

***LOCAL GOVERNMENT  
FINANCES  
IN  
RHODE ISLAND***



***RHODE ISLAND DEPARTMENT OF REVENUE***

***LOCAL GOVERNMENT ASSISTANCE***

***2013***

**HANDBOOK  
OF  
LOCAL GOVERNMENT FINANCES  
IN  
RHODE ISLAND**

**[A Compilation of General State Law  
including References to Individual  
Cities and Towns]**

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## **INTRODUCTION**

The primary objective of this publication is to bring together the many provisions of the Rhode Island General Laws which deal with local finance and taxation; including specific references to state statutes dealing with individual cities and towns in Rhode Island in matters of local finances and taxation.

It is intended to be a useful reference for local finance directors, tax assessors, town treasurers, tax collectors and others interested in municipal finance in Rhode Island. It is not intended to be an official revision of nor substitute for the General Laws.

This publication was completely revised in 1997 to reflect the many changes that have been enacted in recent years. Although the text of the city & town statutes have not been included, references to their location in the General Laws have been highlighted throughout this publication. Additionally, for the first time, a separate listing of individual city and town citations has been included. If you need any information or assistance in relation to local finance or taxation laws, please contact Mr. James Savage (574-9909) or Mr. Rudy Falcone (574-9905).

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## **PROVISIONS OF RHODE ISLAND**

### **CONSTITUTION**

#### **ARTICLE I**

**Sec. 2.** All free governments are instituted for the protection, safety and happiness of the people. All laws, therefore, should be made for the good of the whole; and the burdens of the state ought to be fairly distributed among its citizens.

#### **ARTICLE VI**

**Sec. 12.** The General Assembly shall, from time to time, provide for making new valuations of property, for the assessment of taxes, in such manner as they may deem best.

**CHAPTER 16-2**  
**SCHOOL COMMITTEES AND SUPERINTENDENTS**

**16-2-9.3. The advisory council on school finances.** (a) The legislature hereby finds and declares that there is a need for an advisory council on school finances to strengthen the fiscal accountability of school districts, regional school districts, state schools and charter schools in Rhode Island. The council shall be composed of five (5) members as follows: (1) The auditor general of the state of Rhode Island or his or her designee; (2) The executive director of the Rhode Island association of school committees or his or her designee; (3) The president of the Rhode Island association of school business officials or his or her designee; (4) The commissioner of elementary and secondary education or his or her designee; and (5) The director of the department of administration or his or her designee. The auditor general or his or her designee shall serve as chair of the council. By July 1, 2005, the council shall develop recommendations for a uniform system of accounting, including a chart of accounts for all school districts, regional school districts, state schools and charter schools. **By July 1, 2009 the council shall develop recommendations for a uniform system of accounting for all educational regional collaboratives identified in chapter 16-3.1.** Said recommendations shall be advisory in nature and may be adopted by the office of auditor general and the department of education in part or in whole.

(b) The council shall meet no less than annually and recommend changes in accounting procedures to be adopted by school districts, regional school districts, state schools and charter schools as well as apprise school business officials, charter school officials, school committees and school superintendents, school administrators and state school officials about professional development opportunities that promotes sound fiscal practices and a knowledge of current state and federal rules and regulations regarding school finance. The council shall also report, annually, its activities and recommendations to the house committee on education accountability, the senate committee on education and the office of the governor. (2008)

**16-2-9.4. School district accounting compliance.** (a) The office of auditor general and the department of education shall promulgate a uniform system of accounting, including a chart of accounts based on the recommendations of the advisory council on school finance, and require all accounts of the school districts, regional school districts, state schools and charter schools to be kept in accordance therewith; provided, that in any case in which the uniform system of accounting is not practicable, the office of auditor general in conjunction with the department of education shall determine the manner in which the accounts shall be kept. **The uniform system of accounting shall also include a standardized budget process to ensure districts can annually assess investment priorities and incorporate long range planning.** (2012)

(b) For the purpose of securing a uniform system of accounting and a chart of accounts the advisory council on school finances, as defined in section 16-2-9.3 may make such surveys of the operation of any school districts, regional school district, state school or charter school as they shall deem necessary.

(c) **Upon completion of the implementation of the uniform chart of accounts, all the school districts, regional school districts, state schools, and/or charter schools, shall implement a regents-approved budget model, and use best practices established by the department of education for long range planning, budget development, and budget administration and reporting.** (2012)

(d) If any school district, regional school district, state school or charter school fails to install and maintain the uniform system of accounting, including a chart of accounts and approved budget model, or fails to keep its accounts and interdepartmental records, or refuses or neglects to make the reports and to furnish the information in accordance with the method prescribed by the office of auditor general and the department of education or hinders or prevents the examination of accounts and financial records, the auditor general and the commissioner of education and/or their respective designee(s) shall make a report to the superintendent of schools of the local education agency, the school committee chairperson, the mayor or town manager, and the president of the town council, and/or for a charter school, to the board of trustees or directors, as applicable, in writing, specifying the nature and extent of the failure, refusal, neglect, hindrance, or prevention, and the commissioner is hereby authorized and directed to review the matter so reported. If the commissioner shall find that failure, refusal, neglect, hindrance, or prevention exists and that the school district, regional school district, state school or charter school should properly comply in the matter so reported, the commissioner shall direct the school district, regional school district, state school or charter school, in writing, to so comply. If the failure, refusal, neglect, hindrance, or prevention shall continue for a period of ten (10) days following the written direction, the commissioner may **request the board of education for approval to withhold distribution of state aid to said school district, regional school district, state school or charter school. The board shall hold a hearing and provide the subject school and/or district notice and an opportunity to be heard at said hearing. After hearing thereon, the board may authorize the commissioner to withhold the distribution of state aid to said school district, regional school district, state school, or charter school, if the board determines such sanction is appropriate.** (2013)

(e) **The department of elementary and secondary education in consultation with the division of municipal finance shall conduct periodic reviews and analysis of school revenues and expenses. The department shall also review and monitor compliance with the approved budget model and best practices. The department shall identify those local education agencies considered to be at risk of a year-end deficit or a structural deficit that could impact future years. Such potential deficits shall be identified based on the periodic reviews, which may also include on-site visits and reporting in accordance with the provisions of section 45-12-22.2. Potential deficits shall be reported to the office of municipal finance, office of auditor general, superintendent, chairman of the school committee, mayor or town manager, and the president of the town council, of the applicable school district, regional school district, or state school, and/or for a charter school, to the board of trustees or directors, as applicable.** (2012)

**16-2-9.5. Other post-employment benefits – OPEB trusts. – (a)**

Notwithstanding the provisions of any general or special law, or the provisions of any municipality's home rule charter, to the contrary, for purposes of funding any unfunded liability for other post-employment benefits including, but not limited to, health care and dental care benefits hereinafter referred to as ("OPEB") in accordance with government accounting standards board statements 43 and 45, a school district, acting by its business manager or superintendent, upon an approving resolution of the school committee or school board as applicable, may enter into a trust agreement between the school district and a corporate trustee which shall be a bank or trust company doing business in the state, **or a corporation established pursuant to chapter 5 of title 45.** This trust agreement shall be in any form deemed proper by the business manager or superintendent, and shall be executed by its business manager or superintendent and countersigned by the chair of the school committee of the school district. It shall be lawful for any bank, trust company, **or entity organized pursuant to section 45-5-20.1**



doing business in the state to act as a depository or trustee under this trust agreement, and to furnish indemnification and pledge securities that may be required by any school district. (2012)

(b) OPEB trust funds shall be credited with all amounts appropriated or otherwise made available by the school district for the purposes of meeting the current and future OPEB costs payable by the school district. OPEB trust funds shall also be credited with all amounts contributed or otherwise made available by employees of the school district for the purpose of meeting future OPEB costs payable by the school district. Amounts in an OPEB trust fund, including any earnings or interest accruing from the investment of these amounts, shall be expended only for the payment of the costs payable by the school district for OPEB or as otherwise permitted by the terms of the trust and applicable law. The business manager or superintendent, as applicable, shall invest or reinvest the amounts in the OPEB trust fund in any investment permitted for the state pension funds consistent with the investment policies of the state general treasurer's office.

(c) School districts are hereby authorized to enter into agreements, trusts, contracts, and other arrangements with the state and any of its departments, agencies, boards, or commissions relating to the execution, management or operation of the OPEB trust funds, including, but not limited to, investments, and the state and its departments, agencies, boards and commissions are hereby authorized to enter into such agreements, contracts and other arrangements with school districts. Notwithstanding any provisions of any general or special law or principle of equity to the contrary, the state shall have no liability to any school district for entering into such agreements. ~~A school district may employ any qualified bank, trust company, corporation, firm or person to advise it on the investment of the OPEB trust fund and may pay from the OPEB trust fund for this advice and other services. Procurement for these services shall be subject to the procurement procedures and rules governing school districts in state law.~~ (2012)

**(d) A school district may employ any qualified bank, trust company, corporation, firm or person to advise it on the investment of the OPEB trust fund and may pay from the OPEB trust fund for this advice and other services. Procurement for these services shall be subject to the procurement procedures and rules governing school districts and municipalities in the state. (2012)**

**(e) School districts are also hereby authorized to enter into agreements, trusts, contracts, and other arrangements with any corporation created pursuant to chapter 5 of title 45 relating to the execution, management or operation of the OPEB trust funds, including, but not limited to, investments, and the corporations established pursuant to section 45-5-20.1 are hereby authorized to enter into such agreements, contracts and other arrangements with school districts. (2012)**

(f) Nothing contained herein will prevent any school district from entering into agreements with other school districts per section 16-2-9.2 for the purposes of jointly pooling their investments or collectively entering into an agreement with a corporate trustee, as defined in subsection (a) of this section..

(g) Nothing herein shall be construed to exempt OPEB trusts from the Rhode Island Access to Public Records Act, section 38-2-1 et seq.

**16-2-21.4. School budgets - Compliance with certain requirements.** (a)

Notwithstanding any provision of the general or public laws to the contrary, whenever a city, town or regional school committee determines that its budget is insufficient to comply with the provisions of sections 16-2-21, 16-7-23, or 16-7-24, the city, town or regional school committee shall adhere to the appropriated budget or the provisions of section 16-2-23 in the absence of an appropriated budget. The chairperson of the city, town, or regional school committee, in accordance with the provisions of section 16-2-9 shall be required to petition the commissioner, in writing, to seek alternatives for the district to comply with state regulations and/or provide waivers to state regulations and, in particular, those which are more restrictive than federal regulations that allow the school committee to operate with a balanced budget. Waivers which affect the health and safety of students and staff or which violate the provisions of chapter 16-24 shall not be granted. The commissioner must consider alternatives for districts to comply with regulations and/or provide waivers to regulations in order that the school committee may operate with a balanced budget within the previously authorized appropriation. In the petition to the commissioner, the school committee shall be required to identify the alternatives to meet regulations and/or identify the waivers it seeks in order to provide the commissioner with the revised budget which allows it to have a balanced budget within the previously authorized appropriation. The commissioner shall respond within fifteen (15) calendar days from the date of the written petition from the school committee. If the commissioner does not approve of the alternatives to meet regulations or the waivers from regulations which are sought by the school committee, or if the commissioner does not approve of the modified expenditure plan submitted by the school committee; then (i) Within ten (10) days of receiving the commissioner's response, the school committee may submit a written request to the city or town council for the council of the municipality to decide whether to increase the appropriation for schools to meet expenditures. Said decision to increase any appropriations shall be conducted pursuant to the local charter or the public law controlling the approval of appropriations within the municipality; or

(ii) In a regional school district, the chair of the school committee may, within ten (10) days of receiving the commissioner's response, submit a written request to the chief elected official of each of the municipalities to request that the city or town council in each of their respective towns meet to decide whether or not to increase the appropriation for schools to meet expenditures. Said decision to increase any appropriations shall be conducted pursuant to the local charter or the public law controlling the approval of appropriations within the municipality.

(b) In the event of a negative vote by the appropriating authority, the school committee shall have the right to seek additional appropriations by bringing an action in the Superior Court of the State of Rhode Island for the County of Providence and shall be required to demonstrate that the school committee lacks the ability to adequately run the schools for that school year with a balanced budget within the previously authorized appropriation or in accordance with sections 16-2-21, 16-2-23, 16-7-23 and 16-7-24. In no event shall any court order obtained by the school committee have force and effect for any period longer than the fiscal year for which the litigation is brought. Any action filed pursuant to this section shall be set down for a hearing at the earliest possible time and shall be given precedence over all matters except older matters of the same character. The court shall render its decision within thirty (30) days of the close of the hearings. Upon the bringing of an action in the superior court by the school committee to increase appropriations, the chief executive officer of the municipality or in the case of a regional school district, the chief elected officials from each of the member municipalities shall cause to have a financial and **performance audit in compliance with the generally acceptable governmental auditing standards** of the school department conducted by the auditor general, the bureau of audits, or a certified public accounting firm qualified in

**performance** audits. The results of said audit shall be made public upon completion and paid for by the school committee to the state or private certified public accounting firm.

**(c) The auditor general shall select the auditor if the audit is not directly performed by his or her office. (2008)**

16-2-21.6. Collective bargaining fiscal impact statements. – (a) Prior to executing any collective bargaining agreement between a school committee and representatives of teachers and/or other school employees, the school committee **in any municipality, or regional school district with an elected school committee, or the chief executive officer in any municipality with an appointed school committee** shall prepare or cause to be prepared a collective bargaining fiscal impact statement. These statements shall set forth, in dollar amounts, estimates of the fiscal impact, during the term of the proposed agreement. No comment or opinion relative to the merits of the terms of the contract shall be included, except that technical or mechanical errors or defects may be noted.

(b) The fiscal impact statement and the awarded contract shall be publicized and shall be made immediately available upon ratification of the contract. **(2011)**

**CHAPTER 16-7  
FOUNDATION LEVEL SCHOOL SUPPORT**

**16-7-17. Time of payment of state's share of the basic program and approved expenditures.** There shall be paid by the state to each community in twelve (12) monthly installments an amount as determined by law to be the state's share of the cost of the basic program for the reference year and all approved expenditures in excess of the basic program for the reference year, provided, however, that these payments to a community shall be reduced by the amount of funds deposited by the department into the local education agency EPSDT account in accordance with 40-8-18 on behalf of the community. The July ~~and August~~ payment shall be ~~two and one half percent (2 1/2%)~~ **two and fifty-four hundredths percent (2.54%)** of the state's share based upon the estimated pupil data, valuation data, and expenditure data for the reference year and the ~~September~~ **August** through June payments shall each be ~~nine and one half percent (9 1/2%)~~ **eight and eighty-six hundredths percent (8.86%)** of the aid due and payable based upon the data for the reference year, **except for the city of East Providence which shall be paid during October and April in accordance with chapter 344 of the Public Laws of 1982.** (2012)

**16-7-21. Determination and adjustment of equalized weighted assessed valuation.** On or before August 1 of each year the division of property valuation within the department of revenue shall determine and certify to the commissioner of elementary and secondary education the equalized weighted assessed valuation for each city and town in the following manner:

(1) The total assessed valuations of real and tangible personal property for each city and town as of December 31 of the third preceding calendar year shall be weighted by bringing the valuation to the true and market value of real and tangible personal property. The total assessed valuations of real and tangible personal property for all cities and towns shall be applied to the true and market valuations of the property for all cities and towns and the resulting percentage shall determine the average throughout the state. This percentage applied to the sum of the total true and market value of real and tangible personal property of each city and town shall be the equalized weighted assessed valuation of each city and town.

(2) The equalized weighted assessed valuation for each city and town shall be allocated to the particular city or town, and in the case of a regional school district which does not service all grades, except the Chariho regional high school district, the commissioner of elementary and secondary education shall apportion that proportion of the equalized weighted assessed valuation of the member cities or towns which the average daily membership serviced by the regional school district bears to the total average daily membership, and the equalized weighted assessed valuation of the member cities and towns shall be appropriately reduced.

(3) The equalized weighted assessed valuation for each community as allocated or apportioned in accordance with subdivision (2) of this section shall be adjusted by the ratio which the median family income of a city or town bears to the statewide median family income as reported in the latest available federal census data. The total state adjusted equalized weighted assessed valuation shall be the same as the total state equalized weighted assessed valuation.

**16-7-23. Community requirements - Adequate minimum budget provision.**

The school committee's budget provisions of each community for current expenditures in each budget year shall provide for an amount from all sources sufficient to support the basic program and all other approved programs shared by the state. Each community shall contribute local funds to its school committee in an amount not less than its local contribution for schools in the previous fiscal year except to the extent permitted by sections 16-7-23.1 and 16-7-23.2. Provided, that for the fiscal years 2010 and 2011 each community shall contribute to its school committee in an amount not less than ninety-five percent (95.0%) of its local contribution for schools for the fiscal year 2009. Calculation of the annual local contribution shall not include Medicaid revenues received by the municipality or district pursuant to chapter 8 of title 40 of the RI General Laws. A community which has a decrease in enrollment may compute maintenance of effort on a per pupil rather than on an aggregate basis when determining its local contribution; furthermore, a community which experiences a nonrecurring expenditure for its schools may deduct the nonrecurring expenditure in computing its maintenance of effort. The deduction of nonrecurring expenditures shall be with the approval of the commissioner. **Provided, however, that notwithstanding any provision of this title to the contrary, debt service that is no longer carried on the books of any school district shall not be included in any school district's annual budget, nor shall non-recurring debt service be included in maintenance of effort as set forth in this chapter, nor shall any non-recurring debt service be included in the operating budget of any school district. For the purposes set forth above non-recurring capital lease payments shall be considered non-recurring debt service.** The courts of this state shall enforce this section by ~~writ of mandamus~~ **means of injunctive relief.** (2012)

Whenever any state funds are appropriated for educational purposes, the funds shall be used for educational purposes only and all state funds appropriated for educational purposes must be used to supplement any and all money allocated by a city or town for educational purposes and, in no event, shall state funds be used to supplant, directly or indirectly, any money allocated by a city or town for educational purposes. All state funds shall be appropriated by the municipality to the school committee for educational purposes in the same fiscal year in which they are appropriated at the state level even if the municipality has already adopted a school budget. All state and local funds unexpended by the end of the fiscal year of appropriation shall remain a surplus of the school committee and shall not revert to the municipality. Any surplus of state or local funds appropriated for educational purposes shall not in any respect affect the requirement that each community contribute local funds in an amount not less than its local contribution for schools in the previous fiscal year, subject to section (a), and shall not in any event be deducted from the amount of the local appropriation required to meet the maintenance of effort provision in any given year. (2003)

**16-7-23.1. Special maintenance of effort rules for high local contribution and high per pupil expenditure communities.** (a) Any community that has a local appropriation that funds at least eighty five percent (85%) of the basic education program shall be defined as a high local contribution community. A high local contribution community that has provided full funding of the basic education program and all other approved programs required in law and regulation is authorized to reduce its local appropriation to schools by an amount up to ten percent (10%) of any increase it receives in state school funds, pursuant to the implementation of the permanent foundation education aid formula as defined in section 16-7.2-3.

**(b) Any community that has a local appropriation that combined with state education aid provides full funding of the basic education program and exceeds the benchmarks established by the department of elementary and secondary education for costs outside the permanent foundation education aid formula, pursuant to section 16-7.2-3, including but not limited to transportation, facility maintenance, and retiree health care, shall be defined as a high per pupil expenditure community. A high per pupil expenditure community is authorized to reduce its local appropriation to schools by an amount up to ten percent (10%) of any increase it receives in state school funds, pursuant to the implementation of the permanent foundation education aid formula as defined in section 16-7.2-3.**

**(c) Upon request of the local community, and for good cause shown, the commissioner of elementary and secondary education may grant variances to subsections (a) and (b) if the commissioner finds that such adjustment does not disrupt the continued effective operation of the public school system of the city or town.** (2010)

**16-7-23.2. School deficit reduction – Maintenance of effort provision. – A city, town, or regional school district appropriating authority may appropriate supplemental funds to eliminate or reduce a school budget deficit. To the extent that such a supplemental appropriation represents payment of past annual expenditure, the payment shall not be used in the computation of the maintenance of effort requirements established by section 16-7-23.** (2012)

**16-7-24. Minimum appropriation by a community for approved school expenses. Each community shall appropriate or otherwise make available to the school committee for approved school expenditures during each school year, to be expended under the direction and supervision of the school committee of that community, an amount, which, together with state education aid and federal aid: (i) shall not be less than the costs of the basic program during the reference year, (ii) plus the costs in the reference year of all optional programs shared by the state; provided, however, that the state funds provided in accordance with 16-5-31 shall not be used to supplant local funds. The board of regents for elementary/secondary education shall adopt regulations for determining the basic education program and the maintenance of local appropriation to support the basic education program. **A community that has a local appropriation insufficient to fund the basic education program pursuant to the regulations described in this section and all other approved programs shared by the state and required in law shall be required to increase its local appropriation in accordance with section 44-5-2 or find efficiencies in other non-education programs to provide sufficient funding to support the public schools. The city of Central Falls annual local contribution to education shall be determined pursuant to subsection 16-7.2-6(d).** (2010)**

**16-7-27. School tax rate to be identified. The taxing authority in every city and town of the state shall record upon the individual tax notices the tax rate which is apportioned for school purposes separate from the tax rate which is apportioned for municipal purposes and the total thereof of these two (2) tax rates.**

**16-7-38. Time for payments to communities. There shall be paid ~~during October and April~~ **on September 15 and March 15** of each year one-half (1/2) of the amount to which each community is entitled in terms of the computation in 16-7-41 [School Housing Aid]. (2012)**

**16-7-44. School housing project costs.** School housing project costs, the date of completion of school housing projects, and the applicable amount of school housing project cost commitments shall be in accordance with the regulations of the commissioner of elementary and secondary education and the provisions of 16-7-35 – 16-7-47; provided, however, that school housing project costs shall include the purchase of sites, buildings, and equipment, the construction of buildings, and additions or renovations of existing buildings and/or facilities. School housing projects shall include the cost of interest payment on any bond issued after July 1, 1988, provided that such bond is approved by the voters on or before June 30, 2003 or issued by a municipal public building authority or by the appropriate approving authority on or before June 30, 2003. Except as provided in subsection 16-7-41(d), those projects approved after June 30, 2003, interest payments may only be included in project costs provided that the bonds for these projects are issued through the Rhode Island Health and Educational Building Corporation. School housing project costs shall exclude: (1) any bond issuance costs incurred by the municipality or regional school district; (2) demolition costs for buildings, facilities, or sites deemed surplus by the school committee; and (3) restrictions pursuant to 16-7-44.1 below. A building, facility, or site is declared surplus by a school committee when the committee no longer has such building, facility, or site under its direct care and control and transfers control to the municipality, 16-2-15. The board of regents for elementary and secondary education will promulgate rules and regulations for the administration of this section. These rules and regulations may provide for the use of lease revenue bonds, capital leases or capital reserve funding to finance school housing provided that the term of any bond, or capital lease shall not be longer than the useful life of the project and these instruments are subject to the public review and voter approval otherwise required by law for the issuance of bonds or capital leases. Cities or towns issuing bonds, or leases issued by municipal public buildings authority for the benefit of of a local community pursuant to chapter 50 of title 45 shall not require voter approval. Effective January 1, 2008, and except for interim finance mechanisms, refunding bonds, and bonds issued by the Rhode Island Health and Educational Building Corporation to finance school housing projects for towns, cities, or regional school districts borrowing for which has previously been authorized by an enabling act of the general assembly, all bonds, notes and other forms of indebtedness issued in support of school housing projects shall require passage of an enabling act by the general assembly.

**16-7-44.1. Program restrictions.** Housing aid shall not be provided for the purchase of furniture, fixtures and equipment except in the case of a project to construct a new school or new school addition that is also supported by a general obligation or lease revenue bond. Housing aid shall not be provided for projects supported by capital lease agreements that: (1) are not lease purchase agreements; (2) do not demonstrate a direct benefit to the school nor are located on school property; and (3) do not exclude all non-capital costs such as maintenance costs prior to the request for reimbursement.

**16-7-44.2. Repayment of school housing aid.** (a) If an audit or subsequent review by the commissioner of elementary and secondary education determines that a community was overpaid school housing aid, the community shall repay the determined amount over a number of years that is calculated by dividing the total amount of the overpayment by the total number of revenues reported by the school district for the most recently completed fiscal year.

(b) If the percentage derived from section (a) above is one-half percent (0.5%) or less, the community shall repay the entire amount of the overpayment in the same fiscal year in which the overpayment is determined.

**(c) If the percentage derived from section (a) above is greater than one-half percent (0.5%), the community shall repay the amount of the overpayment over a number of years that equals the percentage derived from section (a) divided by one-half percent (0.5%).**

**(d) Repayments of more than one year shall be made in equal installments over the term derived from section (c) above. The department of elementary and secondary education will submit an invoice to the community on July 1<sup>st</sup>.**

**(e) If the department of elementary and secondary education has not received the required amount by June 30 of the applicable fiscal year, education aid for the community calculated pursuant to section 16-7.1-15 shall be reduced by the amount due.**

**(f) If the entire overpayment is not received in full in the first year, interest will be applied annually at a rate equal to the consumer price index. (2009)**

**16-7-45. Annual appropriations.** The general assembly shall annually appropriate those sums that it may deem necessary to carry out the purposes of sections 16-7-35 to 16-7-47, and the state controller is authorized and directed to draw his or her orders upon the general treasurer for the payment of the sum, or so much of it as may be required from time to time, upon the receipt by the controller of properly authenticated vouchers. **In the event that the full amount of housing aid has not been appropriated in a particular fiscal year, school housing aid will not be ratably reduced. In such cases, aid computed for school housing costs for debt service which has been paid by the local community prior to project completion will be deferred. Such aid will be paid within three (3) equal installments beginning the fiscal year after project completion. This deferral provision shall only be applicable if the computed aid for debt service paid by the local community prior to project completion exceeds five hundred thousand dollars (\$500,000). (2010)**



**CHAPTER 16-7.2  
THE EDUCATION EQUITY AND PROPERTY TAX RELIEF ACT**

**16-7.2-3. Permanent foundation education aid established.** (a) Beginning in the 2012 fiscal year, the following foundation education aid formula shall take effect. The foundation education aid for each district shall be the sum of the core instruction amount in (a)(1) and the amount to support high need students in (a)(2), which shall be multiplied by the district state share ratio calculated pursuant to section 16-7.2-4 to determine the foundation aid.

(1) The core instruction amount shall be an amount equal to a statewide per pupil core instruction amount as established by the department of elementary and secondary education, derived from the average of northeast regional expenditure data for the states of Rhode Island, Massachusetts, Connecticut, and New Hampshire from the National Center for Education Statistics (NCES) that will adequately fund the student instructional needs as described in the basic education program and multiplied by the district average daily membership as defined in section 16-7-22. Expenditure data in the following categories: instruction and support services for students, instruction, general administration, school administration and other support services from the National Public Education Financial Survey as published by NCES and enrollment data from the Common Core of Data also published by NCES will be used when determining the core instruction amount. The core instruction amount will be updated annually. For the purpose of calculating this formula, school districts' resident average daily membership shall exclude charter school and state-operated school students.

(2) The amount to support high need students beyond the core instruction amount shall be determined by multiplying a student success factor of forty percent (40%) by the core instruction per pupil amount described in section 16-7.2-3 (1) and applying that amount to all resident children eligible for USDA reimbursable school meals.

(b) LEA's may set aside a portion of funds received under subsection (a) to expand learning opportunities such as after school and summer programs, full day kindergarten and/or multiple pathway programs provided that the basic education program and all other approved programs required in law are funded. (2010)

**16-7.2-4. Determination of state's share.** For each district, the state's share of the foundation education aid calculated pursuant to section 16-7.2-3 (a) shall use a calculation that considers a district's revenue generating capacity and concentration of high-need students. The calculation is the square root of the sum of the state share ratio for the community calculation (SSRC), pursuant to section 16-7-20, squared plus the district's percentage of students eligible for USDA reimbursable school meals in grades PK-6 (PK6FRPL) squared, divided by two.

For purposes of determining the state's share, school district student data used in this calculation shall include charter school and state school students. These ratios are used in the permanent foundation education aid formula calculation described in section 16-7.2-5. (2010)

**16-7.2-7. Transition plan. The general assembly shall annually determine the appropriation of education aid pursuant to this chapter using a transition plan to begin in fiscal year 2012, not to exceed seven (7) years for LEA's for whom the calculated education aid pursuant to section 16-7.2-3 is more than the education aid the LEA is receiving as of the effective date of the formula, and ten (10) years for LEA's for whom the calculated education aid pursuant to section 16-7.2-3 is less than the education aid the LEA is receiving as of the effective date of the formula.**

**The local share of funding pursuant to section 16-7.2-5 shall be transitioned proportionately over a period not to exceed five (5) years. The transition shall provide a combination of direct aid to districts, funds for the categorical programs, and district savings through state-assumed costs, as determined by the general assembly on an annual basis. Updates to any components of the permanent foundation education aid formula, such as student data, property values, and/or median family-income, that result in an increase or decrease in state education aid that impacts the total state and local contribution by more than three percent (3%) shall be transitioned over a period of time not to exceed three (3) years. (2010)**

## CHAPTER 18-5 COMMON TRUST FUNDS

**18-5-1. Establishment by banks and trust companies authorized.** Any trust company or national banking association qualified to act as a fiduciary in this state may establish one or more common trust funds for the purpose of investment and reinvestment of moneys received and held by such trust company or national banking association as fiduciary or co-fiduciary, and as such fiduciary or co-fiduciary it may invest funds which it lawfully holds for investment in interests or participation in one or more common trust funds established by it, if the investment is not prohibited by the instrument, judgment, decree or order creating the fiduciary relationship and if, in the case of co-fiduciaries, it procures the consent of its co-fiduciary or co-fiduciaries to the investment.

**18-5-2. Definitions.** For the purpose of this chapter the term "Common trust fund" means a fund maintained by a bank exclusively for the collective investment and reinvestment of moneys contributed thereto by the bank in its capacity as a trustee, executor, administrator, or guardian, or as a co-trustee, co-executor, co-administrator, or co-guardian.

**18-5-3. Property tax on assets.** Real estate and tangible personal property constituting assets of a common trust fund shall be taxed to the owner thereof in the same manner as otherwise required by law.

**18-5-4. Exemption of funds from taxation generally.** Except as provided in Section 18-5-3, no common trust fund nor any asset thereof, nor any trust company or national banking association by reason of its ownership or operation of the same, shall be subject to any tax now or hereafter levied, assessed or imposed by the State of Rhode Island, or by any city, town, or other political sub-division thereof.

**18-5-6. Relationships to which applicable.** This chapter shall apply to fiduciary relationships in existence on May 2, 1956 or thereafter established.

