property subject to taxation shall be assessed ~~at its full and fair cash value, or~~
14 at a uniform percentage of its value, not to exceed [either](#) one hundred percent (100%); [of its value](#)
15 [as of December 31 in the year of the last update or revaluation or the current fair market value,](#)
16 [whichever is greater; however, a taxable building damaged due to fire or natural disaster shall be](#)
17 [taxed at the current fair market value for all periods that the building is unavailable for its](#)
18 [intended use](#) to be determined by the assessors in each town or city; provided, that:

19 (1) Any residential property encumbered by a covenant recorded in the land records in

1 favor of a governmental unit or Rhode Island housing and mortgage finance corporation
2 restricting either or both the rents that may be charged or the incomes of the occupants shall be
3 assessed and taxed in accordance with § 44-5-13.11;

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

8 (3) Warwick. The city council of the city of Warwick is authorized to provide, by
9 ordinance, that the owner of any dwelling of one to three (3) family units in the city of Warwick
10 who makes any improvements or additions on his or her principal place of residence in the
11 amount up to fifteen thousand dollars (\$15,000), as may be determined by the tax assessor of the
12 city of Warwick, is exempt from reassessment of property taxes on the improvement or addition
13 until the next general citywide reevaluation of property values by the tax assessor. For the
14 purposes of this section, "residence" is defined as voting address. This exemption does not apply
15 to any commercial structure. The property owner shall supply all necessary plans to the building
16 official for the improvements or addition and shall pay all requisite building and other permitting
17 fees as now are required by law; and

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

26 (5) Tangible property shall be assessed according to the asset classification table as
27 defined in § 44-5-12.1.

28 (6) Provided, however, that, for taxes levied after December 31, 2015, new construction
29 on development property is exempt from the assessment of taxes under this chapter at the full and
30 fair cash value of the improvements, as long as:

31 (i) An owner of development property files an affidavit claiming the exemption with the
32 local tax assessor by December 31 each year; and

33 (ii) The assessor shall then determine if the real property on which new construction is
34 located is development property. If the real property is development property, the assessor shall

1 exempt the new construction located on that development property from the collection of taxes on
2 improvements, until such time as the real property no longer qualifies as development property,
3 as defined herein.

4 For the purposes of this section, "development property" means: (A) Real property on
5 which a single-family residential dwelling or residential condominium is situated and said single-
6 family residential dwelling or residential condominium unit is not occupied, has never been
7 occupied, is not under contract, and is on the market for sale; or (B) Improvements and/or
8 rehabilitation of single-family residential dwellings or residential condominiums that the owner
9 of such development property purchased out of a foreclosure sale, auction, or from a bank, and
10 which property is not occupied. Such property described in § 44-5-12(a)(6)(ii) shall continue to
11 be taxed at the assessed value at the time of purchase until such time as such property is sold or
12 occupied and no longer qualifies as development property. As to residential condominiums, this
13 exemption shall not affect taxes on the common areas and facilities as set forth in § 34-36-27. In
14 no circumstance shall such designation as development property extend beyond two (2) tax years
15 and a qualification as a development property shall only apply to property that applies for, or
16 receives, construction permits after July 1, 2015. Further, the exemptions set forth in this section
17 shall not apply to land.

18 The exemptions set forth in this subsection (a)(6) for development property shall expire
19 as of December 31, 2021.

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

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

31 **44-5-13. Assessment and apportionment according to law -- Date of assessment.**

32 The assessors shall assess all valuation and apportion any tax levy on the inhabitants of
33 the city or town and the ratable property in the city or town according to law, and the assessed
34 valuation of the ratable property is made as of the date of assessment provided in § 44-5-1 [and](#)

1 [shall be in accordance with the provisions of § 44-5-12](#); except that personal property consisting
2 of stocks in trade and materials used in manufacture, which include raw materials, fuel, goods in
3 process of manufacture, and completed products, except those which are specifically exempt by
4 statute, are estimated at the average of the personalty kept on hand or located in the taxing district
5 during the twelve (12) months ending with the date of assessment, or the average of any portion
6 of the twelve (12) months when the business has not been carried on or located in the taxing
7 district for a year.

