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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2014

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A N A C T

RELATING TO TAXATION - EXCISE ON MOTOR VEHICLES AND TRAILERS

Introduced By: Senator William A. Walaska

Date Introduced: January 30, 2014

Referred To: Senate Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Sections 44-34-3, 44-34-8 and 44-34-11 of the General Laws in Chapter 44-  
2 34 entitled "Excise on Motor Vehicles and Trailers" are hereby amended to read as follows:

3 **44-34-3. Assessment roll -- Rate -- Payment -- Penalty upon non-payment.** -- (a) The  
4 assessor, on the basis of a list of uniform values for motor vehicles prepared by the Rhode Island  
5 vehicle value commission pursuant to section 44-34-8, shall make a list containing the value of  
6 every vehicle and trailer in the city or town which is subject to the provisions of section 44-34-2,  
7 the values to be at the average ~~retail~~ trade-in price as determined under section 44-34-2 or at a  
8 uniform percentage of these, not to exceed one hundred percent (100%), to be determined by the  
9 assessors in each city or town; provided, that every vehicle and trailer in the city of Pawtucket  
10 shall be assessed in accordance with sections 44-5-20.1 and 44-5-20.2; provided, further, that  
11 motor vehicles owned, leased, or utilized by rental companies, as those terms are defined in  
12 section 31-34.1-1, shall not be valued for excise tax purposes at an amount greater than the  
13 National Automobile Dealers Association average retail value for new vehicles for the year and  
14 vehicle model in question.

15 (b) The excise tax levy shall be applied to the excise assessment roll at the rate  
16 established by the assessors for all other property except manufacturer's machinery and  
17 equipment in accordance with section 44-5-22 and the resulting tax roll shall be certified by the  
18 assessors to the city or town clerk, treasurer, or tax collector, as the case may be, not later than  
19 June 15 next succeeding. Prior to the resulting tax roll being certified to the Pawtucket city clerk,

1 the excise levy shall be applied to the excise assessment roll in accordance with the property tax  
2 classification described in sections 44-5-20.3 and 44-5-20.5. In the city of Woonsocket, the excise  
3 tax levy shall be applied to the excise assessment roll at a rate that will produce no more than  
4 nineteen percent (19%) of the total tax levy as prescribed in section 44-5-11.6. In the town of  
5 Lincoln, the excise tax levy shall be applied to the excise assessment roll at a rate that produces  
6 an amount equal to no more than seventeen percent (17%) of the total real estate tax levy.

7 (c) If any vehicle or trailer liable to taxation in any city or town has been omitted from  
8 the tax roll, the tax assessment shall assess the vehicle or trailer on a supplemental excise  
9 assessment roll and shall certify the assessment to the tax collector after June 15, but not later  
10 than December 31 next succeeding.

11 (d) As soon after this as possible, the tax collector shall cause excise bills to be sent by  
12 first class mail to all persons, corporations, partnerships, joint stock companies, or associations  
13 that have registered vehicles or trailers during the calendar year of proration. The bills shall be  
14 paid in accordance with section 44-5-7 at the same time and on the same schedule as property tax  
15 bills. Failure to pay the excise at the appropriated time shall bring about a penalty of eighteen  
16 percent (18%) per annum, or, in the case of the city of Cranston, a penalty of twelve percent  
17 (12%) per annum which applies on the date of the delinquency or, for any city or town fiscal year  
18 commencing between January 1, 1980, and December 31, 1980, after approval by the proper local  
19 authority, at the same rate of interest as that which is applied to delinquent property taxes in the  
20 taxing jurisdiction.

21 (e) Failure by the tax collector to send, or by the taxpayer to receive, a bill shall not  
22 excuse the nonpayment of the tax or affect its validity or any proceedings for the collection.

23 (f) This section does not apply to any and all entities which are exempt from the excise  
24 as prescribed in section 44-34-2.