## CHAPTER-22-12 FISCAL NOTES

**22-12-1. When fiscal notes required.** All bills and resolutions having an effect on the revenues, expenditures, or fiscal liability of the state, which can be calculated with reasonable accuracy, excepting appropriation measures carrying specific dollar amounts, shall be accompanied by a brief explanatory statement or note which sets forth their estimated dollar effect. The statements or notes shall be known as “fiscal notes”, and they shall accompany each such bill or resolution prior to consideration of the house in which the bill or resolution originated. Fiscal notes shall also accompany each bill or resolution that affects any city or town financially.

**22-12-1.1. Fiscal notes for administrative rules.** Whenever a state department or agency proposes to adopt administrative rules in accordance with the provisions of chapter 35 of title 42, which rules affect the state or any city or town financially, the proposed rules shall be accompanied by a fiscal note. **The budget officer shall be responsible, in cooperation with these agencies, for the preparation of the fiscal note, except that the department of revenue, in consultation and cooperation with the Rhode Island League of Cities and Towns, shall be responsible for the preparation of the fiscal note for bills affecting cities and towns. Fiscal notes shall be returned to the state department or agency proposing to adopt administrative rules within ten (10) calendar days of when the request was made. Copies of all fiscal notes for administrative rules shall be forwarded to the chairperson of the house finance committee, the chairperson of the senate finance committee, house fiscal advisor and senate fiscal advisor.** (2006)

**22-12-2. Content of fiscal notes.** Fiscal notes shall, wherever possible, cite effect in dollar amounts for the current fiscal year and estimates for the next two (2) succeeding fiscal years. No comment or opinion relative to the merits of the bill shall be included, excepting however that technical or mechanical defects may be noted. Fiscal notes for bills affecting cities and towns shall cite the effect by city and town.

**22-12-3. Request for fiscal notes.** -- (a) Fiscal notes shall only be requested by the chairperson of the house or senate finance committee upon being notified by another committee chairperson, the sponsor of the bill or resolution, or in the case of bills or resolutions affecting cities or towns, by the Rhode Island League of Cities and Towns in addition to the individuals referred to in this section, of the existence of any bill or resolution described in section 22-12-1. Requests shall be made in the form and substance as may be requested by the finance committee chairperson, and shall be forwarded through the house or senate fiscal advisor to the state budget officer, who shall determine the agency or agencies affected by the bill, or for bills affecting cities and towns to the chief executive official of the cities and the towns, the Rhode Island League of Cities and Towns, and the department of revenue. The budget officer shall then be responsible, in cooperation with these agencies, for the preparation of the fiscal note, except that the department of administration, in consultation and cooperation with the Rhode Island League of Cities and Towns, shall be responsible for the preparation of the fiscal note for bills affecting cities and towns.

**(b) The chairperson of either the house finance or senate finance committee may also require executive branch agencies to provide performance metrics when legislation affecting an agency’s program or policy has an economic impact.** (2013)

**22-12-4. Return of fiscal notes.** (a) Fiscal notes shall be returned to the chairperson of the committee having the bill or resolution under consideration and to the person making the request within ten (10) calendar days of when the request was made. All completed fiscal notes received by committee in compliance with this chapter shall be reviewed by the advisor of the committee on finance of the house or senate who shall note his or her approval as to accuracy and reliability of the dollar estimates or append his or her comments or exceptions.

(b) If the budget office fails to return a fiscal note within the timeframes set forth in subsection (a) of this section, the house fiscal advisor or the senate fiscal advisor may request any agency or department of state government which may be affected by the bill or resolution under consideration to provide any information he or she may deem necessary for the preparation of the interim fiscal note. Any agency or department of which such request is made shall respond in writing to the fiscal advisor within five (5) business days. The house fiscal advisor or the senate fiscal advisor may prepare an interim fiscal note at any time after expiration of the timeframe set forth in subsection (a) of this section.

(c) Notwithstanding the provisions of section 22-12-1, the house in which the bill or resolution originated may consider the bill or resolution if the fiscal note has not been returned within the timeframe set forth in subsection (a) of this section, provided an interim note has been prepared.

**22-12-5. Failure to supply information.** Whenever a bill or resolution, requiring a fiscal note as set forth in section 22-12-2, affects a city or town financially and the affected city or town fails to supply the necessary financial information or fails to cooperate with the agency or entity, as set forth in section 22-12-3, compiling the financial information within five (5) business days after the request for the financial information, then the chairperson of the legislative committee to which the bill is assigned shall notify the chief executive official of the city or town, by certified mail, return receipt requested, that the city or town has not supplied or has failed to cooperate in the compiling of the financial information. In the event that the bill or resolution becomes law and has a financial effect on the city or town, which does or could necessitate additional expenditures from local revenue, then the provisions of sections 45-13-6 – 45-13-11 shall not apply.

**CHAPTER 29-6  
STATE AID TO LIBRARIES**

**29-6-2. Public library services.** (a) For each city or town, the state's share to support local public library services shall be equal to at least twenty-five percent (25%) of both the amount appropriated and expended in the second preceding fiscal year by the city or town from local tax revenues and funds from the public library's private endowment that supplement the municipal appropriation; provided, however, the state in any year shall not be obligated to match any amount from the endowment that exceeds six percent (6%) of the three (3) year average market value, calculated at the end of the calendar year, of the investments in the endowment. The amount of the grant payable to each municipality in any year in accordance with this section shall be reduced proportionally in the event that the total of those grants in any year exceeds the amount appropriated that year for the purposes of this section. Provided further, however, that the reference year for the state's share of support to be paid in the year ending June 30, 2008 shall be in the third preceding year.

(b) Those public libraries that do not qualify for aid pursuant to the provisions of subsection (a) of this section may apply for resource sharing grants, to be used exclusively for the purpose of payment of ~~the cooperating libraries automated network (CLAN)~~ **the ocean state libraries (OSL)** annual assessment charges. Eligible public libraries shall apply directly to the office of library and information services for these resource sharing grants, and the grants shall be awarded to the libraries individually, rather than to the city or town. Eligible libraries must be or become members of the ~~CLAN~~ **OSL** upon receipt of the grant, serve municipalities that meet minimum standards for Rhode Island public libraries, and meet standards for member libraries of the Rhode Island (LORI) network. **(2010)**

(c) This subsection applies only to the **Pontiac Free Library** in city of **Warwick**. **(2010)**

**29-6-3. Eligibility requirements – Municipalities.** (a) To qualify for state aid under 29-6-2, a city or town shall:

(1) Appropriate from local tax revenues an amount not less than the amount appropriated the previous year from local tax revenues and expended for library operating expenses, except in the fiscal years ending June 30, 2009 **and June 30, 2010**, during which the amount appropriated from local tax revenues is not less than eighty percent (80%) of the amount appropriated from the previous year from local tax revenues and expended for library operating systems. The appropriation would exclude any state funds received for public library services. Any funds received from the state shall not be used to supplant funds from local tax revenues;

(2) In the case of a city or town having more than one free public library therein, submit or cause to be submitted to the **office of library and information services** a plan for the allotment or division of the proposed state aid among the free public libraries in the city or town. The plan shall be developed by agreement among the free public libraries of the city or town;

(3) Submit or cause to be submitted to the **office of library and information services** evidence that free public libraries in the city or town meet standards of service as set forth in regulations to be made by the ~~director of state library services~~ **chief of library services** pursuant to the provisions of chapter 3.1 of this title or that regulations are inappropriate for that library;

(4) Submit or cause to be submitted a plan describing how the public library or libraries plan to address one or more of the priorities established by the **office of library and information services**.

(b) The ~~director of the office of library and information services~~ **chief of library services** upon application and for cause shown may authorize an annual grant-in-aid under 29-6-2, or a portion thereof, to a city or town not fully meeting the requirements set forth in paragraphs (1) – (3) of this subsection.

(c) Decisions as to the eligibility of cities and towns for grants-in-aid under this chapter, and the amounts of the grants-in-aid, shall be made by the ~~director of the office of library and information services~~ **the chief of library services**.

(d) The ~~director of the office of library and information services~~ **chief of library services** shall require a preservation plan from any public library which receives an appropriation from the state of Rhode Island which states the preservation needs and objectives of the library for the coming fiscal year. The plan shall include, but not be limited to: condition of materials, assessment of building and environmental controls, and preservation measures to be taken.

(e) The ~~director of the office of library and information services~~ **chief of library services** shall require a disaster preparedness plan from any public library which receives an appropriation from the state of Rhode Island which states the plan of action to be taken in the event of a natural or human made disaster. The plan shall be in accordance with a suggested plan published by the **office**. The plan shall be submitted no later than January 1, 1993 and shall be updated yearly. (2010)

**CHAPTER 30-18**  
**RECORDATION OF HONORABLE DISCHARGES**

**30-18-1. Recordation without fee - Sufficiency of certified copy.** A certificate, of the honorable discharge of any soldier, sailor, airman, or marine from the military, naval, air, or marine service of the United States, and in case of any sailor to include notice of separation from the United States naval service, Form 553 and revisions thereto, may be recorded in the office of the town clerk or the clerk, except in the city of **Providence**, where the discharge and separation notice shall be recorded in the office of the recorder of deeds. It shall be the duty of the town clerk or the city clerk, or the recorder of deeds, in the city of **Providence**, to record any such certificate and separation notice upon presentation thereof without the payment of any fee. For any purpose for which such original honorable discharge and separation notice may be required in the State of Rhode Island a certified copy of such record shall be deemed sufficient and shall be accepted in lieu thereof.

**30-18-2. Sufficiency of references to recorded discharge.** Any person who has served in the military, naval, or air service of the United States in the Spanish American War, the insurrection in the Philippines, the China relief expedition, in World War I, in World War II, or any subsequent war in which the United States may be engaged, who has once filed evidence in a state, city or town administrative office in this state that he or she has been honorably discharged from such service, either in accordance with the requirements of 44-3-4, or in accordance with the requirements of any other general or public law of this state, shall not be again required to show his or her discharge paper in making application for tax exemption, licensing, examination, registration, aid, relief or in any other pertinent relationship in connection with any general or public law of this state, where evidence of honorable discharge from military, naval, or air service is required to be filed, but may refer any inquirer for verification of such discharge and such former filing of evidence to the office or official where or with whom such discharge has been once recorded, which evidence shall stand so long as his or her legal residence remains in Rhode Island.



## **CHAPTER 30-22 EXTENSION OF VETERANS' BENEFITS**

**30-22-1. World War II veterans.** The provisions of all of the statutes of this state granting of privileges to veterans of any war in which the United States of America has heretofore been engaged or to the widow of other surviving kin of deceased veterans of any such war, shall hereafter be construed to provide for like benefits and privileges for any veterans of World War II who has heretofore or may hereafter be honorably discharged from the armed forces of this nation, and to the widow or other surviving kin of any such deceased veteran of said war.

**30-22-2. Merchant marine.** All credits, benefits and privileges, granted and bestowed as of December 7, 1941 by the State of Rhode Island and Providence Plantations upon men in the armed forces of the United States of America and then enjoyed by said armed forces, shall be extended to include members of the American merchant marine service, who at date of enlistment, were legal residents of the State of Rhode Island; provided, however, that said members of the American merchant marine shall have been in such service for at least six (6) months, but in the event any such member shall meet death before the expiration of said six (6) months of service, he shall receive all credits, benefits and privileges to which he would have been entitled by this section had death not intervened in said six (6) months' service. All eligible members under this section shall file with the department of veterans affairs for a discharge certificate on forms provided by the department of veterans affairs for such purpose.

**30-22-3. Veterans of undeclared wars or campaigns.** The provisions of all the statutes of this state granting benefits or privileges to veterans of any war in which the United States of America has heretofore been engaged, or to the widow or other surviving kin of deceased veterans of any such war, shall hereafter be construed to provide for the like benefits and privileges for any man or woman of the armed forces, who has been engaged heretofore, is now or may hereafter be engaged in the active conduct of and/or fighting in the Korean campaign or the conflict in Viet Nam or any following campaign or war, declared or undeclared, which the armed forces of the United States of America conduct or in which said forces have a part, and who, having been actively engaged as hereinbefore described, has heretofore or may hereafter be honorably discharged from the armed forces of this nation, and to the widow or other surviving kin of any such deceased veteran of said campaign or war.

**30-22-4. Korean service defined.** "Active conduct of and/or fighting in the Korean campaign" shall mean service by any man or woman of the armed forces of the United States between June 27, 1950 and January 31, 1955, inclusive. Provided, however, that the extension of the date from July 27, 1953 to January 31, 1955 in the definition of Korean service shall not entitle any such veteran who served between July 27, 1953 to January 31, 1955 to any bonus previously paid, nor to any veteran's tax exemption pursuant to 44-3-4.

**30-22-5. Vietnam service defined.** "Active conduct of and/or fighting in the Vietnam conflict" shall mean service by any man or woman of the armed forces of the United States between February 28, 1961 and May 7, 1975, inclusive. Provided, however, that the extension of the date from August 5, 1964 to February 28, 1961 in the definition of the Vietnam conflict shall not entitle any such veteran who served between February 28, 1961 and August 5, 1964 to any bonus previously paid. (2002)

## CHAPTER 31-2 REGISTRY OF MOTOR VEHICLES

**31-2-13. Report to tax assessors of vehicles registered.** As soon as practical after January 1st, in every year, the registry shall furnish, without charge, to the tax assessors of each city or town in this state a statement of the motor vehicles registered from each said city or town on and after January 1st and through the thirty-first day of December of the previous year and the inclusive dates of their registration within this period.

The provisions of this section shall apply in all respects in the case of taxes assessed upon motor vehicles by any fire district.

## CHAPTER 31-3 REGISTRATION OF VEHICLES

**31-3-6. List of vehicles on which taxes delinquent - Denial of registration.** On or before October 31 in each year, the collector of taxes of each city or town shall furnish the division of motor vehicles with a list showing the registration plate numbers, names and addresses of the taxpayers of such city or town whose personal property and/or excise tax on motor vehicles, the assessment of which was made the prior December 31, in the case of the property tax, and the tax levied in the current year in the case of the excise tax, remained unpaid as of the date of such list. Thereafter, the collector of taxes in each city or town shall at times and in the manner prescribed by the assistant director for motor vehicles, furnish to the division of motor vehicles the names and addresses of such persons whose names appeared on such list who have subsequently paid such personal property, and/or excise taxes on motor vehicles and the division shall remove from such list the names and addresses of such persons. No city or town treasurer or tax collector shall refuse to accept personal property and/or excise taxes on a motor vehicle or refuse to remove taxes owing said city or town. No person, corporation, partnership, joint stock company or association whose name appears on such list and whose name has not been subsequently removed from such list as aforesaid shall be permitted to register any motor vehicle until all such excise and attendant penalties have been paid in full and such payment has been certified to the division of motor vehicles by the tax collector.

The provisions of this section shall not be construed so as to prevent the payment of taxes on motor vehicles in quarterly installments as provided in chapter 5 of title 44. The provisions of this section shall apply in all respects in the case of taxes assessed upon motor vehicles by any fire district.

**31-3-41. Return of registration card and plates - Receipt.** Whenever, under any of the provisions of title 31, entitled "Motor and other vehicles," a person surrenders, returns or delivers to any person in the registry of motor vehicles, any registration card or plate, a receipt shall be given, sufficiently identifying the same and showing the date it was received; and, as soon as practical after January 1st, in every year, the registry shall furnish, without charge, to the tax assessors of each city or town in this state a statement of cancellation, surrendering or returns of registration plates of motor vehicles whose owners have addresses in the respective cities or towns on or after January 1st and through the thirty-first day of December of the previous year and the inclusive dates of their registration with this period.

## CHAPTER 31-7 FOREIGN VEHICLES

**31-7-1. Right to operate on foreign registration.** (a) A nonresident owner, except as otherwise provided in 31-7-2 and 31-7-3, owning any foreign vehicle of a type otherwise subject to registration hereunder, may operate or permit the operation of such vehicle within this state without registering such vehicle in, or paying any fees to, this state subject to the condition that such vehicle at all times when operated in this state is duly registered in, and displays upon it a valid registration card and registration plate or plates issued for such vehicle in the place of residence of such owner.

(b) Any foreign vehicle(s) parked or garaged overnight in this state for more than thirty (30) days in the aggregate in any one year which is owned and/or operated by a resident of this state as defined in 31-1-18 shall register such vehicle(s) and pay the same fee therefore as is required with reference to like vehicle(s) owned by residents of this state.

(c) Any domiciled resident of this state who owns a vehicle which is registered in another state shall file an annual report with the registrar of motor vehicles of this state and with the tax assessor of the city or town in which said domiciled resident resides, stating the make, model, year, validation and the reason for registering the vehicle in the foreign state. Failure to comply with the terms of this subsection shall be subject to a civil fine of not more than five hundred dollars (\$500.00) for every such foreign vehicle. This provision shall not apply to military personnel assigned to duty outside of the State of Rhode Island and for a period of thirty days after discharge.

## CHAPTER 33-21 UNCLAIMED PROPERTY

**33-21-1. Town taking possession of property.** Whenever any person shall die leaving any real estate within this state, and shall leave no heir or legal representative to claim the same, the town council of the town in which such real estate may be, may direct the town treasurer of such town to take the same into his possession for the use of such town until the heir or other legal representative of such deceased shall call for the same, to whom the same shall be delivered on being claimed and evidence of the right or title of the claimant shown; and the said town shall in such case account with the claimant for such real estate, but not including any income or interest received therefrom.

**33-21-3. Action for recovery of property.** If any person shall appear to be possessed of any real estate of one dying without known heirs or other legal representatives as aforesaid, and shall on request refuse to deliver or surrender possession thereof to the town treasurer directed as aforesaid, such town treasurer may in his said capacity commence and prosecute any action for the recovery thereof. For purposes of Chapters 33-21-1 and 33-21-3 to 33-21-8, inclusive, "real estate" shall not include real estate to the extent it constitutes the underlying security for any note, obligation or other security owned by such person dying without known heirs, and such real estate to such extent shall be subject to the provisions of Chapters 33-21-11 to 33-21-43, inclusive. The attorney general may be joined, on behalf of the state, as a party respondent in any action involving title to such real estate.

**33-21-4. Subjection of estate to debts of decedent.** Whenever any real estate shall be taken into possession by any town treasurer pursuant to this chapter, the same shall be subject and liable to the payment of debts of the deceased to whom it belonged, as liens thereon; and such liens may be established and enforced by proceedings in a court of equity brought by said creditors against said town as trustee, at any time within two (2) years after such town has taken possession.

**33-21-5. Order for sale of real estate.** Whenever a town shall have been in possession of any real estate under the provisions of 33-21-1 for ten (10) years without any person having claimed the same as heir at law, devisee, legatee, or legal representative of such deceased person, and shall, by complaint setting forth all the known facts in relation to the title and possession of such real estate and in relation to the person who died leaving the same, apply to the superior court for leave to sell and convey same, the court shall order such notice of the pendency of the complaint as may to the court seem proper, and may, after the return of such notice and the hearing of all persons interested in such real estate, order the sale and conveyance thereof in such manner and upon such terms and conditions as the court shall prescribe.

**33-21-6. Proceeds of sale.** The proceeds of such sale, as also the balance of any proceeds after proceedings by creditors under 33-21-4, over and above all expenses incurred by said town, shall be held by such town and be accounted for in the same way and be held for the same uses as the real estate would have been had no sale thereof been made.

**33-21-10. Record of proceedings.** The town treasurer shall keep an exact record of his proceedings under the provisions of this chapter.

## CHAPTER 34-17 FIXTURES

**34-17-1. Factory equipment declared real estate.** The water wheels, steam engines, boilers, all shafting, whether upright or horizontal, and hangers for the same, except as are used to drive a special machine, all drums, pulleys, wheels, gearing, steam pipes, gas pipes, gas fixtures, water pipes, and fixtures, kettles and vats, set and used in any mechanical or manufacturing establishment, are declared to be real estate whenever the same belong to the owner of the real estate to which they are attached.

**34-17-2. Machinery and apparatus declared personal property.** All other machinery, tools and apparatus of every description, including all the articles specified in 34-17-1 whenever the same belong to some person other than the owner of the real estate to which they are attached, used or employed in any manufacturing establishment, are declared to be personal estate, and as such shall be considered in assignment of dower, in attachments and in all cases whatsoever; except that in the assessment of taxes such property shall be assessed as provided in chapter 4 of title 44.

## CHAPTER 34-27 MORTGAGE FORECLOSURE AND SALE

**34-27-6. Payment of outstanding taxes.** – (a) In connection with any sale by public auction made under and according to the provisions of any mortgage of real estate or any power of sale contained therein or annexed thereto, if the mortgagee or an affiliate of the mortgagee is the successful bidder for the real estate or property offered for sale, the foreclosure deed shall be recorded in the records of land evidence for the municipality where the real estate is located within forty-five (45) days after the date of the sale. The deed shall be captioned “foreclosure deed” and the date of the foreclosure shall be stated in the deed. This subsection (a) shall not apply to any such sale if, prior to the recording of the foreclosure deed: (1) the mortgagor files a voluntary proceeding, or an order for relief is entered in any involuntary proceeding against the mortgagor, under any federal or state bankruptcy or insolvency statute; or (2) the mortgagee abandons or otherwise terminates such sale.

(b) Notwithstanding any other general law or local ordinance to the contrary, the grantee of the real estate named in the foreclosure deed shall pay to the municipality, on or before the date the foreclosure deed is recorded, all taxes and other assessments, including water charges, interest and penalties, if any, which constitute liens on the real estate described in the foreclosure deed and which are due and owing on the recording date (collectively, “taxes due and owing”); provided, however, that a grantee shall not be deemed in violation of this subsection (b) if the grantee shall apply for a municipal lien certificate from the tax collector for the municipality during the forty-five (45) day period ending on the day on which the foreclosure deed is recorded and shall pay taxes due and owing within thirty (30) days after the date on which the municipal lien certificate is mailed by the tax collector by the United States mail, postage prepaid, certified, return receipt requested, and addressed to the grantee at the address therefore set forth in the application for the municipal lien certificate. Taxes due and owing for purposes of this section shall include only installments thereof required by law to be paid as of the date the foreclosure deed is recorded.

(c) Upon a violation of any one or more of the requirements of this section, a penalty shall accrue at the rate of forty dollars (\$40.00) per month (in the aggregate) for each month or part thereof during which such violation or violations continue. For the purposes of determining the penalty due hereunder, a month commences on the day on which the first such violation occurs and a new month commences on the same day (or if there is no such day, then on the last day) of each succeeding calendar month until all taxes due and owing are paid. In the event of a violation of subsection (a), taxes due and owing shall be determined as of the date required there under for the recording of a foreclosure deed.

(d) As used in this section, the term “affiliate” shall mean, with respect to any mortgagee, any individual or legal entity that controls, is controlled by or is under common control with such mortgagee, and the term “foreclosure deed” shall mean the mortgagee’s deed or other conveyance of title to the successful bidder at any sale by public auction made under and according to the provisions of any mortgage of real estate or any power of sale contained therein or annexed thereto. (2008)

## **CHAPTER 34-36 CONDOMINIUM OWNERSHIP**

**34-36-27. Separate assessment for taxation.** (1) Each unit and its percentage of undivided interest in the common areas and facilities shall be deemed to be a parcel and shall be subject to separate assessment and taxation by each assessing unit and special district for all types of taxes authorized by law including but not limited to ad valorem levies and special assessments. Neither the building or buildings, the property nor any of the common areas and facilities shall be deemed to be a parcel.

(2) No forfeiture or sale of the improvements or the property as a whole for delinquent real estate taxes; special assessments, or charges shall ever divest or in any way affect the title to an individual unit so long as the real estate taxes or duly levied share of the assessments and charges on the individual unit are currently paid.

(3) Any exemption from taxes that may exist on real property or the ownership thereof shall not be denied by virtue of the submission of the property to the provisions of this chapter.

## **CHAPTER 34-41 RHODE ISLAND REAL ESTATE TIME-SHARE ACT**

**34-41-1.03. Status and taxation of time-share estates.** – (a) Except as expressly modified by this chapter and notwithstanding any contrary rule of common law, a grant of an estate in a unit conferring the right of possession during a potentially infinite number of separated time periods creates an estate in fee simple having the character and incidents of such an estate at common law, and a grant of an estate in a unit conferring the right of possession during five (5) or more separated time periods over a finite number of years equal to five (5) or more, including renewal options, creates an estate for years having the character and incidents of such an estate at common law.

(b) Each time-share estate constitutes for all purposes a separate estate in real property. Assessments **shall** be made on the real property value of the **interval time-share estates, or on the real property value of the development.**

**(1) Notwithstanding anything herein, and/or notwithstanding any of the provisions of chapter 34-36 (“Condominium Ownership Act”), 34-36.1 (“Rhode Island Condominium Act”), or 34-41 (“Rhode Island Real Estate Time-Share Act”) to the contrary the tax assessor may use any identifiable and commonly accepted method of appraisal as a basis for arriving at value conclusions for the interval time-share estate or the development, including, but not limited to, elements of replacement cost, income analysis, and comparable sales of time-share interval estates, similarly configured hotels, and/or real estate developments, with appropriate deductions for personal property, intangible assets, and excess marketing costs, allowing for application of discounted cash flow methodology where appropriate.**

**(2) In making an assessment of the real property value of the interval time-share estates or the development, tax assessor notices of assessments and bills for taxes must be furnished to the managing entity, if any, or otherwise to each time-share owner, but the managing entity is not liable for the taxes as a result thereof. In accordance herein, each municipality is hereby authorized and empowered to exercise all rights and powers for the collection of taxes as are conferred by virtue of title 44.**

**(3) This section shall apply to fee and non-fee time-share real property.**

(c) A document transferring or encumbering a time-share estate may not be rejected for recordation because of the nature or duration of that estate.

**(2007)**

**34-41-3.11. Lien for assessments.** (a) A person who has a duty to make assessments for time-share expenses has a lien on a time-share for any assessment levied against that time-share or fines imposed against its owner from the time the assessment or fine becomes due. The lien may be foreclosed in like manner as a mortgage on real estate (or a power of sale under chapter 27 of this title), or, in the case of a time-share license, under the Uniform Commercial Code, title 6A. Unless the time-share instrument otherwise provides, fees, charges, late charges, fines and interest charged pursuant to 34-41-3.02(8) and (9) are enforceable as assessments under this section. If an assessment is payable in installments the full amount of the assessment is a lien from the time the first installment thereof becomes due.

(b) A lien under this section is prior to all other liens and encumbrances on a time-share except:

(i) Liens and encumbrances recorded before the recordation of the time-share instrument;

(ii) Mortgages and deeds of trust on the time-share securing first mortgage holders and recorded before the due date of the assessment or the due date of the first installment payable on the assessment;

(iii) Liens for real estate taxes and other governmental assessments or charges against the time-share; and

(iv) Liens securing assessments or charges made by a person managing a project of which the time-share property is a part.

(2) To the extent of the time-share expense assessments made under 34-41-3.10(b) become due during the six (6) months immediately preceding institution of an action to enforce the lien, the lien is also prior to the mortgages and deeds of trust described in subdivision (1)(ii) of this subsection. This subsection does not affect the priority of mechanics' or materialmen's liens.

(c) The lien is perfected upon recordation of a claim of lien in the municipality in which the time-share unit is situated.

(d) A lien for unpaid assessments is extinguished unless proceedings to enforce the lien are instituted within three (3) years after the assessment becomes payable.

(e) This section does not prohibit actions or suits to recover sums for which subsection (a) creates a lien or preclude resort to any contractual or other remedy permitted by law.

(f) A judgment or decree in any action or suit brought under this section must include costs and reasonable attorney's fees for the prevailing party.

(g) A person who has a duty to make assessments for time-share expenses shall furnish to a time-share owner upon written request a recordable statement setting forth the amount of unpaid assessments currently levied against his or her time-share. The statement must be furnished within ten (10) business days after receipt of the request and is binding in favor of persons reasonably relying thereon.

## **CHAPTER 35-2 FISCAL YEAR**

**35-2-2. Fiscal year in towns and cities.** The electors in a financial town meeting of any town qualified to vote on any proposition to impose a tax or for the expenditure of money, or the city council of any city, not having a fiscal year beginning July 1, may vote at any financial town or city council meeting that the fiscal year in such town or city in which such a vote is passed shall thereafter begin with July 1 of each calendar year and end with June 30 of the following calendar year.

**35-2-3. Town of North Providence fiscal year.**



**CHAPTER 35-10**  
**STATE INVESTMENT COMMISSION**

**35-10-11. Additional investment powers.** The state, any state agency, any city or town, and any municipal agency which has, or has control of, any funds not immediately required for other purposes, may, in addition to other investments in which it may be authorized to invest by law, and notwithstanding any provisions of any special law or municipal charter to the contrary, invest the same either individually or with each other in:

(1) Deposits in banks, savings banks, national banks or trust companies, loan and investment companies, credit unions, and in shares of building-loan associations, the principal office of which institution or institutions is located in this state or which has a deposit taking facility within this state; provided, that the investments shall be made as would be done by prudent persons of discretion and intelligence in these matters who are seeking a reasonable income and preservation of their capital;

(2) The shares or units of beneficial interest of any open end investment company or association or investment trust which is registered under the Federal Investment Company Act of 1940 (15 U.S.C. sections 80a-1 et seq.) as heretofore or hereafter amended; provided that the company, association, or trust shall:

(i) Limit the issuance, distribution, and ownership of its shares or units solely to this state, state agencies, cities and towns of this state; and municipal agencies thereof, other than share or units issued in connection with the initial capital required by the Federal Investment Company Act of 1940;

(ii) Invest solely in securities and investments which are lawful for investments of savings deposits as set forth and defined in sections 19-9-2, 19-9-3, 19-9-5(c), 19-9-5(d) and 19-9-6, without regard to the provisions of these sections as to percentage of deposits which may be so invested, or are lawful for investment of reserve funds by cities and towns under sections 45-11-1, but subject to the restrictions that:

(A) No investment shall be made in any security or investment authorized under any of sections 19-9-2(e), 19-9-2(f), 19-9-2(g), 19-9-2(h) and 19-9-2(i), unless, after giving effect to the investment, no more than ten percent (10%) of the total assets of the company, association, or trust shall be invested in securities or investments of a class or type authorized solely under this chapter;

(B) No investment shall be made in any security or investment authorized under any of sections 19-9-3, 19-9-5(c), 19-9-5(d) and 19-9-6 unless, after giving effect to the investments, no more than five percent (5%) of the total assets shall be invested in the securities or investments authorized solely under these sections of any one issuer or obligor; and

(C) If the lawful investments constitute collateral for any repurchase agreement, the company, association, or trust shall take delivery of the collateral either directly or through an authorized custodian; and

(iii) Invest solely in such of the investments as would be done by prudent persons of discretion and intelligence in these matters who are seeking a reasonable income and preservation of their capital; and

(3) Notwithstanding the provisions of paragraphs (1), (2)(ii)(A), and (2)(ii)(B), in:

(i) Obligations issued or guaranteed by the United States government or any agency or instrumentality thereof and repurchase agreements fully collateralized thereby, or in securities of any open end investment company or association or investment trust, custodial arrangement, or pool which is registered under or exempt from the federal Investment Company Act of 1940, provided, that the portfolio of the company, association, trust, custodial arrangement, or pool is limited to obligations issued or guaranteed by the United States government or any agency or instrumentality thereof and repurchase agreements fully collateralized thereby and that the company, association, trust, custodial arrangement, or pool takes delivery of the collateral either directly or through an authorized custodian, agent, or depository; and

(ii) Any security of a state or political subdivision thereof, or in securities of any open end investment company or association or investment trust, custodial arrangement, or pool which is registered under or exempt from the federal Investment Company Act of 1940, provided that:

(A) The portfolio of the company, association, trust, custodial arrangement, or pool is limited to state or political subdivision securities and repurchase agreements fully collateralized thereby;

(B) The company, association, trust, custodial arrangement, or pool takes delivery of the collateral either directly or through an authorized custodian or depository;

(C) The interest on the securities is exempt from federal income taxation;

(D) At the time of the investment, the security (in the case of a security issued by or on behalf of a state or political subdivision thereof) has a rating as determined by a national rating agency of municipal obligations equal or superior to the last rating by the agency applicable to general obligations of the state or (in the case of a fund) the fund invests solely in securities having these ratings;

(E) In connection with the investments, the state, state agency, city, town, or municipal agency may enter into contracts to purchase and resell the investments at specified or determinable prices.

