

2014 -- S 2867

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LC005122
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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 -- MANUFACTURING AND COMMERCIAL EXEMPTION

Introduced By: Senator Dennis L. Algieri

Date Introduced: April 09, 2014

Referred To: Senate Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Title 44 of the General Laws entitled "TAXATION" is hereby amended by
2 adding thereto the following chapter:

3 CHAPTER 69

4 MANUFACTURING AND COMMERCIAL EXEMPTION ENABLING ACT

5 **44-69-1. Purpose. --** The purpose of this chapter is to enable all cities and towns to
6 develop a consistent plan for property tax exemptions for industrial and commercial development
7 throughout the city or town in order to encourage:

8 (1) An industrial or commercial concern to locate in the city or town;

9 (2) An existing industrial or commercial concern to improve its facilities in the city or
10 town, thereby increasing the tax base;

11 (3) An existing industrial or commercial concern to construct additional facilities in the
12 city or town thereby increasing the tax base and increasing work opportunities.

13 **44-69-2. Types of eligible property described. –** (a) Industrial and commercial property
14 is defined as buildings, accessory structures and similar improvements to real estate the primary
15 purpose of which is the manufacture of goods and the providing of commercial services.

16 (b) Industrial property shall include facilities related to the manufacture of goods
17 including, but not limited to, office, engineering, research and development, and warehousing or
18 parts distribution.

19 (c) Commercial property shall include facilities relating to commercial operation and may

1 include retail and professional services; such retail and professional services, in order to qualify,
2 must comply with the primary eligibility requirements as hereinafter set forth and shall make a
3 satisfactory showing to the fact finding authority that it will increase the work base, improve the
4 quality of life in the city or town and provide goods and/or services which were theretofore
5 unavailable within the geographical limits of the city or town.

6 (d) Mixed use commercial property to shall include facilities relating to commercial
7 operation and may include retail and professional services, and residential housing units located
8 within the same structure, with the residential housing units located above the first floor (not on
9 the first floor), and in accordance with applicable local zoning and building code requirements.
10 Any residential component of a mixed-use development must be rental only units, and not for sale
11 or resale. In order to qualify, the application must comply with the primary eligibility
12 requirements as hereinafter set forth and shall make satisfactory showing to the fact finding
13 authority that it will increase the work base, opportunities for housing, improve the quality of life
14 in the community and provide goods and/or services which were theretofore unavailable within
15 the geographical limits of the city or town.

16 **44-69-3. Application procedure.** – (a) No person shall be entitled to any exemption
17 without first filing an application with the office of tax assessor of the respective city or town.

18 (b) No application shall be considered unless application is filed prior to the issuance of a
19 building permit with respect to the property. This applies to new construction and renovation
20 only.

21 (c) No application shall be considered unless estimated cost of new construction exceeds
22 twenty percent (20%) of the assessed value of the industrial or commercial property or one
23 hundred thousand dollars (\$100,000), whichever is less.

24 (d) The city or town building code inspector shall review the application to determine any
25 violations of the provisions of the city or town building code with respect to the property of the
26 applicant and any other property in the city or town owned by the applicant. If violations do exist,
27 the local city or town building code inspector shall forward a statement stating the nature and
28 extent of the violations. No exemption shall be granted until such have been corrected to the
29 satisfaction of the local city or town building code inspector.

30 (e) The city or town tax collector/assessor shall review the town tax records to determine
31 whether all taxes (together with interest and penalties) on the subject property and all other
32 property in the city or town owned by the applicant have been paid. If a deficiency or deficiencies
33 do exist, the tax collector/assessor shall forward a statement of the amounts due and properties
34 involved. No exemption shall be effective unless and until any and all taxes, together with interest

1 and penalties remaining unpaid and due and owing the city or town, have been paid in full.

2 **44-69-4. Exemptions enabled.** – The tax assessors of the various cities or towns are
3 hereby enabled and authorized to promulgate rules and regulations, using whatever table and/or
4 chart which is necessary to illustrate the rate schedule so as to provide a uniform plan, necessary
5 to set reasonable tax exemption rates for:

6 (1) Manufacturing or commercial enterprise's which are new to the city or town, and
7 constructing a new manufacturing or commercial facility.

8 (2) Manufacturing or commercial enterprises which are existing city or town but
9 constructing an additional manufacturing, research, technological development, and/or financial
10 services facility on land which did not have an improvement on it prior to such construction.

11 (3) Industrial or commercial property providing manufacturing and/or commercial
12 services in the city or town.

13 **44-69-5. Broad application.** – Any exemption provided by this chapter is to be applied
14 in addition to and not in conflict with any tax exemption authorized by chapter 44-3.

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 permit the cities or towns to establish tax exemptions for industrial and
2 commercial property.

3 This act would take effect upon passage.

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