8 **44-5-26. Petition in superior court for relief from assessment.**

9 (a) Any person aggrieved on any ground whatsoever by any assessment of taxes against
10 him or her in any city or town, or any tenant or group of tenants, of real estate paying rent
11 therefrom, and under obligation to pay more than one-half of the taxes thereon, may within ninety
12 (90) days from the date the first tax payment is due, file an appeal in the local office of tax
13 assessment; provided, if the person to whom a tax on real estate is assessed chooses to file an
14 appeal, the appeal filed by a tenant or group of tenants will be void. For the purposes of this
15 section, the tenant(s) has the burden of proving financial responsibility to pay more than one-half
16 (1/2) of the taxes. The assessor has forty-five (45) days to review the appeal, render a decision
17 and notify the taxpayer of the decision. The taxpayer, if still aggrieved, may appeal the decision
18 of the tax assessor to the local tax board of review, or in the event that the assessor does not
19 render a decision, the taxpayer may appeal to the local tax board of review at the expiration of the
20 forty-five (45) day period. Appeals to the local tax board of review are to be filed not more than
21 thirty (30) days after the assessor renders a decision and notifies the taxpayer, or if the assessor
22 does not render a decision within forty-five (45) days of the filing of the appeal, not more than
23 ninety (90) days after the expiration of the forty-five (45) day period. The local tax board of
24 review shall, within ninety (90) days of the filing of the appeal, hear the appeal and render a
25 decision within thirty (30) days of the date that the hearing was held. Provided, that a city or town
26 may request and receive an extension from the director of the Rhode Island department of
27 revenue.

28 (b) Appeals to the local office of tax assessment are to be on an application. In the event
29 of an appeal to the local tax board of review, the local office of tax assessment, upon request by
30 the taxpayer, shall forward the application to the local tax board of review. The application shall
31 be in the following form:

32 STATE OF RHODE ISLAND
33 FISCAL YEAR _____
34 Name of City or Town

1 APPLICATION FOR APPEAL OF PROPERTY TAX

2 For appeals to the tax assessor, this form must be filed with the local office of tax
3 assessment within ninety (90) days from the date the first tax payment is due. For appeals to the
4 local tax board of review, this form must be filed with the local tax board of review not more than
5 thirty (30) days after the assessor renders a decision, or if the assessor does not render a decision
6 within forty-five (45) days of the filing of the appeal, not more than ninety (90) days after the
7 expiration of the forty-five (45) day period.

8 1. TAXPAYER INFORMATION:

9 A. Name(s) of Assessed Owner: _____

10 B. Name(s) and Status of Applicant (if other than Assessed Owner): _____

11 _____ Subsequent Owner (Acquired Title After December 31 on _____

12 20_____)

13 _____ Administrator/Executor _____ Lessee _____ Mortgagee _____

14 Other Specify _____

15 C. Mailing Address and Telephone No.: _____ () _____

16 Address Tel. No.

17 D. Previous Assessed Value _____ E. New Assessed Value _____

18 2. PROPERTY IDENTIFICATION: Complete using information as it appears on tax bill.

19 A. Tax Bill Account No.: _____ Assessed Valuation _____ Annual Tax _____

20 B. Location: _____ Description: _____

21 No. Street Zip

22 Real Estate Parcel Identification: Map _____ Block _____ Parcel _____ Type _____

23 Tangible Personal

24 C. Date Property Acquired: Purchase Price: Total cost of any improvements _____

25 What is the amount of fire insurance on building:

26 3. REASON(S) REDUCTION SOUGHT: Check reason(s) reduction is warranted and briefly
27 explain why it applies. Continue explanation on attachment if necessary.

28 Overvaluation. Incorrect Usage Classification.

29 Disproportionate Assessment. Other Specify:

30 Applicant's Opinion of Value \$ Fair Market Value Class Assessed Value

31 (as of December

32 31 in the year of

33 the last update or

34 revaluation for

1 real estate and
2 as of December 31
3 of the tax year
4 for personal estate;)

5 Explanation _____
6 _____
7 _____

8 Have you filed a true and exact account this year with the City Assessor as required by
9 law?

10 Comparable Properties that support your claim:

11 Address	Sale Price	Sales Date	Property Type	Assessed value
12 _____				
13 _____				
14 _____				

15 4. SIGNATURES;

16 SIGNATURE OF APPLICANT _____ DATE _____

17 SIGNATURE OF AUTHORIZED AGENT _____ DATE _____

18 _____ () _____

19 Name of Preparer _____ Address _____ Tel. No. _____

20 TAXPAYER INFORMATION ABOUT APPEAL PROCEDURE

21 REASONS FOR AN APPEAL. It is the intent of the general assembly to ensure that all
22 taxpayers in Rhode Island are treated equitably. Ensuring that taxpayers are treated fairly begins
23 where cities and towns meet defined standards related to performing property values. All
24 properties should be assessed in a uniform manner, and properties of equal value should be
25 assessed the same.