**(4) Notwithstanding the provisions of subdivision (1), in certificates of deposit obtained in accordance with the following conditions:**

**(i) The funds are initially invested through a financial institution as defined in subdivision 19-1-1(8) or chapter 19-1, selected by the investing governmental entity;**

**(ii) The selected financial institution arranges for the deposit of the funds in certificates of deposit in one or more federally insured banks or savings and loan associations, for the account of the governmental entity;**

**(iii) The full amount of the principal and accrued interest of each certificate of deposit is insured by the Federal Deposit Insurance Corporation;**

**(iv) The selected financial institution acts as custodian for the governmental entity with respect to the certificates of deposit issued for the governmental entity's account; and**

**(v) At the same time that the governmental entity's funds are deposited and the certificates of deposit are issued, the selected financial institution receives an amount of deposits from customers of other banks and savings and loan associations, wherever located, equal to the amount of funds initially invested by the governmental entity through the selected financial institution.**

**(5) Public deposits placed in accordance with the conditions prescribed in this subsection shall not be required to be secured by eligible collateral as set forth in chapter 35-10.1. (2009)**

**CHAPTER 35-10.1  
COLLATERALIZATION OF PUBLIC DEPOSITS**

**35-10.1-1. Short title.** This chapter shall be known as and may be cited as the Rhode Island Collateralization of Public Deposits Act."

**35-10.1-2. Definitions.** The following definitions shall apply for the purposes of this chapter.

(a) "Commission" shall mean the state investment commission established pursuant to chapter 10 of title 35.

(b) "State" shall mean the state of Rhode Island.

(c) "Depository institution" shall mean any state chartered bank or trust company, state chartered loan and investment company or building loan company, national banking association, state chartered savings bank, or federally chartered savings bank insured by the federal deposit insurance corporation or a federally or state chartered credit union administration.

(d) "Qualified depository institution" shall mean a depository institution that has satisfied all of the requirements of this chapter with respect to insuring or securing public deposits held by such institution.

(e) "Public deposit" shall mean funds deposited in a demand account or time deposit account at any depository institution by the state or any of its agencies, boards, or commissions, or by any governmental subdivision of the state or any of such subdivision's agencies, boards, commissions, or districts.

(f) "Public depositor" shall mean the entity in the name of which a public deposit is maintained.

(g) "Eligible collateral" shall mean assets owned by a depository institution free and clear of any right, title, or interest of any other party (other than a public depositor that acquires a security interest in such collateral) pursuant to this chapter and consisting of:

(i) Obligations of the United States government or any of its agencies or instrumentalities;

(ii) Obligations of any state other than Rhode Island or any of such other state's political subdivisions, or any of the agencies, boards, or commissions of such state or political subdivision, provided that such obligations are rated not less than "A" by standard & poor's corporation or moody's investors service;

(iv) One to four family residential mortgage loans, provided that the value of such collateral is not less than one hundred fifty percent (150%) of the public deposit secured thereby and provided, further, that the original loan to value ratio on the individual mortgage loans pledged as collateral shall not have exceeded eighty percent (80%) unless private mortgage insurance was obtained with respect to any such excess; however, collateral of this type shall not exceed twenty-five percent (25%) of total collateral pledged by a depository institution; or

(v) Other marketable securities and debt instruments determined by the investment commission to be satisfactory for purposes of providing liquid assets in the event of the default or insolvency of a qualified depository institution, provided that the commission gives prompt public notice of any determination it makes under this paragraph and provided, further, that all depository institutions are permitted to use any category of eligible collateral approved hereunder; however, collateral of this type shall not exceed ten percent (10%) of total collateral pledged by a depository institution.

**35-10.1-3. Securing of deposits.** (a) Every qualified public depository shall at a minimum insure or pledge eligible collateral equal to one hundred percent (100%) of public deposits which are time deposits with maturities greater than sixty (60) days, and which are maintained with such depository institution as of October 1, 1991. Provided, however, any qualified depository institution which does not meet its minimum capital standard as prescribed by its federal regulator shall insure or pledge eligible collateral equal to one hundred percent (100%) of all public deposits maintained with such depository institution as of October 1, 1991. The amount of eligible collateral required shall be determined when funds are deposited, for time deposits, and at the end of each month for demand deposits. The amount of required insurance shall be determined in accordance with 35-10.1-8.

(b) All eligible collateral shall be designated as security for public deposits under this chapter and shall be segregated from the depository institution's other assets, either by:

(i) Depositing such collateral in a custodial account at the federal reserve bank or federal home loan bank for the district in which the qualified depository institution is located;

(ii) Depositing such collateral in a custodial account in the qualified depository institution's trust department or in the trust department of another qualified depository institution, provided the terms under which such collateral is to be held are set forth in a written custodial agreement and provided, further, that no creditor of the depository institution that pledged such collateral may have or obtain rights in such collateral that are superior to the rights of the public depositor; or

(iii) When the collateral is held in book entry form, notifying the custodian of such collateral that it has been pledged as collateral for a public deposit.

(c) If eligible collateral has been designated and segregated as provided in this section, the public depositor shall be deemed to have a perfected security interest therein.

(d) The qualified depository institution shall deliver to the general treasurer, municipal finance officer, or chief financial officer a power of attorney authorizing the general treasurer, municipal finance officer or chief financial officer to transfer or liquidate these securities in the event of default, financial failure or insolvency of a depository institution.

**35-10.1-4. Substitution of collateral.** A qualified depository institution may substitute insurance or different forms of collateral from time to time without notice to the public depositor or the commission, provided that any substitute collateral constitutes eligible collateral and provided, further, that no substitution of insurance or collateral shall cause the depository institution to cease being a qualified depository institution.

**35-10.1-5. Valuation of collateral.** The valuation of collateral shall be established initially at the time such collateral is pledged and shall be adjusted thereafter as of the last day of each month. For the purpose of this chapter, the value of collateral shall be its market value.

**35-10.1-6. Income from collateral.** The income from assets that constitute segregated collateral shall belong without restriction to the depository institution that pledged the collateral unless and until the assets are transferred to the public depositor or its designee as the result of a default or insolvency of the depository institution.

**35-10.1-7. Reports.** (a) Except with respect to those public deposits which are fully insured by federal deposit insurance, each qualified depository institution holding public deposits shall file a report as required by this section within forty-five (45) days following the end of each of such institution's fiscal quarters.

(b) Reports required to be filed hereunder shall be certified as accurate by the chief financial officer of the reporting institution.

(c) Reports required to be filed hereunder shall be filed with the commission and with each public depositor that maintains a public deposit with the reporting institution.

(d) Each quarterly report shall contain:

(i) The name of the reporting institution and the name, title, address, and telephone number of an officer to whom questions regarding the report should be addressed;

(ii) The institution's total capital as of the last day of the fiscal quarter most recently ended;

(iii) The institution's risk based capital to risk weighted assets ratio as of the last day of the fiscal quarter most recently ended, computed in accordance with federal regulations applicable to such institution;

(iv) A statement whether or not the institution's net income for the fiscal quarter most recently ended, as reported in a quarterly financial report certified by the institution's chief financial officer, exceeded zero;

(v) The aggregate dollar amount of public deposits held by the institution for each public depositor as of the last day of the fiscal quarter most recently ended;

(vi) The minimum dollar value of eligible collateral the institution is required to pledge in order to be a qualified depository institution in accordance with this chapter;

(vii) The value of all eligible collateral pledged by the institution, determined in accordance with this chapter; and

(viii) The amount of any private deposit insurance purchased by the institution with respect to its public deposits pursuant to 35-10.1-8.

**35-10.1-8. Insurance.** At its option, a depository institution may elect to purchase insurance for one hundred percent (100%) of any public deposit not covered by federal deposit insurance or secured pursuant to this chapter, provided that such insurance is provided by an insurer rated "AAA" by standard & poor's corporation, moody's investors service, or both. Any such insurance may be provided in lieu of, but shall not be required in addition to, collateral otherwise required pursuant to this chapter.

**35-10.1-9. Federal deposit insurance.** Public deposits which are fully insured by federal deposit insurance, subject to deposit insurance limitations, shall not be required to be secured by eligible collateral as provided by this chapter.

**35-10.1-10 Annual report.** An annual report shall be made sixty (60) days after the end of each calendar year by the general treasurer to the general assembly on the effectiveness of this chapter.

**35-10.1-11. Effective date.** This chapter shall take effect upon passage and shall be applicable only to those deposits made subsequent to October 1, 1991.

**CHAPTER 35-10.2**  
**RHODE ISLAND LOCAL GOVERNMENT INVESTMENT POOL**

**35-10.2-2. Purpose.** The purpose of this chapter is to enable eligible governmental entities to participate with the state in providing maximum opportunities for the investment of public funds consistent with safety and protection of such funds. It is the intention of the general assembly in enabling the general treasurer with the approval of the state investment commission to establish the said investment pools, that the general treasurer and state investment commission consider the importance of retaining deposits with the banks located and operating within the state, that further consideration be given to a bank's commitment to the various communities within the state, the bank's role as an employer within the state, as well as the bank's commitment to the growth of economic development within the state. (2011)

**35-10.2-3. Definitions.** As used in this chapter, the following terms, unless the context requires a different interpretation, have the following meanings:

(1) "Commission" means the state investment commission;

(2) "Participation Unit" means the equal proportionate share into which the beneficial interest in the trust is divided and includes a fraction of a unit as well as whole units. (2011)

**35-10.2-4. Establishing investment pools.** Notwithstanding, and general or special law or regulation to the contrary, the general treasurer may establish, subject to the approval of the commission, one or more investment pool trust funds containing certain monies in accordance with section 35-10.2-5. (2011)

**35-10.2-5. Monies included in investment pools.** Each investment pool trust fund may contain any or a combination of any of the following:

(1) Monies of the several funds of the state according to section 35-10-2;

(2) The proceeds of all bond issues not immediately required; or

(3) The funds under the custody of agencies, authorities, commissions, boards, municipalities, political subdivisions and other public units of the state. (2011)

**35-10.2-6. Trustee of the funds.** The general treasurer shall serve as trustee for each established investment pool trust fund in accordance with this chapter. (2011)

**35-10.2-7. Investment of funds.** The general treasurer shall invest each investment pool trust fund in instruments prescribed, and in amounts approved, by the commission in accordance with section 35-10-6. (2011)

**35-10.2-8. Participation units.** The general treasurer is authorized to sell to all agencies, authorities, commissions, boards, municipalities, political subdivisions, and other public units of the state, participation units in any such combined investment trust fund. Such participation units are made legal investments for all the funds under the custody of such agencies, authorities, commissions, boards, municipalities, political subdivisions, and other public units of the state. (2011)



**35-10.2-9. Reporting.** (a) The general treasurer shall keep a separate account of each participant having funds in the investment pool. Each separate account shall record the individual amounts deposited in the investment pool, the date of withdrawals, and the earnings credited or paid. The general treasurer shall report monthly the status of the respective account to each participant having funds in the pool during the previous month.

(b) At the end of each fiscal year, the general treasurer shall submit to the governor and the state auditor a summary of the activity of the investment pool. The summary shall indicate the quantity of funds deposited; the earnings of the pool; the investments purchased, sold, or exchanged; the administrative expenses of the investment pool; and such other information as the state treasurer deems relevant. (2011)

**35-10.2-10. Rules and regulations.** The general treasurer, subject to the approval of the commission, shall by rule prescribe the time periods for investments in the investment pool and the procedure for withdrawal of funds from the investment pool. The state treasurer shall promulgate such other rules as are deemed necessary for the efficient operation of the of the investment pool. (2011)

**CHAPTER 39-6.1  
RAILROAD PRESERVATION**

**39-6.1-10.1. Massachusetts Bay Transportation Authority.** Notwithstanding any general or special law to the contrary, the Massachusetts Bay Transportation Authority, a body politic and corporate and a political subdivision of the Commonwealth of Massachusetts (“MBTA”) and all its real and personal property shall be exempt from taxation and from betterments and special assessments; and MBTA shall not be required to pay any tax, excise or assessment to or for this state or any of its political subdivisions; nor shall the MBTA be required to pay any fee or charge for any permit or license, nor any compliance fee, issued to it by this state, by any department, board or officer thereof, or by any political subdivision of this state; and the MBTA shall be exempt from tolls for the use of highways, bridges and tunnels. Bonds and notes issued by MBTA in support of purchases and/or improvements for maintaining and/or improving commuter rail service to and/or within the state of Rhode Island, their transfer and the income therefrom, including any profit made on the sale thereof, shall at all times be free from taxation with this state. (2003)

**CHAPTER 39-15  
WATER SUPPLY**

**39-15-11. Grant of right to lay pipes and build reservoirs - Exemption from taxation.** The town council of any town or the city council of any city may grant to any person or corporation the right to lay water pipes in any of the public highways of such town or city for supplying the inhabitants of such town or city with water and may consent to the erection, construction and the right to maintain a reservoir or reservoirs within said town or city, for such time and upon such terms and conditions as they may deem proper including therein the power and authority to exempt such pipes and reservoirs and the land and works connected there with from taxation.

**39-15-12. Liability of landowner for water charges - Lien.** The owner of any house, building, tenement, or estate shall be liable for the payment of the price or rent or rates fixed by any town, city or incorporated fire district or water district for the use of water furnished by such town, city, fire district or water district to the owner or occupant of such house, building, tenement, or estate; and such price, rent, or rates shall be a lien upon such house, building, tenement, and estate in the same way and manner as taxes assessed on real estate are liens, and, if not paid as required by said town, city, fire district, or water district, shall be collected in same manner that taxes assessed on real estate are by law collected.

**CHAPTER 42-1**  
**SOVEREIGNTY AND JURISDICTION OF STATE**

**42-1-3. Tracts ceded to United States - Reserved jurisdiction.** The tracts of land hereinafter referred to are within the exclusive jurisdiction of the United States subject to the reservations and conditions contained in the acts of the general assembly ceding jurisdiction thereof, respectively; provided, that all civil and criminal process issued under the authority of this state may be executed thereon in the same manner as if the jurisdiction of said lands had not been ceded; that is to say:

- (1) A tract of land at Beaver Tail, in the south part of the town of Jamestown;
- (2) A tract of land at Whale Rock, at the entrance to Narragansett Bay;
- (3) A tract of land at Watch Hill, in the town of Westerly;
- (4) A tract of land at Point Judith, in the town of Narragansett;
- (5) A tract of land at Poplar Point, in the town of North Kingstown;
- (6) A tract of land at Old Gay Rock, in the harbor of Wickford, in the town of North Kingstown;
- (7) A tract of land on the northwest point of Block Island, in the town of New Shoreham;
- (8) A tract of land at the breakwater at Block Island, in the town of New Shoreham;
- (9) A tract of land on the southeast point of Block Island, in the town of New Shoreham;
- (10) A tract of land at Warwick Neck, in the City of Warwick;
- (11) A tract of land at Sandy Point, on the Island of Prudence, in the town of Portsmouth;
- (12) An island or place in the harbor of Newport, known as Lime Rock;
- (13) A lot of land near Bristol Ferry, in the town of Bristol;
- (14) A shoal known as the Bullock's Point Shoal, in Providence river, and so much of the land below low water surrounding the same as is included within a circle of one hundred (100) feet radius from the center of the lighthouse thereon; an island in the outer channel of Providence river known as Ponham Rock; with Fuller's Rocks, in Providence river, and so much of the land below high-water mark as is within the circle of one hundred (100) feet radius from the center of the lighthouse, beacon light, or range light at said Fuller's Rocks; and so much land below high-water mark as is included within a circle of one hundred (100) feet radius from the center of the lighthouse, beacon light, or range light as Sassafras Point, in said Providence river; all of which several tracts of land have been acquired by the United States as sites for lighthouses;

(15) A tract of land covered by the navigable waters of the state within a circle, seven hundred (700) feet in diameter, the center of which shall be the Little Cormorant Rock, so-called, situated at the mouth of the Seaconnet River, on a course northwest from the northwesterly point of West Island, and distant therefrom about nine hundred (900) feet, as a site for a lighthouse, beacon, or other aid to navigation;

(16) A tract of land covered by the navigable waters of the state within a circle, three hundred (300) feet in diameter, the center of which shall be the rocks known as Gull Rocks, in mid-channel between Rose Island and Coaster's Harbor Island, in Newport Harbor, as a site for a lighthouse or other aid to navigation;

(17) A tract, piece or parcel of land lying and being in the Warren River, for the erection thereon of a light in aid of navigation, more particularly described as a circular plat one hundred (100) feet in diameter including what is known as Allen Rock, center of said plot being located in latitude forty-one (41) degrees, forty-two (42) minutes, forty-nine (49) seconds, north; longitude seventy-one (71) degrees, seventeen (17) minutes, thirty-seven and three-quarters (37-3/4) seconds west, and further described by a circle in red ink adjacent to the words "Allen Rk" on a copy of the N.S. coast and geodetic survey chart, marked exhibit "A" and attached to Chapter 1879 of the Public Laws of 1932;

(18) A tract of land on Brenton's Neck, in Newport, being the site of Fort Adams;

(19) Goat Island in the harbor of Newport, being the site of Fort Walcott and a lighthouse;

(20) Dutch Island, between Jamestown and Narragansett, purchased for the purpose of a lighthouse and the location of a fort;

(21) An island called Castle Island, at the entrance of Bristol Harbor;

(22) An Island between Newport and Jamestown, known as Rose Island ceded for a fort;

(23) A lot of land on the east side of Weybosset Street, in the City of Providence, purchased for a customhouse, post office and United States courtroom;

(24) A lot of land on the east side of Thames Street, in the City of Newport, purchased for a customhouse;

(25) A lot of land in the Town of Bristol, purchased for a post office and customhouse;

(26) A lot of land in the City of Pawtucket, purchased for a post office and other public purposes;

(27) Coaster's Harbor Island in Narragansett Bay, ceded for the location of the United States Naval Training School;

(28) A lot of land on Exchange Place in the City of Providence, purchased for a post office, courthouse, and customhouse;

(29) A tract of land south of Jamestown, on Conanicut Island, Rhode Island, being the site of Fort Wetherill;

(30) A tract of land on the northwesterly shore of Conanicut Island, commonly known as Fox Hill, being the site of Fort Getty;

(31) A tract of land south of Saunderstown, on the westerly shore of Narragansett Bay, commonly known as Boston Neck, being the site of Fort Kearny;

(32) A tract of land at Point Judith, being the site of the landing for the upper shore arm of Point Judith breakwater;

(33) A tract of land under water at the entrance of Great Salt Pond Harbor on Block Island in the Town of New Shoreham for lighthouse purposes; said land being all that tract, piece, or parcel of land situate, lying and being in a circle of two hundred (200) feet in diameter, the center of which is in latitude North forty-one (41) degrees, eleven (11) minutes, fifty-seven and six-tenths (57.6) seconds, and longitude East, seventy-one (71) degrees, thirty-five (35) minutes, thirty-eight and four-tenths (38.4) seconds, and bears North thirty-nine (39) degrees, eighteen (18) minutes West true from Great Salt Pond Inner End light and distant from it by one thousand five hundred seventy-five (1,575) feet. Also a line parallel to and one hundred (100) feet from the center line of the existing breakwater and another line perpendicular to the above-mentioned line at a point southerly of and one hundred (100) feet distant from the northerly extremity of the said breakwater intersect each other in a point which is the center of the said circle. The area or content of the property thus limited and defined being seven hundred twenty-one one-thousandths (721/1000) of an acre more or less;

(34) A tract of land situated, lying and being within the City of Newport, the County of Newport and the State of Rhode Island, approximately one thousand five hundred (1,500) feet north of Coaster's Harbor Island and six hundred (600) feet west of Covington Point, and surrounded by the waters of Narragansett Bay, known as and called Bishop's Rock, containing about six-tenths (6/10) of an acre;

(35) A parcel of land lying within the reservation of the Peters-Founder airport of Rhode Island situated in the Towns of Lincoln and Smithfield, ceded to the United States for the express purpose of establishing and developing upon said land a specialist training center for the United States air force reserve and for the erection of buildings, utilities, and other structures for military uses in this regard;

(36) A parcel of land lying within the reservation of the Peters-Fournier airport of Rhode Island situated in the Towns of Lincoln and Smithfield, ceded to the United States for the express purpose of constructing and operating upon said land a tactical site support facility to provide logistical support to installations in the Providence defense area and for the erection of buildings, utilities, and other structures for uses in this regard.

**(37) A tract of land situated in the town of Middletown and the city of Newport, located between the Rhode Island department of transportation railroad right-of-way and the portion of Narragansett Bay known as Coddington Cove, referred to as AREA V-A in the attached deed;**

**(38) A tract of land situated in the town of Middletown, located within the Naval Station's security perimeter of Coddington Cove, referred to as AREA V-B in the attached deed;**

**(39) A tract of land situated in the town of Middletown, located within the Naval Station's security perimeter of Coddington Cove, referred to as AREA V-C in the attached deed;**

**(40) A tract of land situated in the town of Middletown, located within the Naval Station's security perimeter of Coddington Cove, referred to as AREA V-D in the attached deed;**

**(41) A tract of land situated in the town of Middleton, located within the Still Water Basin area, referred to as AREA VI in the attached deed;**

**(42) A tract of land situated in the town of Middletown, said parcel containing the combined Naval Station Police and Fire Headquarters, referred to as AREA VII in the attached deed;**

**(43) A tract of land situated in the town of Middletown, lying adjacent to the easterly border of the Rhode Island department of transportation railroad right-of-way, referred to as AREA VII-A in the attached deed;**

**(44) A tract of land situated in the town of Middletown, encompassing the Naval Station Newport's Fire Fighter Trainer complex, referred to as AREA VIII in the attached deed. (2012)**

**42-1-4. Exemption from taxes.** The premises described in 42-1-3 shall be exempt from all taxes and assessments and other charges which may be levied or imposed under the authority of said state and shall so continue to be exempt as long as said property shall remain the property of the United States and no longer.

## CHAPTER 42-2 FEDERAL LANDS

**42-2-1. Consent to acquisition of land.** The consent of the State of Rhode Island is given to the purchase by the government of the United States, or under the authority of the same, of any tract, piece or parcel of land from any person within the limits of the state for the purpose of erecting thereon post offices, lighthouses, beacon lights, range lights, lifesaving stations, and lightkeepers' dwellings, and other needful public buildings or for the location, construction, prosecution of forts, fortifications, coast defenses, and appurtenances thereto, or for the location and maintenance of any cable lines, landing places, terminal stations, and other needful buildings connected therewith for weather bureau purposes or for the establishment of naval stations or coal depots, or the erection of buildings, piers, wharves, or other structures for naval uses, or for the establishment of fish or lobster cultural stations or hatcheries, or the erection or construction of other needful buildings connected therewith or for the erection or construction of piers, wharves, dams, or other structures for use in connection with said fish or lobster cultural stations or hatcheries; and all deeds, conveyances, or title papers for the same shall be recorded, as in other cases, upon the land records of the town in which the land so conveyed may lie; the consent herein given being in accordance with the 17th clause of the 8th section of the first article of the Constitution of the United States and with the acts of Congress in such cases made and provided.

**42-2-2. Exemption from taxation.** The lots, parcels, or tracts of land so selected, together with the tenements and appurtenances for the purposes before mentioned, shall be held exempt from taxation by the State of Rhode Island.

## CHAPTER 42-10.1 PUBLIC FINANCE MANAGEMENT BOARD

**42-10.1-1. Creation – Members.** (a) There is hereby **authorized, created and established in the department of general treasurer** a public finance management board to consist of nine (9) members:

(1) the general treasurer or his or her designee **who shall be a subordinate within the general treasurer's office.**

(2) **the director of the department of administration or his or her designee who shall be a subordinate within the department of administration.** (2006)

(3) **three (3) members of the general public to be appointed by the governor, with the advice and consent of the senate, one of whom shall serve an initial term of three (3) years, one of whom shall serve an initial term of two (2) years and one of whom shall serve an initial term of one year, and until his or her successor is appointed and qualified. Thereafter, the members appointed pursuant to this subsection shall serve for a term of three (3) years and until his or her successor is appointed and qualified; and**

(4) **two (2) members of the general public to be appointed by the general treasurer, with the advice and consent of the senate, from a list of five (5) candidates submitted to the general treasurer by the league of cities and towns, one of whom shall serve an initial term of two (2) years and one of whom shall serve an initial**

**term of three (3) years, and until his or her successor is appointed and qualified. Thereafter, the members appointed pursuant to this subsection shall serve for a term of three (3) years and until his or her successor is appointed and qualified.**

**(5) two (2) members of the general public to be appointed by the general treasurer, with the advice and consent of the senate, one of whom shall serve an initial term of two (2) years and one of whom shall serve an initial term of three (3) years, and until his or her successor is appointed and qualified. Thereafter, the members appointed pursuant to this subsection shall serve for a term of three (3) years and until his or her successor is appointed and qualified.**

**(b) Any member that was appointed by the governor or general treasurer prior to the effective date of this act shall continue to serve until such time as a successor is appointed and qualified.**

**(c) All appointments shall be experienced in the issuance and sale of bonds by public agencies or shall otherwise be qualified by training or experience in the field of finance and investment. No one shall be eligible for appointment unless he or she is a resident of this state.**

**Public members of the authority shall be removable by the chair for cause only, and removal solely for partisan or personal reasons unrelated to capacity or fitness for the office shall be unlawful.**

**Newly appointed and qualified public members shall, within six (6) months of their appointment, attend a training course that shall be developed and provided by the office of the general treasurer and shall include instruction in the following areas: the provisions of chapters 42-10.1, 42-46, 36-14, and 38-2 of the Rhode Island general laws; and the authority's rules and regulations. The director of the department of administration shall, within ninety (90) days of the effective date of this act, prepare and disseminate training materials relating to the provisions of chapters 42-46, 36-14 and 38-2.**

A vacancy shall be filled in like manner as the original appointment. **(2006)**

**42.10.1-2. Purpose.** It shall be the purpose and responsibility of the board:

(a) To advise and assist all state departments, authorities, agencies, boards, commissions, and public and quasi-public corporations having authority to issue revenue or general obligation bonds or notes with respect to issuance of and financial planning related to all those bonds and notes;

(b) Upon request, to advise and/or assist any city or town and any municipal or regional agency, authority, board, commission, or public or quasi-public corporation having authority to issue revenue or general obligation bonds or notes with respect to the issuance and financial planning related to those bonds and notes;

(c) To collect, maintain, and provide information on state, municipal and public or quasi-public corporation debt authorization, sold and outstanding, and serve as statistical center for all state and municipal debt issues;



(d) To maintain contact with state, municipal and public or quasi-public corporation bond issuers, underwriters, credit rating agencies, investors, and others to improve the market for state and local government debt issues;

(e) To undertake or commission studies on methods to reduce the costs and improve credit ratings of state and local debt issues;

(f) To recommend changes in state laws and local practices to improve the sale and servicing of state and local debts.

**42-10.1-3. Allocation of statewide financing limitation.** (e) The board is hereby authorized to allocate tax exempt **and taxable** bond issuance capacity **and/or federal tax credits** among all issuers in the state of Rhode Island, pursuant to 26 U.S.C. Sec. 103, 26 U.S.C. Sec. 145, **or pursuant to 26 U.S.C. sections 1400U-1, 1400U-2, 1400U-3, 54D** and any similar federal legislation heretofore or hereinafter enacted. The allocations of tax exempt **and taxable** bond issuance capacity **and/or federal tax credits** shall be pursuant to rules and regulations to be promulgated by the board in accordance with the Administrative Procedures Act, chapter 35 of this title. (2010)

**42-10.1-4. Notice of debt issue to board.** (a) Each state, municipal and regional department, authority, agency, board, commission, and public and quasi-public corporation having authority to issue revenue or general obligation bonds or notes shall, no later than thirty (30) days prior to the sale of any such debt issue at public or private sale, give written notice of the proposed sale to the board.

(b) The notice shall include one proposed sale date, the name of the issuer, the nature of the debt issue, and the estimated principal amount thereof, and such further information as may be required by the rule of the board and shall be delivered in accordance with procedures to be established by rule of the board.

(c) Failure of delivery of the above notice or of the time or efficiency thereof shall not affect the validity of the issuance of any debt, bond or note.

(d) The board shall submit a report annually on or before ~~March 31<sup>st</sup>~~ **September 30<sup>th</sup>** of each year to the director of administration, the speaker of the house, the chairman of the house finance committee, the president of the senate, the chairman of the senate finance committee, and the auditor general on debt issues by cities and towns and other authorities subject to the provision of chapter 45-12, which report shall include the information set forth in division (b) of this section and shall be for the notices of debt issues received ~~in the prior calendar year~~ **during the state's fiscal year next preceding.** **An electronic transmission of the report shall be considered an acceptable submission.** (2012)

**42-10.1-5. Fees authorized – Fund established.** In connection with the discharge of its duties under this chapter, the board is authorized to charge and impose fees for its services upon the lead underwriter or purchaser of any affected debt issue, bond, or note in an amount equal to one-fortieth of one percent (1/40%) of the issued principal amount of the issue. Amounts received under this section shall be deposited as general revenue.