25 **44-34-8. Appeal procedure.** -- (a) ~~(+)~~ Any taxpayer aggrieved by a valuation may appeal  
26 that valuation to the tax assessor within ~~thirty (30)~~ forty-five (45) days of notice of valuation by  
27 presenting to the tax assessor a certified appraisal from a licensed motor vehicle dealer as  
28 determined by title 31, chapter 5. When the valuation of the vehicle has been made by the  
29 assessor, the assessor shall render a decision within ten (10) days of the filing of the appeal.  
30 ~~When the valuation of the vehicle has been made by the Rhode Island vehicle valuation~~  
31 ~~commission, the assessor shall forward the appeal on the form provided by the commission to the~~  
32 ~~Rhode Island vehicle valuation commission within ten (10) days. The commission shall transmit~~  
33 ~~its decision to the tax assessor within twenty (20) days of the receipt of the appeal.~~

34 ~~(2) The tax assessor shall notify the aggrieved taxpayer, by writing, of the commission~~

1 ~~decision within ten (10) days of the receipt of the commission decision.~~

2 (b) Within thirty (30) days of the notification of the decision of the tax assessor ~~or the~~  
3 ~~commission~~, an aggrieved taxpayer may appeal the decision to the district court for the judicial  
4 division within which the city or town is located.

5 (c) A party aggrieved by a final order of the district court may seek review of this order  
6 in the state supreme court by writ of certiorari. The petition for a writ of certiorari shall state the  
7 errors claimed. Upon the filing of the petition with the clerk of the supreme court, the supreme  
8 court may, if it sees fit, issue its writ of certiorari to the district court to certify to the supreme  
9 court the record of the proceeding under review, or so much of this as was submitted to the  
10 district court by the parties, together with any additional record of the proceedings in the district  
11 court.

12 **44-34-11. Rhode Island vehicle value commission.** -- (a) There is hereby authorized,  
13 created, and established the "Rhode Island vehicle value commission" whose function it is to  
14 establish presumptive values of vehicles and trailers subject to the excise tax.

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

16 (1) The director of the department of revenue or his/her designee from the department of  
17 revenue, who shall serve as chair;

18 (2) Five (5) local tax officials named by the governor, at least one of whom shall be from  
19 a city or town under ten thousand (10,000) population and at least one of whom is from a city or  
20 town over fifty thousand (50,000) population in making these appointments the governor shall  
21 give due consideration to the recommendations submitted by the President of the Rhode Island  
22 League of Cities and Towns and each appointment shall be subject to the advice and consent of  
23 the senate;

24 (3) And one motor vehicle dealer appointed by the governor upon giving due  
25 consideration to the recommendation of the director of revenue and subject to the advice and  
26 consent of the senate.

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

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

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

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

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

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

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

12 (ii) Other information concerning the average ~~retail~~ trade-in prices for make, model,  
13 type, and year of manufacture of motor vehicles as the director and the Rhode Island vehicle  
14 value commission may deem appropriate to determine fair values.

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

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

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

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

32 (e) The commission shall have the power to contract for professional services that it  
33 deems necessary for the development of the methodology for determining presumptive values, for  
34 calculating presumptive values according to the methodology, and for preparing the list of

1 presumptive values in a form and format that is generally usable by cities and towns in their  
2 preparation of tax bills. The commission shall also have the power to incur reasonable expenses  
3 in the conduct of its business as required by this chapter and to authorize payments for the  
4 expenses.

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

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

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

14 (i) Within ninety (90) days after the end of each fiscal year, the commission shall  
15 approve and submit an annual report to the governor, the speaker of the house of representatives,  
16 the president of the senate, and the secretary of state of its activities during that fiscal year. The  
17 report shall provide: an operating statement summarizing meetings or hearings held, meeting  
18 minutes if requested, subjects addressed, decisions rendered, rules or regulations promulgated,  
19 studies conducted, policies and plans developed, approved, or modified, and programs  
20 administered or initiated; a consolidated financial statement of all funds received and expended  
21 including the source of the funds, a listing of any staff supported by these funds, and a summary  
22 of any clerical, administrative or technical support received; a summary of performance during  
23 the previous fiscal year including accomplishments, shortcomings and remedies; a synopsis of  
24 hearings, complaints, suspensions, or other legal matters related to the authority of the  
25 commission; a summary of any training courses held pursuant to this subsection, a briefing on  
26 anticipated activities in the upcoming fiscal year; and findings and recommendations for  
27 improvements. The report shall be posted electronically on the general assembly and the secretary  
28 of state's websites as prescribed in section 42-20-8.2. The director of the department of revenue  
29 shall be responsible for the enforcement of this provision.

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

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EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF  
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RELATING TO TAXATION - EXCISE ON MOTOR VEHICLES AND TRAILERS

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1           This act would amend car tax statutes so that the assessment of used motor vehicles  
2 would be based on the average trade-in price, rather than retail price. It would also extend the  
3 appeal period to forty-five (45) days.

4           This act would take effect upon passage.

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