

2020 -- S 2855

LC005378

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2020

A N A C T

RELATING TO TAXATION -- LEVY AND ASSESSMENT OF LOCAL TAXES

Introduced By: Senator Elizabeth A. Crowley

Date Introduced: June 10, 2020

Referred To: Senate Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 44-5-20.02 of the General Laws in Chapter 44-5 entitled "Levy and
2 Assessment of Local Taxes" is hereby amended to read as follows:

3 **44-5-20.02. Central Falls -- Property tax classification -- List of ratable property.**

4 (a) Notwithstanding any provision within § 44-5-11.8 to the contrary, on ~~On~~ or before June
5 1, except in 1990, in which case the time is thirty (30) days after June 1, 1990, the assessor in the
6 city of Central Falls, after certification for classification, shall submit to the director of revenue a
7 list containing the true, full, and fair cash value of the ratable estate and motor vehicles and shall
8 classify and provide a tax rate for the property according to the following use:

9 (1) "Class 1" includes: ~~(i) Residential~~ residential property which is owner-occupied
10 dwellings of no more than five (5) units and which is property used or held for human habitation,
11 including rooming houses and mobile homes with facilities designed and used for living, sleeping,
12 cooking, and eating on a non-transient basis. Eligibility for the owner-occupied tax classification
13 shall be determined by compliance with § 44-3-34 and relevant city ordinances. This property
14 includes accessory land, buildings, or improvements incidental to the habitation and used
15 exclusively by the residents of the property or their guests. This property does not include a hotel,
16 motel, commercial, or industrial property. ~~Residential property shall consist of:~~

17 ~~(A) Owner-occupied dwellings of no more than five (5) units;~~

18 ~~(B) Non-owner-occupied dwellings of no more than five (5) units, including properties for~~
19 ~~mixed use as residential and commercial properties; and~~

1 ~~(C) Units or dwellings with six (6) or more units.~~

2 (2) "Class 2" includes residential property which is owner-occupied dwellings of more than
3 five (5) units and non-owner-occupied dwellings, including properties for mixed use as residential
4 and commercial properties, and which is property used or held for human habitation, including
5 rooming houses and mobile homes with facilities designed and used for living, sleeping, cooking,
6 and eating on a non-transient basis. This property includes accessory land, buildings, or
7 improvements incidental to the habitation and used exclusively by the residents of the property or
8 their guests. This property includes open space including "farm", "forest", and "open space land"
9 as defined in accordance with § 44-27-2. This property does not include a hotel, motel, commercial,
10 or industrial property.

11 ~~(ii) Open space including "farm", "forest", and "open space land" as defined in accordance~~
12 ~~with § 44-27-2.~~

13 ~~(2) "Class 2" includes:~~

14 ~~(i) Personal~~

15 (3) "Class 3" includes personal property, previously subject to tax, includes all goods,
16 chattels, and effects, wherever they may be, except those that are exempt from taxation by the laws
17 of the United States or of this state. ~~and~~

18 ~~(ii) Every vehicle and trailer registered under chapter 3 of title 31.~~

19 ~~(3) "Class 3"~~

20 (4) "Class 4" includes every vehicle and trailer registered under chapter 3 of title 31.

21 (5) "Class 5" includes property used commercially or for industrial manufacturing.

22 (b) The city of Central Falls may, by ~~resolution or~~ ordinance adopted by the city council,
23 provide for tax classification of property and tax rates in the city of Central Falls ~~to become~~
24 ~~effective in any year in which the assessment roll reflects a general revaluation of all taxable~~
25 ~~property in the city of Central Falls~~ based on the five (5) classes outlined in subsection (a) of this
26 section.

27 (c) The effective tax rate for Class 2 shall not exceed by two (2) times, the effective tax
28 rate for Class 1; the effective tax rate for Class 5 shall not exceed by three (3) times, the effective
29 tax rate for Class 1; and the effective tax rate for Class 3 shall not exceed by four (4) times, the
30 effective tax rate for Class 1.

31 SECTION 2. Section 44-3-34 of the General Laws in Chapter 44-3 entitled "Property
32 Subject to Taxation" is hereby amended to read as follows:

33 **44-3-34. Central Falls -- Homeowner exemption.**

34 (a) The city council of the city of Central Falls, may, by ordinance, provide that the property

1 of each person who is a domiciled resident of the city of Central Falls and which property is the
2 principal residence of that person is exempt from taxation as follows: ~~single family~~ owner-occupied
3 dwellings of no more than five (5) units not to exceed sixty thousand dollars (\$60,000) of assessed
4 valuation; ~~two family (2) dwellings not to exceed five thousand dollars (\$5,000) of assessed~~
5 ~~valuation; three through eight family (8) dwellings and commercial units not to exceed three~~
6 ~~thousand dollars (\$3,000) of assessed valuation.~~ The exemption is applied to residential property
7 and includes property with up to a total of ~~eight (8)~~ five (5) residential units and may include one
8 commercial or professional use unit as part of the total of ~~eight (8)~~ five (5) assessed units; ~~provided,~~
9 ~~that the person entitled to the exemption has presented to the city tax assessors, on or before the~~
10 ~~last day on which sworn statements may be filed with the assessors for the year for which exemption~~
11 ~~is claimed. That person is entitled to the exemption as long as his or her legal residence remains~~
12 ~~unchanged.~~

13 (b) Each person upon application for exemption shall provide by means of a sworn
14 statement to the assessor clear and convincing evidence to establish his or her legal residence at the
15 property subject to the exemption and eligibility for the exemption.

16 (c) In the event property granted an exemption under this section is sold or transferred
17 during the year for which the exemption is claimed, the city of Central Falls, upon approval of the
18 city council, may provide for a proration of the homestead exemption in cases where title to a
19 property passes from:

20 (1) Those not entitled to claim an exemption to those who are entitled to claim an
21 exemption; or

22 (2) A person entitled to claim an exemption to those who are not entitled to claim an
23 exemption.

24 (d) The city council of the city of Central Falls shall, by ordinance, establish rules and
25 regulations governing the acceptance of evidence of residence.

26 SECTION 3. Notwithstanding any provision of law to the contrary, the city of Central Falls
27 shall owe no further costs or reimbursements or payments of any kind for the receivership that
28 terminated on April 15, 2013 after the state's final appropriation to the city of Central Falls in the
29 fiscal year 2021 budget.

30 SECTION 4. This act shall take effect upon passage and shall be retroactive to July 1, 2020.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
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RELATING TO TAXATION -- LEVY AND ASSESSMENT OF LOCAL TAXES

1 This act would amend the classes of property to create a class of owner-occupied dwellings
2 of no more than five (5) units as opposed to those properties of five (5) or more units and nonowner-
3 occupied dwellings, limit the effective tax rates for all classes and extend home exemption to
4 owner-occupied property of no more than five (5) units.

5 This act would take effect upon passage and would be retroactive to July 1, 2020.

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