**42-10.1-8. Comprehensive review.** (a) The board shall comprehensively review the financing of capital improvements, by all state, municipal, and regional departments, authorities, agencies, boards, commissions, and public and quasi-public corporations and study the comparative debt of all state and local governmental units for capital improvements and the use of bond financing as a source of the indebtedness. The review shall include an analysis of all outstanding general obligation and revenue bonds. Annually on the ~~thirty first (31<sup>st</sup>) day of March~~ **thirtieth (30<sup>th</sup>) day of September**, the board shall submit to the general assembly a report based upon information from the ~~previous fiscal year~~ **fiscal year ending in the prior calendar year** of its findings and recommendations, if any, for revising the laws governing such financing devices. **An electronic transmission of the report shall be considered an acceptable submission.** (2012)

(b) Annually, on the ~~thirty first (31<sup>st</sup>) day of March~~ **thirtieth (30<sup>th</sup>) day of September**, the board shall submit to the governor, the speaker of the house of representatives, the president of the senate and the secretary of state a report based upon information from the ~~previous fiscal year~~ **fiscal year ending in the prior calendar year** of its findings and recommendations, if any, for revising the laws governing such financing devices. **An electronic transmission of the report shall be considered an acceptable submission.** The report shall also set forth a complete operating and financial statement covering its operations during the year, a summary of meetings or hearings held, meeting minutes if requested, subjects addressed, decisions rendered, rules or regulations promulgated, studies conducted, policies and plans developed, approved, or modified, and programs administered or initiated; a summary of performance during the ~~previous fiscal year~~ **fiscal year ending in the prior calendar year** including accomplishments, shortcomings and remedies; a synopsis of hearings, complaints, suspensions, or other legal matters related to the authority of the board; a summary of any training courses held pursuant to section 42-10.1-1; a briefing on anticipated activities in the ~~upcoming~~ **current** fiscal year; and findings and recommendations for improvements. The report shall be posted electronically on the general assembly and the secretary's of state website as prescribed in section 42-20-8.2 of the Rhode Island general laws. The director of the department of administration shall be responsible for the enforcement of this provision. (2012)

(c) Neither the board nor its individual members shall have any liability as a result of the performance of the responsibilities or the exercise of the powers described herein. They shall not be deemed to have expressed an opinion regarding or deemed to have approved any aspect of any bonds or notes, including but not limited to, the proper authorization of any bonds or notes, the availability of funds for the repayment of any bonds or notes, the tax exempt status of any bonds or notes, or compliance by the issuer of any bonds or notes with any federal or state tax or securities law.

(d) In the event that any liability shall accrue to the board or its members because of the performance of the responsibilities or exercise of the powers described herein, the issuer who issued the bonds or notes which cause the liability shall fully indemnify the board and the members.

**CHAPTER 42-35  
ADMINISTRATIVE PROCEDURES**

**42-35-4. Filing and taking effect of rules.**

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(3) Any rules, regulations or policy adopted by state departments, agencies or quasi-state departments or agencies which require any new expenditure of money or increased expenditure of money by a city or town shall take effect on July 1 of the calendar year following the year of adoption, provided, however when the rule, regulation or policy does not exceed what may be required by federal statute or regulation or court order, it shall take effect upon its effective date of adoption.

(4) Whenever it shall be determined by the governor that the postponement of the effective date of rules, regulations or policies of state departments, agencies or quasi-state departments or agencies, shall cause an emergency situation which imperils the public's safety or public health, the governor may by executive order suspend the operation of, in whole or in part, section 42-35-4(3) and such order shall remain in effect until it is rescinded by a subsequent executive order.

**CHAPTER 42-56.2**  
**ACQUISITION OF FEDERAL SURPLUS PROPERTY**

**42-56.2-6. Bidding by cities and towns at sales of property.** The governing body of any city or town within the state may, by appropriate ordinance, designate any office holder or employee of such town to enter a bid or bids in its behalf at any sale of any equipment, supplies, material or other property, real or personal, owned by the United States of America or any agency thereof, and may authorize that person to make any down payment, or payment in full, required in connection with the bidding, within the limits of available appropriations, without regard to any provisions of law which may require:

- (1) the posting of notices or public advertising for bids or of expenditures;
- (2) the inviting or receiving of competitive bids;
- (3) the delivery of purchases before payment.

**CHAPTER 42-61.2**  
**VIDEO LOTTERY TERMINAL**

**42-61.2-7. Division of revenue. [Effective June 30, 2011]** (a) Notwithstanding the provisions of section 42-61-15, the allocation of net terminal income derived from video lottery games is as follows:

(1) For deposit in the general fund and to the state lottery division fund for administrative purposes: Net terminal income not otherwise disbursed in accordance with subdivisions (a) (2) through (a) (6) herein;

(i) Except for the fiscal year ending June 30, 2008, nineteen one hundredths of one percent (0.19%) up to a maximum of twenty million dollars (\$20,000,000) shall be equally allocated to the distressed communities as defined in section 45-13-12 provided that no eligible community shall receive more than twenty-five percent (25%) of that community's currently enacted municipal budget as its share under this specific subsection. Distributions made under this specific subsection are supplemental to all other distributions made under any portion of general laws section 45-13-12. For the fiscal year ending June 30, 2008 distributions by community shall be identical to the distributions made in the fiscal year ending June 30, 2007 and shall be made from general appropriations. For the fiscal year ending June 30, 2009, the total state distribution shall be the same total amount distributed in the fiscal year ending June 30, 2008, and shall be made from general appropriations. For the fiscal year ending June 30, 2010, the total state distribution shall be the same total amount distributed in the fiscal year ending June 30, 2009 and shall be made from general appropriations, provided however that \$784,458 of the total appropriation shall be distributed equally to each qualifying distressed community. For each of the fiscal years ending June 30, 2011 and June 30, 2012, **and June 30, 2013** seven hundred eighty-four thousand four hundred fifty-eight dollars (\$784,458) of the total appropriation shall be distributed equally to each qualifying distressed community. **(2012)**

(ii) Five one hundredths of one percent (0.05%) up to a maximum of five million dollars (\$5,000,000) shall be appropriated to property tax relief to fully fund the provisions of section 44-33-2.1. The maximum credit defined in subdivision 44-33-9(2) shall increase to the maximum amount to the nearest five dollar (\$5) increment within the allocation until a maximum credit of five hundred dollars (\$500) is obtained. In no event shall the exemption in any fiscal year be less than the prior fiscal year.

(iii) One and twenty two one hundredths of one percent (1.22%) to fund section 44-34.1-1, entitled "Motor Vehicle and Trailer Excise Tax Elimination Act of 1998", to the maximum amount to the nearest two hundred fifty dollar (\$250) increment within the allocation. In no event shall the exemption in any fiscal year be less than the prior fiscal year.

(iv) Except for the fiscal year ending June 30, 2008, ten one hundredths of one percent (0.10%) to a maximum of ten million dollars (\$10,000,000) for supplemental distribution to communities not included in (a) (1) (i) above distributed proportionately on the basis of general revenue sharing distributed for that fiscal year. For the fiscal year ending June 30, 2008 distributions by community shall be identical to the distributions made in the fiscal year ending June 30, 2007 and shall be made from general appropriations. For the fiscal year ending June 30, 2009, no funding shall be disbursed. For the fiscal year ending June 30, 2010 and thereafter, funding shall be determined by appropriation.

(2) To the licensed video lottery retailer: (a) (i) Prior to the effective date of the NGJA Master Contract, Newport Jai Ali twenty-six percent (26%) minus three hundred eighty four thousand nine hundred ninety six dollars (\$384,996);

(ii) On and after the effective date of the NGJA Master Contract, to the licensed video lottery retailer who is a party to the NGJA Master Contract, all sums due and payable under said Master Contract minus three hundred eighty four thousand nine hundred ninety six dollars (\$384,996).

~~(iii) Effective July 1, 2013, provided that the referendum measure authorized by section 1 of Chapters 24 and 25 of the Public Laws of 2012 is approved statewide and in the City of Newport and provided further that Newport Grand commences and continues to offer table games, the rate of net terminal income payable to Newport Grand, LLC under the Newport Grand Master Contract shall increase by one and one half percentage points. Effective July 1, 2013 the rate of net terminal income payable to Newport Grand, LLC under the Newport Grand Master Contract shall increase by two and one quarter percent (2.25%) points. The increase herein shall sunset and expire on June 30, 2015 and the rate in effect as of June 30, 2013 shall be reinstated.~~ (2013)

(b) (i) Prior to the effective date of the UTGR Master Contract, to the present licensed video lottery retailer at Lincoln Park which is not a party to the UTGR Master Contract, twenty eight and eighty-five one hundredths percent (28.85%) minus seven hundred sixty seven thousand six hundred eighty seven dollars (\$767,687);

(ii) On and after the effective date of the UTGR Master Contract, to the licensed video lottery retailer who is a party to the UTGR Master Contract, all sums due and payable under said Master Contract minus seven hundred sixty seven thousand six hundred eighty seven dollars (\$767,687).

(3) (i) To the technology providers who are not a party to the GTECH Master Contract as set forth and referenced in Public Law 2003, Chapter 32, seven percent (7%) of the net terminal income of the provider's terminals; **in addition thereto, technology providers who provide premium or licensed proprietary content or those games that have unique characteristics such as 3D graphics, unique math/game play features or merchandising elements to video lottery terminals may receive incremental compensation, either in the form of a daily fee or as an increased percentage, if all of the following criteria are met:**

**(A) A licensed video lottery retailer has requested the placement of premium or licensed proprietary content at its licensed video lottery facility;**

**(B) The division of lottery has determined in its sole discretion that the request is likely to increase net terminal income or is otherwise important to preserve or enhance the competitiveness of the licensed video lottery retailer;**

**(C) After approval of the request by the division of lottery, the total number of premium or licensed proprietary content video lottery terminals does not exceed ten percent (10%) of the total number of video lottery terminals authorized at the respective licensed video lottery retailer; and**

**(D) All incremental costs are shared between the division and the respective licensed video lottery retailer based upon their proportionate allocation of net terminal income. The division of lottery is hereby authorized to amend agreements with the licensed video lottery retailers, or the technology providers, as applicable, to effect the intent herein. (2011)**

(ii) To contractors who are a party to the Master Contract as set forth and referenced in Public Law 2003, Chapter 32, all sums due and payable under said Master Contract;

(iii) Notwithstanding subsections (i) and (ii) above, there shall be subtracted proportionately from the payments to technology providers the sum of six hundred twenty eight thousand seven hundred thirty seven dollars (628,737);

(4) (A) To the city of Newport one and one hundredths percent (1.01%) of net terminal income of authorized machines at Newport Grand except that:

(i) Effective November 9, 2009 until June 30, **2013**, the allocation shall be one and two tenths percent (1.2%) of the net terminal income of authorized machines at Newport Grand for each week the facility operates video lottery games on a twenty-four (24) hour basis for all eligible hours authorized, and

**(ii) Effective July 1, 2013, provided that the referendum measure authorized by section 1 of Chapters 24 and 25 of the Public Laws of 2012 is approved statewide and in the City of Newport, the allocation shall be one and forty-five hundredths percent (1.45%) of net terminal income of authorized video lottery terminals at Newport Grand; and (2012)**

(B) To the town of Lincoln one and twenty six hundredths percent (1.26%) of net terminal income of authorized machines at **Twin River** except that,

(i) Effective November 9, 2009 until June 30, **2013**, the allocation shall be one and forty-five hundredths percent (1.45%) of net terminal income of authorized machines at **Twin River** for each week video lottery games are offered on a twenty-four (24) hour basis for all eligible hours authorized; and

**(ii) Effective July 1, 2013, provided that the referendum measure authorized by Article 25, Chapter 151, section 4 of the Public Laws of 2011 is approved statewide and in the Town of Lincoln, the allocation shall be one and forty-five hundredths percent (1.45%) of net terminal income of authorized video lottery terminals at Twin River; and (2012)**

(5) To the Narragansett Indian Tribe, seventeen hundredths of one percent (0.17%) of net terminal income of authorized machines at Lincoln Park up to a maximum of ten million dollars (\$10,000,000) per year, which shall be paid to the Narragansett Indian Tribe for the account of a Tribal Development Fund to be used for the purpose of encouraging and promoting: home ownership and improvement; elderly housing; adult vocational training; health and social services; childcare; natural resource protection; and economic development consistent with state law. Provided, however, such distribution shall terminate upon the opening of any gaming facility in which the Narragansett Indians are entitled to any payments or other incentives; and provided further any monies distributed hereunder shall not be used for, or spent on previously contracted debts;

(6) Unclaimed prizes and credits shall remit to the general fund of the state; and

(7) Payments into the state's general fund specified in subdivisions (a) (1) and (a) (6) shall be made on an estimated monthly basis. Payment shall be made on the tenth day following the close of the month except for the last month when payment shall be on the last business day.

(b) Notwithstanding the above, the amounts payable by the Division to UTGR related to the Marketing Program shall be paid on a frequency agreed by the Division, but no less frequently than annually.

(c) Notwithstanding anything in this chapter 61.2 of this title 42 to the contrary, the Director is authorized to fund the Marketing Program as described above in regard to the First Amendment to the UTGR Master Contract.

(d) Notwithstanding the above, the amounts payable by the Division to Newport Grand related to the Marketing Program shall be paid on a frequency agreed by the Division, but no less frequently than annually.

(e) Notwithstanding anything in this chapter 61.2 of this title 42 to the contrary, the Director is authorized to fund the Marketing Program as described above in regard to the First Amendment to the Newport Grand Master Contract.

**(f) Notwithstanding the provisions of section 42-61-15, the allocation of Net Table Game Revenue derived from Table Games at Twin River is as follows:**

**(1) For deposit into the state lottery fund for administrative purposes and then the balance remaining into the general fund;**

**(i) Sixteen percent (16%) of Net Table Game Revenue, except as provided in subsection (f)(1)(ii);**

**(ii) An additional two percent (2%) of Net Table Game Revenue generated at Twin River shall be allocated starting from the commencement of Table Game activities by such Table Game Retailer, and ending, with respect to such Table Game Retailer, on the first date that such Table Game Retailer's net terminal income for a full State fiscal year is less than such Table Game Retailer's net terminal income for the prior State fiscal year, at which point this additional allocation to the State shall no longer apply to such Table Game Retailer.**

**(2) To UTGR, Net Table Game Revenue not otherwise disbursed pursuant to above subsection (f)(1); provided, however, on the first date that such Table Game Retailer's net terminal income for a full State fiscal year is less than such Table Game Retailer's net terminal income for the prior State fiscal year, as set forth in subsection (f)(1)(ii) above, one percent (1%) of this Net Table Game Revenue shall be allocated to the town of Lincoln for four (4) consecutive State fiscal years.**

**(g) Notwithstanding the provisions of section 42-61-15, the allocation of Net Table Game Revenue derived from Table Games at Newport Grand is as follows:**

**(1) For deposit into the state lottery fund for administrative purposes and then the balance remaining into the general fund: eighteen percent (18%) of Net Table Game Revenue.**

**(2) To Newport Grand LLC, Net Table Game Revenue not otherwise disbursed pursuant to above subsection (g)(1) provided, however, on the first date that such Table Game Retailer's net terminal income for a full State fiscal year is less than such Table Game Retailer's net terminal income for the prior State fiscal year, one percent (1)% of this Net Table Game Revenue shall be allocated to the city of Newport for four (4) consecutive State fiscal years.**

**(2012)**



**CHAPTER 42-63.1**  
**RHODE ISLAND TOURISM AND DEVELOPMENT**

**42-63.1-3. Distribution of tax.** [Effective July 1, 1999.] Except as provided in section 42-63.1-12, the proceeds of the hotel tax shall be distributed as follows by division of taxation and the city of Newport: (2001)

(a) Forty-seven percent (47%) of the tax generated by the hotels in the district except as otherwise provided in this chapter shall be given to the regional tourism district wherein the hotel is located; provided, however, that from the tax generated by the hotels in the city of Warwick, thirty-one percent (31%) of said tax shall be given to the Warwick regional tourism district established in section 42-63.1-5(5) and sixteen percent (16%) of said tax shall be given to the Greater Providence-Warwick Convention and Visitor's Bureau established in section 42-63.1-11 and provided further, that from the tax generated by the hotels in the city of Providence, sixteen percent (16%) of said tax shall be given to the Greater Providence-Warwick Convention and Visitors' Bureau established by section 42-63.1-11 of the general laws, and thirty-one percent (31%) of said tax shall be given to the Convention Authority of the city of Providence established pursuant to the provisions of chapter 84 of the public laws of January, 1980, provided, however, that the receipts attributable to the district as defined in section 42-63.1-5(7) shall be deposited as general revenues: (1998)

(b) Twenty-five percent (25%) of the hotel tax shall be given to city or town wherein the hotel which generated the tax is physically located to be used for whatever purpose the city or town decides. (1998)

(c) Twenty-one percent (21%) of the hotel tax shall be deposited as general revenues and seven percent (7%) to the Greater Providence-Warwick Convention and Visitors' Bureau. (1998)

**CHAPTER 42-64**  
~~**RHODE ISLAND ECONOMIC DEVELOPMENT CORPORATION**~~  
**RHODE ISLAND COMMERCE CORPORATION** (2013)

**42-64-20. Exemption from taxation.** – (a) The exercise of the powers granted by this chapter will be in all respects for the benefit of the people of this state, the increase of their commerce, welfare, and prosperity and for the improvement of their health and living conditions and will constitute the performance of an essential government function and the corporation shall not be required to pay any taxes or assessments upon or in respect of any project or any property or moneys of the Rhode Island ~~economic development~~ **Commerce** Corporation, levied by any municipality or political subdivision of the state; provided, that the corporation shall make payments in lieu of real property taxes and assessments to municipalities and political subdivisions with respect to projects of the corporation located in the municipalities and political subdivisions during those times that the corporation derives revenue from the lease or operation of the projects. Payments in lieu of taxes shall be in amounts agreed upon by the corporation and the affected municipalities and political subdivisions. Failing the agreement, the amounts of payments in lieu of taxes shall be determined by the corporation using a formula that shall reasonably ensure that the amounts approximate the average amount of real property taxes due throughout the state with respect to facilities of a similar nature and size. Any

municipality or political subdivision is empowered to accept at its option an amount of payments in lieu of taxes less than that determined by the corporation. If, pursuant to Section 42-64-13(f), the corporation shall have agreed with a municipality or political subdivision that it shall not provide all of the specified services, the payments in lieu of taxes shall be reduced by the cost incurred by the corporation or any other person in providing the services not provided by the municipality or political subdivision. (2013)

(b) The corporation shall not be required to pay state taxes of any kind, and the corporation, its projects, property, and moneys and, except for estate, inheritance, and gift taxes, any bonds and notes issued under the provisions of this chapter and the income (including gain from sale or exchange) from these shall at all times be free from taxation of any kind by the state and by the municipalities and all political subdivisions of the state. The corporation shall not be required to pay any transfer tax of any kind on account of instruments recorded by it or on its behalf.

(c) For purposes of the exemption from taxes and assessments upon or in respect of any project under subsections (a) or (b) of this section, the corporation shall not be required to hold legal title to any real or personal property, including any fixtures, furnishings or equipment which are acquired and used in the construction and development of the project, but the legal title may be held in the name of a lessee (including sublessees) from the corporation. This property, which shall not include any goods or inventory used in the project after completion of construction, shall be exempt from taxation to the same extent as if legal title of the property were in the name of the corporation; provided that the board of directors of the corporation adopts a resolution confirming use of the tax exemption for the project by the lessee. ~~No resolution shall be adopted without the prior approval of the general assembly.~~ **Such resolution shall not take effect until thirty (30) days from passage.** The resolution shall include findings that: (1) the project is a project of the corporation under section 42-64-3(20), and (2) it is in the interest of the corporation and of the project that legal title be held by the lessee from the corporation. In adopting the resolution, the board of directors may consider any factors it deems relevant to the interests of the corporation or the project including, for example, but without limitation, reduction in potential liability or costs to the corporation or designation of the project as a "Project of Critical Economic Concern" pursuant to Chapter 117 of this title. (2009)

(d) For purposes of the exemption from taxes and assessments for any project of the corporation held by a lessee of the corporation under subsection (c) of this section, any such project shall be subject to the following additional requirements:

(1) The total sales tax exemption benefit to the lessee will be implemented through a reimbursement process as determined by the division of taxation rather than an up-front purchase exemption;

(2) The sales tax benefits granted pursuant to RIGL 42-64-20(c) shall **only apply to projects approved prior to July 1, 2011 and shall:** (i) only apply to materials used in the construction, reconstruction or rehabilitation of the project and to the acquisition of furniture, fixtures and equipment, except automobiles, trucks or other motor vehicles, or materials that otherwise are depreciable and have a useful life of one year or more, for the project for a period not to exceed six (6) months after receipt of a certificate of occupancy for any given phase of the project for which sales tax benefits are utilized; and (ii) not exceed an amount equal to the income tax revenue received by the state from the new full-time jobs with benefits excluding project construction jobs, generated by the project within a period of three (3) years from after the receipt of a certificate of occupancy for any given phase of the project. "Full-time jobs with benefits" means jobs that require

working a minimum of thirty (30) hours per week within the state, with a median wage that exceeds by five percent (5%) the median annual wage for the preceding year for full-time jobs in Rhode Island, as certified by the department of labor and training with a benefit package that is typical of companies within the lessee's industry. **The sales tax benefits granted pursuant to Rhode Island general laws subsection 42-64-20(c) shall not be effective for projects approved on or after July 1, 2011.** (2011)

(3) The corporation shall transmit the analysis required by RIGL 42-64-10(a)(2) to the house and senate fiscal committee chairs, the department of labor and training and the division of taxation promptly upon completion. Annually thereafter, the department of labor and training shall certify to the house and senate fiscal committee chairs, the house and senate fiscal advisors, the corporation and the division of taxation the actual number of new full-time jobs with benefits created by the project, in addition to construction jobs, and whether such new jobs are on target to meet or exceed the estimated number of new jobs identified in the analysis above. This certification shall no longer be required when the total amount of new income tax revenue received by the state exceeds the amount of the sales tax exemption benefit granted above;

(4) The department of labor and training shall certify to the house and senate fiscal committee chairs and the division of taxation that jobs created by the project are "new jobs" in the State of Rhode Island, meaning that the employees of the project are in addition to, and without a reduction of, those employees of the lessee currently employed in Rhode Island, are not relocated from another facility of the lessee's in Rhode Island or are employees assumed by the lessee as the result of a merger or acquisition of a company already located in Rhode Island. Additionally, the corporation, with the assistance of the lessee, the department of labor and training, the department of human services and the division of taxation shall provide annually an analysis of whether any of the employees of the project qualify for RIte Care or RIte Share benefits and the impact such benefits or assistance may have on the state budget;

(5) Notwithstanding any other provision of law, the division of taxation, the department of labor and training and the department of human services are authorized to present, review and discuss lessee specific tax or employment information or data with the corporation, the house and senate fiscal committee chairs, and/or the house and senate fiscal advisors for the purpose of verification and compliance with this resolution; and

(6) The corporation and the project lessee shall agree that, at any time prior to the state recouping the amount of sales tax exemption through new income tax collections from the project, not including construction job income taxes, the lessee will be unable to continue the project, or otherwise defaults on its obligations to the corporation, the lessee shall be liable to the state for all the sales tax benefits granted to the project plus interest, as determined in RIGL 44-1-7, calculated from the date the lessee received the sales tax benefits.

**CHAPTER 42-64.3  
DISTRESSED AREAS ECONOMIC REVITALIZATION ACT**

**42-64.3-9. Standards for business property tax adjustment.** – Notwithstanding the provisions of chapters 3-9 of title 44, real and tangible property taxes in enterprise zones for qualified businesses may be exempted or stabilized upon authorization of the city or town council. Nothing in this section shall be deemed to permit the exemption or stabilization for any manufacturing or commercial concern locating from one city or town within the state to another.

**42-64.3-9.1. Authority for business property tax adjustment - West Warwick.**  
(2008)

**CHAPTER 42-64.7  
RHODE ISLAND MILL BUILDING  
AND ECONOMIC REVITALIZATION**

**[42-64.7-10. Exemption or stabilization of taxes.] Repealed**  
(2006)

**CHAPTER 42-64.9  
MILL BUILDING AND ECONOMIC REVITALIZATION ACT**

**42-64.9-10. Exemption or stabilization of taxes.** – Notwithstanding the provisions of any municipal charter or any other general, special or local law to the contrary, real property taxes for a certified building and tangible property taxes of the owner or owners of a certified building for tangible property used in the certified building may be exempted from payment, in whole or in part, notwithstanding the valuation of the property or the rate of tax, by vote of the city or town council to the extent deemed appropriate by the city or town council to carry out the purposes of this chapter. This section shall be construed to provide a complete, additional and alternative authority for the city or town council to grant exemption or stabilization of real or tangible property taxes with respect to certified buildings, and the granting of tax exemption or stabilization by the city or town council under the provisions of this section does not require the taking of any other proceedings or the happening of any condition, except for the vote of the city or town council.  
(2004)

**CHAPTER 42-116**  
**THE RHODE ISLAND DEPOSITORS ECONOMIC PROTECTION ACT**

**42-116-24. Tax exemption.** (a) Bonds issued by the corporation in accordance with this chapter, the principal and the income therefrom, including any profit made on the sale thereof, shall, at all times, be exempt from taxation by and within the state.

(b) The exercise of the powers granted by this chapter will be in all respects for the benefit of the people of the state, the increase of their commerce, welfare and prosperity and for the improvement of their health and living conditions and will constitute the performance of an essential governmental function and the corporation, its assets, its properties and its moneys, and the income derived therefrom shall be exempt from all state, municipal, and local taxes, excises and assessments, provided however that the corporation shall make payments of real property taxes to municipalities and political subdivisions with respect to real property of the corporation (other than real property owned by the corporation and used for the conduct of its operations) located in the municipalities and political subdivisions.

(c) With respect to any transfer of real estate or an interest therein to or from the corporation, neither the corporation nor the entity or person making or receiving such transfer shall be required to pay any real estate conveyance or transfer tax or recording fees of any kind on account of instruments or documents recorded by or on behalf of the corporation of such entity or person in connection with such transfer.

**CHAPTER 42-142**  
**DEPARTMENT OF REVENUE**

**42-142-7. Collection of debts.** (a) For the purpose of this section “governmental entity” means the state, state agency, board commission, department, public institution of higher learning, all political subdivisions of the state and quasi-state agency.

(b) Any governmental entity may contract to allow the tax administrator to collect an outstanding liability owed the governmental entity. In administering the provisions of those agreements, the tax administrator shall have all the rights and powers of collection provided pursuant to title 44 for the collection of taxes and all the rights and powers authorized the governmental entity to which the liability is owed. In addition, the tax administrator shall have all of the rights and powers of collection provided pursuant to title 44 for the collection of taxes including, but not limited to, the right to set-off debts enumerated in section 44-30.1 against any amounts collected under the agreements. Subject to subordination to any set-off for past-due child support, the tax administrator shall also have the right to set-off amounts owed to the division of taxation against amounts collected under the agreements.

(c) The tax administrator may charge and retain a reasonable fee for a collection effort made on behalf of a governmental entity. The amount of the fee must be negotiated between the governmental entity and the tax administrator. The debtor must be given full credit toward the satisfaction of the debt for the amount of the fee collected by the tax administrator pursuant to this section.

**(d) Governmental entities that contract with the tax administrator pursuant to this section shall indemnify the tax administrator against injuries, actions, liabilities, or proceedings arising from the collection or attempted collection by the tax administrator of the liability owed to the governmental entity.**

**(e) The governmental entity shall notify the debtor of its intention to submit the liability to the tax administrator for collection and of the debtor's right to appeal not less than thirty (30) days before the liability is submitted to the tax administrator for collection.**

**(2011)**

## CHAPTER 43-3 CONSTRUCTION AND EFFECT OF STATUTES

**43-3-25. Effective date of statutes.** (a) Every statute enacted on or prior to July 1 in a calendar year which does not expressly prescribe the time it shall go into operation, shall take effect on the first day of July of the calendar year of its enactment into law by the general assembly. Any bill enacted after July 1 in a calendar year which does not expressly prescribe the time it shall go into operation shall take effect on the date of passage of the bill.

(b) Any statute enacted which requires any new expenditure of money or any increased expenditure of money by a city or town which states that it shall take effect upon passage, such effective date shall be deemed to mean July 1st of the calendar year following the year of enactment unless a specific date of enactment is stated.

## CHAPTER 44-1 STATE TAX OFFICIALS

**44-1-4. Rules and regulations.** The tax administrator is hereby authorized and empowered to make such rules and regulations as he may deem necessary for the proper administration and enforcement of the tax laws of this state.

**44-1-9. Extension of time for filing of reports.** The tax administrator may grant a reasonable extension of time for the filing of any return, report, or statement, provided by law to be made to said tax administrator.

## CHAPTER 44-2 TAX OFFICIALS GENERALLY

**44-2-3. Penalty for violations or neglect of duty by tax officials.** Every officer who shall neglect or refuse to perform any duty imposed on him in this title, or who shall not comply with the provisions thereof, or who shall in any way knowingly violate any provisions thereof, shall be imprisoned not exceeding one (1) year or be fined not exceeding five hundred dollars (\$500), which fine, in case it be a state tax, shall be paid into the state treasury, or if a town tax, into the town treasury, or if a fire corporation tax, into the fire corporation treasury.

## CHAPTER 44-3 PROPERTY SUBJECT TO TAXATION

*{It is the finding of the General Assembly that the most burdensome tax that the citizens of this state must pay is the property tax. In order to provide relief from the adverse impact of that tax, the General Assembly requires certain information. The Office of Municipal Affairs in the Department of Administration is therefore authorized to and directed to undertake an inventory of all current property tax treaties; payments in lieu of taxes, agreements reached through ordinance or public law; all exemptions, including delayed payments, freezes or any other programs in any form, and any and all other similar mechanisms for reducing property taxes and/or providing property tax relief within and among the several cities and towns, including the legal basis for the granting of these treaties, agreements, and exemptions by the municipalities. The several cities and towns are hereby requested to provide whatever assistance may be necessary or useful to the Office of Municipal Affairs in executing its responsibilities hereunder.*

*The Office of Municipal Affairs is further authorized and directed to review and analyze this material and to make a report and recommendations to the General Assembly by November 15, 2006, with copies to the President of the Senate, Speaker of the House, the Chairperson of the Senate Finance Committee, the Chairperson of the House Finance Committee, the Senate Fiscal Advisor and the House Fiscal Advisor.*

*It is the intention of the legislature that procedures and methodologies utilized for tax treaties, payment in lieu of taxes, tax agreements and other property tax stabilization vehicles employed by the various cities and towns be treated in the same manner with regard to determination of value relative to tax rolls and use of this information for determining state aid, including education state aid to said communities. Payments in lieu of taxes covered under section 45-13-5.1 of the General Laws need not be reviewed.}* (2006)

**44-3-1. Real and personal property subject to taxation.** All real property in the state, and all personal property belonging to the inhabitants thereof, whether individuals, co-partnerships, or corporations, and all tangible personal property located in the state belonging to nonresidents, shall be liable to taxation unless otherwise specially provided.

