



- 1           (ii) the effective date for the rate reduction;
- 2           (iii) methods for sustaining the rate reduction over time;
- 3           (iv) evidence that the municipality's reduction of the tangible personal property rate  
4 complies with all applicable property tax classification laws and local ordinances;
- 5           (v) a representation of a municipality's ability to reduce its tangible personal property tax  
6 rate while complying with the levy cap requirements as provided for under §44-5-2.

7           (2) Method for Calculating Payments: The division of municipal finance, in consultation  
8 with the commerce corporation, shall develop a method for fund payments to selected  
9 municipalities, based on tiered partial reimbursement rates for estimated tangible levy losses  
10 resulting from reductions in tangible personal property tax rates. The estimated tangible levy losses  
11 shall be based upon the following:

12           (i) The reduced tangible personal property tax rate in effect in the year for which state aid  
13 applies;

14           (ii) The lesser of the tangible personal property tax rates in the full fiscal year preceding  
15 the enactment of the aid program and the full fiscal year prior to the submission of the  
16 municipality's preliminary application.

17

18           (iii) The lesser of the net tangible personal property assessments in the full fiscal year  
19 preceding the enactment of the aid program and the full fiscal year prior to the submission of the  
20 municipality's preliminary application.

21           (3) Tiered Reimbursement Rates. In fiscal year 2022, these tiered partial reimbursement  
22 rates, which for future applications may be updated by the division of municipal finance in  
23 consultation with the commerce corporation, shall be:

24           (i) 50% of estimated tangible levy loss resulting from a reduction in the tangible personal  
25 property tax rate within a range above a 6.5% rate for the applicable certified assessment date;

26           (ii) 25% of estimated tangible levy loss resulting from a reduction in the tangible personal  
27 property tax rate between the interval of and below a 6.5% rate and above a 5% rate; and

28           (iii) 10% of estimated tangible levy loss resulting from a reduction in the tangible personal  
29 property tax rate between the interval of and below a 5% rate and above a 2.15% rate.

30           (4) Notification: After a preliminary application is submitted, the division of municipal  
31 finance shall notify the municipality of whether the preliminary application is acceptable,  
32 acceptable with conditions, or denied, and shall provide the municipality with the methodology for  
33 calculating the amount of state aid.

1           (5) Confirmation of Participation: Following the notification under subsection (e)(3) of  
2 this section, the municipality requesting aid under the tangible personal property tax  
3 competitiveness program shall confirm in writing with the division of municipal finance of its  
4 intention to continue forward in the application process.

5           (6) Final Application: A final application shall, on a form to be determined by the division  
6 of municipal finance in consultation with the commerce corporation, be submitted to the division  
7 of municipal finance.

8           (7) Incomplete Applications: The division of municipal finance shall provide a method of  
9 considering or rejecting preliminary and/or final applications that are incomplete.

10           (8) Pro Rata Reduction: If there is insufficient funding upon review of preliminary  
11 applications, the division of municipal finance may determine a method for a pro rata reduction in  
12 state aid among participating municipalities.

13           (9) Timelines: The division of municipal finance may establish deadlines periodically to  
14 facilitate administration of the program.

15           (10) Qualifications for receiving funds. To qualify for and receive state aid through this  
16 program, a municipality shall demonstrate to the division of municipal finance compliance with the  
17 approved final-application.

18           (11) Duration: A municipality shall be eligible to receive funds through this program for a  
19 period of up to five consecutive years subject to continued performance.

20           (f) Reporting requirements. Beginning in fiscal year 2022 the division of municipal finance  
21 shall publish a report on the program at the end of each fiscal year. The report shall contain  
22 information on the commitment, disbursement, and use of funds allocated under the program. The  
23 report is due no later than sixty (60) days after the end of the fiscal year, and shall be provided to  
24 the governor, the speaker of the house of representatives, the president of the senate, and the  
25 secretary of commerce.

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

28           **44-3-3. Property exempt.**

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

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

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

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

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

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

8 (6) Dwellings houses and the land on which they stand, not exceeding one acre in size, or  
9 the minimum lot size for zone in which the dwelling house is located, whichever is the greater,  
10 owned by, or held in trust for, any religious organization and actually used by its officiating clergy;  
11 provided, further, that in the town of Charlestown, where the property previously described in this  
12 paragraph is exempt in total, along with dwelling houses and the land on which they stand in  
13 Charlestown, not exceeding one acre in size, or the minimum lot size for zone in which the dwelling  
14 house is located, whichever is the greater, owned by, or held in trust for, any religious organization  
15 and actually used by its officiating clergy, or used as a convent, nunnery, or retreat center by its  
16 religious order;