26 TO DISPUTE YOUR VALUATION OR ASSESSMENT OR CORRECT ANY OTHER
27 BILLING PROBLEM OR ERROR THAT CAUSED YOUR TAX BILL TO BE HIGHER
28 THAN IT SHOULD BE, YOU MUST APPEAL WITHIN NINETY (90) DAYS FROM THE
29 DATE THE FIRST TAX PAYMENT IS DUE.

30 You may appeal your assessment if your property is: (1) OVERVALUED (assessed value
31 is more than the fair market value as of December 31 in the year of the last update or revaluation
32 for real estate, or the current fair market value, whichever is greater, and as of December 31 of
33 the tax year for personal estate for any reason, including clerical and data processing errors; (2)
34 disproportionately assessed in comparison with other properties; (3) classified incorrectly as

1 residential, commercial, industrial or open space, farm or forest; (4) illegal tax partially or fully
2 exempt; (5) modified from its condition from the time of the last update or revaluation.

3 WHO MAY FILE AN APPLICATION: You may file an application if you are (1) the
4 assessed or subsequent (acquiring title after December 31) owner of the property; (2) the owner's
5 administrator or executor; (3) a tenant or group of tenants of real estate paying rent therefrom,
6 and under obligations to pay more than one-half (1/2) of the taxes thereon; (4) a person owning or
7 having an interest in or possession of the property; or (5) a mortgagee if the assessed owner has
8 not applied. In some cases, you must pay all or a portion of the tax before you can file.

9 WHEN AND WHERE APPLICATION MUST BE FILED. Your application must be
10 filed with the local office of tax assessment within NINETY (90) days from the date the first tax
11 payment is due. THESE DEADLINES CANNOT BE EXTENDED OR WAIVED BY THE
12 ASSESSOR FOR ANY REASON. IF YOUR APPLICATION IS NOT FILED ON TIME, YOU
13 LOSE ALL RIGHTS TO AN ABATEMENT AND THE ASSESSOR CANNOT BY LAW
14 GRANT YOU ONE. AN APPLICATION IS FILED WHEN RECEIVED BY THE
15 ASSESSOR'S OFFICE.

16 PAYMENT OF TAX. Filing an application does not stay the collection of your taxes. In
17 some cases, you must pay the tax when due to appeal the assessors disposition of your
18 application. Failure to pay the tax assessed when due may also subject you to interest charges and
19 collection action. To avoid any loss of rights or additional charges, you should pay the tax as
20 assessed. If an abatement is granted and you have already paid the entire year's tax as abated, you
21 will receive a refund of any overpayment.

22 FILING AN ACCOUNT. Rhode Island General Laws Section 44-5-15 requires the
23 annual filing of a true and exact account of all ratable estate owned or possessed by every person
24 and corporate body. The time to file is between December 31, and January 31, of intention to
25 submit declaration by March 15. Failure to file a true and full account, within the prescribed time,
26 eliminates the right to appeal to the superior court, subject to the exceptions provided in Rhode
27 Island General Laws Section 44-5-26(b). No amended returns will be accepted after March 15th.
28 Such notice of your intention must be sent by certified mail, postage prepaid, postmark no later
29 than 12 o'clock midnight of the last day, January 31. No extensions beyond March 15th can be
30 granted. The form for filing such account may be obtained from the city or town assessor.

31 ASSESSOR'S DISPOSITION. Upon applying for a reduction in assessment, you may be
32 asked to provide the assessor with further written information about the property and to permit
33 them to inspect it. Failure to provide the information or permit an inspection within thirty (30)
34 days of the request may result in the loss of your appeal rights.

1 APPEAL. The assessor shall have forty-five (45) days to review the appeal, render a
 2 decision and notify the taxpayer of the decision. The taxpayer, if still aggrieved, may appeal the
 3 decision of the tax assessor to the local tax board of review, or in the event that the assessor does
 4 not render a decision, the taxpayer may appeal to the local tax board of review at the expiration of
 5 the forty-five (45) day period. Appeals to the local tax board of review shall be filed not more
 6 than thirty (30) days after the assessor renders a decision and notifies the taxpayer, or if the
 7 assessor does not render a decision within forty-five (45) days of the filing of the appeal, not
 8 more than ninety (90) days after the expiration of the forty-five (45) day period.