**44-3-2. Personal property defined.** Personal property, for the purposes of taxation, shall be deemed to include all goods, chattels, and effects, wherever they may be, all ships or vessels, at home or abroad, except such as are exempt from taxation by the laws of the United States or of this state.

**44-3-2.1. Tax on intangible personal property prohibited.** Notwithstanding any provisions of the General Laws to the contrary, no city or town shall assess any tax on intangible personal property.

**44-3-2.2. Tax on certain vehicles and trailers prohibited.** Notwithstanding any other provisions of the general laws to the contrary, no city or town shall assess any tax under Chapter 44-5 on any vehicle or trailer which is registered under Chapter 31-3 of the General Laws and taxed under Chapter 44-34 of the General Laws. Any vehicle or trailer which is not registered under said Chapter 31-3 shall be assessed by a city or town in the same manner as other tangible personal property.



**44-3-3. Property exempt.** The following property shall be exempt from taxation:

(1) property belonging to the state, except as provided in 44-4-4.1;

(2) lands ceded or belonging to the United States;

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

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

(5) buildings for free public schools, buildings for religious worship and the land upon which they stand and immediately surrounding the same, to an extent not exceeding five (5) acres so far as said buildings and land are occupied and use exclusively for religious or educational purposes;

(6) dwelling houses and the land on which they stand, not exceeding one (1) acre in size, or the minimum lot size for zone in which the dwelling house is located, which ever is the greater, owned by or held in trust for any religious organization and actually used by its officiating clergy, **or actually used as a convent or nunnery by its religious order, except in Charlestown;** (2006)

(7) the intangible personal property owned by, or held in trust for, any religious or charitable organization, if the principal or income shall be used or appropriated for religious or charitable purposes;

(8) the buildings and personal estate owned by any corporation used for a school, academy or seminary of learning, and of any incorporated public charitable institutions, and the land upon which said buildings stand and immediately surrounding the same to an extent not exceeding one (1) acre, so far as the same is used exclusively for educational purposes, but not property or estate whatever shall hereafter be exempt from taxation in any case where any part of the income or profits thereof or of the business carried on thereon is divided among its owners or stockholders, **except in Smithfield;** (2013)

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

(10) property especially exempt by charter unless such exemption shall have been waived in whole or in part;

(11) lots of land used exclusively for burial grounds;

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

(13) the real or personal estate belonging to or held in trust for the benefit of incorporated organizations of veterans of any war in which the United States has been engaged, the parent body of which has been incorporated by act of Congress, to the extent of four hundred thousand dollars (\$400,000) if actually used and occupied by such association, **except in Cranston.** (2004)

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

(15) the real estate and personal property of any incorporated volunteer fire engine company or incorporated volunteer ambulance/rescue corps in active service; (2003)

(16) the estate of any person who in the judgment of the assessors is unable from infirmity or poverty to pay the tax; any person claiming such exemption aggrieved by an adverse decision of an assessor shall appeal said decision to the local board of tax review, and thereafter according to the provisions of section 44-5-26, **except in Burrillville.** (1999)

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

(18) the improvements made to any real property to provide a shelter and fall-out protection from nuclear radiation, to the amount of one thousand five hundred dollars (\$1,500) thereof; provided, that such improvements meet applicable standards for shelter construction established from time to time by the state council of defense. Such improvements shall be deemed to comply with the provisions of any building code or ordinance with respect to the materials or the methods of construction used therein and any such shelter or the establishment thereof shall be deemed to comply with the provisions of any zoning code or ordinance;

(19) aircraft for which the fee required by section 1-4-6 of the general laws has been paid to the tax administrator;

(20) Manufacturer's inventory. (a) For the purposes of sections 44-3-3, 44-4-10, 44-5-3, 44-5-20, and 44-5-38, a person is deemed to be a manufacturer within a city or town within this state if he uses any premises, room or place therein primarily for the purpose of transforming raw materials into a finished product for trade through any or all of the following operations: adapting, altering, finishing, making and ornamenting; provided, however, that public utilities, building and construction contractors, warehousing operations including distribution bases or outlets of out-of-state manufacturers, fabricating processes incidental to warehousing or distribution of raw materials such as alteration of stock for the convenience of a customer, shall be excluded from this definition.

(b) For the purpose of Sections 44-3-3, 44-4-10, 44-5-38, and 45-13-5, as amended, the term "manufacturer's inventory" or any such similar term shall mean and include his raw materials, his work in process and finished products which have been manufactured by him in this state, and not sold, leased or traded by him or the title or right to possession thereof otherwise divested, provided, however, that said term shall not include any such finished products which are held by him in any retail store or other similar selling place operated by him whether or not such retail establishment is located in the same building in which he operates his manufacturing plant.

(c) For the purpose of Section 44-11-2 in Chapter 11 of this title of the general laws of Rhode Island, entitled "Business Corporation Tax", a manufacturer is a person whose principal business in this state consists of transforming raw materials into a finished product for trade through any or all of the operations described in paragraph (a) of this subsection. A person will be deemed to be thus principally engaged if the gross receipts which he derived from such manufacturing operations in this state during the calendar year or fiscal year mentioned in Section 44-11-1 amounted to more than fifty percent (50%) of the total gross receipts which he derived from all his business activities in which he engaged in this state during such taxable year. For the purpose of computing such percentage, gross receipts derived by a manufacturer from the sale, lease or rental of finished products manufactured by him in this state, even though his store or other selling place therein may be at a different location from the location of his manufacturing plant in this state, shall be deemed to have been derived from manufacturing.

(d) Within the meaning of the preceding paragraphs of this subsection, the term "manufacturer" shall also include persons who are principally engaged in any of the general activities respectively coded and listed as establishments engaged in manufacturing in the standard industrial classification manual prepared by the technical committee on industrial classification, office of statistical standards, executive office of the president, United States bureau of the budget, as revised from time to time, but eliminating as manufacturers those persons, who, because of their limited type of manufacturing activities, are classified in said manual as falling within a trade rather than an industrial classification of manufacturers. Among those thus eliminated, and accordingly also excluded as manufacturers within the meaning of this subsection, are persons primarily engaged in selling to the general public, products produced on the same premises from which they are sold, such as neighborhood bakeries, candy stores, ice cream parlors, shade shops, and custom tailors, except, however, that a person who manufactures bakery products for sale primarily for home delivery, or through one or more nonbaking retail outlets, and whether or not such retail outlets are operated by such person, shall be a manufacturer within the meaning of this subsection.

(e) The term "person" shall mean and include, as appropriate, a person, partnership or corporation.

(f) The department of **revenue** shall provide to the local assessors such assistance as is necessary in determining the proper application of the foregoing definitions.

(21) Real and tangible personal property acquired to provide a treatment facility used primarily to control the pollution or contamination of the waters or the air of the state, as defined in (chapter 12 of title 46 and chapter 25 of title 23), respectively, of the general laws said facility having been constructed, reconstructed, erected, installed or acquired in furtherance of federal or state requirements or standards for the control of water or air pollution or contamination, and certified as approved in an order entered by the director of health. Such property shall be exempt as long as it is operated properly in compliance with such order of approval of the director of health, provided, further, that

any grant of such exemption by the director of health in excess of ten (10) years shall be approved by the city or town in which such property is situated. This provision shall apply only to such water and air pollution control properties and facilities as are installed for the treatment of waste waters and air contaminants resulting from industrial processing; furthermore, it shall apply only to water or air pollution control properties and facilities placed in operation for the first time after (April 13, 1970).

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

(i) as that machinery and equipment which is used exclusively in the actual manufacture or conversion of raw materials or goods in the process of manufacture by a manufacturer as set forth in subdivision (20) of this section, and machinery, fixtures and equipment used exclusively by a manufacturer for research and development or for quality assurance of its manufactured products;

(ii) as that machinery and equipment which is partially used in the actual manufacture or conversion of raw materials or goods in process of manufacture by a manufacturer as set forth in subdivision (20) of this section, and machinery, fixtures, and equipment used by a manufacturer for research and development or for quality assurance of its manufactured products, to the extent to which the machinery and equipment is used for the manufacturing processes, research and development or quality assurance. In the instances where machinery and equipment is used in both manufacturing and/or research and development and/or quality assurance activities and nonmanufacturing activities, the assessment on machinery and equipment shall be prorated by applying the percentage of usage of the equipment for the manufacturing, research and development and quality assurance activity to the value of the machinery and equipment for purposes of taxation, and the portion of the value used for manufacturing, research and development, and quality assurance shall be exempt from taxation. The burden of demonstrating this percentage usage of machinery and equipment for manufacturing and for research and development and/or quality assurance of its manufactured products shall rest with manufacturer; and

(iii) As that machinery and equipment described in sections 44-18-30(7) and 44-18-30(22) that was purchased after July 1, 1997, provided that, the city council or the town council of the city or town in which such machinery and equipment is located adopts an ordinance exempting such machinery and equipment from taxation. For purposes of this subsection, city councils and town councils of any municipality may by ordinance wholly or partially exempt from taxation the machinery and equipment discussed in this subsection for the period of time set forth in such ordinance and may by ordinance establish the procedures for taxpayers to avail themselves of the benefit of any exemption permitted hereunder. Provided, however that the ordinance shall not apply to any machinery or equipment of a business, subsidiary or any affiliated business which locates or relocates from a city or town in Rhode Island to another city or town in Rhode Island.

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

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

(25) Subject to authorization by formal action of the council of any city or town, any real or personal property owned by, held in trust, or leased to an organization incorporated under chapter 6 of title 7 of the general laws, as amended, or an organization meeting the definition of "charitable trust" set out in section 4, chapter 9, of title 18, as amended, the purpose of which is the conserving of open space, as that term is defined in title 45, chapter 36 of the general laws, as amended, provided such property is used exclusively for the purposes of such organization;

(26) Tangible personal property, the primary function of which is the recycling, reuse, or recovery of materials (other than precious metals, as defined in Subparagraph 44-18-30(Y) (1) of this section) from or the treatment of "hazardous wastes," as defined in section 23-19.1-4, where such "hazardous wastes" are generated primarily by the same taxpayer and where such personal property is located at, in, or adjacent to a generating facility of such taxpayer. The taxpayer may, but need not, procure an order from the director of the department of environmental management certifying that such tangible personal property has such function, which order shall effect a conclusive presumption that such tangible personal property qualifies for the exemption hereunder. Any information relating to secret processes or methods of manufacture, production, or treatment disclosed to the department of environmental management only to procure such an order shall be kept secret and confidential in accordance with the provisions of section 23-23-5(g) and if any such information is a "trade secret" as defined in section 28-21-10(b), it shall not be open to public inspection or publicly disclosed unless disclosure is otherwise required under chapter 21 of title 28 or chapter 24.4 of title 23.

(27) Motorboats as defined in Section 46-22-2 for which the annual fee required in Section 46-22-4 has been paid.

(28) The real and personal property of **Providence Performing Arts Center**, a Rhode Island non-business corporation as of December 31, 1986.

(29) The tangible personal property owned by, and used exclusively for the purposes of, any religious organization located in the city of **Cranston**.

(30) Real and personal property of the **Travelers Aid Society of Rhode Island**, a nonprofit corporation, the **Union Mall Real Estate Corporation**, and any limited partnership or limited liability company which is formed in connection with, or to facilitate the acquisition of, the **Providence YMCA Building**. (2002)

(31) Real and personal property of Meeting Street Center or MSC Realty, Inc., both not-for-profit Rhode Island corporations, and any other corporation, limited partnership, or limited liability company which is formed in connection with, or to facilitate the acquisition of, the properties designated as the Meeting Street National Center of Excellence on Eddy Street in Providence, Rhode Island. (2004)

(32) **The buildings, personal property and land upon which the buildings stand, located on Pomham Island, East Providence, currently identified as Assessor's Map 211, Block 01, Parcel 001.00, which consists of approximately**

twenty-one thousand three hundred (21,300) square feet and is located approximately eight hundred sixty (860) feet, more or less, from the shore, and limited exclusively to these said buildings personal estate and land, provided that said property is owned by a qualified 501(c)(3) organization, such as the American Lighthouse Foundation, and is used exclusively for a lighthouse. (2011)

(33) The Stadium Theatre Performing Arts Centre building located in Monument Square, Woonsocket, Rhode Island, so long as said Stadium Theatre Performing Arts Centre is owned by the Stadium Theatre Foundation, a Rhode Island nonprofit corporation. (2013)

(34) Real and tangible personal property of St. Mary Academy – Bay View, located in East Providence, Rhode Island. (2013)

(35) Real and personal property of East Bay Community Action Program and its predecessor, Self Help, Inc.; provided, that the organization is qualified as a tax exempt corporation under section 501 (c) (3) of the United States Internal Revenue Code. (2013)

(36) Real and personal property, located within the city of East Providence of the Columbus Club of East Providence, a Rhode Island charitable nonprofit corporation. (2013)

(37) Real and personal property, located within the city of East Providence of the Columbus Club of Barrington, a Rhode Island charitable nonprofit corporation. (2013)

(38) Real and personal property, located within the city of East Providence of Lodge 2337 BPO Elks, a Rhode Island nonprofit corporation. (2013)

(39) Real and personal property, located within the city of East Providence of the St. Andrews Lodge No. 39, a Rhode Island charitable nonprofit corp. (2013)

(40) Real and personal property, located within the city of East Providence of the Trustees of Methodist Health and Welfare service a/k/a United Methodist Elder Care, a Rhode Island nonprofit corporation. (2013)

(41) Real and personal property, located on the first floor of 90 Leonard Avenue, within the city of East Providence of the Zion Gospel Temple, Inc., a religious nonprofit corporation. (2013)

(42) Real and personal property, located within the city of East Providence of the Cape Verdean Museum Exhibit, a Rhode Island nonprofit corporation. (2013)

(43) The real and personal property owned by a qualified 501 (c) (3) organization that is affiliated and in good standing with a national congressionally chartered organization and thereby adheres to that organization's standards and provides activities designed for recreational, educational and character building purposes for children from ages six (6) years to seventeen (17) years. (2013)

(44) Real and personal property of the Rhode Island Philharmonic Orchestra and Music School; provided, that the organization is qualified as a tax exempt corporation under section 501 (c) (3) of the United States Internal Revenue Code. (2013)

NOTE: Section 23-27.3-109.1.3.5 of the State Building Code exempts **Temporary Greenhouses** from property taxes. This section also defines “temporary greenhouse.”

**44-3-3.1. Exemption of taxes on certain property used for manufacturing or commercial purposes.** The city council or the town council of any municipality may by ordinance wholly or partially exempt from taxation for a period of up to twenty-five (25) years any items of office equipment, which shall include, but not be limited to, computers, telephone equipment and any other items of personal property used in an office and/or any leasehold improvements which are not otherwise exempt and are used for manufacturing or commercial purposes and may by ordinance establish the procedures for taxpayers to avail themselves of the benefit of any exemption permitted hereunder. Nothing in this section shall be deemed to permit the exemption herein provided to be available to any manufacturing or commercial business relocating from one city or town within the State of Rhode Island to another.

**44-3-4. Veterans’ exemptions.** (a) The property of each person who served in the military or naval service of the United States in the war of the rebellion, the Spanish-American War, the insurrection in the Philippines, the China-relief expedition, or World War I, and the property of each person who served in the military or naval service of the United States in World War II at any time during the period beginning December 7, 1941, and ending on December 31, 1946, and the property of each person who served in the military or naval services of the United States in the Korean conflict at any time during the period beginning June 27, 1950 and ending January 31, 1955, or in the Vietnam conflict at any time during the period beginning February 28, 1961 and ending May 7, 1975 and who actually served in the Grenada or Lebanon conflicts 1983-84, or the Persian Gulf conflict, the Haitian conflict, the Somalian conflict and the Bosnian conflict at any time during the period beginning August 2, 1990 and ending May 1, 1994, or in any conflict or undeclared war for which a campaign ribbon or expeditionary medal was earned, and who was honorably discharged therefrom, or who was discharged therefrom under conditions other than dishonorable, or who, if not discharged, served honorably, or of the unmarried widow or widower of such person, shall be exempted from taxation to the amount of one thousand dollars (\$1,000), which exemption shall be applied to such property in the municipality where such person resides and if there is not sufficient property to exhaust, such person may claim the balance in any other city or town where he may own property; provided, however, that such exemption shall not be allowed in favor of any person who is not a legal resident of the state, or unless the person entitled to such exemption shall have presented to the assessors, on or before the last day on which sworn statements may be filed with the assessors for the year for which exemption is claimed, due evidence that he or she is so entitled which evidence shall stand so long as his or her legal residence remains unchanged; and, provided, further, that the exemption herein provided for to the extent that it shall apply in any city or town, shall be applied in full to the total value of such person's real and tangible personal property located in such city or town; and provided, further, that there shall be an additional exemption from taxation in the amount of one thousand dollars (\$1,000), of the property of every honorably discharged veteran of World War I or World War II, Korean or Vietnam, Grenada, Lebanon, the Persian Gulf conflict, the Haitian conflict, the Somalian conflict and the Bosnia conflict at any time

during the period beginning August 2, 1990 and ending May 1, 1994, or in any conflict or undeclared war for which a campaign ribbon or expeditionary medal was earned, who is determined by the Veterans' Administration of the United States of America to be totally disabled through service connected disability and who presents to the assessors a certificate from said Veterans' Administration that he is totally disabled, which certificate shall remain effectual so long as such total disability continues, **except in the following communities: Barrington, Burrillville, Central Falls, Cranston, Cumberland, Exeter, Glocester, Jamestown, Lincoln, Little Compton, Middletown, New Shoreham, Newport, North Kingstown, North Providence, Smithfield, South Kingstown, Tiverton, Warren, Warwick, West Warwick and Westerly.** (2013)

(b) In addition to the exemption provided in subsection (a), there shall be a ten thousand dollar (\$10,000) exemption from local taxation on real property for any veteran and the unmarried widow or widower of a deceased veteran of the military or naval service of the U.S.A. who shall be determined, under applicable federal laws by the Veteran's Administration of the U.S.A., to be totally disabled through service-connected disability and who by reason of such disability has received assistance in acquiring "specially adapted housing" under laws administered by the Veterans' Administration, provided that such real estate is occupied as his domicile, by such person and provided further that if said property be designed for occupancy by more than one family, then only that value of so much of said house as is occupied by said person as his domicile shall be exempted, and provided further that satisfactory evidence of receipt of such assistance is furnished to the assessors, **except in the following communities: Cranston, Cumberland, Lincoln, New Shoreham, Newport, North Providence and Westerly.** (2008)

(c) Further, in addition to the exemptions provided heretofore, any veteran of the military or naval service of the U.S.A., who shall be determined under applicable federal law by the Veterans' Administration of the U.S.A. to be totally disabled through service connected disability may by ordinance passed in the city or town where such veteran's property is assessed receive a ten thousand dollar (\$10,000) exemption from local taxation on his property whether real or personal and who if he owns real property, may be exempt from taxation by any fire and/or lighting district, **except in the following communities: Cumberland, North Kingstown, and Westerly.** (2006)

(d) Further, in determining whether or not a person is the widow or widower of a veteran for the purposes of this section, the remarriage of the widow or widower shall not bar the furnishing of the benefits of the section if the remarriage is void, has been terminated by death, has been annulled or dissolved by a court of competent jurisdiction.

(e) In addition to the exemptions provided heretofore, there may by ordinance passed in the city or town where such person's property is assessed be an additional fifteen thousand dollar (\$15,000) exemption from local taxation on real and personal property for any veteran of the military or naval service of the U.S.A., or of the unmarried widow or widow or widower of such person, who has been or who shall be classified as, or determined to be, a prisoner-of-war by the veterans' administration of the United States, **except in the following communities: Cumberland and Westerly.** (2008)

(f) Cities and towns granting exemptions under this section shall use the eligibility dates specified in this section.

(g) The several cities and towns not previously authorized to provide an exemption for those veterans who actually served in the Persian Gulf Conflict may provide such an



exemption in the amount authorized in this section for veterans of other recognized conflicts.

(h) The town council of **Bristol** may, by ordinance, provide for an exemption for any veteran and the unmarried widow or widower of a deceased veteran of military or naval service of the United States who shall be determined, under applicable federal law by the veterans' administration of the United States to be partially disabled through service connected disability.

(i) In addition to the exemption provided heretofore, any veteran who is discharged from the military or naval service of the United States under conditions other than dishonorable, or an officer who is honorably separated from such military or naval service, who shall be determined, under applicable federal law by the veterans administration of the United States to be totally and permanently disabled through a service connected disability, who owns a specially adapted homestead, which has been acquired or modified with the assistance of a special adaptive housing grant from the Veteran's Administration and that meets Veteran's Administration and Americans with disability act guidelines for adaptive housing or which has been acquired or modified, using proceeds from the sale of any previous homestead, which was acquired with the assistance of a special adaptive housing grant from the veteran's administration, the person or the person's surviving spouse shall be exempt from all taxation on said homestead, **except in Westerly.** (2008)

(j) The town of **Coventry** may provide by ordinance a one thousand (\$1,000) exemption for any person who is an active member of the armed forces of the United States. (2005)

**[44-3-4.1 Veterans' exemptions in Gloucester. Repealed (2006)**

**44-3-4.2. Conflicts eligible for veterans' property tax relief. – (a) In addition to those wars and conflicts listed in subsection 44-3-4(a)(1), any person who served in the military or naval service of the United States in the following places shall be entitled to the veteran exemptions in section 44-3-4:**

- (1) **Berlin: May 9, 1945 to October 2, 1990. Cold War/Show of Strength.**
- (2) **Korea: June 27, 1950 to November 8, 1950. President Orders Intervention.**
- (3) **Quemoy and Matsu: August 23, 1956 to June 1, 1963. Show of Force and Escort.**
- (4) **Lebanon: July 1, 1958 to November 1, 1958. Operation Bluebat, Peacekeeping.**
- (5) **Vietnam: July 1, 1958 to July 3, 1965. Advisory/U.S. Troops Ordered to Undertake Offensive Position.**
- (6) **Taiwan Staits: August 23, 1958 to January 1, 1959. Show of Force.**
- (7) **Congo (Zaire): July 14, 1960 to September 1, 1962. Operation Newtape, U.N. Peacekeeping.**
- (8) **Laos: April 19, 1961 to October 7, 1962. Counter Insurgency.**
- (9) **Berlin: August 14, 1961 to June 1, 1963. Show of Strength.**
- (10) **Cuba: October 24, 1962 to June 1, 1963. Missile Crisis.**
- (11) **Congo: November 23-27, 1964. Operation Dragon, Red & Black Rescue.**
- (12) **Vietnam Conflict & RVNMC: July 3, 1965 to March 8, 1973. U.S. Troops Ordered to Offensive Position.**
- (13) **Dominican Republic: April 28, 1965 to September 21, 1966. Evacuation and Peacekeeping.**

- (14) Korea: October 1, 1966 to June 30, 1974. Treaty Commitment.
- (15) Cambodia/Thailand: March 29, 1973 to August 15, 1973. Bombing Campaign.
- (16) Cambodia: April 11-13, 1975. Operation Eagle Pull, Evacuation.
- (17) Vietnam: April 29-30, 1975. Operation Frequent Wind, Evacuation.
- (18) Cambodia: May 5, 1975. Mayaguez Hostage Rescue.
- (19) Sinai, Egypt: August 3, 1981 to present. Peacekeeping.
- (20) Lebanon: June 1, 1983 to December 1, 1987. Peacekeeping.
- (21) Granada: October 23, 1983 to November 21, 1983. Operation Urgent Fury, Evacuation.
- (22) Libya: April 12-17, 1986. Operation El Dorado Canyon.
- (23) Persian Gulf: July 24, 1987 to August 1, 1990. Operation Earnest Will, Naval Escort.
- (24) Panama: December 20, 1989 to January 31, 1990. Operation Just Cause.
- (25) Persian Gulf: August 2, 1990 to November 30, 1995. Operation Desert Shield and Desert Storm.
- (26) Operation Sharp Edge: August 5-25, 1990. Humanitarian, Liberia.
- (27) Combined Task Force "Provide Comfort": April 5, 1991 to July 31, 1993. Humanitarian – Northern Iraq & Turkey.
- (28) Combined Task Force "Provide Comfort": December 1, 1995 to December 31, 1996. Northern Iraq & Incirlik Air Base, Turkey.
- (29) Joint Task Force Guantanamo Bay: November 22, 1991 to June 30, 1992. Humanitarian, Guantanamo Bay.
- (30) Operation "Provide Hope": February 1, 1992 to April 30, 1993. Humanitarian, Russia.
- (31) Joint Task Force "Provide Relief": August 18, 1992 to December 4, 1992. Humanitarian, Kenya & Somalia.
- (32) Somalia: December 5, 1992 to March 31, 1995. Operation Restore Hope & United Shield.
- (33) Joint Task Force "Provide Refuge": February 11, 1993 to March 11, 1993. Humanitarian, Kwazalern, Republic of Marshall Islands.
- (34) Joint Task Force 160 Operation "Sea Signal": May 20, 1994 to April 15, 1996. Humanitarian, Guantanamo Bay.
- (35) Joint Task Force "Distant Haven": August 19, 1994 to October 31, 1994. Humanitarian, Suriname.
- (36) Joint Task Force "Safe Haven": August 26, 1994 to March 3, 1995. Humanitarian, Panama.
- (37) Joint Task Force 180, 190 & MNF Operations "Uphold and Restore Democracy": September 10, 1994 to March 31, 1995. Humanitarian, Haiti.
- (38) Joint Task Force "Support Hope": July 20, 1994 to October 7, 1994. Humanitarian, Rwanda.
- (39) Haiti: September 16, 1994 to March 31, 1995. Operation Uphold Democracy.
- (40) El Salvador: January 1, 1981 to February 1, 1992. Advisory/Training.
- (41) Former Republic of Yugoslavia: November 20, 1995 to December 19, 1996 and December 20, 1996 to June 20, 1998. Operation Joint Endeavor & Guard.
- (42) Wake Island, Mid-Pacific Joint Task Force "Prompt Return": July 12, 1995 to August 10, 1995. Humanitarian, Wake Island, Mid-Pacific.
- (43) Southwest Asia: December, 1995 - ongoing. Operation Southern Watch, Maritime Intercept Operation, Operation Vigilant Sentinel, Operation Northern Watch, Operation Desert Thunder, Operation Desert Fox, Exercise Intrinsic Action, Exercise Iris Gold, Operation Desert Spring.
- (44) Former Republic of Yugoslavia: December 20, 1995 - ongoing. Operation Joint Endeavor, Joint Guard and Force.

(45) Haiti: April 1, 1995 to January 31, 2000. Operation: UNMHI, U.S. for Haiti, USSPTG-Haiti.

(46) Liberia Joint Task Force “Assured Response”: April 8, 1996 to August 12, 1996. Humanitarian, Liberia.

(47) Kosovo: March 24, 1999 - ongoing. Operation Allied Force, Joint Guardian.

(b) Persons who served in the military or naval service of the United States: “Operation Noble Eagle”; “Operation Enduring Freedom”; “Operation Iraqi Freedom” from September 12, 2001 - ongoing are entitled to the veteran exemptions in section 44-3-4.

(c) Persons who served in the military or naval service of the United States and have received the “Global War Expeditionary Medal” and the “Global War on Terrorism Medal” are entitled to the veteran exemptions in section 44-3-4.

Related matters: Recording discharge papers 30-18-1  
Sufficiency of such recording 30-18-2  
Extension of benefits to World War II veterans  
30-22-1  
Extension of benefits to merchant marine  
30-22-2  
Veterans of undeclared wars or campaigns  
30-22-3  
Korean service defined 30-22-4  
Vietnam service defined 30-22-5

**44-3-5. Gold Star parents' exemption.** The property of every person whose son or daughter has served with the armed forces of the United States of America and has lost his or her life as a result of his or her service with the armed forces of the United States of America, providing the death was determined to be in the line of duty shall be exempted from taxation to the amount of three thousand dollars (\$3,000) in accordance with similar provisions of section 44-3-4 applying to honorably discharged veterans of the armed forces; provided, however, that there shall be but one (1) exemption where both parents of the deceased son or daughter are living. Said adjustment shall be made to reflect the same monetary savings that appeared on the property tax bill that existed for the year prior to reevaluation of said real property. If any provision of this section is held invalid, the remainder of this section and the application of its provisions shall not be affected thereby, **except in the following communities: Barrington, Cranston, Cumberland, Jamestown, Lincoln, North Providence, Smithfield, Warren, West Warwick and Westerly.** (2013)

**44-3-5.1. Exemptions in South Kingstown.** (2004)

**44-3-6. General exemptions inapplicable to property used for manufacturing.** Notwithstanding any other provision of this chapter, real and personal property devoted to manufacturing purposes shall not be exempt from taxation except as provided by sections 44-3-3(21), 44-3-3(23), 44-3-3.1, 44-3-9, and 44-5-38.

**44-3-8. Exemption of land planted to forestry.** Whenever there shall have been planted one (1) or more acres of land worth not more than twenty-five dollars (\$25) per acre, in this state, to trees of any of the following kinds: chestnut, hickory, oak, maple, larch, pine, ash, catalpa, locust, basswood, beech, hemlock, spruce, tulip tree, cedar, sycamore, and walnut, in numbers not less than five hundred (500) to the acre, the owner

of such plantation of trees may file with the tax assessors, in any town in which said plantation may be located, an affidavit showing that he has complied with the requirements of this chapter. Upon such proof, such plantation, including the trees and land on which they are growing in good condition, shall be exempted from all taxation whatsoever for a period of fifteen (15) years, said period of exemption to be counted from the time the said land shall have been planted as aforesaid, or from the time it may have been necessary to replant the same, by reason of destruction by fire, if the same shall be replanted within one (1) year after such destruction; provided, said land is planted or replanted, as the case may be, and managed under a forest working plan approved by the chief of the division of forests during said period of exemption from taxation; provided further, that the provisions of this chapter shall not be construed so as to exempt from taxation more than three hundred (300) acres owned by any one (1) person, corporation, limited co-partnership, or association.

