

2023 -- S 0240

LC001495

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: Senators Lawson, Britto, and Lauria

Date Introduced: February 16, 2023

Referred To: Senate Finance

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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