

2014 -- S 2078

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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2014

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A N A C T

RELATING TO TAXATION -- LEVY AND ASSESSMENT OF LOCAL TAXES

Introduced By: Senators P Fogarty, Nesselbush, and Cote

Date Introduced: January 21, 2014

Referred To: Senate Finance

It is enacted by the General Assembly as follows:

1           SECTION 1. Sections 44-5-11.5 and 44-5-11.6 of the General Laws in Chapter 44-5  
2 entitled "Levy and Assessment of Local Taxes" are hereby amended to read as follows:

3           **44-5-11.5. Legislative findings -- Revaluation cycle. --** It is found and declared that:

4           (1) Rhode Island property taxes continue to play a significant role in the financing of  
5 local educational and municipal services. The general assembly recognizes that the way the  
6 property tax is assessed, levied and collected can be improved to provide more reliable and up-to-  
7 date property values in each of the cities and towns.

8           (2) The state's ten (10) year property revaluation cycle is the longest revaluation cycle in  
9 the country. Infrequent revaluations translate into disparities in property tax burden between types  
10 and classes of property within and among cities and towns. In addition, because each city and  
11 town represents multiple systems and procedures for administering the property tax, there is an  
12 inconsistent administration of property tax law and regulations.

13           (3) It is the intent of the general assembly to ensure that all taxpayers in Rhode Island are  
14 treated equitably. The more frequent the revaluation, the greater the equity within and among  
15 jurisdictions. Ensuring that taxpayers are treated fairly begins with modernizing the  
16 administration of the property tax that ensures:

17           (i) Up-to-date property values are maintained through more frequent property  
18 revaluations;

19           (ii) Cities and towns meet defined standards related to performing updates of property

1 values;

2 (iii) The state shares in the cost of performing updates of property values in the cities and  
3 towns;

4 (iv) A meaningful and effective method of ensuring that cities and towns comply with  
5 the nine (9) year revaluation cycle and the updates of property values are developed;

6 (v) Procedures for administering the property tax are standardized -- such as general  
7 reporting and classification systems;

8 (vi) Assessors and contracted property revaluation companies meet appropriate  
9 qualifications and standards; and

10 (vii) Intergovernmental cooperation in the administration of the property tax is  
11 maximized.

12 (4) With these findings in mind, it is the intent of the general assembly to institute a  
13 revaluation cycle where every city or town conducts a revaluation within nine (9) years of the  
14 date of the prior revaluation and shall conduct an update of real property every ~~three (3)~~ six (6)  
15 years from the date of the last revaluation.

16 **44-5-11.6. Assessment of valuations -- Apportionment of levies.** -- (a) Notwithstanding  
17 the provisions of section 44-5-11 [repealed] beginning on December 31, 2000, the assessors in the  
18 several towns and cities shall conduct an update as defined in this section or shall assess all  
19 valuations and apportion the levy of all taxes legally ordered under the rules and regulations, not  
20 repugnant to law, as the town meetings and city councils, respectively, shall from time to time  
21 prescribe; provided, that the update or valuation is performed in accordance with the following  
22 schedules:

23 (1) (i) For a transition period, for cities and towns who conducted or implemented a  
24 revaluation as of 1993 or in years later:

|                     | Update | Revaluation |
|---------------------|--------|-------------|
| 25 Lincoln          | 2000   | 2003        |
| 26 South Kingstown  | 2000   | 2003        |
| 27 Smithfield       | 2000   | 2003        |
| 28 West Warwick     | 2000   | 2003        |
| 29 Johnston         | 2000   | 2003        |
| 30 Burrillville     | 2000   | 2003        |
| 31 North Smithfield | 2000   | 2003        |
| 32 Central Falls    | 2000   | 2003        |
| 33 North Kingstown  | 2000   | 2003        |

|    |                  |      |      |
|----|------------------|------|------|
| 1  | Jamestown        | 2000 | 2003 |
| 2  | North Providence | 2001 | 2004 |
| 3  | Cumberland       | 2001 | 2004 |
| 4  | Bristol          | 2004 | 2001 |
| 5  | Charlestown      | 2001 | 2004 |
| 6  | East Greenwich   | 2002 | 2005 |
| 7  | Cranston         | 2002 | 2005 |
| 8  | Barrington       | 2002 | 2005 |
| 9  | Warwick          | 2003 | 2006 |
| 10 | Warren           | 2003 | 2006 |
| 11 | East Providence  | 2003 | 2006 |

12 (ii) Provided that the reevaluation period for the town of New Shoreham shall be  
13 extended to 2003 and the update for the town of Hopkinton may be extended to 2007 with no  
14 additional reimbursements by the state relating to the delay.

15 (iii) The implementation date for this schedule is December 31st, of the stated year.

16 (iv) Those cities and towns not listed in this schedule, shall continue the revaluation  
17 schedule pursuant to section 44-5-11 [repealed].

