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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2015

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A N A C T

RELATING TO TAXATION -- PROPERTY SUBJECT TO TAXATION

Introduced By: Senators Conley, DaPonte, and Coyne

Date Introduced: June 11, 2015

Referred To: Senate Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 2 of Chapter 523 of the 2013 Public Laws entitled "An Act Relating
2 To Taxation -- Property Subject To Taxation" is hereby amended as follows:

3 SECTION 1. Section 44-3-3 of the General Laws in Chapter 44-3 entitled "Property
4 Subject to Taxation" is hereby amended to read as follows:

5 **44-3-3. Property exempt.** -- The following property is exempt from taxation.

6 (1) Property belonging to the state except as provided in section 44-4-4.1;

7 (2) Lands ceded or belonging to the United States;

8 (3) Bonds and other securities issued and exempted from taxation by the government of
9 the United States, or of this state;

10 (4) Real estate, used exclusively for military purposes, owned by chartered or
11 incorporated organizations approved by the adjutant general, and composed of members of the
12 national guard, the naval militia, or the independent chartered military organizations;

13 (5) Buildings for free public schools, buildings for religious worship, and the land upon
14 which they stand and immediately surrounding them, to an extent not exceeding five (5) acres so
15 far as the buildings and land are occupied and used exclusively for religious or educational
16 purposes;

17 (6) Dwellings houses and the land on which they stand, not exceeding one acre in size, or
18 the minimum lot size for zone in which the dwelling house is located, whichever is the greater,
19 owned by or held in trust for any religious organization and actually used by its officiating clergy;

1 provided, further that in the town of Charlestown, where the property previously described in this
2 paragraph is exempt in total, along with dwelling houses and the land on which they stand in
3 Charlestown, not exceeding one acre in size, or the minimum lot size for zone in which the
4 dwelling house is located, whichever is the greater, owned by or held in trust for any religious
5 organization and actually used by its officiating clergy, or used as a convent, nunnery, or retreat
6 center by its religious order.

7 (7) Intangible personal property owned by, or held in trust for, any religious or charitable
8 organization, if the principal or income is used or appropriated for religious or charitable
9 purposes;

10 (8) Buildings and personal estate owned by any corporation used for a school, academy,
11 or seminary of learning, and of any incorporated public charitable institution, and the land upon
12 which the buildings stand and immediately surrounding them to an extent not exceeding one acre,
13 so far as they are used exclusively for educational purposes, but no property or estate whatever is
14 hereafter exempt from taxation in any case where any part of its income or profits or of the
15 business carried on there is divided among its owners or stockholders;

16 (9) Estates, persons, and families of the president and professors for the time being of
17 Brown University for not more than ten thousand dollars (\$ 10,000) for each officer, the officer's
18 estate, person, and family included, but only to the extent that any person had claimed and
19 utilized the exemption prior to, and for a period ending either on or after December 31, 1996;

20 (10) Property especially exempt by charter unless the exemption has been waived in
21 whole or in part.

22 (11) Lots of land exclusively for burial grounds;

23 (12) Property, real and personal, held for or by an incorporated library, society, or any
24 free public library, or any free public library society, so far as the property is held exclusively for
25 library purposes, or for the aid or support of the aged poor, or poor friendless children, or the poor
26 generally, or for a hospital for the sick or disabled;

27 (13) Real or personal estate belonging to or held in trust for the benefit of incorporated
28 organizations of veterans of any war in which the United States has been engaged, the parent
29 body of which has been incorporated by act of congress, to the extent of four hundred thousand
30 dollars (\$ 400,000) if actually used and occupied by the association; provided, that the city
31 council of the city of Cranston may by ordinance exempt the real or personal estate as previously
32 described in this subdivision located within the city of Cranston to the extent of five hundred
33 thousand dollars (\$500,000);

34 (14) Property, real and personal, held for or by the fraternal corporation, association, or

1 body created to build and maintain a building or buildings for its meetings or the meetings of the
2 general assembly of its members, or subordinate bodies of the fraternity, and for the
3 accommodation of other fraternal bodies or associations, the entire net income of which real and
4 personal property is exclusively applied or to be used to build, furnish, and maintain an asylum or
5 asylums, a home or homes, a school or schools, for the free education or relief of the members of
6 the fraternity, or the relief, support, and care of worthy and indigent members of the fraternity,
7 their wives, widows, or orphans, and any fund given or held for the purpose of public education,
8 almshouses, and the land and buildings used in connection therewith;

9 (15) Real estate and personal property of any incorporated volunteer fire engine company
10 or incorporated volunteer ambulance or rescue corps in active service;

11 (16) The estate of any person who in the judgment of the assessors is unable from
12 infirmity or poverty to pay the tax; providing, that in the town of Burrillville the tax shall
13 constitute a lien for five (5) years on the property where the owner is entitled to the exemption. At
14 the expiration of five (5) years, the lien shall be abated in full. Provided, if the property is sold or
15 conveyed or if debt secured by the property is refinanced during the five (5) year period, the lien
16 immediately becomes due and payable; any person claiming the exemption aggrieved by an
17 adverse decision of an assessor shall appeal the decision to the local board of tax review, and
18 thereafter according to the provisions of section 44-5-26;

19 (17) Household furniture and family stores of a housekeeper in the whole, including
20 clothing, bedding, and other white goods, books, and all other tangible personal property items
21 which are common to the normal household;

22 (18) Improvements made to any real property to provide a shelter and fallout protection
23 from nuclear radiation, to the amount of one thousand five hundred dollars (\$ 1,500); provided,
24 that the improvements meet applicable standards for shelter construction established from time to
25 time by the Rhode Island emergency management agency. The improvements are deemed to
26 comply with the provisions of any building code or ordinance with respect to the materials or the
27 methods of construction used and any shelter or its establishment is deemed to comply with the
28 provisions of any zoning code or ordinance;

29 (19) Aircraft for which the fee required by section 1-4-6 has been paid to the tax
30 administrator;

31 (20) Manufacturer's inventory

32 (i) For the purposes of sections 44-4-10, 44-5-3, 44-5-20, and 44-5-38, a person is
33 deemed to be a manufacturer within a city or town within this state if that person uses any
34 premises, room, or place in it primarily for the purpose of transforming raw materials into a

1 finished product for trade through any or all of the following operations: adapting, altering,
2 finishing, making, and ornamenting; provided, that public utilities, non-regulated power
3 producers commencing commercial operation by selling electricity at retail or taking title to
4 generating facilities on or after July 1, 1997, building and construction contractors, warehousing
5 operations including distribution bases or outlets of out-of-state manufacturers, and fabricating
6 processes incidental to warehousing or distribution of raw materials such as alteration of stock for
7 the convenience of a customer, are excluded from this definition.

8 (ii) For the purposes of sections 44-3-3, 44-4-10, and 44-5-38, the term "manufacturer's
9 inventory" or any similar term means and includes the manufacturer's raw materials, the
10 manufacturer's work in process, and finished products manufactured by the manufacturer in this
11 state, and not sold, leased, or traded by the manufacturer or its title or right to possession
12 divested; provided, that the term does not include any finished products held by the manufacturer
13 in any retail store or other similar selling place operated by the manufacturer whether or not the
14 retail establishment is located in the same building in which the manufacturer operates the
15 manufacturing plant.

16 (iii) For the purpose of section 44-11-2, a "manufacturer" is a person whose principal
17 business in this state consists of transforming raw materials into a finished product for trade
18 through any or all of the operations described in paragraph (i) of this subdivision. A person will
19 be deemed to be principally engaged if the gross receipts which that person derived from the
20 manufacturing operations in this state during the calendar year or fiscal year mentioned in section
21 44-11-1 amounted to more than fifty percent (50%) of the total gross receipts which that person
22 derived from all the business activities in which that person engaged in this state during the
23 taxable year. For the purpose of computing the percentage, gross receipts derived by a
24 manufacturer from the sale, lease, or rental of finished products manufactured by the
25 manufacturer in this state, even though the manufacturer's store or other selling place may be at a
26 different location from the location of the manufacturer's manufacturing plant in this state, are
27 deemed to have been derived from manufacturing.