**44-3-9. Exemption or stabilizing of taxes on property used for manufacturing, commercial, or residential purposes.** (a)(1) Except as hereinafter provided, the electors of any town qualified to vote on a proposition to appropriate money or impose a tax when legally assembled, may vote to authorize the town council of the town, for a period not exceeding twenty (20) years, and subject to the conditions as hereinafter provided, to exempt from payment, in whole or in part, real and personal property **which has undergone environmental remediation, is historically preserved, or is used for affordable housing**, manufacturing, commercial, or residential purposes, or to determine a stabilized amount of taxes to be paid on account of the property, notwithstanding the valuation of the property or the rate of tax; provided, however, that after public hearings, at least ten (10) days' notice of which shall be given in a newspaper having a general circulation in the town, the town council determines that (i) granting of the exemption or stabilization will inure to the benefit of the town by reason of (A) the willingness of the manufacturing or commercial concern to locate in the town, or of individuals to reside in such an area, or (B) the willingness of a manufacturing firm to expand facilities with an increase in employment or the willingness of a commercial or manufacturing concern to retain or expand its facility in the town and not reduce substantially its work force in the town; or (C) an improvement of the physical plant of the town which will result in a long-term economic benefit to the town and state; or **(D) An improvement which converts or makes available land or facility that would otherwise be not developable without substantial environmental remediation; or** (ii) granting of such exemption or stabilization of taxes will inure to the benefit of the town by reason of a willingness of a manufacturing or commercial or residential firm or property owner to construct new or to replace, reconstruct, convert, expand, retain or remodel existing buildings, facilities, fixtures, machinery, or equipment resulting in an increase or maintenance in plant, residential housing or commercial building investment by the firm or property owned in the town; (2) provided further, however, that should the town council make the determination in subdivision (a)(1)(i)(B), any exemption or stabilization may be granted as to new buildings, fixtures, machinery or equipment for new buildings, firms or expansions, and may be granted as to existing buildings, fixtures, machinery and equipment for existing employers in the town. (b) Cities shall have the same authority as is herein granted to towns except that authority herein granted to the qualified electors of a town and to town councils shall be exercised in the case of a city by the city council. (c) For purposes of this section property used for commercial purposes shall be deemed to mean any building or structures used essentially for offices or commercial enterprises. (d) Except as hereinafter provided, property, the payment of taxes on which has been so exempted or which is subject to the payment of a stabilized amount of taxes, shall not, during the period for which such exemption or stabilization of the amount of taxes is granted, be further liable to taxation by the city or town in which such property is located so long as such property is used for the manufacturing,

commercial, or residential purposes for which such exemption or stabilized amount of taxes was made. (e) Notwithstanding any vote of the qualified electors of a town and findings of a town council or of any vote and findings by a city council all such property shall nevertheless be assessed for and shall pay that portion of the tax if any assessed by the city or town in which the real or personal property is located, for the purpose of paying the indebtedness of the city or town and the indebtedness of the state or any political subdivision thereof to the extent assessed upon or apportioned to the city or town, and the interest thereon, and for appropriation to any sinking fund of the city or town (which portion of the tax shall be paid in full) and the taxes so assessed and collected shall be kept in a separate account and used only for that purpose. (f) Nothing in this section shall be deemed to permit the exemption or stabilization herein provided for any manufacturing or commercial concern relocating from one city or town within the State of Rhode Island to another. (2006)

**44-3-9.1. Exemption or stabilizing of taxes on qualifying property located in designated districts in the city of Woonsocket.**

**44-3-9.1.1. Rehabilitation exemption for qualified residential structures in the city of Woonsocket.**

**44-3-9.2. Exemption or stabilizing of taxes on qualifying property used for manufacturing or commercial purposes in the town of North Smithfield.**

**44-3-9.3. Exemption or stabilizing of taxes on qualifying property used for manufacturing or commercial purposes in the town of Burrillville.**

**44-3-9.4. Economic development tax incentive program in the town of Middletown -- Assessed valuation exemptions or stabilizing of taxes.**

**44-3-9.5. Exemption or stabilizing of taxes on qualifying property used for manufacturing or commercial purposes in the town of North Providence.** (2002)

**44-3-9.6. Exempting or stabilizing of taxes on qualifying property used for manufacturing or commercial purposes in the town of Richmond.** (2003)

**44-3-9.7. Exemption or stabilization of tax on qualified property used for manufacturing or commercial purposes in the town of South Kingstown.** (2006)

**44-3-9.8. West Greenwich – Exemption or stabilization of tax on qualified property used for manufacturing or commercial purposes in the town of West Greenwich.** (2012)

**44-3-10. Exemption of idle manufacturing or mill property.** The city council of any city or the town council of any town may, with the approval of the tax administrator appointed pursuant to the provisions of section 44-1-1, wholly or partially exempt from taxation for a period of not exceeding one (1) year manufacturing or mill buildings in which manufacturing has not been carried on for at least one (1) year immediately prior to the granting of such exemption, and, if so determined, the personal property located therein, with like power to repeat such action as often as may be deemed best; provided, that the owner thereof agrees in writing with the tax administrator that the building or buildings so exempted shall not be removed from the premises during the period for which such exemption is granted; and, provided further, that the owner thereof agree in writing with the tax administrator upon a price that the owner will accept for the property so exempted during the period of such exemption.

**44-3-11. Exemption of railroad property in South Kingstown and Narragansett.**

**44-3-12. Exemption of persons visually impaired.** (a) The property of each person who has permanent impairment of both eyes of the following status: Central visual acuity of 20/200 or less in the better eye, with corrective glasses, or central visual acuity of more than 20/200 if there is a field defect in which the peripheral field has contracted to such an extent that the widest diameter of visual field subtends an angular distance no greater than twenty (20) degrees in the better eye, shall be exempted from taxation to the amount of six thousand dollars (\$6,000), which exemption shall apply to such property in the municipality where such person resides, and if there is not sufficient property to exhaust such exemption, such person may proclaim the balance in any city or town where he or she may own property; provided, further, that the city or town council of any city or town may by ordinance increase the exemption within the city or town to an amount not to exceed twenty-two thousand five hundred dollars (\$22,500), and further provided, however, that such exemption shall not be allowed in favor of any person who is not a legal resident of the state or unless the person entitled to such exemption shall have presented to the assessors, on or before the last day on which sworn statements may be filed with the assessors for the year for which exemption is claimed due evidence that he or she is so entitled, which evidence shall stand so long as his or her legal residence remains unchanged; and, provided, further, that the exemption herein provided for, to the extent that it shall apply in any city or town, shall be applied in full to the total value of such person's real and tangible personal property located in such city or town and shall be applied to intangible personal property only to the extent that there is not sufficient real property or tangible personal property to exhaust such exemption. Such exemption shall be in addition to any other exemption provided by law, except as provided in section 44-3-25, **except in the following communities: Barrington, Cumberland, Tiverton, Warren, West Warwick and Westerly.** (2013)

(b) In each city or town that has not increased the exemption provided by subsection 44-3-12(a) above the minimum of six thousand dollars (\$6,000), such exemption shall increase automatically each year by the same percentage as the percentage increase in the total amount of taxes levied by such city or town. Such automatic increase shall not apply to cities or towns that have increased the exemption provided by subsection 44-3-12(a) above the minimum of six thousand dollars (\$6,000); provided, however, that if the application of such automatic increase to an exemption of six thousand dollars (\$6,000) on a continuous basis from December 31, 1987, to any subsequent assessment date would result in a higher exemption than the exemption enacted by the city or town council, then the amount provided by the automatic increase shall apply, **except in the following communities: Barrington and Tiverton.**

**44-3-13. Exemption of persons over the age of 65 years.**

**The following communities are specifically enabled by this statute: Bristol, Central Falls, Cranston, East Greenwich, Lincoln, North Providence, Tiverton, Warren, Warwick and Westerly.** (2013)

**44-3-13.1. Exemption of persons over the age of 65 - West Warwick.** (2007)

**44-3-13.2. Exemption of persons over the age of 65 - Cumberland.** (2005)

**44-3-13.3. Exemption of property of totally disabled persons in North Kingstown.**

**44-3-13.4. Exemption of low or moderate income housing.** The town or city councils of any municipality of the state may, by ordinance, exempt from taxation, in whole or in part, the real property situated in such city or town which is occupied by persons or families of low or moderate income. The amount of the exemption and the rules and regulations regarding eligibility for the exemption shall be provided for by ordinance and the city or town council may, from time to time, by amendment to the ordinance, make such changes in the amount of exemption granted in the rules and regulations regarding eligibility for exemption, as they deem necessary to promote the purposes of this section. Any such exemption may continue during a term of any mortgage granted by the Rhode Island housing and mortgage finance corporation on the real property, or until such time as the real property is not occupied by persons of low or moderate income as their primary residence.

**44-3-13.5. Exemption of elderly and disabled persons in the Town of Gloucester.** (2006)

**44-3-13.6. Exemption of persons 65 years and over - Jamestown.** (2003)

**44-3-13.7. Exemption of real property from taxation in Exeter. Persons who are totally disabled.** (1999)

***[44-3-13.8. Exemption of persons over the age of 65 years in the Town of Exeter.]***  
Repealed  
(2004)

**44-3-13.9. Exemption of Elderly Persons in the Town of North Kingstown.** (1999)

**44-3-13.10. Exemption of certain real estate in the town of North Kingstown.** (2001)

**44-3-13.11. Property tax exemptions for active volunteer members of fire and rescue companies within the town of Exeter.** (2004)

**44-3-13.12. Exemption of persons over the age of 65 years or fully disabled in the town of Exeter.** (2004)

**44-3-13.13. Jamestown – Exemption of property of totally disabled persons.** (2005)

**44-3-14. Notice to tax assessor on conveyance of tax exempt realty.** Every firm, business, corporation or other body which is by any special or general law, or by other means exempted from the apportionment of any tax upon its real property, shall within ninety (90) days of the execution of a contract of sale or deed or other form of conveyance, file with the assessor of the city or town, wherein the property is situated, a notification of the conveyance.

**44-3-15. Persons who are totally disabled.** The city or town councils of various cities and towns may provide by ordinance for the freezing of the rate and valuation of taxes on the real and personal property located therein of any head of a household who is one hundred percent (100%) disabled and unable to work as of the date of such disability; provided, however, that said freeze of rate and valuation on real property shall apply only to single family dwellings in which the person who is disabled resides; and provided, further, that such exemption shall not be allowed unless the person entitled thereto shall

have presented to the assessors, on or before the last day on which sworn statements may be filed with the assessors for the year for which the foregoing is claimed, due evidence that he or she is so entitled, which evidence shall stand so long as his or her legal residence remains unchanged. The foregoing shall be in addition to any other exemption provided by law, **except in the following communities: Hopkinton and Warren.** (2013)

**44-3-15.1. Freezing of tax rates for persons who are totally disabled - Hopkinton.** (1999)

**44-3-15.2. Persons who are totally disabled – Bristol.** (1999)

**44-3-15.3. Tax credit for persons who are totally disabled – Smithfield.** (2003)

**44-3-15.3.1. Smithfield – Exemption of Special Olympics Rhode Island, Inc.** (2012)

**44-3-15.4. Lincoln – Tax credit for persons who are totally disabled.** (2006)

**44-3-15.5. Lincoln – Tax credit for persons over the age of 65 years.** (2010)

**44-3-16. Freeze of tax rate and valuation for the elderly.** The city or town councils of the various cities and towns may provide by ordinance for the freezing of the rate and valuation of taxes on real property located therein to any person who is sixty-five (65) years or older or to any person who is totally and permanently disabled regardless of age and who does not have income from all sources in excess of four thousand dollars (\$4,000) per year, provided, however, that said freeze of rate and valuation on real property shall apply only to owner-occupied single or two family dwellings in which said person resides; and provided, further, that such exemption shall not be allowed unless the person entitled thereto shall have presented to the assessors, on or before the last day on which sworn statements may be filed with the assessors for the year for which the foregoing is claimed, due evidence that he or she is so entitled, which evidence shall stand as long as his or her legal residence remains unchanged. The foregoing shall be in addition to any other exemption provided by law, and provided further, that the said real estate shall not be taken from the tax rolls and shall be subject to the bonded indebtedness of the city or town, **except in the following communities: Bristol, Coventry, Cranston, East Greenwich, Exeter, Johnston, Tiverton, Warwick and West Warwick.** (2009)

**44-3-16.1. Portsmouth – Tax deferral for certain persons age sixty-five (65) and for persons with a disability.** (2006)

**44-3-16.2. North Smithfield – Tax stabilization for certain persons age sixty-five (65) and over.** (2006)

**44-3-17. Tax exempt property - Listing and valuation.** The tax assessor of every city and town shall annually list the estimated value of the property which is exempt from taxation because of the nonprofit status of the owner of said land.

**[44-3-18. Valuation of cogeneration, solar and/or wind energy systems.]**  
Repealed  
(2004)



**44-3-19. List of tax exemptions - Notification.** The tax assessor of every city and town shall maintain a list of every tax exemption or tax rebate for which a taxpayer may apply, including the tax credits defined in Chapter 33 entitled "Property Tax Relief;" information on property exempt from taxation under 44-3-3. (16); and information on the appeals process defined in Chapter 44-5-26. A copy of this list shall be sent to every taxpayer each year with one (1) of the annual tax bills and shall include the telephone number of the city or town office to be contacted should any taxpayer wish to determine his or her eligibility or any exemption or rebate.

**44-3-20. Deferment of payment of tax for the elderly - Middletown.**

**44-3-20.1. Deferment of payment of tax for the elderly - Coventry.**

**44-3-20.2. Deferment of partial payment of tax for the low-income - Bristol.**

**44-3-20.3 Deferment of payment of tax for the elderly – Jamestown.** (1999)  
**(Contingent Repeal)**

**44-3-20.4. Deferment of payment of tax for low income – Warren.** (2004)

**44-3-21. Exemption of renewable energy systems.** The city or town councils of the various cities and towns may by ordinance, exempt from taxation any renewal energy system which is located therein.

**44-3-22. Real estate and excise tax exemption for persons who are disabled in Cranston.** (1999)

**44-3-23. Tax exemptions in the town of Narragansett.** (2003)

**44-3-24. Adjustment of exemption upon revaluation of real property.** The city and town councils of the various cities and towns may provide by ordinance for the adjustment of the tax exemption for all persons entitled thereto pursuant to this chapter in any year that said city or town has a real property reevaluation. Said adjustment

shall be made to reflect the same monetary savings that appeared on the property tax bill that existed for the year prior to reevaluation of said real property. If any provision of this section is held invalid, the remainder of this section and the application of its provisions shall not be affected thereby.

**44-3-25. Maximum exemptions in the town of Cumberland.** (2005)

**44-3-25.1. Maximum exemptions in the town of Bristol.**

**44-3-27. Certain tax exemptions in the town of South Kingstown.**

**44-3-27.1. Certain tax exemptions in the town of Bristol.** (2002)

**44-3-28. Exemption for people with paraplegia - North Providence.** (1999)

**44-3-29. Exemption and/or valuation freeze of wholesaler's inventory.** (a) The city council or the town council of any municipality may by ordinance wholly or partially exempt from taxation and/or freeze the valuation of the stock in trade or inventory of wholesalers for a period up to twenty-five (25) years.

(i) The term "wholesaler" shall mean and include a person, partnership, corporation, or other business entity engaged in the business of selling goods for subsequent resale by its customers. Except as provided in subsection (b), no distinction shall be drawn between:

(1) a wholesaler all or a portion of the sales of which are sales to one or more customers affiliated with the wholesaler, and

(2) A wholesaler the sales of which are exclusively sales to customers not affiliated with wholesaler. A wholesaler shall be considered affiliated with customers if it controls, is controlled by, or is under common control with the customers.

(ii) The term "inventory" or "stock in trade" shall mean and include the merchandise kept on hand for sale in the normal and regular course of a wholesale business.

(b) In the event that a wholesaler sold inventory or stock in trade both at wholesale and at a retail in the preceding calendar year, the tax assessors of the municipality shall assess on the same basis as a retailer's inventory or stock in trade as of December 31 of that year, to the extent permitted by applicable law, notwithstanding any freeze of assessed valuation or exemption permitted hereunder, that proportion of inventory or stock in trade of the wholesaler which shall be equal to the percentage of the wholesaler's total sales during the preceding calendar year that were at retail. For the purposes of this paragraph, sales at retail shall not include sales to employees of the wholesaler or to employees of its affiliates. If retail sales are less than one percent (1%) of total sales during the year, it shall be deemed that no sales were made at retail during the year. All sales of a wholesaler to a customer which is an affiliated entity shall be deemed to be retail sales for the purposes of this paragraph if more than half of the dollar volume of the sales of the affiliated entity is made within the municipality.

(c) The city council or the town council of any municipality may by ordinance establish the application and/or verification procedures for taxpayers to avail themselves of the benefit of any exemption or valuation freeze permitted hereunder as the city council or the town council deem necessary.

(d) Nothing in this section shall be deemed to permit the exemption or stabilization herein provided for any wholesaler on commercial concern relocating from one city or town within the State of Rhode Island to another.

**44-3-29.1. Wholesale and retail inventory tax phase out.** (a) Beginning July 1, 1999, the city council or town council of any municipality shall by ordinance phase out, over a ten (10) year period, the stock in trade or inventory of wholesalers and retailers. The rate schedule to be implemented by the cities and towns is set forth in this section. (1998)

(b) The terms "inventory", as it refers to wholesalers, "stock in trade", as it refers to wholesalers, and "wholesaler" shall have the same meaning as defined in section 44-3-29. (1998)

(c) The terms "inventory", as it refers to retailers, "stock in trade", as it refers to retailers, and "retailer" shall have the same meaning as defined in section 44-3-40. (1998)

(d) The rate schedule for the ten (10) year phase out of the wholesale and retail inventory tax shall be as follows:

<u>Year</u>	<u>Maximum Tax Rate</u>	
FY 1999	set by local officials	
FY 2000	ninety percent (90%) of FY 1999 rate	
FY 2001	eighty percent (80%) of FY 1999 rate	
FY 2002	seventy percent (70%) of FY 1999 rate	
FY 2003	sixty percent (60%) of FY 1999 rate	
FY 2004	fifty percent (50%) of FY 1999 rate	
FY 2005	forty percent (40%) of FY 1999 rate	
FY 2006	thirty percent (30%) of FY 1999 rate	
FY 2007	twenty percent (20%) of FY 1999 rate	
FY 2008	ten percent (10%) of FY 1999 rate	
FY 2009	no tax authorized	(1998)

(e) In the event that a wholesaler sold inventory or stock in trade both at wholesale and at retail in the preceding calendar year, the tax assessor of the municipality shall assess on the same basis as a retailer's inventory or stock in trade as of December 31 of that year, to the extent permitted by applicable law, notwithstanding any freeze of assessed valuation or exemption permitted pursuant to section 44-5-12(c), that proportion of inventory or stock in trade of the wholesaler which shall be equal to the percentage of the wholesaler's total sales during the preceding calendar year that were at retail. For the purposes of this paragraph, sales at retail shall not include sales to employees of the wholesaler or to employees of its affiliates. If retail sales are less than one percent (1%) of total sales during the year, it shall be deemed that no sales were made at retail during the year. All sales of a wholesaler to a customer which is an affiliated entity shall be deemed to be retail sales for the purposes of this subsection if more than half of the dollar volume of the sales of the affiliated entity is made within the municipality. (1998)

(f) For purposes of this section, a wholesaler shall be considered affiliated with customers if it controls, or is under common control with the customers. (1998)

(g) In the event that a wholesaler or retailer subject to the inventory tax commences operations in a particular city or town after fiscal year 1999, the tax assessor for that municipality shall determine what would have been the value of the inventory as of December 1998, adjusting the inventory value to fiscal year 1999 using the changes in the consumer price index - all urban consumers (CPI-U) published by the bureau of labor statistics of the United States department of labor. The director of the Department of **Revenue** shall publish annually an adjustment schedule. (1998)

(h) This section shall also apply to automobile dealers, as defined in section 31-5-5. (1998)

(i) The assent of two-thirds (2/3) of the members elected to each house of the general assembly shall be required to repeal or amend this section. (1998)

**44-3-30. Burrillville - Property taxation of electricity generating facilities in the town.** (2010)

**44-3-31. Certain tax exemptions in the city of Providence.**

**44-3-31.1 The city of Providence – Freeze of certain tax.** (2001)

**44-3-31.2. Providence - Special property tax consideration for designated properties.** (2010)

**44-3-31.3. Providence – Additional special property tax consideration for designated properties.** (2010)

**44-3-32. Tax exemption in the town of Portsmouth - Elderly - Income.**

**44-3-32.1. Portsmouth – Tax exemption for farmland, forest land, open space or historic preservation site.** (2013)

**44-3-32.2. Tax exemption for farmland, forestland or open space in cities and towns.** (a) Cities and towns in the state of Rhode Island may, by ordinance, exempt from taxation any real property situated in the town classified and utilized as farmland, forestland or open space land pursuant to the provisions of chapter 27 of this title. The amount of the exemption shall be provided for by ordinance. Cities and towns may, from time to time, by amendment to the ordinance, make those changes in the amount of exemption granted.

(b) Cities and towns of Rhode Island are authorized by ordinance to provide that any person who obtains an exemption pursuant to the ordinance to which the person is not entitled, by the filing or making of any false statement, or the proffering of any document or other writing known by the person to have been altered, forged, or to contain any false or untrue information, is liable for an amount equal to double the amount of reductions in taxes resulting from the exemption, which amount is recoverable by the city or town in a civil action.

(c) Cities and towns in the state of Rhode Island are authorized by ordinance to exempt from taxation any real property situated in the town classified and utilized as farmland on which the development rights have been sold or donated and will remain farmland in perpetuity. The amount of the exemption shall be provided for by ordinance. Cities and towns may, from time to time, by amendment to the ordinance, make those changes in the amount of exemption granted. (2003)

**44-3-33. Tax exemption for the industrial foundation of Burrillville.**

**44-3-34. Homeowner exemption - City of Central Falls.** (2008)

**44-3-35. Burrillville – Real estate tax exemption for persons who are disabled.** (2010)

**44-3-36 Real estate tax exemption for persons who are disabled in Portsmouth.** (1999)

**44-3-37. Exemption and/or valuation freeze of retailer’s inventory in the town of Burrillville.**

**44-3-38. Transfer of property to trust.** Any exemption, freeze of tax rates and/or valuation granted to any individual or individuals pursuant to this chapter shall not be affected if said eligible individuals transfer said property to a revocable living trust **pursuant to the provisions of the general laws and/or pursuant to any public law or municipal ordinance shall not be affected if the otherwise eligible individual:** (1) Transfers an ownership interest in the property while retaining a life estate in the property; or (2) Transfers an ownership interest while leasing the property

back, but only where the lessee was the owner of the property prior to the transfer to the lessor; or (3) Transfers the property to a revocable or irrevocable living trust, if and so long as the otherwise eligible individual resides in such property and the otherwise eligible individual or the trustee is legally obligated to pay property tax on such property by contract, by agreement, by the terms of the trust instrument, or otherwise by law. The provisions of this section shall be applicable to any such transfer, regardless of when the transfer is made. (2012)

**44-3-39. Exemption of persons over the age of 65 - Middletown. (2009)**

**44-3-40. Authorization to exempt retailer's inventory - Cities and towns.** (a) Each city and town, by resolution or ordinance adopted by the city or town council, may wholly or partially exempt from taxation the valuation of the stock in trade or inventory of retailers.

(b) The term "retailer" shall mean and include a person, partnership, corporation, or other business entity engaged in the business of selling goods at retail.

(c) The term "inventory" or "stock in trade" shall mean and include the merchandise kept on hand for sale in the normal course of business of a retailer.

(d) Nothing in this section shall be deemed to permit the exemption or stabilization herein provided for any retailer relocating from one city or town within the state of Rhode Island to another.

**44-3-41. Historic district exemption - Glocester.**

**44-3-42. Fixed tax assessment in the town of Cumberland - Farmland.**

**44-3-43. Historic stone wall exemption.** The city and town councils of the various cities and towns may provide by ordinance an exemption not exceeding five thousand dollars (\$5,000) of valuation for any parcel of real property on which is located an historic stone wall(s), provided that such wall(s) is fifty (50) or more feet in length, at least three (3) feet high, structurally maintained and free of noxious weeds and vegetation. For purposes of this section, an "historic stone wall" is a vertical structure of aligned natural stone built before 1900, normally constructed to designate a property boundary or to separate agricultural activities within a farmstead.

**44-3-47. Economic development tax incentive program - City of Cranston.**

**44-3-48. Certain tax exemptions in the town of Burrillville. (1999)**

**44-3-49. Fixed tax rate in the town of Burrillville. (1999)**

**44-3-50. Certain tax exemptions in the city of Pawtucket. (2007)**

**44-3-51. Tax exemptions in the Town of North Smithfield. (2007)**

**44-3-52. Exemption for persons interned in concentration camps – Cumberland. (2000)**

**44-3-53. Tax exemption in the City of Central Falls – Club Sport Uniao Madeirense. (2002)**

**44-3-54. Tax exemption in the town of Middletown. (2003)**

- 44-3-55. Tax exemptions in the town of South Kingstown. (2003)
- 44-3-56. Tax credit in lieu of tax exemption in the town of Burrillville. (2004)
- 44-3-57. Deferment of payment of tax for the elderly – Bristol. (2004)
- 44-3-58. Tax deferment of elderly persons in the town of Narragansett. (2004)
- 44-3-58.1. Tax deferment of increase in property taxes of persons sixty-five (65) years of age or older – East Greenwich. (2006)
- 44-3-59. Tax exemption in the town of Burrillville – The Columbus Club of Burrillville. (2004)
- 44-3-60. Tax exemption extended to motor vehicle excise tax in lieu of tax exemption on property in the Town of Westerly. (2005)
- 44-3-62. Lincoln – Tangible business property tax exemption for new investments. (2006)
- 44-3-63. Historical cemeteries. City and town councils are authorized to provide by ordinance an abatement from taxation for any real property on which is located a historical cemetery registered pursuant to section 23-18-10.1 and to provide by ordinance for full or partial reimbursement of expenses incurred in repairing and maintaining such historical cemeteries, including walls or fences surrounding such cemeteries. (2011)
- 44-3-64. Tax exemption in the City of Pawtucket – Sandra Feinstein-Gamm Theatre. (2012)
- 44-33.3. Newport Senior Resident Property Tax Services Credit Program. (2006)
- 44-33.4. Cumberland Senior Resident Property Tax Services Credit Program. (2006)
- 44-33.5. Bristol Senior Resident Property Tax Services Credit Program. (2008)

**CHAPTER 44-4**  
**SITUS AND OWNERSHIP OF TAXABLE PROPERTY**

**44-4-1. Place of taxation of real estate.** All real estate shall be taxed in the town where the same is situated.

**44-4-2. Buildings on leased land deemed real estate.** Buildings on leased land, the leases whereof are in writing and recorded, shall, for purposes of taxation, be deemed real estate.

**44-4-3. Fixtures declared to be real estate.** The main wheels, steam engines, dynamos, boilers, and shafts, whether upright or horizontal, drums, pulleys, and wheels attached to any real estate for operating machinery, and all steam pipes, gas pipes, water pipes, ammonia pipes, gas fixtures, electric fixtures, and water fixtures attached to, and all kettles set and used in, any manufacturing establishment, are declared to be real estate when owned by the owners of the real estate to which they are attached.

Related matters:

Certain factory equipment deemed real estate 34-17-1.

Certain apparatus deemed personal property 34-17-2.

**44-4-4. Assessment of real estate taxes against owner.** Taxes on real estate shall be assessed to the owners, including purchasers at tax sales of fractional interests, and separate tracts or parcels, and fractioned interests thereof, if any, shall be separately described and valued so far as practicable; provided, however, that no misdescription, defect in description, or mistake in valuation, so long as the estate assessed can be identified, shall be taken advantage of by any taxpayer in order to avoid the payment of a tax assessed against him, unless he shall have brought to the assessors a true and exact account of all his ratable estate, describing and specifying the value of every parcel of his real and personal estate, at such time as they may prescribe for the assessing of the tax. But nothing herein contained shall be construed to deprive a taxpayer of the remedies provided in sections 44-5-26 to 44-5-31, inclusive.

**44-4-4.1. State property taxed to lessee or tenant.** Any property owned by the state, except land and piers but including any other real property, buildings, improvements and tangible personal property attached to, contained in or used in connections with said property, which is leased or rented for a term of ten (10) or more years, including any options to renew or otherwise extend the term, shall be taxed to the person, partnership, corporation, joint stock company or association leasing or renting said property, who, for the purposes of taxation shall be deemed the owner of said property; but excluding therefrom property acquired by the state from the United States pursuant to 49 U.S.C. section 47151 et seq., and managed for it by the Rhode Island Port Authority and Economic Development Corporation; state property which is leased by any corporation, association or organization which is exempt from property taxation; state property which is leased for purposes of nonprofit public use or service; portions of buildings which are owned by the state, said portions being of a size, shape or other unique character which makes them impossible to measure or separate for purposes of taxation; and state property leased for purposes which are necessary to the operation of an airport. (2005)

**44-4-4.2. Leasehold improvements taxed to tenant of quasi-public corporation.** Commencing with taxes assessed on December 31, 2001, whenever real property is owned by a quasi-public corporation and leased to a tenant which is engaged in any business for profit, and such property is located at an airport terminal building with more than ten thousand (10,000) air carrier aircraft operations annually, any tax on leasehold improvements shall be paid by the tenant, who, for the purposes of taxation, shall be deemed to be the owner of any such leasehold improvements, regardless of whether the improvements become state property, unless the improvements or the tenant or subtenant are otherwise exempt from taxation. (2002)

**44-4-5. Mortgagor in possession of real estate deemed owner.** The mortgagor shall be deemed to be the owner of mortgaged real estate, so long as the same is in his possession.

**44-4-6. Tenant for life or years.** Estates in the possession of a tenant for life or for a term of ten (10) or more years when by the terms of his lease such tenant for years is required to pay the taxes on such estate, may be taxed to such tenant, who, for the purposes of taxation shall be deemed the owner.

**44-4-7. Undivided real estate of decedent.** Undivided real estate of any deceased person may be assessed to the estate, or heirs, or devisees of the deceased, generally, until a record of a division be made, or until they give notice to the assessors of the division, and of the names of the persons holding the portions thereof; and each heir or devisee shall be liable for the whole of the tax, and shall have a lien therefore on the shares of his associate heirs or devisees in said estate, for their proportion of said tax, if paid by him.

**44-4-8. Real estate tax assessed to person not the owner.** If, in assessing real estate, the same be assessed by mistake to a person not the owner, such tax may nevertheless be collected from such real estate; provided, the same be described so as to be identified, and the party having the record title have notice of such assessment.

**44-4-8.1. Apportionment of taxes upon sale of real estate.** Whenever any real estate situated in this state shall be sold and conveyed to a purchaser, the tax assessed upon said real estate and the buildings and land improvements thereon as of any December 31st shall, except as otherwise provided by contract of the parties involved, be apportioned as if such assessment were made in advance for the immediate following calendar year and shall be adjusted between the seller and the purchaser as of the date of delivery of the deed of conveyance, the seller paying for the period commencing January 1st to and including the date of delivery of the deed of conveyance, and the purchaser paying the balance of said taxes.

**44-4-9. Rules for taxation of tangible personal property.** All ratable tangible personal property shall be taxed as set forth in sections 44-4-10, 44-4-14, 44-4-15, and 44-4-24.