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

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

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

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

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

2 (12) Property, real and personal, held for, or by, an incorporated library, society, or any  
3 free public library, or any free public library society, so far as the property is held exclusively for  
4 library purposes, or for the aid or support of the aged poor, or poor friendless children, or the poor  
5 generally, or for a nonprofit hospital for the sick or disabled so far as the property is used  
6 exclusively for the purpose for which the nonprofit hospital is incorporated. Further, where part of  
7 a property owned by a nonprofit hospital is used exclusively for hospital purposes and part of said  
8 property is not used exclusively for hospital purposes, then the part of said property used  
9 exclusively for hospital purposes shall be exempt from taxation, and the personal property located  
10 within said property used exclusively for hospital purposes shall be exempt from taxation;

11 (13) Real or personal estate belonging to, or held in trust for, the benefit of incorporated  
12 organizations of veterans of any war in which the United States has been engaged, the parent body  
13 of which has been incorporated by act of Congress, to the extent of four hundred thousand dollars  
14 (\$400,000) if actually used and occupied by the association; provided, that the city council of the  
15 city of Cranston may by ordinance exempt the real or personal estate as previously described in  
16 this subdivision located within the city of Cranston to the extent of five hundred thousand dollars  
17 (\$500,000);

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

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

29 (16) The estate of any person who, in the judgment of the assessors, is unable from infirmity  
30 or poverty to pay the tax; provided, that in the towns of Burrillville and West Greenwich, the tax  
31 shall constitute a lien for five (5) years on the property where the owner is entitled to the exemption.  
32 At the expiration of five (5) years, the lien shall be abated in full. Provided, if the property is sold  
33 or conveyed, or if debt secured by the property is refinanced during the five-year (5) period, the  
34 lien immediately becomes due and payable; any person claiming the exemption aggrieved by an

1 adverse decision of an assessor shall appeal the decision to the local board of tax review and  
2 thereafter according to the provisions of § 44-5-26;

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

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

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

14 (20) *Manufacturer's inventory*.

15

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

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

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

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

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

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

30 (21) Real and tangible personal property acquired to provide a treatment facility used  
31 primarily to control the pollution or contamination of the waters or the air of the state, as defined  
32 in chapter 12 of title 46 and chapter 25 of title 23, respectively, the facility having been constructed,  
33 reconstructed, erected, installed, or acquired in furtherance of federal or state requirements or  
34 standards for the control of water or air pollution or contamination, and certified as approved in an

1 order entered by the director of environmental management. The property is exempt as long as it is  
2 operated properly in compliance with the order of approval of the director of environmental  
3 management; provided, that any grant of the exemption by the director of environmental  
4 management in excess of ten (10) years is approved by the city or town in which the property is  
5 situated. This provision applies only to water and air pollution control properties and facilities  
6 installed for the treatment of waste waters and air contaminants resulting from industrial  
7 processing; furthermore, it applies only to water or air pollution control properties and facilities  
8 placed in operation for the first time after April 13, 1970;

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

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

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

29 (iii) Machinery and equipment described in §§ 44-18-30(7) and 44-18-30(22) that was  
30 purchased after July 1, 1997; provided that the city or town council of the city or town in which the  
31 machinery and equipment is located adopts an ordinance exempting the machinery and equipment  
32 from taxation. For purposes of this subsection, city councils and town councils of any municipality  
33 may, by ordinance, wholly or partially exempt from taxation the machinery and equipment  
34 discussed in this subsection for the period of time established in the ordinance and may, by



1 ordinance, establish the procedures for taxpayers to avail themselves of the benefit of any  
2 exemption permitted under this section; provided, that the ordinance does not apply to any  
3 machinery or equipment of a business, subsidiary, or any affiliated business that locates or relocates  
4 from a city or town in this state to another city or town in the state;

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

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

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

23 (26) Tangible personal property, the primary function of which is the recycling, reuse, or  
24 recovery of materials (other than precious metals, as defined in § 44-18-30(24)(ii) and (iii)), from,  
25 or the treatment of "hazardous wastes," as defined in § 23-19.1-4, where the "hazardous wastes"  
26 are generated primarily by the same taxpayer and where the personal property is located at, in, or  
27 adjacent to a generating facility of the taxpayer. The taxpayer may, but need not, procure an order  
28 from the director of the department of environmental management certifying that the tangible  
29 personal property has this function, which order effects a conclusive presumption that the tangible  
30 personal property qualifies for the exemption under this subdivision. If any information relating to  
31 secret processes or methods of manufacture, production, or treatment is disclosed to the department  
32 of environmental management only to procure an order, and is a "trade secret" as defined in § 28-  
33 21-10(b), it shall not be open to public inspection or publicly disclosed unless disclosure is  
34 otherwise required under chapter 21 of title 28 or chapter 24.4 of title 23;