28 (iv) Within the meaning of the preceding paragraphs of this subdivision, the term
29 "manufacturer" also includes persons who are principally engaged in any of the general activities
30 coded and listed as establishments engaged in manufacturing in the standard industrial
31 classification manual prepared by the technical committee on industrial classification, office of
32 statistical standards, executive office of the president, United States bureau of the budget, as
33 revised from time to time, but eliminating as manufacturers those persons, who, because of their
34 limited type of manufacturing activities, are classified in the manual as falling within the trade

1 rather than an industrial classification of manufacturers. Among those thus eliminated, and
2 accordingly also excluded as manufacturers within the meaning of this paragraph, are persons
3 primarily engaged in selling, to the general public, products produced on the premises from which
4 they are sold, such as neighborhood bakeries, candy stores, ice cream parlors, shade shops, and
5 custom tailors, except, that a person who manufactures bakery products for sale primarily for
6 home delivery, or through one or more non-baking retail outlets, and whether or not retail outlets
7 are operated by person, is a manufacturer within the meaning of this paragraph.

8 (v) The term "Person" means and includes, as appropriate, a person, partnership, or
9 corporation.

10 (vi) The department of revenue shall provide to the local assessors any assistance that is
11 necessary in determining the proper application of the definitions in this subdivision.

12 (21) Real and tangible personal property acquired to provide a treatment facility used
13 primarily to control the pollution or contamination of the waters or the air of the state, as defined
14 in chapter 12 of title 46 and chapter 25 of title 23, respectively, the facility having been
15 constructed, reconstructed, erected, installed, or acquired in furtherance of federal or state
16 requirements or standards for the control of water or air pollution or contamination, and certified
17 as approved in an order entered by the director of environmental management. The property is
18 exempt as long as it is operated properly in compliance with the order of approval of the director
19 of environmental management; provided, that any grant of the exemption by the director of
20 environmental management in excess of ten (10) years is approved by the city or town in which
21 the property is situated. This provision applies only to water and air pollution control properties
22 and facilities installed for the treatment of waste waters and air contaminants resulting from
23 industrial processing; furthermore, it applies only to water or air pollution control properties and
24 facilities placed in operation for the first time after April 13, 1970;

25 (22) New manufacturing machinery and equipment acquired or used by a manufacturer
26 and purchased after December 31, 1974. Manufacturing machinery and equipment is defined as:

27 (i) Machinery and equipment used exclusively in the actual manufacture or conversion of
28 raw materials or goods in the process of manufacture by a manufacturer as defined in subdivision
29 (20) of this section, and machinery, fixtures, and equipment used exclusively by a manufacturer
30 for research and development or for quality assurance of its manufactured products;

31 (ii) Machinery and equipment which is partially used in the actual manufacture or
32 conversion of raw materials or goods in process of manufacture by a manufacturer as defined in
33 subdivision (20) of this section, and machinery, fixtures, and equipment used by a manufacturer
34 for research and development or for quality assurance of its manufactured products, to the extent

1 to which the machinery and equipment is used for the manufacturing processes, research and
2 development or quality assurance. In the instances where machinery and equipment is used in
3 both manufacturing and/or research, and development, and/or quality assurance activities and
4 non-manufacturing activities, the assessment on machinery and equipment is prorated by
5 applying the percentage of usage of the equipment for the manufacturing, research, and
6 development and quality assurance activity to the value of the machinery and equipment for
7 purposes of taxation, and the portion of the value used for manufacturing, research, and
8 development, and quality assurance is exempt from taxation. The burden of demonstrating this
9 percentage usage of machinery and equipment for manufacturing and for research, and
10 development and/or quality assurance of its manufactured products rests with the manufacturer;
11 and

12 (iii) Machinery and equipment described in section 44-18-30(7) and (22) that was
13 purchased after July 1, 1997; provided that the city or town council of the city or town in which
14 the machinery and equipment is located adopts an ordinance exempting the machinery and
15 equipment from taxation. For purposes of this subsection, city councils and town councils of any
16 municipality may by ordinance wholly or partially exempt from taxation the machinery and
17 equipment discussed in this subsection for the period of time established in the ordinance and
18 may by ordinance establish the procedures for taxpayers to avail themselves of the benefit of any
19 exemption permitted under this section; provided, that the ordinance does not apply to any
20 machinery or equipment of a business, subsidiary or any affiliated business which locates or
21 relocates from a city or town in this state to another city or town in the state.

22 (23) Precious metal bullion, meaning any elementary metal which has been put through a
23 process of melting or refining, and which is in a state or condition that its value depends upon its
24 content and not its form. The term does not include fabricated precious metal which has been
25 processed or manufactured for some one or more specific and customary industrial, professional,
26 or artistic uses;

27 (24) Hydroelectric power generation equipment, which includes, but is not limited to,
28 turbines, generators, switchgear, controls, monitoring equipment, circuit breakers, transformers,
29 protective relaying, bus bars, cables, connections, trash racks, headgates, and conduits. The
30 hydroelectric power generation equipment must have been purchased after July 1, 1979, and
31 acquired or used by a person or corporation who owns or leases a dam and utilizes the equipment
32 to generate hydroelectric power;

33 (25) Subject to authorization by formal action of the council of any city or town, any real
34 or personal property owned by, held in trust for, or leased to an organization incorporated under

1 chapter 6 of title 7, as amended, or an organization meeting the definition of "charitable trust" set
2 out in section 18-9-4, as amended, or an organization incorporated under the not for profits
3 statutes of another state or the District of Columbia, the purpose of which is the conserving of
4 open space, as that term is defined in chapter 36 of title 45, as amended, provided the property is
5 used exclusively for the purposes of the organization;

6 (26) Tangible personal property, the primary function of which is the recycling, reuse, or
7 recovery of materials (other than precious metals, as defined in section 44-18-30(24)(ii) and (iii)),
8 from or the treatment of "hazardous wastes", as defined in section 23-19.1-4, where the
9 "hazardous wastes" are generated primarily by the same taxpayer and where the personal property
10 is located at, in, or adjacent to a generating facility of the taxpayer. The taxpayer may, but need
11 not, procure an order from the director of the department of environmental management
12 certifying that the tangible personal property has this function, which order effects a conclusive
13 presumption that the tangible personal property qualifies for the exemption under this
14 subdivision. If any information relating to secret processes or methods of manufacture,
15 production, or treatment is disclosed to the department of environmental management only to
16 procure an order, and is a "trade secret" as defined in section 28-21-10(b), it shall not be open to
17 public inspection or publicly disclosed unless disclosure is otherwise required under chapter 21 of
18 title 28 or chapter 24.4 of title 23;

19 (27) Motorboats as defined in section 46-22-2 for which the annual fee required in
20 section 46-22-4 has been paid;

21 (28) Real and personal property of the Providence performing arts center, a non-business
22 corporation as of December 31, 1986;

23 (29) Tangible personal property owned by, and used exclusively for the purposes of, any
24 religious organization located in the city of Cranston;

25 (30) Real and personal property of the Travelers Aid Society of Rhode Island, a nonprofit
26 corporation, the Union Mall Real Estate Corporation, and any limited partnership or limited
27 liability company which is formed in connection with, or to facilitate the acquisition of, the
28 Providence YMCA Building; and

29 (31) Real and personal property of Meeting Street Center or MSC Realty, Inc., both not-
30 for-profit Rhode Island corporations, and any other corporation, limited partnership, or limited
31 liability company which is formed in connection with, or to facilitate the acquisition of, the
32 properties designated as the Meeting Street National Center of Excellence on Eddy Street in
33 Providence, Rhode Island.

34 (32) The buildings, personal property and land upon which the buildings stand, located

1 on Pomham Island, East Providence, currently identified as Assessor's Map 211, Block 01, Parcel
2 001.00, which consists of approximately twenty-one thousand three hundred (21,300) square feet
3 and is located approximately eight hundred sixty feet (860'), more or less, from the shore, and
4 limited exclusively to these said buildings personal estate and land, provided that said property is
5 owned by a qualified 501(c)(3) organization, such as the American Lighthouse Foundation, and is
6 used exclusively for a lighthouse.

7 [\(34\) Real and tangible personal property of St. Mary Academy – Bay View, located in](#)
8 [East Providence, Rhode Island.](#)

9 SECTION 2. Section 2 of Chapter 524 of the 2013 Public Laws entitled "An Act Relating
10 To Taxation -- Property Subject To Taxation" is hereby amended as follows:

11 SECTION 1. Section 44-3-3 of the General Laws in Chapter 44-3 entitled "Property
12 Subject to Taxation" is hereby amended to read as follows:

13 [44-3-3. Property exempt.](#) -- The following property is exempt from taxation.