**44-4-10. Persons to whom tangible personalty taxed - Place of taxation.** The fixtures enumerated in section 44-4-3, all motors, machines, equipment, fixtures, and tools of all sorts however propelled, in any factory, machine shop, print works, manufacturing or other establishment of any kind and all livestock and farming tools on farms; all fixtures, tools, machinery, livestock, farming tools, goods, wares, merchandise and all other tangible personal property except manufacturers' inventory as defined in section 44-3-3, situated in or upon any place for sale of property, store, office shop, mine, quarry, farm, place of storage, manufactory, warehouse, or dwelling house belonging to any person, partnership, corporation, joint stock company or association, shall be taxed to



such person, partnership, corporation, joint stock company or association in the town or city where said property is situated as defined in section 44-4-24. All tangible personal property aforesaid belonging to any person under guardianship or held in trust or otherwise by an executor, administrator or trustee shall be taxed to such guardian, executor, administrator or trustee in the town where such property is situated as defined in section 44-4-24. If any tangible personal property aforesaid located in any town or city shall belong to any person, partnership, corporation, joint stock company or association unknown to the assessors, it shall be taxed to the owner, a person unknown to the assessors, and the collector may distrain and sell such property in the same manner as provided in chapters 8 and 9 of this title; provided, however that if any tangible personal property aforesaid located in any town or city and belonging to any person, copartnership, corporation, joint stock company or association unknown to the assessors shall be in possession or custody of any agent, consignee, or other person or persons acting in a contractual representative capacity for said owner unknown to the assessors, it shall be taxed to said agent, consignee or other representative, and the said agent, consignee or other representative, shall be personally liable for the tax so assessed against him on the property in his possession or custody owned as aforesaid and, shall have a lien on the property of the said person unknown to the assessors for the tax paid on said unknown person's property; and provided, further, that nothing in this chapter contained shall be construed to impose any tax upon manufactured property owned by nonresidents and brought into this state temporarily to be finished and returned to the owner. Persons, partnerships, corporations, joint stock companies or associations, residing or located in this state, and owning tangible personal property located in and taxed in any other state shall not be taxed therefore in this state.

**44-4-14. Tangible personal property in decedent's estate.** If no executor of the will of, or no administrator of the estate of, a deceased person shall have been appointed, the tangible personal property of said deceased person, liable to taxation, shall be assessed as the estate of said deceased person, in the town where the deceased person resided, and the executor or administrator subsequently appointed shall be liable as such for so much of the tax as shall prove to be not in excess of the tax upon the amount for which said estate was properly taxable.

**44-4-15. Property of minors not under guardianship.** The tangible personal property of any minor not under guardianship shall be assessed to such minor, and such minor shall be liable for so much of the tax, notwithstanding his minority, as shall prove to be not in excess of the tax upon the amount for which he was properly taxable.

**44-4-24. Rule as to situs of tangible personal property.** (a) All ratable tangible personal property shall be taxed to the owner thereof in the town or city in which the property shall have been situated for the larger portion of the twelve (12) months ending with the date of assessment. If any tangible personal property shall not have been situated in any one town or city for the larger portion of the twelve (12) months ending with the date of assessment, then the tangible personal property shall be taxed in the town or city where the property is stored, garaged, or permanently situated at the time of assessment. (2000)

(b) Any tax or portion thereof under this section in arrears at the time of application or renewal shall be cause for the clerk of any city or town to refuse to grant or renew any license created under the ordinances of the city or town. (2000)

**CHAPTER 44-4.1  
HISTORIC RESIDENCE - TAX CREDIT**

**44-4.1-3. Property tax reduction.** Each city or town may by ordinance provide up to twenty percent (20%) reduction in property tax liability for a period of up to five (5) years to an owner of an historic residence who incurs substantial maintenance or rehabilitation costs. The town or city may elect to provide the reduction to any contributing property listed on the state register of historic places or to any property covered by chapter 24.1 of title 45 or to both. Each city or town shall establish a minimum dollar amount above which an owner must spend in order to qualify for the property tax reduction, **except in Warren.** (2006)

**44-4.1-4. Completion - Certification.** Upon completion of maintenance or rehabilitation for which the owner of a historic residence seeks property tax reduction, the owner shall apply to the local tax assessor for relief under this chapter. Upon receiving such application the city or town tax assessor shall notify the commission. The commission shall inspect the maintenance or rehabilitation of the historic residence and make a recommendation to the tax assessor who shall certify if it complies with the commission guidelines. The commission may establish a schedule of reasonable fees for the processing of inspection of maintenance and rehabilitation. The property tax reduction shall commence in the year that the inspection certifies approval of the maintenance or rehabilitation. An owner who receives a property tax reduction pursuant to this chapter, shall upon completion of further maintenance or rehabilitation which again fulfills the necessary requirements of this chapter, receive a new five (5) year property tax reduction commencing on approval of the most recent application, **except in Warren.** (2006)

**44-4.1-5. Restrictive covenant required.** No historic residence maintained or rehabilitated may benefit from the provisions of this chapter unless the owner of such historic residence grants a restrictive covenant to the commission, agreeing that the historic residence shall retain its use and be maintained in a manner which preserves the **historic character of the** historic residence for a period equal to the length of the property tax reduction or until title to the property is transferred, **except in Warren.** (2006)

**44-4.1-6. Forfeiture of tax reduction.** In the event of the failure of the owner to keep the property nondepreciable or to maintain the property according to the commission's guidelines during the period of the tax reduction, the owner shall forfeit the property tax reduction retroactive to the date the reduction commenced. All differences in the amount of taxes that were paid and those that would have been due but for the reduction shall be payable together with interest of twelve percent (12%) per annum from the respective dates that the payments would have been due and shall be a lien against the historic residence. If the property is transferred to a new owner within the period that the tax reduction applies, the **tax reduction shall cease, and not be applied to the new owner.** (2006)

**44-4.1-7. Administrator of program.** The tax assessor shall promulgate all application and certification forms. The commission shall establish guidelines for the maintenance and rehabilitation of historic residences.

**44-4.1-8. Appeal.** Appeal of decisions of the tax assessor, under the provisions of this chapter shall be to the city or town council for a full hearing de novo, provided however, that in cities or towns where there is established a tax appeal board, appeal may, at the discretion of the city or town council, be to the board, for a full hearing de novo and the decision of the city or town council or tax appeal board may be further appealed under the provisions of chapter 35 of title 42 (Administrative Procedures Act).

**CHAPTER 44-4.2  
HISTORIC INDUSTRIAL BUILDING – TAX DEFERMENT**

**44-4.2-1. Short title.** – This chapter shall be known and may be cited as the “Historic Building Preservation and Affordable Residential Housing Act of **Pawtucket**”.

**CHAPTER 44-5  
LEVY AND ASSESSMENT OF LOCAL TAXES**

**44-5-1. Powers of town electors to levy - Date of assessment of valuations.** The electors of any town qualified to vote on any proposition to impose a tax or for the expenditure of money, when legally assembled, may levy a tax for the purposes authorized by law, on the ratable property of the town, either in a sum certain, or in a sum not less than a certain sum and not more than a certain sum. Said tax shall be apportioned upon the assessed valuations as determined by the assessors of the town as of the thirty-first day of December in each year at twelve (12) o'clock midnight, said date being known as the date of assessment of town valuations.

**44-5-2. Maximum levy.** (a) **Through and including its fiscal year 2007**, a city or town may levy a tax in an amount not more than five and one-half percent (5.5%) in excess of the amount levied and certified by that city or town for the prior year. **Through and including its fiscal year 2007, but in no fiscal year thereafter**, the amount levied by a city or town shall be deemed to be consistent with the five and one-half percent (5.5%) levy growth cap if the tax rate is not more than one hundred and five and one-half percent (105.5%) of the prior year's tax rate and the budget resolution or ordinance, as applicable, specifies that the tax rate is not increasing by more than five and one-half percent (5.5%) except as specified in subsection (c). In all years when a revaluation or update is not being implemented, a tax rate shall be deemed to be one hundred five and one-half percent (105.5%) or less of the prior year's tax rate if the tax on a parcel of real property, the value of which is unchanged for purpose of taxation, is no more than one hundred five and one-half percent (105.5%) of the prior year's tax on the same parcel of real property. In any year **through and including fiscal year 2007** when a revaluation or update is being implemented, the tax rate shall be deemed to be one hundred five and one-half percent (105.5%) of the prior year's tax rate as certified by **the division of property valuation and municipal finance** in the department of revenue; (b) **In its fiscal year 2008, a city or town may levy a tax in an amount not more than five and one-quarter percent (5.25%) in excess of the total amount levied and certified by that city or town for its fiscal year 2007. In its fiscal year 2009, a city or town may levy a tax in an amount not more than five percent (5%) in excess of the total amount levied and certified by that city or town for its fiscal year 2008. In its fiscal year 2010, a city or town may levy a tax in an amount not more than four and three-quarters percent (4.75%) in excess of the total amount levied and certified by that city or town in its fiscal year 2009. In its fiscal year 2011, a city or town may levy a tax in an amount not more than four and one-half percent (4.5%) in excess of the total amount levied and certified by that city or town in its fiscal year 2010. In its fiscal year 2012, a city or town may levy a tax in an amount not more than four and one-quarter percent (4.25%) in excess of the total amount levied and certified by that city or town in its fiscal 2011. In its fiscal year 2013, and in each fiscal year thereafter, a city or town may levy a tax in an amount not more than four percent (4%) in excess of the total amount levied and certified by that city or town for its previous fiscal year.** (c) **The division of property valuation in the department of revenue** shall monitor city and town compliance with this levy cap, issue periodic reports to the general assembly on such compliance, and make recommendations on the continuation or modification of the levy cap on or before December 31, 1987; December 31, 1990 and December 31, every third year thereafter. The chief elected official in each city and town shall provide to the **division of property valuation and municipal finance** within thirty (30) days of final action, in such form as required, the adopted tax levy and rate and other pertinent information; (d) The amount levied by a city or town may exceed the **percentage** increase as specified in subsection (a) **or (b)** of this section if

the city or town qualified under one (1) or both of the following provisions: (2006)

(1) The city or town forecasts or experiences a loss in total nonproperty tax revenues and said loss is certified by the department of **revenue**;

(2) The city or town experiences or anticipates an emergency situation which causes or will cause the levy to exceed **the percentage increase as specified in subsection (a) or (b) of this section**. In the event of an emergency or an anticipated emergency, the city or town shall notify the auditor general who shall certify the existence or anticipated existence of the emergency. **Without limiting the generality of the foregoing, an emergency shall be deemed to exist when the city or town experiences or anticipates health insurance costs, retirement contributions or utility expenditures which exceed the prior fiscal year's health insurance costs, retirement contributions or utility expenditures by a percentage greater than three (3) times the percentage increase as specified in subsection (a) or (b) of this section.** (2006)

(3) A city or town forecasts or experiences debt services expenditures which **exceed** the prior year's debt service expenditures **by an amount greater than the percentage increase as specified in subsection (a) or (b) of this section** and which are the result of bonded debt issued in a manner consistent with general law or special act. In the event of such debt service increase, the city or town shall notify the department of **revenue** which shall certify the debt service increase above **the percentage increase as specified in subsection (a) or (b) of this section** of the prior year's debt service. No action approving or disapproving exceeding a levy cap under the provisions of this section shall affect the requirement to pay obligations as described in paragraph (d) of this section. (2006)

**(4) The city or town experiences substantial growth in its tax base as the result of major new construction which necessitates either significant infrastructure or school housing expenditures by the city or town or a significant increase in the need for essential municipal services and such increase in expenditures or demand for services is certified by the department of revenue.** (2006)

(e) Any levy pursuant to sub-section (d) of this section in excess of the percentage increase specified in subsection (a) **or (b)** of this section shall be approved by the affirmative vote of at least four-fifths (4/5) of the full membership of the governing body of the city or town or in the case of a city or town having a financial town meeting, the majority of the electors present and voting at the town financial meeting, shall also approve the excess levy. (2010)

(f) Nothing contained herein shall constrain the payment of present or future obligations as prescribed by section 45-12-1, as amended, and all taxable property in each city or town shall be subject to taxation without limitation as to rate or amount to pay general obligation bonds or notes of the city or town except as otherwise specifically provided by law or charter.

**44-5-2.1. Maximum levy – Jamestown.** (2003)

**44-5-2.2. West Warwick –Maximum levy.** (2008)

**44-5-3. Ratable property of town.** The ratable property of the town shall consist of the ratable real estate and the ratable tangible personal property (which shall not, however, include manufacturer's manufacturing machinery and equipment of a manufacturer) and the ratable tangible personal property of manufacturers consisting of manufacturer's manufacturing machinery and equipment of a manufacturer.

For the purposes of this section and sections 44-5-20, 44-5-22, 44-5-38, general laws of Rhode Island, 1956, as amended, and 45-13-5 and 9 of chapter 245, public laws of Rhode Island, 1966, the terms "manufacturing" shall be deemed to include the handling and storage of manufacturer's inventories as defined in section 44-3-3, (20)(b), and the term "manufacturer's machinery and equipment" or "manufacturing machinery and equipment" shall be defined:

a) as that machinery and equipment which is used exclusively in the actual manufacture or conversion of materials or goods in the process of manufacture by a manufacturer as set forth in section 44-3-3, (20), and machinery, fixtures and equipment used exclusively by a manufacturer for research and development or for quality assurance of its manufactured products, and

b) as that machinery and equipment which is partially used in the actual manufacture or conversion of raw materials or goods in the process of manufacture by a manufacturer as set forth in section 44-3-3, (20), and machinery, fixtures, and equipment used by a manufacturer for research and development or for quality assurance of its manufactured products, to the extent to which such machinery and equipment is used for said manufacturing processes, research and development or quality assurance. In such instances where machinery and equipment is used in both manufacturing activities, the assessment on machinery and equipment shall be prorated by applying the percentage of usage of the equipment for such manufacturing, research and development and quality assurance activity to the value of such machinery and equipment for purposes of taxation, and said portion of the value used for manufacturing, research and development and quality assurance shall be exempt from taxation. The burden of demonstrating this percentage usage of machinery and equipment for manufacturing and for research and development and/or quality assurance of its manufactured products shall rest with manufacturer.

This definition of manufacturing or manufacturer's machinery and equipment shall not be deemed to include (i) motor vehicles required by law to be registered with the registry of motor vehicles, (ii) store fixtures and other equipment situated in or upon retail store or other similar selling place operated by a manufacturer, whether or not such retail establishment store or other similar selling place is located in the same building in which he operates his manufacturing plant, and (iii) fixtures or other equipment situated in or upon premises used to conduct a business which is unrelated to the manufacture of finished products for trade and their sale by the manufacturer thereof, whether or not the premises wherein such unrelated business is conducted is in the same building in which the manufacturer has his manufacturing plant. The levy on tangible personal property of manufacturers consisting of manufacturer's manufacturing machinery and equipment of a manufacturer shall be at the rate provided in section 44-5-38.

**44-5-4. Purpose of tax levied by town electors.** The said tax shall be for the ordinary expenses and charges of the town, for the payment of interest and indebtedness, including sinking funds, and for other purposes authorized by law.

**44-5-5. Determination of date on which taxes due - Penalties on delinquencies.**

The electors in financial town meeting of any town qualified to vote on any proposition to impose a tax or for the expenditure of money or the city council of a city, shall determine the date on which taxes shall be due and payable and the date on which they shall be subject to a penalty, unless otherwise provided by law, and all taxes remaining unpaid on the date specified shall carry until collected a penalty at a rate determined by said electors or city council; provided, that if a state of fiscal emergency is deemed to exist by a vote of any city or town council, then said city or town council shall be duly authorized until July 1, 1992 to determine the delayed date on which taxes shall be due and payable and the date on which they shall be subject to a penalty, and may adopt a procedure to determine which persons assessed to pay such taxes are or have been adversely affected by such fiscal emergency.

**44-5-7. Provision for municipal installment payments.** Every city and town shall make provision for the payment in installments of any tax levied under the provisions of section 44-5-1 by adding to and making a part of the resolution ordering the assessment and the collection of the tax an option permitting persons assessed to pay their taxes in equal quarterly installments if they so desire, free of any charges, interest, penalties or other assessments, the amounts and dates for payment of such installments to be specified in such resolutions; provided, however, that such city or town may provide that such option contained in any such resolution shall not apply to any tax levied in an amount not in excess of one hundred dollars (\$100) in which case such tax shall be payable in a single installment. As used in this section, the term "person assessed" shall include (i) the person named in the assessment, the record owner of the property assessed and any attorney, property manager or other person acting on behalf of the person assessed or the record owner of the property assessed and (ii) any mortgagee or other person having a lien or other security interest in the property assessed of any mortgage servicer, tax servicer or agent of any such mortgagee or lienholder. (1999)

(b) If, prior to the date of passage of this section, a mortgagee, holder of a security interest, mortgage servicer, tax servicer or agent thereof, has been required by the tax collector of the city or town where the property is situated, to pay the tax levied under the provisions of section 44-5-1 in a single installment such tax collector, city or town, mortgagee, holder, mortgage servicer, tax servicer or agent thereof, shall be deemed, with respect to such single installment payment to have complied with applicable law. (1999)

(c) No tax collector of the city or town where the property assessed is situated shall impose or attempt to impose different requirements relating to payment of taxes based upon whether the person who actually pays the tax is (i) the person named in the assessment, the record owner of the property assessed and any attorney, property manager, or other person acting on behalf of the person assessed or the record owner of the property assessed or (ii) a mortgagee or other person having a lien or other security interest in the property assessed or any mortgage servicer, tax servicer or agent of any of such mortgagee or lienholder. (1999)

(d) A person assessed as defined in paragraph (a) (2) (ii) of this section may opt to continue to pay the tax assessed as of December 31, 1996, in a single installment if the tax collector of the city or town where the property assessed is situated required those persons to pay the tax levied under the provisions of section 44-5-1 in a single installment. This subsection applies notwithstanding that, prior to July 8, 1999, the tax collector of the city or town where the property assessed is located permitted the person to pay the tax levied under the provisions of section 44-5-1 in installments, but only upon payment of a charge, interest, penalty, or other assessment. (2005)

(e) Compliance within this section is mandatory with respect to the tax assessed as of December 31, 1999 and thereafter. (1999)

(f) This law is not applicable to any City or Town that as of the date of passage of this bill currently offers a discount in exchange for a single installment payment. (1999)

**44-5-8. Form of option for quarterly payments.** (a) The option to allow payment of taxes in installments shall be expressed in substantially the following form:

"The tax may be paid in \_\_\_\_ installments, the first installment of \_\_\_\_ percent on or before the \_\_\_\_ day of \_\_\_\_\_ A.D. 19\_\_ (the said day or last named day above fixed) and the remaining installments as follows: \_\_\_\_ percent on the \_\_\_\_ day of \_\_\_\_\_ A.D. 19\_\_: (proportions and dates to be specified.)"

"Each installment of taxes if paid on or before the last day of each installment period successfully and in order, is free from any **interest** charge."

"If the first installment or any succeeding installments of taxes is not paid by the last date of the respective installment period or periods as they occur then the whole tax or remaining unpaid balance of the tax as the case may be shall immediately become due and payable and shall carry until collected a penalty at the rate of percent (not less than six (6) nor more than eighteen (18) per annum, **except in Cranston**."

**(b) Notwithstanding the provisions of subsection (a), each municipality shall have the authority, in the case of failure of a taxpayer to pay the first installment or any succeeding installment by the last date of the respective installment period, to require immediate payment of only that late installment, and to impose an interest charge only on that late installment.** (2011)

**44-5-8.1. Waiver of interest on overdue quarterly tax payments.**

(a) Notwithstanding any other provision in this chapter to the contrary, any city or town may, by ordinance duly enacted, authorize a waiver of interest on one quarter's overdue property tax payment and allow the remaining balance of taxes owed to be paid on a quarterly basis if all of the following conditions are satisfied by the taxpayer:

- (1) The property subject to the overdue payment is the residence of the taxpayer and has been for the five (5) years immediately preceding the tax payment which is overdue.
- (2) The request for a waiver of interest is in writing, signed and dated by the taxpayer.
- (3) The taxpayer has made timely payments of taxes to the city or town for the five (5) years immediately preceding the tax payment which is overdue. The burden of proof of timely payments shall be upon the taxpayer.
- (4) The bill for which the payment is overdue was issued less than two (2) years prior to the date of the request for a waiver of interest.

(b) In no event shall the waiver of interest on a tax bill exceed five hundred dollars (\$500). Decisions of the tax collector shall be in writing and contain a notice to the city or town council. If the taxpayer receives an adverse decision from the tax collector, the taxpayer must pay the interest and may file a claim for reimbursement with the city or town council within ten (10) days of the decision.



(c) Any request for a waiver of taxes which meets criteria established by this section pursuant to a duly enacted ordinance shall be granted by the city or town.

**44-5-8.2. Johnston – Tax amnesty period.** (2011)

**44-5-8.3. Coventry – Tax amnesty period.** (2012)

**44-5-9. Deductions and penalties to insure prompt payment.** Any town may provide for such deduction from the tax assessed against any person, if paid by an appointed time, or for such penalties by way of percentage on a tax, if not paid at the time appointed, not exceeding eighteen percent (18%) per annum, as they shall deem necessary to insure punctual payment, **except in Cranston.**

**44-5-10. Interest forgiven during wartime military service.** No tax heretofore or hereafter assessed by any town or city upon the property of any resident of this state shall bear interest by reason of the nonpayment of such tax during the duration of, and for a period of six (6) months after such resident's active service in the military, air, or naval forces of the United States or in the American Merchant Marine occasioned by any war, declared or undeclared, in which the United States shall be engaged.

***[44-5-11. Assessment of valuations - Apportionment of levies.] Repealed*** (2000)

**44-5-11.1. Regulation of businesses engaged in revaluing property.** (a) All persons, firms, associations, partnerships and corporations engaged in the business of revaluing property for any town or city pursuant to the provisions of section 44-5-11.6 shall be certified by the department of **revenue**. (2005)

(b) All employees of persons, firms, associations, partnerships and corporations referred to in subsection (a) of this section shall, prior to revaluing property for any town or city pursuant to the provisions of section 44-5-11.6, be certified by the department of **revenue** as qualified to perform such services. (2005)

(c) Each person, firm, association, partnership or corporation referred to in subsection (a) of this section shall, prior to revaluing property for any town or city pursuant to the provisions of section 44-5-11.6, disclose to the town or city council of that municipality, all standards to be used in conducting said revaluation and secure approval of same. (2005)

(d) The director of **revenue** shall promulgate such rules and regulations as are necessary to carry out the purposes of this section.

The rules and regulations shall include but shall not be limited to the following requirements:

- The person, firm, association, partnership or corporation
- (1) Must demonstrate experience in the field of assessing, revaluation and ad valorem appraising;
  - (2) Must list all officers engaged in the revaluation process in Rhode Island;
  - (3) Must list all project managers, field supervisors, reviewers, appraisers and other personnel engaged in the revaluation process in Rhode Island;
  - (4) Must provide a list of the five (5) most recent revaluation projects performed within the preceding ten (10) years, including the municipality and state in which the work was performed as well as the project supervisor for each project;
  - (5) Must post a performance surety bond;

- (6) Demonstrate financial solvency of company;
- (7) List all pending litigation, if any, to which the company is a party.

Such rules and regulations shall also require that ad valorem appraisers to have either proper designations from recognized professional organizations or written examinations by the licensing agency.

**44-5-11.2. Purpose of provisions.** The purpose of sections 44-5-11.1 to 44-5-11.3 is to provide a resource to local tax assessors which would improve the methods of property tax assessments; provide for increased capability in the annual maintenance of assessments; integrate technological innovations in property tax administration; and, substantially reduce the cost of required revaluations. (1999)

**44-5-11.3. Property Assessment - Training and Certification.** The director of the Department of **Revenue**, in cooperation with the Rhode Island Association of Assessing Officers shall establish and conduct an annual training institute for local tax assessors. Said training institute shall consist of certified training courses in such areas as the cost approach, market data approach, and income approach to property valuation; the use of computer technology for property tax assessments and maintenance; and, the application of Rhode Island law to property tax administration, and continuing education. For this purpose, the department may cooperate with educational institutions, local, regional, state, or national assessor's organizations, and with any other appropriate professional organizations. A local tax assessor who has successfully completed the training program or who has obtained the necessary amount of credits shall be awarded the designation of Rhode Island Certified Assessor (RICA).

Also, an applicant, who is a member of a local assessment personnel staff, who has successfully completed the training program or who has obtained the necessary courses shall be awarded the designation of Rhode Island Certified Assessment Personnel (RICAP). The Rhode Island Association of Assessing Officers shall establish a program of recertification for all designated members, which shall be approved by the Department of Administration.

**44-5-11.4. Property tax assessment - Technology grants.** The director of the department of **revenue** may establish a local grant-in-aid program whereby cities and towns may purchase micro computers to be used for the purpose of property tax administration. The director shall also cause to be prepared and distributed to all cities and towns that participate in the grant-in-aid program, a uniform "software" application program which would adapt current state of the art uses in property tax administration.

**44-5-11.5. Legislative findings.** It is hereby found and declared that: (a)(1) Rhode Island property taxes continue to play a significant role in the financing of local educational and municipal services. The general assembly recognizes that the way the property tax is assessed, levied and collected can be improved to provide more reliable and up-to-date property values in each of the cities and towns.

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

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

(a) Up-to-date property values are maintained through more frequent property revaluations;

(b) Cities and towns meet defined standards related to performing updates of property values;

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

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

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

(f) Assessors and contracted property revaluation companies meet appropriate qualifications and standards; and

(g) Intergovernmental cooperation in the administration of the property tax is maximized.

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

**44-5-11.6. Assessment of valuations - Apportionment of levies.**

(a) Notwithstanding the provisions of section 44-5-11, beginning on December 31, 2000, the assessors in the several towns and cities shall conduct an update as herein defined or shall assess all valuations and apportion the levy of all taxes legally ordered under the rules and regulations, not repugnant to law, as the town meetings and city councils, respectively shall from time to time prescribe; provided, that such update or valuation shall be performed in accordance with the following schedules:

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

	<u>Update</u>	<u>Revaluation</u>
Lincoln	2000	2003
South Kingstown	2000	2003
Smithfield	2000	2003
West Warwick	2000	2003
Johnston	2000	2003
Burrillville	2000	2003
North Smithfield	2000	2003
Central Falls	2000	2003
North Kingstown	2000	2003
Jamestown	2000	2003

North Providence	2001	2004
Cumberland	2001	2004
Bristol	2004	2001
Charlestown	2001	2004
East Greenwich	2002	2005
Cranston	2002	2005
Barrington	2002	2005
Warwick	2003	2006
Warren	2003	2006
East Providence	2003	2006

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

(iii) The implementation date for the above schedule shall be December 31st, of the stated year.

(iv) Those cities and towns not listed above shall continue the revaluation schedule pursuant to 44-5-11 [repealed].

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

	<u>Update #1</u>	<u>Update #2</u>	<u>Revaluation</u>
Pawtucket	2002	2005	2008
Portsmouth	2001	2004	2007
Coventry	2001	2004	2007
Woonsocket	2002	2005	2008
Providence	2003	2006	2009
Foster	2002	2005	2008
Middletown	2002	2005	2008
Little Compton	2003	2006	2009
Scituate	2003	2006	2009
Westerly	2003	2006	2009
West Greenwich	2004	2007	2010
Glocester	2004	2007	2010
Richmond	2004	2007	2010
Bristol	2004	2007	2010
Tiverton	2005	2008	2011
Newport	2005	2008	2011
New Shoreham	2006	2009	2012
Narragansett	2005	2008	2011
Exeter	2005	2008	2011
Hopkinton	2007	2010	2013
Lincoln	2006	2009	2012
South Kingstown	2006	2009	2012
Smithfield	2006	2009	2012
West Warwick	2006	2009	2012
Johnston	2006	2009	2012
Burrillville	2006	2009	2012
North Smithfield	2006	2009	2012
Central Falls	2006	2009	2012
North Kingstown	2006	2009	2012

Jamestown	2006	2009	2012
North Providence	2007	2010	2013
Cumberland	2007	2010	2013
Charlestown	2007	2010	2013
East Greenwich	2008	2011	2014
Cranston	2008	2011	2014
Barrington	2008	<b>2010</b>	2014
Warwick	2009	2012	2015
Warren	2009	2012	2015
East Providence	2009	2012	2015

(2011)

(ii) The implementation date for the above schedule shall be December 31st of the stated year. Upon the completion of the update and revaluation schedule above, each city and town shall conduct a revaluation within nine (9) years of the date of the prior revaluation and shall conduct an update of real property every three (3) years from the last revaluation.

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

- (1) An analysis of sales;
- (2) A rebuilding of land value tables;
- (3) A rebuilding of cost tables of all improvement items; and
- (4) A rebuilding of depreciation schedules.

Upon completion of an update, each city or town shall provide for a hearing and/or appeal process for any aggrieved person to address any issue which arose during the update.

(c) The costs incurred by the towns and cities for the first update shall be borne by the state in an amount not to exceed twenty dollars (\$20.00) per parcel. The costs incurred by the towns and cities for the second update shall be borne eighty percent (80%) by the state (in an amount not to exceed sixteen dollars (\$16.00) per parcel) and twenty percent (20%) by the town or city and in the third update and thereafter, the state shall pay sixty percent (60%) of the update (not to exceed twelve dollars (\$12.00) per parcel) and the town or city shall pay forty percent (40%); provided, however, for the second update and in all updates thereafter, that the costs incurred by any city or town which is determined to be a distressed community pursuant to section 45-13-12 shall be borne eighty percent (80%) by the state and twenty percent (20%) by the city and towns for all updates required by this section. (2000)

(d) The office of municipal affairs, after consultation with the league of cities and towns and the Rhode Island Assessors' Association, shall recommend adjustments to the costs formula described in subsection (d) above based upon existing market conditions.

(e) Any property, which is either exempt from the local property tax pursuant to section 44-3-3 or which pays a city or town an amount in lieu of taxes, will not be required to have its values updated pursuant to section 44-5-11.6, and such property shall not be eligible for the reimbursement provisions of section 44-5-11.6(e). However, those

properties which are exempt from taxation and are eligible for state appropriations in lieu of property tax under the provisions of section 45-13-5.1 will be eligible for state reimbursement pursuant to section 44-5-11.6(e), provided that these properties were revalued as part of that city or town's most recent property revaluation.

(f) No city or town shall be required to conduct an update pursuant to this section unless the state has appropriated sufficient funds to cover the state's costs as identified in subsection (d) above.

(g) Any city or town who fails to conduct an update or revaluation as required by this section, or requests and receives an extension of the dates specified in this section shall receive the same amount of state aid under sections 45-13-1, 45-13-5.1 and 45-13-12 in the budget year for which the new values were to apply as the city or town received in state aid in the previous budget year, provided, however, if the new year's entitlement is lower than the prior year's entitlement, the lower amount shall apply, **except in New Shoreham.** (2002)

(h) Any bill or resolution to extend the dates for a city or town to conduct an update or revaluation must be approved by a two-thirds (2/3) majority of both houses of the general assembly.

