

2018 -- H 8256

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LC005807
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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2018

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A N A C T

RELATING TO TAXATION -- MIDDLETOWN REAL ESTATE TAX ASSESSMENT

Introduced By: Representatives Mendonca, and Ruggiero

Date Introduced: May 30, 2018

Referred To: House Municipal Government

(by request)

It is enacted by the General Assembly as follows:

1 SECTION 1. Chapter 44-5 of the General Laws entitled "Levy and Assessment of Local
2 Taxes" is hereby amended by adding thereto the following section:

3 **44-5-12.2. Middletown -- Annual real estate tax assessments.**

4 (a) Notwithstanding §§ 44-5-11.6 and 44-5-12, the town of Middletown is authorized to
5 annually assess the fair market value of its taxable property, with limitations on its assessment
6 increases, in accordance with the following:

7 (1) The base year assessment shall be set as of December 31, 2017;

8 (2) Real property assessment shall increase annually by the CPI, as defined in § 44-5-12
9 with a cap of two percent (2%), or may be reduced to reflect substantial damage, destruction or
10 other factors causing a decline in value;

11 (3) The base year assessment shall be reset when one of the following three (3) events
12 takes place, and the assessment shall be equal to the current market value, as of the date of that
13 event:

14 (i) The property is sold and/or transferred to a new owner, unless the:

15 (A) Property is taken by eminent domain proceedings; property owners may transfer their
16 existing assessed value to a new property of similar size and function;

17 (B) Property is transferred between spouses or between parents and children, then it is
18 excluded from triggering reassessment;

19 (C) Property is damaged or destroyed in a disaster, then the property owner may transfer

1 their existing assessed value to a comparable replacement property;

2 (D) Homeowner(s) are over the age of fifty-five (55), then they may transfer their
3 existing assessed value to a new home of equal or lesser market value;

4 (E) Homeowners become disabled, then they may transfer their existing assessed value
5 from their home to a newly purchased home of equal or lesser market value;

6 (F) Property is transferred between grandparents and grandchildren (when the parents are
7 deceased), then it is excluded from triggering reassessment;

8 (G) Property is rendered unusable by an environmental problem or disaster, then the
9 owner(s) may transfer their existing assessed value to a comparable replacement;

10 (H) Transfer to a trustee for the beneficial use of a spouse, or the surviving spouse of a
11 deceased transferor, or by a trustee of such a trust to the spouse of the trustor;

12 (I) Transfer to a spouse, that take effect upon the death of a spouse;

13 (J) Transfer to a spouse or former spouse, in connection with a property settlement
14 agreement or court decree of dissolution of a marriage or legal separation; or

15 (K) Co-ownership interests, solely between spouses, are either created, transferred or
16 terminated;

17 (ii) Present owner rebuilds structure, which then will be assessed at the current market
18 value, as of the date of its completion; or

19 (iii) Present owner constructs a substantial addition and/or renovation to existing
20 structure, whose addition and/or renovation work shall be assessed, at its current market value, as
21 of the date of completion, and then added to the original base amount.

22 (4) The town shall continue to conduct property revaluations in accordance with § 44-5-
23 11.6.

24 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 -- MIDDLETOWN REAL ESTATE TAX ASSESSMENT

- 1 This act would allow the town of Middletown to adopt annual fair market assessments of
- 2 its ratable property that do not exceed the two percent (2%) annual increase ceiling.
- 3 This act would take effect upon passage.

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