18 (2) (i) For the post transition period and in years thereafter:

|    | Update #1      | Update #2 | Revaluation |      |
|----|----------------|-----------|-------------|------|
| 19 |                |           |             |      |
| 20 | Woonsocket     | 2002      | 2005        | 2008 |
| 21 | Pawtucket      | 2002      | 2005        | 2008 |
| 22 | Portsmouth     | 2001      | 2004        | 2007 |
| 23 | Coventry       | 2001      | 2004        | 2007 |
| 24 | Providence     | 2003      | 2006        | 2009 |
| 25 | Foster         | 2002      | 2005        | 2008 |
| 26 | Middletown     | 2002      | 2005        | 2008 |
| 27 | Little Compton | 2003      | 2006        | 2009 |
| 28 | Scituate       | 2003      | 2006        | 2009 |
| 29 | Westerly       | 2003      | 2006        | 2009 |
| 30 | West Greenwich | 2004      | 2007        | 2010 |
| 31 | Glocester      | 2004      | 2007        | 2010 |
| 32 | Richmond       | 2004      | 2007        | 2010 |
| 33 | Bristol        | 2004      | 2007        | 2010 |
| 34 | Tiverton       | 2005      | 2008        | 2011 |

|    |                  |      |      |      |
|----|------------------|------|------|------|
| 1  | Newport          | 2005 | 2008 | 2011 |
| 2  | New Shoreham     | 2006 | 2009 | 2012 |
| 3  | Narragansett     | 2005 | 2008 | 2011 |
| 4  | Exeter           | 2005 | 2008 | 2011 |
| 5  | Hopkinton        | 2007 | 2010 | 2013 |
| 6  | Lincoln          | 2006 | 2009 | 2012 |
| 7  | South Kingstown  | 2006 | 2009 | 2012 |
| 8  | Smithfield       | 2006 | 2009 | 2012 |
| 9  | West Warwick     | 2006 | 2009 | 2012 |
| 10 | Johnston         | 2006 | 2009 | 2012 |
| 11 | Burrillville     | 2006 | 2009 | 2012 |
| 12 | North Smithfield | 2006 | 2009 | 2012 |
| 13 | Central Falls    | 2006 | 2009 | 2012 |
| 14 | North Kingstown  | 2006 | 2009 | 2012 |
| 15 | Jamestown        | 2006 | 2009 | 2012 |
| 16 | North Providence | 2007 | 2010 | 2013 |
| 17 | Cumberland       | 2007 | 2010 | 2013 |
| 18 | Charlestown      | 2007 | 2010 | 2013 |
| 19 | East Greenwich   | 2008 | 2011 | 2014 |
| 20 | Cranston         | 2008 | 2011 | 2014 |
| 21 | Barrington       | 2008 | 2010 | 2014 |
| 22 | Warwick          | 2009 | 2012 | 2015 |
| 23 | Warren           | 2009 | 2012 | 2015 |
| 24 | East Providence  | 2009 | 2012 | 2015 |

25           (ii) The implementation date for the schedule is December 31st of the stated year. Upon  
26 the completion of the update and revaluation according to this schedule, each city and town shall  
27 conduct a revaluation within nine (9) years of the date of the prior revaluation and shall conduct  
28 an update of real property every ~~three (3)~~ six (6) years from the last revaluation.

29           (b) No later than February 1, 1998, the director of the department of revenue shall  
30 promulgate rules and regulations consistent with the provisions of this section to define the  
31 requirements for the updates which shall include, but not be limited to:

- 32           (1) An analysis of sales;
- 33           (2) A rebuilding of land value tables;
- 34           (3) A rebuilding of cost tables of all improvement items; and

1 (4) A rebuilding of depreciation schedules. Upon completion of an update, each city or  
2 town shall provide for a hearing and/or appeal process for any aggrieved person to address any  
3 issue, which arose during the update.

4 (c) The costs incurred by the towns and cities for the first update shall be borne by the  
5 state in an amount not to exceed twenty dollars (\$20.00) per parcel. The costs incurred by the  
6 towns and cities for the second update shall be borne eighty percent (80%) by the state (in an  
7 amount not to exceed sixteen dollars (\$16.00) per parcel) and twenty percent (20%) by the town  
8 or city and in the third update and thereafter, the state shall pay sixty percent (60%) of the update  
9 (not to exceed twelve dollars (\$12.00) per parcel) and the town or city shall pay forty percent  
10 (40%); provided, that for the second update and in all updates thereafter, that the costs incurred  
11 by any city or town which is determined to be a distressed community pursuant to section 45-13-  
12 12 shall be borne eighty percent (80%) by the state and twenty percent (20%) by the city or town  
13 for all updates required by this section.

14 (d) The office of municipal affairs, after consultation with the league of cities and towns  
15 and the Rhode Island assessors' association, shall recommend adjustments to the costs formula  
16 described in subsection (c) of this section based upon existing market conditions.

17 (e) Any property, which is either exempt from the local property tax pursuant to section  
18 44-3-3 or which pays a city or town an amount in lieu of taxes, is not required to have its values  
19 updated pursuant to this section, and the property is not eligible for the reimbursement provisions  
20 of subsection (c) of this section. However, those properties which are exempt from taxation and  
21 are eligible for state appropriations in lieu of property tax under the provisions of section 45-13-  
22 5.1 are eligible for state reimbursement pursuant to subsection (c) of this section, provided, that  
23 these properties were revalued as part of that city or town's most recent property revaluation.

24 (f) No city or town is required to conduct an update pursuant to this section unless the  
25 state has appropriated sufficient funds to cover the state's costs as identified in subsection (c) of  
26 this section.

27 (g) Any city or town that fails to conduct an update or revaluation as required by this  
28 section, or requests and receives an extension of the dates specified in this section, shall receive  
29 the same amount of state aid under sections 45-13-1, 45-13-5.1, and 45-13-12 in the budget year  
30 for which the new values were to apply as the city or town received in-state aid in the previous  
31 budget year; provided, however, if the new year's entitlement is lower than the prior year's  
32 entitlement, the lower amount applies, except for the town of New Shoreham for the fiscal year  
33 2003.

34 (h) Any bill or resolution to extend the dates for a city or town to conduct an update or

1 revaluation must be approved by a two-thirds ~~(2/3)~~ (2/3) majority of both houses of the general  
2 assembly.

3 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 -- LEVY AND ASSESSMENT OF LOCAL TAXES

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- 1           This act would increase from three (3) to six (6) years the interval of time within which a
- 2   city or town must conduct an update of its last real property revaluation.

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