- 1 (27) Motorboats as defined in § 46-22-2 for which the annual fee required in § 46-22-4 has  
2 been paid;
- 3 (28) Real and personal property of the Providence Performing Arts Center, a non-business  
4 corporation as of December 31, 1986;
- 5 (29) Tangible personal property owned by, and used exclusively for the purposes of, any  
6 religious organization located in the city of Cranston;
- 7 (30) Real and personal property of the Travelers Aid Society of Rhode Island, a nonprofit  
8 corporation, the Union Mall Real Estate Corporation, and any limited partnership or limited liability  
9 company that is formed in connection with, or to facilitate the acquisition of, the Providence YMCA  
10 Building;
- 11 (31) Real and personal property of Meeting Street Center or MSC Realty, Inc., both not-  
12 for-profit Rhode Island corporations, and any other corporation, limited partnership, or limited  
13 liability company that is formed in connection with, or to facilitate the acquisition of, the properties  
14 designated as the Meeting Street National Center of Excellence on Eddy Street in Providence,  
15 Rhode Island;
- 16 (32) The buildings, personal property, and land upon which the buildings stand, located on  
17 Pomham Island, East Providence, currently identified as Assessor's Map 211, Block 01, Parcel  
18 001.00, that consists of approximately twenty-one thousand three hundred (21,300) square feet and  
19 is located approximately eight hundred sixty feet (860'), more or less, from the shore, and limited  
20 exclusively to these said buildings, personal estate and land, provided that said property is owned  
21 by a qualified 501(c)(3) organization, such as the American Lighthouse Foundation, and is used  
22 exclusively for a lighthouse;
- 23 (33) The Stadium Theatre Performing Arts Centre building located in Monument Square,  
24 Woonsocket, Rhode Island, so long as said Stadium Theatre Performing Arts Center is owned by  
25 the Stadium Theatre Foundation, a Rhode Island nonprofit corporation;
- 26 (34) Real and tangible personal property of St. Mary Academy – Bay View, located in East  
27 Providence, Rhode Island;
- 28 (35) Real and personal property of East Bay Community Action Program and its  
29 predecessor, Self Help, Inc; provided, that the organization is qualified as a tax-exempt corporation  
30 under § 501(c)(3) of the United States Internal Revenue Code;
- 31 (36) Real and personal property located within the city of East Providence of the Columbus  
32 Club of East Providence, a Rhode Island charitable nonprofit corporation;
- 33 (37) Real and personal property located within the city of East Providence of the Columbus  
34 Club of Barrington, a Rhode Island charitable nonprofit corporation;

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

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

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

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

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

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

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

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

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

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

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

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

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

4

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

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

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

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

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

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

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

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

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

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

31 (61) Real and personal property of The Samaritans, Inc., a Rhode Island nonprofit §  
32 501(c)(3) corporation located at 67 Park Place, Pawtucket, Rhode Island, to the extent the city  
33 council of Pawtucket may from time to time determine;

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

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

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

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

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

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

32 (c) [Cities and towns. Authorization to impose taxes on certain properties of nonprofit](#)  
33 [entities.](#)

1           (1) Any laws or acts that incorporate, restate or amend the articles of incorporation of  
2 nonprofit institutions of higher education or nonprofit hospitals and, which exempt real and  
3 personal property from taxation are hereby amended to be consistent with subparagraphs (i)  
4 through (iv) below as follows:

5           (i) All real and personal property shall be exempt from taxation so far as said property is  
6 used exclusively for educational purposes by nonprofit institutions of higher education or hospital  
7 purposes by nonprofit hospitals.

8           (ii) Where part of a property owned by a nonprofit institution of higher education is used  
9 exclusively for educational purposes and part of said property is not used exclusively for  
10 educational purposes, then the part of said property used exclusively for educational purposes shall  
11 be exempt from taxation, and the personal property located within said property used exclusively  
12 for educational purposes shall be exempt from taxation.

13           (iii) Where part of a property owned by a nonprofit hospital is used exclusively for hospital  
14 purposes and part of said property is not used exclusively for hospital purposes, then the part of  
15 said property used exclusively for hospital purposes shall be exempt from taxation, and the  
16 personal property located within said property used exclusively for hospital purposes shall  
17 be exempt from taxation.

18           (iv) Notwithstanding §44-3-3(c)(1)(a), vacant lots, improved or unimproved, shall not be  
19 exempt from taxation.

20           (2) In the event that a nonprofit institution of higher education or a nonprofit hospital has  
21 made one or more voluntary payments in lieu of taxation during a tax year to a city or town with  
22 respect to all or any portion of real or personal property, said payments shall be credited against  
23 and shall reduce any taxes owed and due to the city or town for said tax year.