9 _____

10 DISPOSITION OF APPLICATION (ASSESSOR'S USE ONLY)

11		GRANTED	Assessed Value _____
12	Date Sent _____		Abated Value _____
13	Date Returned _____	DENIED	Adjusted Value _____
14			Assessed Tax _____
15	On-Site Inspection	DEEMED DENIED	Abated Tax _____
16	Date		Adjusted Tax _____
17	By _____		
18		Date Voted/Deemed Denied	Tax Board of Review
19	Date Change	Certificate No.	

20 Any person still aggrieved on any ground whatsoever by an assessment of taxes against
 21 him or her in any city or town may, within thirty (30) days of the tax board of review decision
 22 notice, file a petition in the superior court for the county in which the city or town lies for relief
 23 from the assessment, to which petition the assessors of taxes of the city or town in office at the
 24 time the petition is filed shall be made parties respondent, and the clerk shall thereupon issue a
 25 citation substantially in the following form:

26 THE STATE OF
 27 RHODE ISLAND AND PROVIDENCE PLANTATIONS.

28 To the sheriffs of several counties, or to their deputies, Greetings: We command you to
 29 summon the assessors of taxes of the town of _____: to wit, _____ of _____ (if to
 30 be found in your precinct) to answer the complaint of _____ of _____ on the return
 31 day hereof (said return day being the _____ day of _____ A.D. 20_____) in the superior
 32 court to be holden at the county courthouse in _____ as by petition filed in court is fully set
 33 forth; and to show cause why said petition should not be granted. Hereof fail not, and make true
 34 return of this writ with your doings thereon. Witness, the seal of our superior court, at

1 _____ this _____ day of _____ in the year _____

2 _____, Clerk.

3 (c) Provided, that in case the person has not filed an account, or filed an appeal first
4 within the local tax board of review, that person shall not have the benefit of the remedy provided
5 in this section and in §§ 44-5-27 -- 44-5-31, unless: (1) that person's real estate has been assessed
6 at a value in excess of the value at which it was assessed on the last preceding assessment day,
7 whether then owned by that person or not, and has been assessed, if assessment has been made at
8 full and fair cash value, at a value in excess of its full and fair cash value, or, if assessment has
9 purportedly been made at a uniform percentage of full and fair cash value, at a percentage in
10 excess of the uniform percentage; or (2) the tax assessed is illegal in whole or in part; and that
11 person's remedy is limited to a review of the assessment on the real estate or to relief with respect
12 to the illegal tax, as the case may be.

13 **44-5-30. Judgment on petition where taxpayer has filed account.**

14 If the taxpayer has given in an account, and if on the trial of the petition, either with or
15 without a jury, it appears that the taxpayer's real estate, tangible personal property, or intangible
16 personal property has been assessed, ~~if assessment has been made at full and fair cash value, at a~~
17 ~~value in excess of its full and fair cash value, or if assessment has purportedly been made at a~~
18 ~~uniform percentage of full and fair cash value, at a percentage in excess of the uniform~~
19 ~~percentage, in excess of the provisions of § 44-5-12~~ or if it appears that the tax assessed is illegal
20 in whole or in part, the court shall give judgment that the sum by which the taxpayer has been so
21 overtaxed, or illegally taxed, with his or her costs, be deducted from his or her tax; but if the
22 taxpayer's tax be paid, whether before or after the filing of the petition, then the court shall give
23 judgment for the petitioner for the sum by which he or she has been so overtaxed, or illegally
24 taxed, plus the amount of any penalty paid on the tax, with interest from the date on which the tax
25 and penalty were paid and costs, which judgment shall be paid to the petitioner by the city or
26 town treasurer out of the treasury. If, however, on the trial of the petition, it appears that the
27 taxpayer has fraudulently concealed or omitted any property from his or her account, or if it
28 appears that the assessors have not assessed either the taxpayer's real estate or his or her tangible
29 personal property or his or her intangible personal property at a value in excess of ~~its full and fair~~
30 ~~cash value, if assessment has been made at full and fair cash value, or if assessment has~~
31 ~~purportedly been made at a uniform percentage of full and fair cash value, at a percentage in~~
32 ~~excess of the uniform percentage, the provisions of § 44-5-12~~ and that the taxpayer has not been
33 illegally taxed, the assessors shall have judgment and execution for their costs.

34

1 SECTION 2. This act shall take effect upon passage.

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LC000110
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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
A N A C T
RELATING TO TAXATION - LEVY AND ASSESSMENT OF LOCAL TAXES

- 1 This act would authorize tax assessors to use either the last revaluation or the current fair
- 2 market value, whichever is greater, as the assessed valuation.
- 3 This act would take effect upon passage.

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