

2017 -- H 5796

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LC001732  
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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2017

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A N A C T

RELATING TO TOWNS AND CITIES -- STATE AID

Introduced By: Representatives Vella-Wilkinson, Lancia, and Jacquard

Date Introduced: March 01, 2017

Referred To: House Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 45-13-5.1 of the General Laws in Chapter 45-13 entitled "State  
2 Aid" is hereby amended to read as follows:

3 **45-13-5.1. General assembly appropriations in lieu of property tax from certain**  
4 **exempt private and state properties.**

5 (a) In lieu of the amount of local real property tax on real property owned by any private  
6 nonprofit institution of higher education, or any nonprofit hospital facility, or any state owned and  
7 operated hospital, veterans' residential facility, or correctional facility occupied by more than one  
8 hundred (100) residents which may have been or will be exempted from taxation by applicable  
9 state law, exclusive of any facility operated by the federal government, the state of Rhode Island,  
10 or any of its subdivisions, the general assembly shall annually appropriate for payment to the  
11 several cities and towns in which the property lies a sum equal to twenty-seven percent (27%) of  
12 all tax that would have been collected had the real property been taxable; provided, however, said  
13 percentage shall be subject to adjustment pursuant to subsection (e) of this section.

14 (b) In no event shall any city or town record in a fiscal year both: (1) Taxes and/or  
15 payments under a stabilization agreement with a for-profit hospital facility; and (2) Distributions  
16 of appropriations under this section attributable to the prior nonprofit status of said for-profit  
17 hospital facility.

18 (c) As used in this section, "private nonprofit institution of higher education" means any  
19 institution engaged primarily in education beyond the high school level, the property of which is

1 exempt from property tax under any of the subdivisions, and "nonprofit hospital facility" means  
2 any nonprofit hospital licensed by the state and which is used for the purpose of general medical,  
3 surgical, or psychiatric care and treatment.

4 (d) The grant payable to any municipality under the provision of this section shall be  
5 equal to twenty-seven percent (27%) of the property taxes that, except for any exemption to any  
6 institution of higher education or general hospital facility, would have been paid with respect to  
7 that exempt real property on the assessment list in the municipality for the assessment date of  
8 December 31, 1986 and with respect to such exempt real property appearing on an assessment list  
9 in the municipality on succeeding assessment dates. Provided, however, that the grant paid for the  
10 fiscal year ending June 30, 2008 shall be based upon the assessment list in the municipality as of  
11 December 31, 2004.

12 (e) The state budget offices shall include the amount of the annual appropriation in the  
13 state budget for the fiscal year commencing July 1, 1988, and each fiscal year thereafter. The  
14 amount of the annual distribution of appropriation payable to each eligible municipality in any  
15 year in accordance with this section shall be reduced proportionately in the event that the total of  
16 the annual appropriation in the state budget is insufficient to pay the eligible municipalities the  
17 amounts otherwise payable to said communities pursuant to subsection (a) of this section.

18 (f) Distribution of appropriations shall be made by the state on or before July 31 of 1988  
19 and each July 31 thereafter or following verified receipt of a municipality's assessment data for  
20 the following fiscal year's payment, whichever is later, and the payments may be counted as a  
21 receivable by any city or town for a fiscal year ending the preceding June 30.

22 (g) Any act or omission by the state with respect to this chapter shall in no way diminish  
23 the duty of any town or municipality to provide public safety or other ordinary services to the  
24 properties or facilities of the type listed in subsection (a).

25 (h) Provided, that payments authorized pursuant to this section shall be reduced pro rata,  
26 for that period of time that the municipality suspends or reduces essential services to eligible  
27 facilities. For the purposes of this section "essential services" include, but are not to be limited to,  
28 police, fire and rescue.

29 (i) In order to create an equitable, allocation of funding responsibility between state and  
30 local governmental, the amount of the annual distribution of appropriation payable to each  
31 eligible municipality in any year in accordance with this section shall be based in part on  
32 information submitted to the state budget offices by an eligible municipality.

1 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 create an opportunity for eligible municipalities to negotiate a greater  
2 share of the annual PILOT program appropriation by requiring the state budget office to base its  
3 decision, in part, on information submitted by the municipality.

4           This act would take effect upon passage.

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