24           (3) Notwithstanding the exemption from taxation pursuant to §44-3-3(c)(1), cities and  
25 towns are authorized to waive, or reduce taxes levied against real and personal property owned by  
26 nonprofit institutions of higher education or nonprofit hospitals in the event the  
27 nonprofit institutions of higher education or nonprofit hospitals agree to make payments in lieu of  
28 taxes.

29           (4) Cities and towns may use December 31st of the year prior to the effective date of this  
30 section as the date of assessment for any property that first becomes subject to taxation as a result  
31 of §44-3-3(c)(1) above.

32           (5) As used in this section, "nonprofit institution of higher education" means any institution  
33 engaged primarily in education beyond the high school level, and "nonprofit hospital" means any

1 [nonprofit hospital licensed by the state and which is used for the purpose of general medical,](#)  
2 [surgical, or psychiatric care and treatment.](#)

3 [\(d\) Notwithstanding any other provision of Rhode Island law, in an effort to provide relief](#)  
4 [for businesses, including small businesses, and to promote economic development, a city or town](#)  
5 [may establish a minimum filing threshold and/or exemption for tangible personal property within](#)  
6 [a city or town's geographic limits by ordinance, which thresholds and exemptions shall be](#)  
7 [uniformly applied.](#)

8 SECTION 3. Section 44-5-2 of the General Laws in Chapter 44-5 entitled "Levy and  
9 Assessment of Local Taxes" is hereby amended to read as follows:

10 **44-5-2. Maximum levy**

11 (a) Through and including its fiscal year 2007, a city or town may levy a tax in an amount  
12 not more than five and one-half percent (5.5%) in excess of the amount levied and certified by that  
13 city or town for the prior year. Through and including its fiscal year 2007, but in no fiscal year  
14 thereafter, the amount levied by a city or town is deemed to be consistent with the five and one-  
15 half percent (5.5%) levy growth cap if the tax rate is not more than one hundred and five and one-  
16 half percent (105.5%) of the prior year's tax rate and the budget resolution or ordinance, as  
17 applicable, specifies that the tax rate is not increasing by more than five and one-half percent (5.5%)  
18 except as specified in subsection (c) of this section. In all years when a revaluation or update is not  
19 being implemented, a tax rate is deemed to be one hundred five and one-half percent (105.5%) or  
20 less of the prior year's tax rate if the tax on a parcel of real property, the value of which is unchanged  
21 for purpose of taxation, is no more than one hundred five and one-half percent (105.5%) of the  
22 prior year's tax on the same parcel of real property. In any year through and including fiscal year  
23 2007 when a revaluation or update is being implemented, the tax rate is deemed to be one hundred  
24 five and one-half percent (105.5%) of the prior year's tax rate as certified by the division of property  
25 valuation and municipal finance in the department of revenue.

26 (b) In its fiscal year 2008, a city or town may levy a tax in an amount not more than five  
27 and one-quarter percent (5.25%) in excess of the total amount levied and certified by that city or  
28 town for its fiscal year 2007. In its fiscal year 2009, a city or town may levy a tax in an amount not  
29 more than five percent (5%) in excess of the total amount levied and certified by that city or town  
30 for its fiscal year 2008. In its fiscal year 2010, a city or town may levy a tax in an amount not more  
31 than four and three-quarters percent (4.75%) in excess of the total amount levied and certified by  
32 that city or town in its fiscal year 2009. In its fiscal year 2011, a city or town may levy a tax in an  
33 amount not more than four and one-half percent (4.5%) in excess of the total amount levied and  
34 certified by that city or town in its fiscal year 2010. In its fiscal year 2012, a city or town may levy

1 a tax in an amount not more than four and one-quarter percent (4.25%) in excess of the total amount  
2 levied and certified by that city or town in its fiscal year 2011. In its fiscal year 2013 and in each  
3 fiscal year thereafter, a city or town may levy a tax in an amount not more than four percent (4%)  
4 in excess of the total amount levied and certified by that city or town for its previous fiscal year.  
5 For purposes of this levy calculation, taxes levied pursuant to chapters 34 and 34.1 of this title shall  
6 not be included. For FY 2018, in the event that a city or town, solely as a result of the exclusion of  
7 the motor vehicle tax in the new levy calculation, exceeds the property tax cap when compared to  
8 FY 2017 after taking into account that there was a motor vehicle tax in FY 2017, said city or town  
9 shall be permitted to exceed the property tax cap for the FY 2018 transition year, but in no event  
10 shall it exceed the four percent (4%) levy cap growth with the car tax portion included; provided,  
11 however, nothing herein shall prohibit a city or town from exceeding the property tax cap if  
12 otherwise permitted pursuant to subsection (~~d~~) of this section.

