

2019 -- S 0424

LC001725

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2019

A N A C T

RELATING TO TOWNS AND CITIES -- STATE AID--TOWN OF EXETER

Introduced By: Senators Morgan, and Raptakis

Date Introduced: February 27, 2019

Referred To: Senate 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; and provided,  
14 further, that such annual payment shall also apply to any and all real estate owned by the state  
15 within the town of Exeter, notwithstanding the restrictions stated above.

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

1 (c) As used in this section, "private nonprofit institution of higher education" means any  
2 institution engaged primarily in education beyond the high school level, the property of which is  
3 exempt from property tax under any of the subdivisions, and "nonprofit hospital facility" means  
4 any nonprofit hospital licensed by the state and which is used for the purpose of general medical,  
5 surgical, or psychiatric care and treatment.

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

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

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

24 (g) Any act or omission by the state with respect to this chapter shall in no way diminish  
25 the duty of any town or municipality to provide public safety or other ordinary services to the  
26 properties or facilities of the type listed in subsection (a). Such duty shall not pertain to the town  
27 of Exeter unless, and until such time as, it establishes a municipal police department.

28 (h) Provided, that payments authorized pursuant to this section shall be initially applied to  
29 create a municipal police force in any community that does not have such a service on the date of  
30 passage, and thereafter such payments shall be reduced pro rata, for that period of time that the  
31 municipality or local districts located therein suspends or reduces such essential services to  
32 eligible facilities. For the purposes of this section "essential services" include, but are not to be  
33 limited to, police, fire and rescue.

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 clarify the status of pilot payments to the town of Exeter in view of its not  
2 presently having a police department. This act would also provide that the pilot payments would  
3 apply to certain state-owned land in the town of Exeter, which was previously exempt from pilot  
4 payments.

5           This act would take effect upon passage.

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