14 (1) Property belonging to the state except as provided in section 44-4-4.1;

15 (2) Lands ceded or belonging to the United States;

16 (3) Bonds and other securities issued and exempted from taxation by the government of
17 the United States, or of this state;

18 (4) Real estate, used exclusively for military purposes, owned by chartered or
19 incorporated organizations approved by the adjutant general, and composed of members of the
20 national guard, the naval militia, or the independent chartered military organizations;

21 (5) Buildings for free public schools, buildings for religious worship, and the land upon
22 which they stand and immediately surrounding them, to an extent not exceeding five (5) acres so
23 far as the buildings and land are occupied and used exclusively for religious or educational
24 purposes;

25 (6) Dwellings houses and the land on which they stand, not exceeding one acre in size,
26 or the minimum lot size for zone in which the dwelling house is located, whichever is the greater,
27 owned by or held in trust for any religious organization and actually used by its officiating clergy;
28 provided, further that in the town of Charlestown, where the property previously described in this
29 paragraph is exempt in total, along with dwelling houses and the land on which they stand in
30 Charlestown, not exceeding one acre in size, or the minimum lot size for zone in which the
31 dwelling house is located, whichever is the greater, owned by or held in trust for any religious
32 organization and actually used by its officiating clergy, or used as a convent, nunnery, or retreat
33 center by its religious order.

34 (7) Intangible personal property owned by, or held in trust for, any religious or charitable

1 organization, if the principal or income is used or appropriated for religious or charitable
2 purposes;

3 (8) Buildings and personal estate owned by any corporation used for a school, academy,
4 or seminary of learning, and of any incorporated public charitable institution, and the land upon
5 which the buildings stand and immediately surrounding them to an extent not exceeding one acre,
6 so far as they are used exclusively for educational purposes, but no property or estate whatever is
7 hereafter exempt from taxation in any case where any part of its income or profits or of the
8 business carried on there is divided among its owners or stockholders;

9 (9) Estates, persons, and families of the president and professors for the time being of
10 Brown University for not more than ten thousand dollars (\$ 10,000) for each officer, the officer's
11 estate, person, and family included, but only to the extent that any person had claimed and
12 utilized the exemption prior to, and for a period ending either on or after December 31, 1996;

13 (10) Property especially exempt by charter unless the exemption has been waived in
14 whole or in part.

15 (11) Lots of land exclusively for burial grounds;

16 (12) Property, real and personal, held for or by an incorporated library, society, or any
17 free public library, or any free public library society, so far as the property is held exclusively for
18 library purposes, or for the aid or support of the aged poor, or poor friendless children, or the poor
19 generally, or for a hospital for the sick or disabled;

20 (13) Real or personal estate belonging to or held in trust for the benefit of incorporated
21 organizations of veterans of any war in which the United States has been engaged, the parent
22 body of which has been incorporated by act of congress, to the extent of four hundred thousand
23 dollars (\$ 400,000) if actually used and occupied by the association; provided, that the city
24 council of the city of Cranston may by ordinance exempt the real or personal estate as previously
25 described in this subdivision located within the city of Cranston to the extent of five hundred
26 thousand dollars (\$500,000);

27 (14) Property, real and personal, held for or by the fraternal corporation, association, or
28 body created to build and maintain a building or buildings for its meetings or the meetings of the
29 general assembly of its members, or subordinate bodies of the fraternity, and for the
30 accommodation of other fraternal bodies or associations, the entire net income of which real and
31 personal property is exclusively applied or to be used to build, furnish, and maintain an asylum or
32 asylums, a home or homes, a school or schools, for the free education or relief of the members of
33 the fraternity, or the relief, support, and care of worthy and indigent members of the fraternity,
34 their wives, widows, or orphans, and any fund given or held for the purpose of public education,

1 almshouses, and the land and buildings used in connection therewith;

2 (15) Real estate and personal property of any incorporated volunteer fire engine
3 company or incorporated volunteer ambulance or rescue corps in active service;

4 (16) The estate of any person who in the judgment of the assessors is unable from
5 infirmity or poverty to pay the tax; providing, that in the town of Burrillville the tax shall
6 constitute a lien for five (5) years on the property where the owner is entitled to the exemption. At
7 the expiration of five (5) years, the lien shall be abated in full. Provided, if the property is sold or
8 conveyed or if debt secured by the property is refinanced during the five (5) year period, the lien
9 immediately becomes due and payable; any person claiming the exemption aggrieved by an
10 adverse decision of an assessor shall appeal the decision to the local board of tax review, and
11 thereafter according to the provisions of section 44-5-26;

12 (17) Household furniture and family stores of a housekeeper in the whole, including
13 clothing, bedding, and other white goods, books, and all other tangible personal property items
14 which are common to the normal household;

15 (18) Improvements made to any real property to provide a shelter and fallout protection
16 from nuclear radiation, to the amount of one thousand five hundred dollars (\$ 1,500); provided,
17 that the improvements meet applicable standards for shelter construction established from time to
18 time by the Rhode Island emergency management agency. The improvements are deemed to
19 comply with the provisions of any building code or ordinance with respect to the materials or the
20 methods of construction used and any shelter or its establishment is deemed to comply with the
21 provisions of any zoning code or ordinance;

22 (19) Aircraft for which the fee required by section 1-4-6 has been paid to the tax
23 administrator;

24 (20) Manufacturer's inventory

25 (i) For the purposes of sections 44-4-10, 44-5-3, 44-5-20, and 44-5-38, a person is
26 deemed to be a manufacturer within a city or town within this state if that person uses any
27 premises, room, or place in it primarily for the purpose of transforming raw materials into a
28 finished product for trade through any or all of the following operations: adapting, altering,
29 finishing, making, and ornamenting; provided, that public utilities, non-regulated power
30 producers commencing commercial operation by selling electricity at retail or taking title to
31 generating facilities on or after July 1, 1997, building and construction contractors, warehousing
32 operations including distribution bases or outlets of out-of-state manufacturers, and fabricating
33 processes incidental to warehousing or distribution of raw materials such as alteration of stock for
34 the convenience of a customer, are excluded from this definition.

1 (ii) For the purposes of sections 44-3-3, 44-4-10, and 44-5-38, the term "manufacturer's
2 inventory" or any similar term means and includes the manufacturer's raw materials, the
3 manufacturer's work in process, and finished products manufactured by the manufacturer in this
4 state, and not sold, leased, or traded by the manufacturer or its title or right to possession
5 divested; provided, that the term does not include any finished products held by the manufacturer
6 in any retail store or other similar selling place operated by the manufacturer whether or not the
7 retail establishment is located in the same building in which the manufacturer operates the
8 manufacturing plant.

9 (iii) For the purpose of section 44-11-2, a "manufacturer" is a person whose principal
10 business in this state consists of transforming raw materials into a finished product for trade
11 through any or all of the operations described in paragraph (i) of this subdivision. A person will
12 be deemed to be principally engaged if the gross receipts which that person derived from the
13 manufacturing operations in this state during the calendar year or fiscal year mentioned in section
14 44-11-1 amounted to more than fifty percent (50%) of the total gross receipts which that person
15 derived from all the business activities in which that person engaged in this state during the
16 taxable year. For the purpose of computing the percentage, gross receipts derived by a
17 manufacturer from the sale, lease, or rental of finished products manufactured by the
18 manufacturer in this state, even though the manufacturer's store or other selling place may be at a
19 different location from the location of the manufacturer's manufacturing plant in this state, are
20 deemed to have been derived from manufacturing.

21 (iv) Within the meaning of the preceding paragraphs of this subdivision, the term
22 "manufacturer" also includes persons who are principally engaged in any of the general activities
23 coded and listed as establishments engaged in manufacturing in the standard industrial
24 classification manual prepared by the technical committee on industrial classification, office of
25 statistical standards, executive office of the president, United States bureau of the budget, as
26 revised from time to time, but eliminating as manufacturers those persons, who, because of their
27 limited type of manufacturing activities, are classified in the manual as falling within the trade
28 rather than an industrial classification of manufacturers. Among those thus eliminated, and
29 accordingly also excluded as manufacturers within the meaning of this paragraph, are persons
30 primarily engaged in selling, to the general public, products produced on the premises from which
31 they are sold, such as neighborhood bakeries, candy stores, ice cream parlors, shade shops, and
32 custom tailors, except, that a person who manufactures bakery products for sale primarily for
33 home delivery, or through one or more non-baking retail outlets, and whether or not retail outlets
34 are operated by person, is a manufacturer within the meaning of this paragraph.