13 (c) The division of property valuation in the department of revenue shall monitor city and  
14 town compliance with this levy cap, issue periodic reports to the general assembly on compliance,  
15 and make recommendations on the continuation or modification of the levy cap on or before  
16 December 31, 1987, December 31, 1990, and December 31, every third year thereafter. The chief  
17 elected official in each city and town shall provide to the division of property and municipal finance  
18 within thirty (30) days of final action, in the form required, the adopted tax levy and rate and other  
19 pertinent information.

20 (d) For any fiscal year in which a municipality receives aid under § 44-3-66 the amount  
21 levied by a city or town may not exceed the percentage increase as specified in subsection (a) or  
22 (b) of this section minus amount of levy lost due to the aid program:

23 ~~(d)~~ (e) The amount levied by a city or town may exceed the percentage increase as specified  
24 in subsection (a) or (b) of this section if the city or town qualifies under one or more of the following  
25 provisions:

26 (1) The city or town forecasts or experiences a loss in total non-property tax revenues and  
27 the loss is certified by the department of revenue.

28 (2) The city or town experiences or anticipates an emergency situation, which causes or  
29 will cause the levy to exceed the percentage increase as specified in subsection (a) or (b) of this  
30 section. In the event of an emergency or an anticipated emergency, the city or town shall notify the  
31 auditor general who shall certify the existence or anticipated existence of the emergency. Without  
32 limiting the generality of the foregoing, an emergency shall be deemed to exist when the city or  
33 town experiences or anticipates health insurance costs, retirement contributions, or utility  
34 expenditures that exceed the prior fiscal year's health insurance costs, retirement contributions, or



1 utility expenditures by a percentage greater than three (3) times the percentage increase as specified  
2 in subsection (a) or (b) of this section.

3 (3) A city or town forecasts or experiences debt services expenditures that exceed the prior  
4 year's debt service expenditures by an amount greater than the percentage increase as specified in  
5 subsection (a) or (b) of this section and that are the result of bonded debt issued in a manner  
6 consistent with general law or a special act. In the event of the debt service increase, the city or  
7 town shall notify the department of revenue which shall certify the debt service increase above the  
8 percentage increase as specified in subsection (a) or (b) of this section the prior year's debt service.  
9 No action approving or disapproving exceeding a levy cap under the provisions of this section  
10 affects the requirement to pay obligations as described in subsection (~~e~~) of this section.

11 (4) The city or town experiences substantial growth in its tax base as the result of major  
12 new construction that necessitates either significant infrastructure or school housing expenditures  
13 by the city or town or a significant increase in the need for essential municipal services and such  
14 increase in expenditures or demand for services is certified by the department of revenue.

15 ~~(e)~~ (f) Any levy pursuant to subsection (~~e~~) of this section in excess of the percentage  
16 increase specified in subsection (a) or (b) of this section shall be approved by the affirmative vote  
17 of at least four-fifths (4/5) of the full membership of the governing body of the city or town, or in  
18 the case of a city or town having a financial town meeting, the majority of the electors present and  
19 voting at the town financial meeting shall also approve the excess levy.

20 ~~(f)~~ (g) Nothing contained in this section constrains the payment of present or future  
21 obligations as prescribed by § 45-12-1, and all taxable property in each city or town is subject to  
22 taxation without limitation as to rate or amount to pay general obligation bonds or notes of the city  
23 or town except as otherwise specifically provided by law or charter.

24 SECTION 4. Section 44-34-11 of the General Laws in Chapter 44-34-11 entitled "Excise  
25 on Motor Vehicles and Trailers" is hereby amended to read as follows:

26 **44-34-11. Rhode Island vehicle value commission.**

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

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

31 (1) The director of the department of revenue or his/her designee from the department of  
32 revenue;

33 (2) Five (5) local tax officials named by the governor, at least one of whom shall be from  
34 a city or town under ten thousand (10,000) population and at least one of whom is from a city or

1 town over fifty thousand (50,000) population. In making these appointments, the governor shall  
2 give due consideration to the recommendations submitted by the President of the Rhode Island  
3 League of Cities and Towns and each appointment shall be subject to the advice and consent of the  
4 senate; and

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

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

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

12 (6) Public members of the commission shall be removable by the governor pursuant to §  
13 36-1-7 for cause only, and removal solely for partisan or personal reasons unrelated to capacity or  
14 fitness for the office shall be unlawful.

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

17 (c) The commission shall annually determine the presumptive values of vehicles and  
18 trailers subject to the excise tax in the following manner:

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

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

26 (ii) Other information concerning the average retail prices for make, model, type, and year  
27 of manufacture of motor vehicles as the director and the Rhode Island vehicle value commission  
28 may deem appropriate to determine fair values.

