

2019 -- H 5947

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LC002326  
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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2019

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A N A C T

RELATING TO TAXATION -- LEVY AND ASSESSMENT OF LOCAL TAXES

Introduced By: Representatives Morin, Phillips, Carson, O'Brien, and Casey

Date Introduced: April 03, 2019

Referred To: House Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 44-5-13.11 of the General Laws in Chapter 44-5 entitled "Levy and  
2 Assessment of Local Taxes" is hereby amended to read as follows:

3 **44-5-13.11. Qualifying low-income housing -- Assessment and taxation.**

4 Any residential property that has been issued an occupancy permit on or after January 1,  
5 1995, after substantial rehabilitation as defined by the U.S. Department of Housing and Urban  
6 Development and is encumbered by a covenant recorded in the land records in favor of a  
7 governmental unit or Rhode Island housing and mortgage finance corporation restricting either or  
8 both the rents that may be charged to tenants of the property or the incomes of the occupants of  
9 the property, is subject to a tax that equals ~~eight percent (8%)~~ ten percent (10%) of the property's  
10 previous years' gross scheduled rental income or a lesser percentage as determined by each  
11 municipality. Twenty percent (20%) of the tax collected pursuant to this section shall be used by  
12 the local municipalities for public school education aid. This twenty percent (20%) collected  
13 pursuant to this section shall not be used to lower the determination of the state's share of  
14 foundation education aid, and shall not be taken into consideration in calculating the state's share  
15 of foundation education aid, as determined pursuant to §§ 16-7.2-3 or 16-7.2-4.

16 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 increase the maximum tax for qualifying low-income housing from eight  
2 percent (8%) to ten percent (10%) of the property's previous year's gross scheduled rental  
3 income. Twenty percent (20%) of the tax collected pursuant to this increase would be allocated  
4 to the local municipalities for public school education aid. The tax increase would not be used to  
5 lower the determination of the state's share of foundation education aid, and would not be used in  
6 calculating the state's share of foundation education aid.

7           This act would take effect upon passage.

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