1 (v) The term "Person" means and includes, as appropriate, a person, partnership, or
2 corporation.

3 (vi) The department of revenue shall provide to the local assessors any assistance that is
4 necessary in determining the proper application of the definitions in this subdivision.

5 (21) Real and tangible personal property acquired to provide a treatment facility used
6 primarily to control the pollution or contamination of the waters or the air of the state, as defined
7 in chapter 12 of title 46 and chapter 25 of title 23, respectively, the facility having been
8 constructed, reconstructed, erected, installed, or acquired in furtherance of federal or state
9 requirements or standards for the control of water or air pollution or contamination, and certified
10 as approved in an order entered by the director of environmental management. The property is
11 exempt as long as it is operated properly in compliance with the order of approval of the director
12 of environmental management; provided, that any grant of the exemption by the director of
13 environmental management in excess of ten (10) years is approved by the city or town in which
14 the property is situated. This provision applies only to water and air pollution control properties
15 and facilities installed for the treatment of waste waters and air contaminants resulting from
16 industrial processing; furthermore, it applies only to water or air pollution control properties and
17 facilities placed in operation for the first time after April 13, 1970;

18 (22) New manufacturing machinery and equipment acquired or used by a manufacturer
19 and purchased after December 31, 1974. Manufacturing machinery and equipment is defined as:

20 (i) Machinery and equipment used exclusively in the actual manufacture or conversion
21 of raw materials or goods in the process of manufacture by a manufacturer as defined in
22 subdivision (20) of this section, and machinery, fixtures, and equipment used exclusively by a
23 manufacturer for research and development or for quality assurance of its manufactured products;

24 (ii) Machinery and equipment which is partially used in the actual manufacture or
25 conversion of raw materials or goods in process of manufacture by a manufacturer as defined in
26 subdivision (20) of this section, and machinery, fixtures, and equipment used by a manufacturer
27 for research and development or for quality assurance of its manufactured products, to the extent
28 to which the machinery and equipment is used for the manufacturing processes, research and
29 development or quality assurance. In the instances where machinery and equipment is used in
30 both manufacturing and/or research, and development, and/or quality assurance activities and
31 non-manufacturing activities, the assessment on machinery and equipment is prorated by
32 applying the percentage of usage of the equipment for the manufacturing, research, and
33 development and quality assurance activity to the value of the machinery and equipment for

34 purposes of taxation, and the portion of the value used for manufacturing, research, and

1 development, and quality assurance is exempt from taxation. The burden of demonstrating this
2 percentage usage of machinery and equipment for manufacturing and for research, and
3 development and/or quality assurance of its manufactured products rests with the manufacturer;
4 and

5 (iii) Machinery and equipment described in section 44-18-30(7) and (22) that was
6 purchased after July 1, 1997; provided that the city or town council of the city or town in which
7 the machinery and equipment is located adopts an ordinance exempting the machinery and
8 equipment from taxation. For purposes of this subsection, city councils and town councils of any
9 municipality may by ordinance wholly or partially exempt from taxation the machinery and
10 equipment discussed in this subsection for the period of time established in the ordinance and
11 may by ordinance establish the procedures for taxpayers to avail themselves of the benefit of any
12 exemption permitted under this section; provided, that the ordinance does not apply to any
13 machinery or equipment of a business, subsidiary or any affiliated business which locates or
14 relocates from a city or town in this state to another city or town in the state.

15 (23) Precious metal bullion, meaning any elementary metal which has been put through a
16 process of melting or refining, and which is in a state or condition that its value depends upon its
17 content and not its form. The term does not include fabricated precious metal which has been
18 processed or manufactured for some one or more specific and customary industrial, professional,
19 or artistic uses;

20 (24) Hydroelectric power generation equipment, which includes, but is not limited to,
21 turbines, generators, switchgear, controls, monitoring equipment, circuit breakers, transformers,
22 protective relaying, bus bars, cables, connections, trash racks, headgates, and conduits. The
23 hydroelectric power generation equipment must have been purchased after July 1, 1979, and
24 acquired or used by a person or corporation who owns or leases a dam and utilizes the equipment
25 to generate hydroelectric power;

26 (25) Subject to authorization by formal action of the council of any city or town, any real
27 or personal property owned by, held in trust for, or leased to an organization incorporated under
28 chapter 6 of title 7, as amended, or an organization meeting the definition of "charitable trust" set
29 out in section 18-9-4, as amended, or an organization incorporated under the not for profits
30 statutes of another state or the District of Columbia, the purpose of which is the conserving of
31 open space, as that term is defined in chapter 36 of title 45, as amended, provided the property is
32 used exclusively for the purposes of the organization;

33 (26) Tangible personal property, the primary function of which is the recycling, reuse, or
34 recovery of materials (other than precious metals, as defined in section 44-18-30(24)(ii) and (iii)),

1 from or the treatment of "hazardous wastes", as defined in section 23-19.1-4, where the
2 "hazardous wastes" are generated primarily by the same taxpayer and where the personal property
3 is located at, in, or adjacent to a generating facility of the taxpayer. The taxpayer may, but need
4 not, procure an order from the director of the department of environmental management
5 certifying that the tangible personal property has this function, which order effects a conclusive
6 presumption that the tangible personal property qualifies for the exemption under this
7 subdivision. If any information relating to secret processes or methods of manufacture,
8 production, or treatment is disclosed to the department of environmental management only to
9 procure an order, and is a "trade secret" as defined in section 28-21-10(b), it shall not be open to
10 public inspection or publicly disclosed unless disclosure is otherwise required under chapter 21 of
11 title 28 or chapter 24.4 of title 23;

12 (27) Motorboats as defined in section 46-22-2 for which the annual fee required in
13 section 46-22-4 has been paid;

14 (28) Real and personal property of the Providence performing arts center, a non-business
15 corporation as of December 31, 1986;

16 (29) Tangible personal property owned by, and used exclusively for the purposes of, any
17 religious organization located in the city of Cranston;

18 (30) Real and personal property of the Travelers Aid Society of Rhode Island, a
19 nonprofit corporation, the Union Mall Real Estate Corporation, and any limited partnership or
20 limited liability company which is formed in connection with, or to facilitate the acquisition of,
21 the Providence YMCA Building; and

22 (31) Real and personal property of Meeting Street Center or MSC Realty, Inc., both not-
23 for-profit Rhode Island corporations, and any other corporation, limited partnership, or limited
24 liability company which is formed in connection with, or to facilitate the acquisition of, the
25 properties designated as the Meeting Street National Center of Excellence on Eddy Street in
26 Providence, Rhode Island.

27 (32) The buildings, personal property and land upon which the buildings stand, located
28 on Pomham Island, East Providence, currently identified as Assessor's Map 211, Block 01, Parcel
29 001.00, which consists of approximately twenty-one thousand three hundred (21,300) square feet
30 and is located approximately eight hundred sixty feet (860'), more or less, from the shore, and
31 limited exclusively to these said buildings personal estate and land, provided that said property is
32 owned by a qualified 501(c)(3) organization, such as the American Lighthouse Foundation, and is
33 used exclusively for a lighthouse.

34 [\(35\) Real and personal property of East Bay Community Action Program and its](#)

1 [predecessor, Self Help, Inc; provided, that the organization is qualified as a tax exempt](#)
2 [corporation under section 501 \(c\)\(3\) of the United States Internal Revenue Code.](#)

3 SECTION 3. Section 2 of Chapter 525 of the 2013 Public Laws entitled "An Act Relating
4 To Taxation -- Property Subject To Taxation" is hereby amended as follows:

5 SECTION 1. Section 44-3-3 of the General Laws in Chapter 44-3 entitled "Property
6 Subject to Taxation" is hereby amended to read as follows:

7 **44-3-3. Property exempt.** -- The following property is exempt from taxation.

