

2023 -- H 5605

LC001491

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2023

A N A C T

RELATING TO TAXATION -- LEVY AND ASSESSMENT OF LOCAL TAXES

Introduced By: Representatives Kazarian, Dawson, Henries, and Boylan

Date Introduced: February 15, 2023

Referred To: House Municipal Government & Housing

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 44-5-11.10 of the General Laws in Chapter 44-5 entitled "Levy and
2 Assessment of Local Taxes" is hereby amended to read as follows:

3 **44-5-11.10. Real estate tax classification — East Providence.**

4 Notwithstanding any provision within § 44-5-11.8 to the contrary:

5 (a) Upon the completion of any comprehensive revaluation in accordance with § 44-5-11.6,
6 the city of East Providence may adopt a tax classification plan by ordinance with the following
7 limitations:

8 (1) The designated classes of property shall be limited to the four (4) classes as defined in
9 subsection (b).

10 (2) The tax rate applicable to ~~any class~~ [Class 2](#) shall not exceed by two hundred percent
11 (200%) the rate applicable to ~~any other class~~ [Class 1](#).

12 (3) ~~Any tax rate changes from one year to the next shall be applied such that the same~~
13 ~~percentage rate change is applicable to all classes~~ [Except in any year in which a comprehensive or](#)
14 [statistical revaluation is completed, any tax rate change from one year to the next shall be applied](#)
15 [such that the same percentage change is applicable to all classes.](#)

16 (4) Notwithstanding subdivisions (a)(2) and (a)(3), the tax rates applicable to wholesale
17 and retail inventory within Class 3 as defined in subsection (b) are governed by § 44-3-29.1.

18 (5) Notwithstanding subdivisions (a)(2) and (a)(3), the tax rates applicable to motor
19 vehicles within Class 4 as defined in subsection (b) are governed by § 44-34.1-1.

1 (6) The provisions of chapter 35 of this title relating to property tax and fiscal disclosure
2 applies to the reporting of and compliance with these classification restrictions.

3 (b) Classes of Property.

4 (1) Class 1: Residential real estate consisting of no more than three (3) dwelling units, land
5 classified as open space, and dwellings on leased land including mobile homes. A homestead
6 exemption provision is also authorized within this class; ~~provided, however, that the actual effective~~
7 ~~rate applicable to property qualifying for this exemption shall be construed as the standard rate for~~
8 ~~this class against which the maximum rate applicable to another class shall be determined.~~

9 (2) Class 2: Commercial and industrial real estate, residential properties containing partial
10 commercial or business uses and residential real estate of more than three (3) dwelling units.

11 (3) Class 3: All ratable tangible personal property; excluding wholesale and retail
12 inventory, which shall be taxed in accordance with § 44-3-29.1.

13 (4) Class 4: Motor vehicles and trailers subject to the excise tax created by chapter 34 of
14 this title.

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

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
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1 This act would allow the town of East Providence to adopt a new tax rate applicable to
2 Class 2 property that shall not exceed by two hundred percent (200%) the rate applicable to Class
3 1 property. This act would also require in any revaluation year, that any tax rate change be applied
4 at the same percentage rate change that is applicable to all classes.

5 This act would take effect upon passage.

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