29 (iii) Notwithstanding the foregoing, the presumptive value of vehicles and trailers subject  
30 to the excise tax shall not exceed the following percentage of clean retail value for those vehicles  
31 reported by the National Automobile Dealers Association Official Used Car Guide New England  
32 Edition:

33 FISCAL YEAR PERCENTAGE

34 2018 95%

1           2019 90%  
2           2020 85%  
3           2021 ~~80%~~ 82.5%  
4           2022 ~~75%~~ 80%  
5           2023 ~~70%~~ 77.5%  
6           2024 75%  
7           2025 72.5%  
8           2026 70%  
9           2027 67.5%  
10          2028 65%

11           In the event that no such clean retail value is reported, the presumptive value shall not  
12 exceed the above percentages of the following:

13           (A) Manufacturer's suggested retail price (MSRP) for new model year vehicles as reported  
14                 by the National Automobile Dealers Association Guides; or

15

16

17           (B) Average retail value for those vehicles reported by the National Automobile Dealers  
18 Association Official Used Car Guide National Edition and Motorcycle/Snowmobile/ATV/Personal  
19 Watercraft Appraisal Guide; or

20           (C) Used retail value for those vehicles reported in the National Association of Automobile  
21 Dealers Recreational Vehicle Appraisal Guide; or

22           (D) Low value for those vehicles reported in the National Automobile Dealers Association  
23 Classic, Collectible, Exotic and Muscle Car Appraisal Guide & Directory.

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

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

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

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

7 (e) The commission shall have the power to contract for professional services that it deems  
8 necessary for the development of the methodology for determining presumptive values; for  
9 calculating presumptive values according to the methodology; and for preparing the list of  
10 presumptive values in a form and format that is generally usable by cities and towns in their  
11 preparation of tax bills. The commission shall also have the power to incur reasonable expenses in  
12 the conduct of its business as required by this chapter and to authorize payments for the expenses.

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

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

17 (h) The commission shall establish, by rule, procedures for adopting an annual budget and  
18 for administering its finances. After July 1, 1986, one-half (1/2) of the cost of the commission's  
19 operations shall be borne by the state and one-half (1/2) shall be borne by cities and towns within  
20 the state, with the city and town share distributed among cities and towns on a per capita basis.

21 (i) Within ninety (90) days after the end of each fiscal year, the commission shall approve  
22 and submit an annual report to the governor, the speaker of the house of representatives, the  
23 president of the senate, and the secretary of state of its activities during that fiscal year. The report  
24 shall provide: an operating statement summarizing meetings or hearings held, meeting minutes if  
25 requested, subjects addressed, decisions rendered, rules or regulations promulgated, studies  
26 conducted, policies and plans developed, approved, or modified, and programs administered or  
27 initiated; a consolidated financial statement of all funds received and expended including the source  
28 of the funds, a listing of any staff supported by these funds, and a summary of any clerical,  
29 administrative or technical support received; a summary of performance during the previous fiscal  
30 year including accomplishments, shortcomings and remedies; a synopsis of hearings, complaints,  
31 suspensions, or other legal matters related to the authority of the commission; a summary of any  
32 training courses held pursuant to this subsection, a briefing on anticipated activities in the upcoming  
33 fiscal year; and findings and recommendations for improvements. The report shall be posted  
34 electronically on the general assembly and the secretary of state's websites as prescribed in § 42-

1 20-8.2. The director of the department of revenue shall be responsible for the enforcement of this  
2 provision.

3 SECTION 5. Section 44-34.1-1 of the General Laws in Chapter 44-34.1 entitled "Motor  
4 Vehicle and Trailer Excise Tax Elimination Act of 1998" is hereby amended to read as follows:

5 **44-34.1-1. Excise tax phase-out.**

6 (a)(1) Notwithstanding the provisions of chapter 34 of this title or any other provisions to  
7 the contrary, the motor vehicle and trailer excise tax established by § 44-34-1 may be phased out.  
8 The phase-out shall apply to all motor vehicles and trailers, including leased vehicles.

9 (2) Lessors of vehicles that pay excise taxes directly to municipalities shall provide lessees,  
10 at the time of entering into the lease agreement, an estimate of annual excise taxes payable  
11 throughout the term of the lease. In the event the actual excise tax is less than the estimated excise  
12 tax, the lessor shall annually rebate to the lessee the difference between the actual excise tax and  
13 the estimated excise tax.

14 (b) Pursuant to the provisions of this section, all motor vehicles shall be assessed a value  
15 by the vehicle value commission. That value shall be assessed according to the provisions of § 44-  
16 34-11(c)(1) and in accordance with the terms as defined in subsection (d) of this section; provided,  
17 however, that the maximum taxable value percentage applicable to model year values as of  
18 December 31, 1997, shall continue to be applicable in future year valuations aged by one year in  
19 each succeeding year.