8 (1) Property belonging to the state except as provided in section 44-4-4.1;

9 (2) Lands ceded or belonging to the United States;

10 (3) Bonds and other securities issued and exempted from taxation by the government of
11 the United States, or of this state;

12 (4) Real estate, used exclusively for military purposes, owned by chartered or
13 incorporated organizations approved by the adjutant general, and composed of members of the
14 national guard, the naval militia, or the independent chartered military organizations;

15 (5) Buildings for free public schools, buildings for religious worship, and the land upon
16 which they stand and immediately surrounding them, to an extent not exceeding five (5) acres so
17 far as the buildings and land are occupied and used exclusively for religious or educational
18 purposes;

19 (6) Dwellings houses and the land on which they stand, not exceeding one acre in size, or
20 the minimum lot size for zone in which the dwelling house is located, whichever is the greater,
21 owned by or held in trust for any religious organization and actually used by its officiating clergy;
22 provided, further that in the town of Charlestown, where the property previously described in this
23 paragraph is exempt in total, along with dwelling houses and the land on which they stand in
24 Charlestown, not exceeding one acre in size, or the minimum lot size for zone in which the
25 dwelling house is located, whichever is the greater, owned by or held in trust for any religious
26 organization and actually used by its officiating clergy, or used as a convent, nunnery, or retreat
27 center by its religious order.

28 (7) Intangible personal property owned by, or held in trust for, any religious or charitable
29 organization, if the principal or income is used or appropriated for religious or charitable
30 purposes;

31 (8) Buildings and personal estate owned by any corporation used for a school, academy,
32 or seminary of learning, and of any incorporated public charitable institution, and the land upon
33 which the buildings stand and immediately surrounding them to an extent not exceeding one acre,
34 so far as they are used exclusively for educational purposes, but no property or estate whatever is

1 hereafter exempt from taxation in any case where any part of its income or profits or of the
2 business carried on there is divided among its owners or stockholders;

3 (9) Estates, persons, and families of the president and professors for the time being of
4 Brown University for not more than ten thousand dollars (\$ 10,000) for each officer, the officer's
5 estate, person, and family included, but only to the extent that any person had claimed and
6 utilized the exemption prior to, and for a period ending either on or after December 31, 1996;

7 (10) Property especially exempt by charter unless the exemption has been waived in
8 whole or in part.

9 (11) Lots of land exclusively for burial grounds;

10 (12) Property, real and personal, held for or by an incorporated library, society, or any
11 free public library, or any free public library society, so far as the property is held exclusively for
12 library purposes, or for the aid or support of the aged poor, or poor friendless children, or the poor
13 generally, or for a hospital for the sick or disabled;

14 (13) Real or personal estate belonging to or held in trust for the benefit of incorporated
15 organizations of veterans of any war in which the United States has been engaged, the parent
16 body of which has been incorporated by act of congress, to the extent of four hundred thousand
17 dollars (\$ 400,000) if actually used and occupied by the association; provided, that the city
18 council of the city of Cranston may by ordinance exempt the real or personal estate as previously
19 described in this subdivision located within the city of Cranston to the extent of five hundred
20 thousand dollars (\$500,000);

21 (14) Property, real and personal, held for or by the fraternal corporation, association, or
22 body created to build and maintain a building or buildings for its meetings or the meetings of the
23 general assembly of its members, or subordinate bodies of the fraternity, and for the
24 accommodation of other fraternal bodies or associations, the entire net income of which real and
25 personal property is exclusively applied or to be used to build, furnish, and maintain an asylum or
26 asylums, a home or homes, a school or schools, for the free education or relief of the members of
27 the fraternity, or the relief, support, and care of worthy and indigent members of the fraternity,
28 their wives, widows, or orphans, and any fund given or held for the purpose of public education,
29 almshouses, and the land and buildings used in connection therewith;

30 (15) Real estate and personal property of any incorporated volunteer fire engine company
31 or incorporated volunteer ambulance or rescue corps in active service;

32 (16) The estate of any person who in the judgment of the assessors is unable from
33 infirmity or poverty to pay the tax; providing, that in the town of Burrillville the tax shall
34 constitute a lien for five (5) years on the property where the owner is entitled to the exemption. At

1 the expiration of five (5) years, the lien shall be abated in full. Provided, if the property is sold or
2 conveyed or if debt secured by the property is refinanced during the five (5) year period, the lien
3 immediately becomes due and payable; any person claiming the exemption aggrieved by an
4 adverse decision of an assessor shall appeal the decision to the local board of tax review, and
5 thereafter according to the provisions of section 44-5-26;

6 (17) Household furniture and family stores of a housekeeper in the whole, including
7 clothing, bedding, and other white goods, books, and all other tangible personal property items
8 which are common to the normal household;

9 (18) Improvements made to any real property to provide a shelter and fallout protection
10 from nuclear radiation, to the amount of one thousand five hundred dollars (\$ 1,500); provided,
11 that the improvements meet applicable standards for shelter construction established from time to
12 time by the Rhode Island emergency management agency. The improvements are deemed to
13 comply with the provisions of any building code or ordinance with respect to the materials or the
14 methods of construction used and any shelter or its establishment is deemed to comply with the
15 provisions of any zoning code or ordinance;

16 (19) Aircraft for which the fee required by section 1-4-6 has been paid to the tax
17 administrator;

18 (20) Manufacturer's inventory

19 (i) For the purposes of sections 44-4-10, 44-5-3, 44-5-20, and 44-5-38, a person is
20 deemed to be a manufacturer within a city or town within this state if that person uses any
21 premises, room, or place in it primarily for the purpose of transforming raw materials into a
22 finished product for trade through any or all of the following operations: adapting, altering,
23 finishing, making, and ornamenting; provided, that public utilities, non-regulated power
24 producers commencing commercial operation by selling electricity at retail or taking title to
25 generating facilities on or after July 1, 1997, building and construction contractors, warehousing
26 operations including distribution bases or outlets of out-of-state manufacturers, and fabricating
27 processes incidental to warehousing or distribution of raw materials such as alteration of stock for
28 the convenience of a customer, are excluded from this definition.

29 (ii) For the purposes of sections 44-3-3, 44-4-10, and 44-5-38, the term "manufacturer's
30 inventory" or any similar term means and includes the manufacturer's raw materials, the
31 manufacturer's work in process, and finished products manufactured by the manufacturer in this
32 state, and not sold, leased, or traded by the manufacturer or its title or right to possession
33 divested; provided, that the term does not include any finished products held by the manufacturer
34 in any retail store or other similar selling place operated by the manufacturer whether or not the

1 retail establishment is located in the same building in which the manufacturer operates the
2 manufacturing plant.

3 (iii) For the purpose of section 44-11-2, a "manufacturer" is a person whose principal
4 business in this state consists of transforming raw materials into a finished product for trade
5 through any or all of the operations described in paragraph (i) of this subdivision. A person will
6 be deemed to be principally engaged if the gross receipts which that person derived from the
7 manufacturing operations in this state during the calendar year or fiscal year mentioned in section
8 44-11-1 amounted to more than fifty percent (50%) of the total gross receipts which that person
9 derived from all the business activities in which that person engaged in this state during the
10 taxable year. For the purpose of computing the percentage, gross receipts derived by a
11 manufacturer from the sale, lease, or rental of finished products manufactured by the
12 manufacturer in this state, even though the manufacturer's store or other selling place may be at a
13 different location from the location of the manufacturer's manufacturing plant in this state, are
14 deemed to have been derived from manufacturing.

15 (iv) Within the meaning of the preceding paragraphs of this subdivision, the term
16 "manufacturer" also includes persons who are principally engaged in any of the general activities
17 coded and listed as establishments engaged in manufacturing in the standard industrial
18 classification manual prepared by the technical committee on industrial classification, office of
19 statistical standards, executive office of the president, United States bureau of the budget, as
20 revised from time to time, but eliminating as manufacturers those persons, who, because of their
21 limited type of manufacturing activities, are classified in the manual as falling within the trade
22 rather than an industrial classification of manufacturers. Among those thus eliminated, and
23 accordingly also excluded as manufacturers within the meaning of this paragraph, are persons
24 primarily engaged in selling, to the general public, products produced on the premises from which
25 they are sold, such as neighborhood bakeries, candy stores, ice cream parlors, shade shops, and
26 custom tailors, except, that a person who manufactures bakery products for sale primarily for
27 home delivery, or through one or more non-baking retail outlets, and whether or not retail outlets
28 are operated by person, is a manufacturer within the meaning of this paragraph.

29 (v) The term "Person" means and includes, as appropriate, a person, partnership, or
30 corporation.

31 (vi) The department of revenue shall provide to the local assessors any assistance that is
32 necessary in determining the proper application of the definitions in this subdivision.

33 (21) Real and tangible personal property acquired to provide a treatment facility used
34 primarily to control the pollution or contamination of the waters or the air of the state, as defined

1 in chapter 12 of title 46 and chapter 25 of title 23, respectively, the facility having been
2 constructed, reconstructed, erected, installed, or acquired in furtherance of federal or state
3 requirements or standards for the control of water or air pollution or contamination, and certified
4 as approved in an order entered by the director of environmental management. The property is
5 exempt as long as it is operated properly in compliance with the order of approval of the director
6 of environmental management; provided, that any grant of the exemption by the director of
7 environmental management in excess of ten (10) years is approved by the city or town in which
8 the property is situated. This provision applies only to water and air pollution control properties
9 and facilities installed for the treatment of waste waters and air contaminants resulting from
10 industrial processing; furthermore, it applies only to water or air pollution control properties and
11 facilities placed in operation for the first time after April 13, 1970;

12 (22) New manufacturing machinery and equipment acquired or used by a manufacturer
13 and purchased after December 31, 1974. Manufacturing machinery and equipment is defined as:

14 (i) Machinery and equipment used exclusively in the actual manufacture or conversion of
15 raw materials or goods in the process of manufacture by a manufacturer as defined in subdivision
16 (20) of this section, and machinery, fixtures, and equipment used exclusively by a manufacturer
17 for research and development or for quality assurance of its manufactured products;

18 (ii) Machinery and equipment which is partially used in the actual manufacture or
19 conversion of raw materials or goods in process of manufacture by a manufacturer as defined in
20 subdivision (20) of this section, and machinery, fixtures, and equipment used by a manufacturer
21 for research and development or for quality assurance of its manufactured products, to the extent
22 to which the machinery and equipment is used for the manufacturing processes, research and
23 development or quality assurance. In the instances where machinery and equipment is used in
24 both manufacturing and/or research, and development, and/or quality assurance activities and
25 non-manufacturing activities, the assessment on machinery and equipment is prorated by
26 applying the percentage of usage of the equipment for the manufacturing, research, and
27 development and quality assurance activity to the value of the machinery and equipment for
28 purposes of taxation, and the portion of the value used for manufacturing, research, and
29 development, and quality assurance is exempt from taxation. The burden of demonstrating this
30 percentage usage of machinery and equipment for manufacturing and for research, and
31 development and/or quality assurance of its manufactured products rests with the manufacturer;
32 and

33 (iii) Machinery and equipment described in section 44-18-30(7) and (22) that was
34 purchased after July 1, 1997; provided that the city or town council of the city or town in which

1 the machinery and equipment is located adopts an ordinance exempting the machinery and
2 equipment from taxation. For purposes of this subsection, city councils and town councils of any
3 municipality may by ordinance wholly or partially exempt from taxation the machinery and
4 equipment discussed in this subsection for the period of time established in the ordinance and
5 may by ordinance establish the procedures for taxpayers to avail themselves of the benefit of any
6 exemption permitted under this section; provided, that the ordinance does not apply to any
7 machinery or equipment of a business, subsidiary or any affiliated business which locates or
8 relocates from a city or town in this state to another city or town in the state.

9 (23) Precious metal bullion, meaning any elementary metal which has been put through a
10 process of melting or refining, and which is in a state or condition that its value depends upon its
11 content and not its form. The term does not include fabricated precious metal which has been
12 processed or manufactured for some one or more specific and customary industrial, professional,
13 or artistic uses;

14 (24) Hydroelectric power generation equipment, which includes, but is not limited to,
15 turbines, generators, switchgear, controls, monitoring equipment, circuit breakers, transformers,
16 protective relaying, bus bars, cables, connections, trash racks, headgates, and conduits. The
17 hydroelectric power generation equipment must have been purchased after July 1, 1979, and
18 acquired or used by a person or corporation who owns or leases a dam and utilizes the equipment
19 to generate hydroelectric power;

20 (25) Subject to authorization by formal action of the council of any city or town, any real
21 or personal property owned by, held in trust for, or leased to an organization incorporated under
22 chapter 6 of title 7, as amended, or an organization meeting the definition of "charitable trust" set
23 out in section 18-9-4, as amended, or an organization incorporated under the not for profits
24 statutes of another state or the District of Columbia, the purpose of which is the conserving of
25 open space, as that term is defined in chapter 36 of title 45, as amended, provided the property is
26 used exclusively for the purposes of the organization;

27 (26) Tangible personal property, the primary function of which is the recycling, reuse, or
28 recovery of materials (other than precious metals, as defined in section 44-18-30(24)(ii) and (iii)),
29 from or the treatment of "hazardous wastes", as defined in section 23-19.1-4, where the
30 "hazardous wastes" are generated primarily by the same taxpayer and where the personal property
31 is located at, in, or adjacent to a generating facility of the taxpayer. The taxpayer may, but need
32 not, procure an order from the director of the department of environmental management
33 certifying that the tangible personal property has this function, which order effects a conclusive
34 presumption that the tangible personal property qualifies for the exemption under this

1 subdivision. If any information relating to secret processes or methods of manufacture,
2 production, or treatment is disclosed to the department of environmental management only to
3 procure an order, and is a "trade secret" as defined in section 28-21-10(b), it shall not be open to
4 public inspection or publicly disclosed unless disclosure is otherwise required under chapter 21 of
5 title 28 or chapter 24.4 of title 23;

6 (27) Motorboats as defined in section 46-22-2 for which the annual fee required in
7 section 46-22-4 has been paid;

8 (28) Real and personal property of the Providence performing arts center, a non-business
9 corporation as of December 31, 1986;

10 (29) Tangible personal property owned by, and used exclusively for the purposes of, any
11 religious organization located in the city of Cranston;

12 (30) Real and personal property of the Travelers Aid Society of Rhode Island, a nonprofit
13 corporation, the Union Mall Real Estate Corporation, and any limited partnership or limited
14 liability company which is formed in connection with, or to facilitate the acquisition of, the
15 Providence YMCA Building; and

16 (31) Real and personal property of Meeting Street Center or MSC Realty, Inc., both not-
17 for-profit Rhode Island corporations, and any other corporation, limited partnership, or limited
18 liability company which is formed in connection with, or to facilitate the acquisition of, the
19 properties designated as the Meeting Street National Center of Excellence on Eddy Street in
20 Providence, Rhode Island.

21 (32) The buildings, personal property and land upon which the buildings stand, located
22 on Pomham Island, East Providence, currently identified as Assessor's Map 211, Block 01, Parcel
23 001.00, which consists of approximately twenty-one thousand three hundred (21,300) square feet
24 and is located approximately eight hundred sixty feet (860'), more or less, from the shore, and
25 limited exclusively to these said buildings personal estate and land, provided that said property is
26 owned by a qualified 501(c)(3) organization, such as the American Lighthouse Foundation, and is
27 used exclusively for a lighthouse.

28 [\(36\) Real and personal property, located within the city of East Providence of the](#)
29 [Columbus Club of East Providence, a Rhode Island charitable nonprofit corporation.](#)

30 [\(37\) Real and personal property, located within the city of East Providence of the](#)
31 [Columbus Club of Barrington, a Rhode Island charitable nonprofit corporation.](#)

32 [\(38\) Real and personal property, located within the city of East Providence of Lodge](#)
33 [2337 BPO Elks, a Rhode Island nonprofit corporation.](#)

34 [\(39\) Real and personal property, located within the city of East Providence of the St.](#)

1 [Andrews Lodge No. 39, a Rhode Island charitable nonprofit corporation.](#)

2 [\(40\) Real and personal property, located within the city of East Providence of the](#)
3 [Trustees of Methodist Health and Welfare service a/k/a United Methodist Elder Care, a Rhode](#)
4 [Island nonprofit corporation.](#)

5 [\(41\) Real and personal property, located on the first floor of 90 Leonard Avenue, within](#)
6 [the city of East Providence of the Zion Gospel Temple, Inc., a religious nonprofit corporation.](#)

7 [\(42\) Real and personal property, located within the city of East Providence of the Cape](#)
8 [Verdean Museum Exhibit, a Rhode Island nonprofit corporation.](#)

9 SECTION 4. Section 2 of Chapter 531 of the 2013 Public Laws entitled "An Act Relating
10 To Taxation -- Property Subject To Taxation" is hereby amended as follows:

11 SECTION 1. Section 44-3-3 of the General Laws in Chapter 44-3 entitled "Property
12 Subject to Taxation" is hereby amended to read as follows:

13 **44-3-3. Property exempt.** -- The following property is exempt from taxation.