20 (c)(1) The motor vehicle excise tax phase-out shall commence with the excise tax bills  
21 mailed to taxpayers for the fiscal year 2000. The phase-out, beyond fiscal year 2003, shall be  
22 subject to annual review and appropriation by the general assembly. The tax assessors of the various  
23 cities and towns and fire districts shall reduce the average retail value of each vehicle assessed by  
24 using the prorated exemptions from the following table:

Local Fiscal Year	Local Exemption	State fiscal year Reimbursement
Exempt from value		
fiscal year 1999	0	\$1,500
fiscal year 2000	\$1,500	\$2,500
fiscal year 2001	\$2,500	\$3,500
fiscal year 2002	\$3,500	\$4,500
fiscal years 2003, 2004 and 2005	\$4,500	\$4,500
for fiscal year 2006 and	\$5,000	\$5,000
for fiscal year 2007	\$6,000	\$6,000

1 for fiscal years 2008, 2009 and 2010 the exemption and the state fiscal year reimbursement  
2 shall be increased, at a minimum, to the maximum amount to the nearest two hundred and fifty  
3 dollar (\$250) increment within the allocation of one and twenty-two hundredths percent (1.22%) of  
4 net terminal income derived from video lottery games pursuant to the provisions of § 42-61-15,  
5 and in no event shall the exemption in any fiscal year be less than the prior fiscal year.

6 (i) For fiscal year 2011 through fiscal year 2017, the exemption shall be five hundred  
7 dollars (\$500). Cities and towns may provide an additional exemption; provided, however, any  
8 such additional exemption shall not be subject to reimbursement.

9 (ii) For fiscal year 2018, cities, towns, and fire districts shall provide an exemption equal  
10 to the greater of one thousand dollars (\$1,000) or the exemption in effect in fiscal year 2017.

11 (iii) For fiscal year 2019, cities, towns, and fire districts shall provide an exemption equal  
12 to the greater of two thousand dollars (\$2,000) or the exemption in effect in fiscal year 2017.

13 (iv) For fiscal year 2020, cities, towns, and fire districts shall provide an exemption equal  
14 to the greater of three thousand dollars (\$3,000) or the exemption in effect in fiscal year 2017.

15 (v) For fiscal year 2021, cities, towns, and fire districts shall provide an exemption equal  
16 to the greater of ~~four thousand dollars (\$4,000)~~ three thousand five hundred dollars (\$3,500) or the  
17 exemption in effect in fiscal year 2017.

18 (vi) For fiscal year 2022, cities, towns, and fire districts shall provide an exemption equal  
19 to the greater of ~~five thousand dollars (\$5,000)~~ four thousand dollars (\$4,000) or the exemption in  
20 effect in fiscal year 2017.

21  
22 (vii) For fiscal year 2023, cities, towns, and fire districts shall provide an exemption equal  
23 to the greater of ~~six thousand dollars (\$6,000)~~ four thousand five hundred dollars (\$4,500) or the  
24 exemption in effect in fiscal year 2017.

25 (viii) For fiscal year 2024, cities, towns, and fire districts shall provide an exemption equal  
26 to the greater of five thousand dollars (\$5,000) or the exemption in effect in fiscal year 2017.

27 (ix) For fiscal year 2025, cities, towns, and fire districts shall provide an exemption equal  
28 to the greater of five thousand five hundred dollars (\$5,500) or the exemption in effect in fiscal  
29 year 2017.

30 (x) For fiscal year 2026, cities, towns, and fire districts shall provide an exemption equal  
31 to the greater of six thousand dollars (\$6,000) or the exemption in effect in fiscal year 2017.

32 (xi) For fiscal year 2027, cities, towns, and fire districts shall provide an exemption equal  
33 to the greater of seven thousand dollars (\$7,000) or the exemption in effect in fiscal year 2017.

1 (xii) For fiscal year 2028, cities, towns, and fire districts shall provide an exemption equal  
2 to the greater of eight thousand dollars (\$8,000) or the exemption in effect in fiscal year 2017.

3 ~~(viii)~~ (xiii) For fiscal year ~~2024~~ 2029 and thereafter, no tax shall be levied.

4 (2) The excise tax phase-out shall provide levels of assessed value reductions until the tax  
5 is eliminated or reduced as provided in this chapter.

6 (3) Current exemptions shall remain in effect as provided in this chapter.

7 (4) The excise tax rates and ratios of assessment shall be maintained at a level identical to  
8 the level in effect for fiscal year 1998 for each city, town, and fire district; provided, in the town of  
9 Johnston, the excise tax rate and ratios of assessment shall be maintained at a level identical to the  
10 level in effect for fiscal year 1999 levels and the levy of a city, town, or fire district shall be limited  
11 to the lesser of the maximum taxable value or net assessed value for purposes of collecting the tax  
12 in any given year. Provided, however, for fiscal year 2011 through fiscal year 2017, the rates and  
13 ratios of assessment may be less than but not more than the rates described in this subsection (4).