14 (1) Property belonging to the state except as provided in section 44-4-4.1;

15 (2) Lands ceded or belonging to the United States;

16 (3) Bonds and other securities issued and exempted from taxation by the government of
17 the United States, or of this state;

18 (4) Real estate, used exclusively for military purposes, owned by chartered or
19 incorporated organizations approved by the adjutant general, and composed of members of the
20 national guard, the naval militia, or the independent chartered military organizations;

21 (5) Buildings for free public schools, buildings for religious worship, and the land upon
22 which they stand and immediately surrounding them, to an extent not exceeding five (5) acres so
23 far as the buildings and land are occupied and used exclusively for religious or educational
24 purposes;

25 (6) Dwellings houses and the land on which they stand, not exceeding one acre in size,
26 or the minimum lot size for zone in which the dwelling house is located, whichever is the greater,
27 owned by or held in trust for any religious organization and actually used by its officiating clergy;
28 provided, further that in the town of Charlestown, where the property previously described in this
29 paragraph is exempt in total, along with dwelling houses and the land on which they stand in
30 Charlestown, not exceeding one acre in size, or the minimum lot size for zone in which the
31 dwelling house is located, whichever is the greater, owned by or held in trust for any religious
32 organization and actually used by its officiating clergy, or used as a convent, nunnery, or retreat
33 center by its religious order.

34 (7) Intangible personal property owned by, or held in trust for, any religious or charitable

1 organization, if the principal or income is used or appropriated for religious or charitable
2 purposes;

3 (8) Buildings and personal estate owned by any corporation used for a school, academy,
4 or seminary of learning, and of any incorporated public charitable institution, and the land upon
5 which the buildings stand and immediately surrounding them to an extent not exceeding one acre,
6 so far as they are used exclusively for educational purposes, but no property or estate whatever is
7 hereafter exempt from taxation in any case where any part of its income or profits or of the
8 business carried on there is divided among its owners or stockholders;

9 (9) Estates, persons, and families of the president and professors for the time being of
10 Brown University for not more than ten thousand dollars (\$ 10,000) for each officer, the officer's
11 estate, person, and family included, but only to the extent that any person had claimed and
12 utilized the exemption prior to, and for a period ending either on or after December 31, 1996;

13 (10) Property especially exempt by charter unless the exemption has been waived in
14 whole or in part.

15 (11) Lots of land exclusively for burial grounds;

16 (12) Property, real and personal, held for or by an incorporated library, society, or any
17 free public library, or any free public library society, so far as the property is held exclusively for
18 library purposes, or for the aid or support of the aged poor, or poor friendless children, or the poor
19 generally, or for a hospital for the sick or disabled;

20 (13) Real or personal estate belonging to or held in trust for the benefit of incorporated
21 organizations of veterans of any war in which the United States has been engaged, the parent
22 body of which has been incorporated by act of congress, to the extent of four hundred thousand
23 dollars (\$ 400,000) if actually used and occupied by the association; provided, that the city
24 council of the city of Cranston may by ordinance exempt the real or personal estate as previously
25 described in this subdivision located within the city of Cranston to the extent of five hundred
26 thousand dollars (\$500,000);

27 (14) Property, real and personal, held for or by the fraternal corporation, association, or
28 body created to build and maintain a building or buildings for its meetings or the meetings of the
29 general assembly of its members, or subordinate bodies of the fraternity, and for the
30 accommodation of other fraternal bodies or associations, the entire net income of which real and
31 personal property is exclusively applied or to be used to build, furnish, and maintain an asylum or
32 asylums, a home or homes, a school or schools, for the free education or relief of the members of
33 the fraternity, or the relief, support, and care of worthy and indigent members of the fraternity,
34 their wives, widows, or orphans, and any fund given or held for the purpose of public education,

1 almshouses, and the land and buildings used in connection therewith;

2 (15) Real estate and personal property of any incorporated volunteer fire engine
3 company or incorporated volunteer ambulance or rescue corps in active service;

4 (16) The estate of any person who in the judgment of the assessors is unable from
5 infirmity or poverty to pay the tax; providing, that in the town of Burrillville the tax shall
6 constitute a lien for five (5) years on the property where the owner is entitled to the exemption. At
7 the expiration of five (5) years, the lien shall be abated in full. Provided, if the property is sold or
8 conveyed or if debt secured by the property is refinanced during the five (5) year period, the lien
9 immediately becomes due and payable; any person claiming the exemption aggrieved by an
10 adverse decision of an assessor shall appeal the decision to the local board of tax review, and
11 thereafter according to the provisions of section 44-5-26;

12 (17) Household furniture and family stores of a housekeeper in the whole, including
13 clothing, bedding, and other white goods, books, and all other tangible personal property items
14 which are common to the normal household;

15 (18) Improvements made to any real property to provide a shelter and fallout protection
16 from nuclear radiation, to the amount of one thousand five hundred dollars (\$ 1,500); provided,
17 that the improvements meet applicable standards for shelter construction established from time to
18 time by the Rhode Island emergency management agency. The improvements are deemed to
19 comply with the provisions of any building code or ordinance with respect to the materials or the
20 methods of construction used and any shelter or its establishment is deemed to comply with the
21 provisions of any zoning code or ordinance;

22 (19) Aircraft for which the fee required by section 1-4-6 has been paid to the tax
23 administrator;

24 (20) Manufacturer's inventory

25 (i) For the purposes of sections 44-4-10, 44-5-3, 44-5-20, and 44-5-38, a person is
26 deemed to be a manufacturer within a city or town within this state if that person uses any
27 premises, room, or place in it primarily for the purpose of transforming raw materials into a
28 finished product for trade through any or all of the following operations: adapting, altering,
29 finishing, making, and ornamenting; provided, that public utilities, non-regulated power
30 producers commencing commercial operation by selling electricity at retail or taking title to
31 generating facilities on or after July 1, 1997, building and construction contractors, warehousing
32 operations including distribution bases or outlets of out-of-state manufacturers, and fabricating
33 processes incidental to warehousing or distribution of raw materials such as alteration of stock for
34 the convenience of a customer, are excluded from this definition.

1 (ii) For the purposes of sections 44-3-3, 44-4-10, and 44-5-38, the term "manufacturer's
2 inventory" or any similar term means and includes the manufacturer's raw materials, the
3 manufacturer's work in process, and finished products manufactured by the manufacturer in this
4 state, and not sold, leased, or traded by the manufacturer or its title or right to possession
5 divested; provided, that the term does not include any finished products held by the manufacturer
6 in any retail store or other similar selling place operated by the manufacturer whether or not the
7 retail establishment is located in the same building in which the manufacturer operates the
8 manufacturing plant.

9 (iii) For the purpose of section 44-11-2, a "manufacturer" is a person whose principal
10 business in this state consists of transforming raw materials into a finished product for trade
11 through any or all of the operations described in paragraph (i) of this subdivision. A person will
12 be deemed to be principally engaged if the gross receipts which that person derived from the
13 manufacturing operations in this state during the calendar year or fiscal year mentioned in section
14 44-11-1 amounted to more than fifty percent (50%) of the total gross receipts which that person
15 derived from all the business activities in which that person engaged in this state during the
16 taxable year. For the purpose of computing the percentage, gross receipts derived by a
17 manufacturer from the sale, lease, or rental of finished products manufactured by the
18 manufacturer in this state, even though the manufacturer's store or other selling place may be at a
19 different location from the location of the manufacturer's manufacturing plant in this state, are
20 deemed to have been derived from manufacturing.

21 (iv) Within the meaning of the preceding paragraphs of this subdivision, the term
22 "manufacturer" also includes persons who are principally engaged in any of the general activities
23 coded and listed as establishments engaged in manufacturing in the standard industrial
24 classification manual prepared by the technical committee on industrial classification, office of
25 statistical standards, executive office of the president, United States bureau of the budget, as
26 revised from time to time, but eliminating as manufacturers those persons, who, because of their
27 limited type of manufacturing activities, are classified in the manual as falling within the trade
28 rather than an industrial classification of manufacturers. Among those thus eliminated, and
29 accordingly also excluded as manufacturers within the meaning of this paragraph, are persons
30 primarily engaged in selling, to the general public, products produced on the premises from which
31 they are sold, such as neighborhood bakeries, candy stores, ice cream parlors, shade shops, and
32 custom tailors, except, that a person who manufactures bakery products for sale primarily for
33 home delivery, or through one or more non-baking retail outlets, and whether or not retail outlets
34 are operated by person, is a manufacturer within the meaning of this paragraph.