14 (5) For fiscal year 2018 and thereafter, the excise tax rate applied by a city, town, or fire  
15 district, shall not exceed the rate in effect in fiscal year 2017 and shall not exceed the rate set forth  
16 below:

Fiscal Year	Tax Rate (Per \$1,000 of Value)
2018	\$60.00
2019	\$50.00
2020	\$35.00
2021	\$35.00
2022	<del>\$30.00</del> <u>\$33.00</u>
2023	<del>\$20.00</del> <u>\$31.00</u>
<u>2024</u>	<u>\$26.50</u>
<u>2025</u>	<u>\$22.50</u>
<u>2026</u>	<u>\$19.00</u>
<u>2027</u>	<u>\$15.00</u>
<u>2028</u>	<u>\$10.00</u>

29 (6) In no event shall a taxpayer be billed more than the prior year for a vehicle owned up  
30 to the same number of days unless an increased bill is the result of no longer being eligible for a  
31 local tax exemption.

32 (d) Definitions.

33 (1) "Maximum taxable value" means the value of vehicles as prescribed by § 44-34-11  
34 reduced by the percentage of assessed value applicable to model year values as determined by the

1 Rhode Island vehicle value commission as of December 31, 1997, for the vehicles valued by the  
2 commission as of December 31, 1997. For all vehicle value types not valued by the Rhode Island  
3 vehicle value commission as of December 31, 1997, the maximum taxable value shall be the latest  
4 value determined by a local assessor from an appropriate pricing guide, multiplied by the ratio of  
5 assessment used by that city, town, or fire district for a particular model year as of December 31,  
6 1997. The maximum taxable value shall be determined in such a manner as to incorporate the  
7 application of the percentage corresponding with the appropriate fiscal year as specified in § 44-  
8 34-11(c)(1)(iii).

9 (2) "Net assessed value" means the motor vehicle values as determined in accordance with  
10 § 44-34-11 less all personal exemptions allowed by cities, towns, fire districts, and the state of  
11 Rhode Island exemption value as provided for in subsection (c)(1) of this section.

12 (e) If any provision of this chapter shall be held invalid by any court of competent  
13 jurisdiction, the remainder of this chapter and the applications of the provisions hereof shall not be  
14 effected thereby.

15 SECTION 6. Section 45-13-14 of the General Laws in Chapter 45-13 entitled "State Aid"  
16 is hereby amended as follows:

17 **45-13-14. Adjustments to tax levy, assessed value, and full value when computing state**  
18 **aid.**

19 (a) Whenever the director of revenue computes the relative wealth of municipalities for the  
20 purpose of distributing state aid in accordance with title 16 and the provisions of § 45-13-12, he or  
21 she shall base it on the full value of all property except:

22 (1) That exempted from taxation by acts of the general assembly and reimbursed under §  
23 45-13-5.1 of the general laws, which shall have its value calculated as if the payment in lieu of tax  
24 revenues received pursuant to § 45-13-5.1, has resulted from a tax levy;

25 (2) That whose tax levy or assessed value is based on a tax treaty agreement authorized by  
26 a special public law or by reason of agreements between a municipality and the economic  
27 development corporation in accordance with § 42-64-20 prior to May 15, 2005, which shall not  
28 have its value included;

29 (3) That whose tax levy or assessed value is based on tax treaty agreements or tax  
30 stabilization agreements in force prior to May 15, 2005, which shall not have its value included;

31 (4) That which is subject to a payment in lieu of tax agreement in force prior to May 15,  
32 2005;

33 (5) Any other property exempt from taxation under state law; or



1 (6) Any property subject to chapter 27 of title 44, taxation of Farm, Forest, and Open Space  
2 Land.

3 [\(7\) Any personal property subject to the provisions of § 44-3-3 \(c\).](#)

4 (b) The tax levy of each municipality and fire district shall be adjusted for any real estate  
5 and personal property exempt from taxation by act of the general assembly by the amount of  
6 payment in lieu of property tax revenue anticipated to be received pursuant to § 45-13-5.1 relating  
7 to property tax from certain exempt private and state properties, and for any property subject to any  
8 payment in lieu of tax agreements, any tax treaty agreements or tax stabilization agreements in  
9 force after May 15, 2005, by the amount of the payment in lieu of taxes pursuant to such  
10 agreements.

11 (c) Fire district tax levies within a city or town shall be included as part of the total levy  
12 attributable to that city or town.

13 (d) The changes as required by subsections (a) through (c) of this section shall be  
14 incorporated into the computation of entitlements effective for distribution in fiscal year 2007-2008  
15 and thereafter.

16 SECTION 7. Section 4 and Section 5 shall take effect upon passage. The remainder of this  
17 article shall take effect on July 1, 2020.