1 (v) The term "Person" means and includes, as appropriate, a person, partnership, or
2 corporation.

3 (vi) The department of revenue shall provide to the local assessors any assistance that is
4 necessary in determining the proper application of the definitions in this subdivision.

5 (21) Real and tangible personal property acquired to provide a treatment facility used
6 primarily to control the pollution or contamination of the waters or the air of the state, as defined
7 in chapter 12 of title 46 and chapter 25 of title 23, respectively, the facility having been
8 constructed, reconstructed, erected, installed, or acquired in furtherance of federal or state
9 requirements or standards for the control of water or air pollution or contamination, and certified
10 as approved in an order entered by the director of environmental management. The property is
11 exempt as long as it is operated properly in compliance with the order of approval of the director
12 of environmental management; provided, that any grant of the exemption by the director of
13 environmental management in excess of ten (10) years is approved by the city or town in which
14 the property is situated. This provision applies only to water and air pollution control properties
15 and facilities installed for the treatment of waste waters and air contaminants resulting from
16 industrial processing; furthermore, it applies only to water or air pollution control properties and
17 facilities placed in operation for the first time after April 13, 1970;

18 (22) New manufacturing machinery and equipment acquired or used by a manufacturer
19 and purchased after December 31, 1974. Manufacturing machinery and equipment is defined as:

20 (i) Machinery and equipment used exclusively in the actual manufacture or conversion
21 of raw materials or goods in the process of manufacture by a manufacturer as defined in
22 subdivision (20) of this section, and machinery, fixtures, and equipment used exclusively by a
23 manufacturer for research and development or for quality assurance of its manufactured products;

24 (ii) Machinery and equipment which is partially used in the actual manufacture or
25 conversion of raw materials or goods in process of manufacture by a manufacturer as defined in
26 subdivision (20) of this section, and machinery, fixtures, and equipment used by a manufacturer
27 for research and development or for quality assurance of its manufactured products, to the extent
28 to which the machinery and equipment is used for the manufacturing processes, research and
29 development or quality assurance. In the instances where machinery and equipment is used in
30 both manufacturing and/or research, and development, and/or quality assurance activities and
31 non-manufacturing activities, the assessment on machinery and equipment is prorated by
32 applying the percentage of usage of the equipment for the manufacturing, research, and
33 development and quality assurance activity to the value of the machinery and equipment for
34 purposes of taxation, and the portion of the value used for manufacturing, research, and

1 development, and quality assurance is exempt from taxation. The burden of demonstrating this
2 percentage usage of machinery and equipment for manufacturing and for research, and
3 development and/or quality assurance of its manufactured products rests with the manufacturer;
4 and

5 (iii) Machinery and equipment described in section 44-18-30(7) and (22) that was
6 purchased after July 1, 1997; provided that the city or town council of the city or town in which
7 the machinery and equipment is located adopts an ordinance exempting the machinery and
8 equipment from taxation. For purposes of this subsection, city councils and town councils of any
9 municipality may by ordinance wholly or partially exempt from taxation the machinery and
10 equipment discussed in this subsection for the period of time established in the ordinance and
11 may by ordinance establish the procedures for taxpayers to avail themselves of the benefit of any
12 exemption permitted under this section; provided, that the ordinance does not apply to any
13 machinery or equipment of a business, subsidiary or any affiliated business which locates or
14 relocates from a city or town in this state to another city or town in the state.

15 (23) Precious metal bullion, meaning any elementary metal which has been put through a
16 process of melting or refining, and which is in a state or condition that its value depends upon its
17 content and not its form. The term does not include fabricated precious metal which has been
18 processed or manufactured for some one or more specific and customary industrial, professional,
19 or artistic uses;

20 (24) Hydroelectric power generation equipment, which includes, but is not limited to,
21 turbines, generators, switchgear, controls, monitoring equipment, circuit breakers, transformers,
22 protective relaying, bus bars, cables, connections, trash racks, headgates, and conduits. The
23 hydroelectric power generation equipment must have been purchased after July 1, 1979, and
24 acquired or used by a person or corporation who owns or leases a dam and utilizes the equipment
25 to generate hydroelectric power;

26 (25) Subject to authorization by formal action of the council of any city or town, any real
27 or personal property owned by, held in trust for, or leased to an organization incorporated under
28 chapter 6 of title 7, as amended, or an organization meeting the definition of "charitable trust" set
29 out in section 18-9-4, as amended, or an organization incorporated under the not for profits
30 statutes of another state or the District of Columbia, the purpose of which is the conserving of
31 open space, as that term is defined in chapter 36 of title 45, as amended, provided the property is
32 used exclusively for the purposes of the organization;

33 (26) Tangible personal property, the primary function of which is the recycling, reuse, or
34 recovery of materials (other than precious metals, as defined in section 44-18-30(24)(ii) and (iii)),

1 from or the treatment of "hazardous wastes", as defined in section 23-19.1-4, where the
2 "hazardous wastes" are generated primarily by the same taxpayer and where the personal property
3 is located at, in, or adjacent to a generating facility of the taxpayer. The taxpayer may, but need
4 not, procure an order from the director of the department of environmental management
5 certifying that the tangible personal property has this function, which order effects a conclusive
6 presumption that the tangible personal property qualifies for the exemption under this
7 subdivision. If any information relating to secret processes or methods of manufacture,
8 production, or treatment is disclosed to the department of environmental management only to
9 procure an order, and is a "trade secret" as defined in section 28-21-10(b), it shall not be open to
10 public inspection or publicly disclosed unless disclosure is otherwise required under chapter 21 of
11 title 28 or chapter 24.4 of title 23;

12 (27) Motorboats as defined in section 46-22-2 for which the annual fee required in
13 section 46-22-4 has been paid;

14 (28) Real and personal property of the Providence performing arts center, a non-business
15 corporation as of December 31, 1986;

16 (29) Tangible personal property owned by, and used exclusively for the purposes of, any
17 religious organization located in the city of Cranston;

18 (30) Real and personal property of the Travelers Aid Society of Rhode Island, a
19 nonprofit corporation, the Union Mall Real Estate Corporation, and any limited partnership or
20 limited liability company which is formed in connection with, or to facilitate the acquisition of,
21 the Providence YMCA Building; and

22 (31) Real and personal property of Meeting Street Center or MSC Realty, Inc., both not-
23 for-profit Rhode Island corporations, and any other corporation, limited partnership, or limited
24 liability company which is formed in connection with, or to facilitate the acquisition of, the
25 properties designated as the Meeting Street National Center of Excellence on Eddy Street in
26 Providence, Rhode Island.

27 (32) The buildings, personal property and land upon which the buildings stand, located
28 on Pomham Island, East Providence, currently identified as Assessor's Map 211, Block 01, Parcel
29 001.00, which consists of approximately twenty-one thousand three hundred (21,300) square feet
30 and is located approximately eight hundred sixty feet (860'), more or less, from the shore, and
31 limited exclusively to these said buildings personal estate and land, provided that said property is
32 owned by a qualified 501(c)(3) organization, such as the American Lighthouse Foundation, and is
33 used exclusively for a lighthouse.

34 [\(44\) Real and personal property of the Rhode Island Philharmonic Orchestra and Music](#)

1 [School; provided, that the organization is qualified as a tax exempt corporation under section](#)
2 [501\(c\)\(3\) of the United States Internal Revenue Code.](#)

3 SECTION 5. This act shall take effect upon passage.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
A N A C T
RELATING TO TAXATION -- PROPERTY SUBJECT TO TAXATION

1 This act would exempt the real and personal property located within the city of East
2 Providence of the following Rhode Island nonprofit entities: St. Mary's Academy -- Bay View;
3 East Bay Community Action Program and its predecessor, Self-Help; Columbus Club of East
4 Providence and Barrington; Lodge 2337 BPO Elks; St. Andrew's Lodge No. 39; Trustees of
5 Methodist Health and Welfare service a/k/a United Methodist Elder Care; and the real and
6 personal property located on the first floor of 90 Leonard Avenue the Zion Gospel Temple.

7 This act would take effect upon passage.

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