**44-5-11.7. Permanent legislative oversight commission.** (a) There is hereby created a permanent legislative commission on property taxation. The commission shall consist of the following members:

- (1) chairperson of the house finance committee, or designee;
- (2) chairperson of the senate finance committee, or designee;
- (3) chief of the office of municipal affairs, or designee;
- (4) the president of the league of cities and towns;
- (5) the executive director of the Rhode Island public expenditures council, or designee; and
- (6) **Three (3)** members of the Rhode Island Assessors' association.
- (7) director of the property valuation within the department of revenue

The commission at its first meeting shall elect a chairperson from its membership.

(b) The purpose of the commission is to **work in conjunction with Rhode Island department of administration, department of revenue and the RIAAO representatives, to study and evaluate property tax related issues including, but not limited to:**

- (1) revaluation process **and statistical study after a revaluation;**
- (2) exemptions and classifications;
- (3) uniform depreciation rates; and
- (4) any other issues which the commission determines is relevant to the issue of property taxation.

(c) The members shall receive no compensation for their services. All departments and agencies of the state shall furnish advice and information, documentary or otherwise to the commission and its agents as is deemed necessary or desirable by the commission to facilitate the purposes of the commission.

(d) The commission shall meet no less than three (3) times per year and shall report its findings and recommendations to the general assembly on an annual basis.

(2007)

**44-5-11.8 Tax Classification.** (a) Upon the completion of any comprehensive revaluation or update in accordance with section 44-5-11.6 of the General Laws, any city or town may adopt a tax classification plan by ordinance with the following limitations:

(2004)

(1) The designated classes of property shall be limited to the ~~four~~ classes as defined herein. (2013)

(2) The effective tax rate applicable to any class **excluding class 4** shall not exceed by 50% the rate applicable to any other class, **except in Gloucester and Providence**; however, in the year following a revaluation or statistical revaluation or update, the city or town council of any municipality may, by ordinance, adopt tax rates for the property class for all ratable tangible personal property no greater than twice the rate applicable to any other class provided that the municipality documents to, and receives written approval from the office of municipal affairs that the tax rate difference is necessary to ensure that the estimated tax levy on the property class for all ratable tangible personal property is not reduced from the prior year as a result of the revaluation or statistical revaluation.

(3) Any tax rate changes from one year to the next shall be applied such that the same percentage rate change is applicable to all classes, **excluding class 4, except in the following communities: Gloucester and Providence.** (2006)

(4) Notwithstanding sections (a) (2) and (a) (3) above, the tax rates applicable to wholesale and retail inventory within class 3 as defined below shall be governed by section 44-3-29.1 of the Rhode Island General Laws.

(5) The tax rates applicable to motor vehicles within Class 4 as defined in subsection (b) of this section are governed by section 44-34.1-1 of the Rhode Island General Laws. (2006)

(6) The provisions of Chapter 44-35 of the General Laws relating to property tax and fiscal disclosure shall apply to the reporting of and compliance with these classification restrictions.

(b) Classes of Property

(1) Class 1: Residential real estate consisting of no more than five (5) dwelling units, land classified as open space, and dwellings on leased land including mobile homes, **except in Providence.**

(i) A homestead exemption provision is also authorized within this class, provided however, that the actual effective rate applicable to property qualifying for this exemption shall be construed as the standard rate for this class against which the maximum rate applicable to another class shall be determined, **except in Gloucester.**

(2013)

**(ii) In lieu of a homestead exemption, any city or town may divide this class into non-owner and owner occupied property, and adopt separate tax rates in compliance with the within tax rate restrictions. (2013)**

(2) Class 2: Commercial and industrial real estate, residential properties containing partial commercial or business uses and residential real estate of more than five (5) dwelling units, **except in Providence.** (2001)

(3) Class 3: All ratable tangible personal property.

(4) Class 4: Motor vehicles and trailers subject to the excise tax created by chapter 34 of Title 44. (2000)

(c) **Applies only to Glocester and Providence** (2013)

(d) **Applies only to Middletown** (2003)

(e) **Applies only to Little Compton** (2005)

**44-5-11.9. Residential real estate classification – West Warwick.** (2004)

**44-5-11.10. Real estate tax classification – East Providence.** (2004)

**44-5-11.11. Residential real estate classification – West Greenwich.** (2005)

**44-5-11.12. Residential real estate classification – Glocester.** (2005).

**44-5-11.13. Homestead exemption in the town of Glocester.** (2005).

**44-5-11.14 Commercial/residential real estate classification - Narragansett.**  
(2005).

**44-5-11.15. Authority to extend homestead exemption. Any city or town authorized under this chapter to enact a homestead exemption may, by ordinance, provide the homestead exemption to any owner occupied premises in that city or town notwithstanding any law, regulation or ordinance to the contrary. (2011)**

**44-5-12. Assessment at full and fair cash value.** All real property subject to taxation shall be assessed at its full and fair cash value, or at a uniform percentage thereof, not to exceed one hundred percent (100%), to be determined by the assessors in each town or city; provided, however, that any residential property encumbered by a covenant recorded in the land records in favor of a governmental unit or Rhode Island housing and mortgage finance corporation restricting either or both the rents that may be charged or the incomes of the occupants shall be assessed and taxed in accordance with section 44-5-13.11 hereof; provided, however, that in assessing real estate which is classified as farm land, forest or open space land in accordance with chapter 27 of this title, the assessors shall consider no factors in determining the full and fair cash value of said real estate other than those which relate to said use without regard to neighborhood land use of a more intensive nature, **except in the following communities: Central Falls and Warwick.** (2013)

**Tangible property shall be assessed according to the asset classification table as defined in section 44-5-12.1.**  
(2006)



Municipalities shall make available to every land owner whose property is taxed under the provisions of this section a document which may be signed before a notary public containing language to the effect that they are aware of the additional taxes imposed by the provisions of section 44-5-39 in the event that they use land classified as farm, forest or open space for another purpose.

Pursuant to the provisions of section 44-3-29.1, all wholesale and retail inventory subject to taxation shall be assessed at its full and fair cash value, or at a uniform percentage thereof, not to exceed one hundred percent (100%), for fiscal year 1999, by the assessors in each town and city. Once the fiscal year 1999 value of the inventory has been assessed, this value shall not increase. The phase-out rate schedule set forth in section 44-3-29.1(d) shall apply to this fixed value in each year of the phase-out.

(1998)

**44-5-12.1. Assessment of tangible personal property. - (a) All tangible personal property subject to taxation shall be assessed for taxation based on the original purchase price (new or used) including all costs such as freight and installation. Assets will be classified and depreciated as defined in this section.**

**(b) The following classification and depreciation table shall be used in determining the assessed value of tangible personal property.** (2006)

**State of Rhode Island Tangible Property Classification**

Class of Assets Life 13+ yrs Age	Class I	Class II	Class III
	Short Life 1-5 yrs	Mid-Life 6-12 yrs	Long
	Depreciation Rate		
1	95	95	95
2	80	90	90
3	60	80	85
4	30	70	80
5	20	60	75
6	20	50	70
7	20	40	65
8	20	30	60
9	20	30	55
10	20	30	50
11	20	30	45
12	20	30	40
13	20	30	35
14	20	30	30
15+	20	30	30
Assets Shall Not be Trended			

(c) Assets shall be classified on an annual basis by the Rhode Island Association of Assessing Officers' Personal Property Committee based on the following table:

<b>INDUSTRY GROUP IN YEARS</b>	<b>CLASS</b>
Aerospace industry	II
Agriculture machinery and equipment	II
cotton ginning	II
Aircraft and all helicopters	II
Amusement and theme parks	II
Apparel and fabricated textile manufacturing	II
Automobile repair shops	II
Bakeries and confectionery production	II
Barber and beauty shops	II
Billboards	II
Brewery equipment	II
Cable television, headend facilities	II
microwave systems	II
program origination	II
service and test	II
subscriber connection and distribution	II
Canneries and frozen food production	II
Cement manufacture	III
Chemical and allied production	II
Clay products manufacturing	III
Clocks and watches, manufacturing	II
electronic instrumentation	I
Cold storage and ice-making equipment	III
Cold storage warehouse equipment	II
Computers, personal computers (PC)	I
mainframe	I/II
peripherals	I
Condiments, manufacturing and processing	II
Construction equipment, general construction	II
Dairy products manufacturing	II
Data handling equipment, except computers	II
Distilling	II
Electrical equipment manufacturing	II
Electronic companies, steam production	III
other production, combined cycle	III
gas turbines	III
nuclear production	III
transmission	III
distribution	III
Electronic equipment manufacturing	I

<b>Fabricated metal products</b>	<b>II</b>
special tools	I
<b>Fishing equipment, excluding boats and barges</b>	<b>I</b>
<b>Food and beverage production</b>	<b>II</b>
special handling devices	I
<b>Fur processing</b>	<b>II</b>
<b>Gas distribution, total distribution equipment</b>	<b>III</b>
Optional – for equipment by category:	
mains and services, plastic	III
mains and services, steel	III
meters, regulators, installations	III
other distribution equipment	III
<b>Glass and glass products</b>	<b>II</b>
special tools	I
<b>Grain and grain mill products manufacture</b>	<b>III</b>
<b>Gypsum products</b>	<b>III</b>
<b>Hand tools</b>	<b>I</b>
<b>Hospital furnishings and equipment</b>	<b>II</b>
<b>Hotel and motel furnishings and equipment</b>	<b>II</b>
<b>Jewelry products and pens</b>	<b>II</b>
<b>Knitwear and knit products</b>	<b>I</b>
<b>Laundry equipment</b>	<b>II</b>
<b>Leather and leather products</b>	<b>II</b>
<b>Logging, timber cutting</b>	<b>I/II</b>
<b>Machinery manufacturing, except, as otherwise listed</b>	<b>II</b>
<b>Marine construction</b>	<b>II</b>
<b>Meatpacking</b>	<b>II</b>
<b>Medical and dental supply production</b>	<b>II</b>
<b>Metalworking machinery manufacturing</b>	<b>II</b>
<b>Mining and quarrying</b>	<b>II</b>
<b>Motion picture and television production</b>	<b>II</b>
<b>Motor vehicle and parts manufacturing</b>	<b>II</b>
special tools	I
<b>Office furniture and equipment</b>	<b>II</b>
<b>Optical lenses and instrument manufacturing</b>	<b>II</b>
<b>Paints and varnishes</b>	<b>I</b>
<b>Paper and pulp manufacturing</b>	<b>II</b>
converted paper, paperboard and pump	II
<b>Petroleum and natural gas, drilling, onshore</b>	<b>II</b>
drilling, offshore	II
exploration and production	II
petroleum refining	III
pipeline transportation	III
<b>Plastics manufacturing</b>	<b>I/II</b>
<b>Plastic products manufacturing</b>	<b>II</b>
special tools	I

<b>Primary metals production, nonferrous and foundry products</b>	<b>III</b>
<b>special tools</b>	<b>I</b>
<b>Primary steel mill products</b>	<b>III</b>
<b>Printing and publishing</b>	<b>II</b>
<b>Professional and scientific instruments</b>	<b>II</b>
<b>Radio and television, broadcasting</b>	<b>I/II</b>
<b>Railroad transportation equipment manufacturing</b>	<b>II</b>
<b>locomotive manufacturing</b>	<b>II</b>
<b>Recreation and amusement</b>	<b>II</b>
<b>Retail trades, fixtures and equipment</b>	<b>II</b>
<b>Residential furniture</b>	<b>II</b>
<b>Restaurant and bar equipment</b>	<b>II</b>
<b>Restaurant equipment, fast foods</b>	<b>II</b>
<b>Rubber products manufacturing</b>	<b>II</b>
<b>special tools</b>	<b>I</b>
<b>Sawmills, permanent</b>	<b>II</b>
<b>portable</b>	<b>I</b>
<b>Service establishments</b>	<b>II</b>
<b>Ship and boat building machinery and equipment</b>	<b>II</b>
<b>special tools</b>	<b>I</b>
<b>Soft drink manufacture and bottling</b>	<b>II</b>
<b>Steam production and distribution</b>	<b>III</b>
<b>Stone products manufacturing</b>	<b>III</b>
<b>Sugar and sugar products manufacturing</b>	<b>III</b>
<b>Telecommunications, local exchange</b>	
<b>analog switching</b>	<b>I/II</b>
<b>digital switching</b>	<b>I/II</b>
<b>circuit, digital</b>	<b>I/II</b>
<b>circuit, analog</b>	<b>II</b>
<b>circuit, optic</b>	<b>I/II</b>
<b>other central office equipment</b>	<b>I/II</b>
<b>information/origination equipment</b>	<b>I/II</b>
<b>smart phones</b>	<b>I</b>
<b>metallic cable</b>	<b>II</b>
<b>fiber cable</b>	<b>III</b>
<b>poles</b>	<b>III</b>
<b>conduit</b>	<b>III</b>
<b>Telecommunications, interstate interexchange</b>	
<b>analog switching</b>	<b>I/II</b>
<b>digital switching</b>	<b>I/II</b>
<b>metallic cable</b>	<b>II</b>
<b>fiber cable</b>	<b>III</b>
<b>poles</b>	<b>III</b>
<b>conduit</b>	<b>III</b>
<b>all other equipment</b>	<b>I/II</b>

<b>Telecommunications, cellular</b>	
<b>analog switching</b>	I/II
<b>digital switching</b>	I/II
<b>radio frequency channel and control</b>	I/II
<b>power equipment</b>	II
<b>antennae</b>	II
<b>towers</b>	III
<b>transmission equipment</b>	I/II
<b>cellular phones</b>	I
<b>Textile products, including finishing and dyeing</b>	II
<b>manufacture of nonwoven fabrics</b>	II
<b>manufacture of yarn, thread and woven fabrics</b>	II
<b>manufacture of textured yarns</b>	II
<b>Theater equipment</b>	II
<b>Tobacco and tobacco products</b>	III
<b>Vegetable oil products</b>	III
<b>Waste reduction and resource recovery</b>	II
<b>Water transportation</b>	III
<b>vessels, barges and tugs</b>	III
<b>Water utilities</b>	III
<b>Wharves, docks and piers</b>	III
<b>Wholesale trade fixtures and equipment</b>	II
<b>Wood products and furniture manufacturing</b>	II
	(2006)

**44-5-13. Assessment and apportionment according to law - Date of assessment.** The assessors shall assess all valuation and apportion any tax levy on the inhabitants of the town and the ratable property therein according to law, and the assessed valuation of such ratable property shall be made as of the date of assessment provided in 44-5-1; except that personal property consisting of stocks in trade and materials used in manufacture, which shall include raw materials, fuel, goods in process of manufacture and completed products, except those which are specifically exempt by statute, shall be estimated at the average of such personalty kept on hand or located in the taxing district during the twelve (12) months ending with the date of assessment, or the average of any portion of said twelve (12) months when the business has not been carried on or located in said taxing district for a year.

**44-5-13.1. Duties of assessors with respect to forms.** The assessors shall utilize all forms adopted in accordance with forms prepared by the department of **revenue** for the preparation and administration of their respective assessments. Nothing contained herein, however, shall invalidate a tax otherwise assessed and levied in accordance with law.

**44-5-13.2. Assessment and taxation of new real estate construction in South Kingstown.** (2008)

**44-5-13.2.1. Assessment and taxation of new real estate construction in West Warwick.**

**44-5-13.2.2. Assessment and taxation of new real estate construction in Barrington.**

**44-5-13.2.3. Assessment and taxation of certain improvements to real estate in Warwick.**

**44-5-13.2.4. Assessment and taxation of new real estate construction in Newport.**

**44-5-13.2.5. Exemption for residential improvements and alterations in the city of Pawtucket.** (2005)

**44-5-13.3. Reduction in assessed value of real estate upon removal of damaged buildings.** Applicable only in the following communities: Barrington, North Kingstown, South Kingstown and West Warwick.

**44-5-13.4. Assessment and taxation of new real estate construction in Richmond.**

**44-5-13.5. Reduction in assessed value of real estate - Removal of damaged buildings - Richmond.**

**44-5-13.6. Assessment and taxation of new real estate construction in Coventry.**

**44-5-13.7. Reduction in assessed value of real estate upon removal of damaged buildings - Coventry.**

**44-5-13.8. Assessment and taxation of new real estate construction - Newport.**

**44-5-13.9. Reduction in assessed value of real estate upon removal of damaged buildings - Newport.**

**44-5-13.10. Assessment and taxation of new real estate construction in Hopkinton.**

**44-5-13.11. Assessment and taxation of qualifying low income housing.** Any residential property that has been issued an occupancy permit on or after January 1, 1995 after substantial rehabilitation as defined by the U.S. department of housing and urban development, and is encumbered by a covenant recorded in the land records in favor of a governmental unit or Rhode Island housing and mortgage finance corporation restricting either or both the rents that may be charged to tenants of the property or the incomes of the occupants of the property shall be subject to a tax that equals eight percent (8%) of the property's previous years' gross scheduled rental income or a lesser percentage as determined by each municipality.

**44-5-13.12. Assessment and taxation of new real estate construction in North Kingstown.**

**44-5-13.13. Assessment and taxation of new real estate construction in Portsmouth.**

**44-5-13.14. Reduction in assessed value of real estate upon removal of damaged buildings - Portsmouth.**

- 44-5-13.15. Assessment and taxation of new real estate construction in East Greenwich.**
- 44-5-13.16. Assessment and taxation of new real estate construction in Cumberland.**
- 44-5-13.17. Assessment and taxation of new real estate construction in North Providence.**
- 44-5-13.18. Assessment and taxation of real estate construction in Smithfield.** (1998)
- 44-5-13.19. Assessment and taxation of new real estate construction in Westerly.** (1999)
- 44-5-13.20. Assessment and taxation of new real estate construction in Burrillville.** (1999)
- 44-5-13.21. Deferment of taxes for persons claiming an exemption pursuant to RIGL 44-3-3(16) in Burrillville.** (1999)
- 44-5-13.22. Assessment and taxation of new real estate construction in Scituate.** (2000)
- 44-5-13.23. Assessment and taxation of new real estate construction in North Smithfield.** (2000)
- 44-5-13.24. Reduction in assessed value of real estate – Removal of damaged buildings – North Smithfield.** (2000)
- 44-5-13.25. Assessment and taxation of new real estate construction in Narragansett.** (2000)
- 44-5-13.26. Reduction in assessed value of real estate upon removal of damaged buildings – Tiverton.** (2001)
- 44-5-13.27. Assessment and taxation of new real estate construction in Tiverton.** (2001)
- 44-5-13.28. Assessment and taxation of new real estate construction in Middletown.** (2001)
- 44-5-13.29. Reduction in assessed value of real estate upon removal of damaged buildings – Middletown.** (2001)
- 44-5-13.30. Assessment and taxation of new real estate construction and newly created lots in Foster.** (2002)
- 44-5-13.31. Reduction in assessed value of real estate upon removal of damaged buildings – Johnston.** (2003)
- 44-5-13.32. Assessment and taxation of new real estate construction in Johnston.** (2003)

**44-5-13.33. Assessment and taxation of new real estate construction – Bristol.** (2003)

**44-5-13.34. Reduction in assessed value of real estate – Removal of damaged buildings – Bristol.** (2003)

**44-5-13.35. Assessment and taxation of new real estate construction in Lincoln.** (2003)

**44-5-13.36. Assessment and taxation of new real estate construction in Warwick.** (2003)

**44-5-13.37. Assessment and taxation of new real estate construction and new lots in the town of Warren.** (2007)

**44-5-13.38. Assessment and taxation of new real estate construction in the town of Exeter.** (2009)

**44-5-15. Notice of assessors' meetings - Notice by taxpayer of intent to bring in account.** Before assessing any valuations, the assessors of all the cities and towns shall cause printed notices of the time and place of their respective meetings to be posted in four (4) public places in their respective city or town, for three (3) weeks next preceding the time of their meeting, and shall advertise in a newspaper with a statewide circulation jointly, at least once a week for the same space of time. The cost of said advertisement shall be shared equally among all of the cities and towns. The notices require every person and body corporate liable to taxation to bring in to the assessors at the time they may prescribe a true and exact account of all the ratable estate owned or possessed by that person or body, describing and specifying the value of every parcel of the real estate as of December 31 in the year of the last update or revaluation and personal estate as of December 31 of the tax year, together with the additional information that may be prescribed the assessors relative to the ratable estate as may be contained in any corporation or inheritance tax return filed with the state by the person within the year preceding the date of assessment next prior to the bringing in of the account. If any person or body corporate liable to taxation files with the assessors, on or before January 31 next following the date of assessment, a written notice of that person's or that body's intention to bring in an account, the person or body corporate may bring in to the assessors the account at any time between March 1 and March 15 next following the date of assessment. The notice of intention to bring in an account is deemed to have been filed with the assessors if the notice is sent to them by registered or certified mail, postage prepaid, postmarked before 12:00 A.M. midnight of the last day on which the notice may be filed. The account is deemed to be brought in to the assessors if the account is sent to them by registered or certified mail, postage prepaid, postmarked before 12:00 A.M. midnight of the last day on which accounts may be brought in pursuant to the provisions of this section. In case any person or body corporate fails to file any intention, that person or that body is deemed to have waived that person's or that body's right to file the account. All matters contained within the account filing are available for review only by assessment related personnel. (2005)



**44-5-16. Oath to account brought in - Remedies after failure to bring in account - Effect on proration.** Every person bringing in any such account shall make oath before some notary public or other person authorized to administer oaths in the place where such oath is administered that the account by him exhibited contains, to the best of his knowledge and belief, a true and full account and valuation of all the ratable estate owned or possessed by him; and whoever neglects or refuses to bring in such account, if overtaxed, shall have no remedy therefore, except as provided in sections 44-4-14, 44-4-15, 44-5-26 to 44-5-31, inclusive, and 44-9-19 to 44-9-24, inclusive. In case a taxpayer shall, because of illness or absence from the state, be unable to make oath to his account as aforesaid within the time prescribed by law, such taxpayer may, in writing, appoint an agent to make oath to such account within the time prescribed by law, such taxpayer may, in writing, appoint an agent to make oath to such account within the time prescribed by the assessors and said agent shall at the time of making said oath append his written appointment to the account, and for all purposes in connection with said shall be deemed to have personally made said oath. No taxpayer shall be denied a right of review by means of the procedure set forth in this chapter (1) of any assessment on his real property by reason of any claimed inadequacies, inaccuracies, or omissions in his listing of personal property, (2) nor in the case of his personal property by reason of any claimed inadequacies, inaccuracies, or omissions in his listing of his real property, (3) nor in the case of real or personal property by reason of any claimed inadequacies, inaccuracies or omissions, which are not substantial, in his listing of real or personal property, respectively. (1998)

Notwithstanding section 44-4-24, tangible personal property introduced into or removed from any town or city during a calendar year shall be assessed as though such property were situated in the town for the entire calendar year unless the taxpayer shall have filed an account as provided herein specifying the date on which such property was introduced or removed. (1998)

Each city or town having a year of taxable ownership that measures length of ownership over the calendar year beginning immediately after the date of assessment shall adjust its year of taxable ownership so that it has a year of taxable ownership that measures length of ownership over the calendar year ending on the date of assessment. (1998)

**44-5-17. Assessment of property covered by account.** If any person shall bring in an account as provided in section 44-5-15, the assessors shall nevertheless assess such person's ratable estate at what they deem its full and fair cash value, or a uniform percentage of its value as defined in section 44-5-12. (1999)

**44-5-20. List of ratable property.** The assessors shall make a list containing the true, full and fair cash value or a uniform percentage thereof as defined in sections 44-5-12 and 44-5-38, as appropriate, of the ratable estate in the town placing the real estate, tangible personal property except manufacturers' machinery and equipment, and manufacturers' machinery and equipment in separate columns, distinguishing real estate which is assessed specially as farm, forest or open space land in accordance with the provision in section 44-5-12 and also distinguishing those who give in an account and those who do not and shall apportion the tax in accordance with the provisions of this chapter.

**44-5-20.01. to 44-5-20.04. Property tax classification in Central Falls.**

**44-5-20.05 to 44-5-20.08. Property tax classification in Westerly and Smithfield.**

**44-5-20.1 to 44-5-20.5. Property tax classification in Pawtucket.** (2006)

**[44-5-20.6 to 44-5-20.9. Property tax classification in Providence.] Repealed**  
(2001)

**44-5-20.10 to 44-5-20.13. Property tax classification in Johnston.**

**44-5-20.13.1. Deferment of payment of tax for qualified senior citizens, disabled citizens and disabled veterans - Johnston.** (2007)

**44-5-20.16 to 44-5-20.17. Property tax classification in Smithfield.**

**44-5-20.18 to 44-5-20.21. Property tax classification in North Smithfield.** (2007)

**44-5-20.22 to 44-5-20.25. Property tax classification in Cranston.**

**44-5-20.26 to 44-5-20.28. Property tax classification in East Providence.** (1998)

**44-5-20.29. Property tax classification – Lincoln – Tax levy determination.** (2006)

**44-5-22. Certification of tax roll.** The tax levy shall be applied to the assessment roll and the resulting tax roll certified by the assessors to the city or town clerk, city or town treasurer or tax collector, as the case may be, **and to the department of revenue, division of municipal finance, not later than the next succeeding August 15.** (2011)

**44-5-23. Assessment of back taxes on real estate.** If any real estate liable to taxation in any city or town has been omitted in the assessment of any year or years and has thereby escaped taxation or if any tax has been erroneously or illegally assessed upon any real estate liable to taxation in any city or town in any year or years, and because of such erroneous or illegal assessment such tax cannot be collected, or if paid has been recovered back, the assessor of taxes of such city or town in the next annual assessment of taxes after such omission or erroneous or illegal assessment is known to them shall assess or reassess, as the case may be, a tax or taxes against the person or persons who were the owner or owners of such real estate in such year or years, to the same amount to which such real estate ought to have been assessed in such year or years. Such assessment shall be in addition to any assessment of taxes against such person or persons for the then current year, and shall be placed on a special tax roll and annexed to the general tax roll for the current year; provided, however, that every such assessment or reassessment shall be made within six (6) years of the date of the assessment from which such real estate was omitted or in which it was erroneously or illegally assessed as aforesaid; and further provided, that in case such real estate was held in trust at the time of such omission or erroneous or illegal assessment and the title thereto has passed from the trustee or trustees who so held such real estate in trust, then such tax or taxes shall be assessed against the person or persons who were the equitable owner or owners of such real estate at the time of such omission or erroneous or illegal assessment.

**44-5-24. Notice and procedure for collection of back taxes.** The assessors of taxes shall give notice of the proposed assessment or reassessment of any real estate for any previous year or years to all persons liable to such tax in the manner provided in this chapter for the levy and assessment of taxes. Such notice shall contain a general description of such real estate and state the year or years for which the same is liable to assessment or reassessment and the name or names of the persons liable to assessment or

reassessment as aforesaid, and shall require every such person to bring in to the assessors a true and exact account of such real estate owned by him in such previous year or years, at the time of the general assessment of property in such previous year or years, and like proceedings for the collection of any and all such taxes shall be taken as is provided in chapters 7 to 9, inclusive, of this title for the collection of taxes, and all the provisions of chapters 2 to 9, inclusive, of this title, so far as applicable and consistent herewith, shall apply to every such assessment of taxes for such previous year and to the collection thereof, except that no lien for the collection of any such tax for such previous year shall attach to any real estate which has been aliened by the person liable to such tax prior to the giving of said notice, and no lien thereon which lawfully attached prior to the giving of such notice shall be prejudice thereby.

Persons aged sixty-five (65) years and over or persons suffering from a disability may designate a third party to whom notice may be sent as required pursuant to this section by advising the tax assessor of the name and address of such person.

**44-5-25. Taxation of vessels engaged in foreign commerce.** The registered owners of every ship or vessel engaged in foreign commerce shall, on or before the first day of February in each year, make a statement in writing to the town treasurer of the town where such ship or vessel is registered, of the net profits earned by such ship or vessel for the year ending on the thirty-first day of December next preceding, and shall submit to such examination on oath by said treasurer as he shall deem necessary for the verification of the truth of such statement. Interest on the vessels and extraordinary repairs shall not be deducted from the earnings in making up such statement; and such owners shall thereupon pay to said town treasurer for the use of the town a tax of one percent (1%) on such net earnings; and in case such owners make such return and pay the tax herein provided they shall be subject to no other taxation on said property. Vessels shall be deemed to be engaged in foreign commerce in case three-fourths of their earnings in any year shall have been received in foreign trade.

**44-5-25.1. Taxation of houseboats.** All houseboats being used as a principal or temporary place of residence or domicile by a person shall be taxed as personal property by the local tax assessor. For the purposes of this section, "houseboat" shall be defined as a watercraft or an industrial or commercial structure on or in the waters of the state, floating or non-floating, which is designed or remodeled as a place of habitation and is not principally used for transportation, and said definition includes, platforms, waterborne hotels and restaurants; "local tax assessor", for purposes of this section, shall be defined as the assessor for the city or town within whose harbor line the houseboat is physically situated.

**44-5-26. Petition in superior court for relief from assessment.** (a) Any person aggrieved on any ground whatsoever by any assessment of taxes against him or her in any city or town, or any tenant or group of tenants, of real estate paying rent therefrom, and under obligation to pay more than one-half of the taxes thereon, may within ninety (90) days from the date the first tax payment is due, file an appeal in the local office of tax assessment, provided, however, if the person to whom a tax on real estate is assessed chooses to file an appeal, the appeal filed by a tenant or group of tenants will be void. For the purposes of this section, the tenant(s) has the burden of proving financial responsibility to pay more than one-half of the taxes. The assessor shall have forty-five (45) days to review the appeal, render a decision and notify the taxpayer of the decision. The taxpayer, if still aggrieved, may appeal the decision of the tax assessor to the local tax board of review, or in the event that the assessor does not render a decision, the taxpayer may appeal to the local tax board of review at the expiration of the forty-five (45) day period. Appeals to the local tax board of review shall be filed not more than

thirty (30) days after the assessor renders a decision and notifies the taxpayer, or if the assessor does not render a decision within forty-five (45) days of the filing of the appeal, not more than ninety (90) days after the expiration of the forty-five (45) day period. The local tax board of review shall, within ninety (90) days of the filing of the appeal, hear the appeal, and render a decision within thirty (30) days of the date that the hearing was held. Provided, however, a city or town may request and receive an extension from the director of the Rhode Island Department of **Revenue**.

Appeals to the local office of tax assessment are to be on an application. In the event of an appeal to the local tax board of review, the local office of tax assessment, upon request by the taxpayer, shall forward the application to the local tax board of review. The application shall be in the following form:

STATE OF RHODE ISLAND

FISCAL YEAR \_\_\_\_\_

Name of City or Town

APPLICATION FOR APPEAL OF PROPERTY TAX

For appeals to the tax assessor, this form must be filed with the local office of tax assessment within 90 days from the date the first tax payment is due. For appeals to the local tax board of review, this form must be filed with the local tax board of review not more than thirty (30) days after the assessor renders a decision, or if the assessor does not render a decision within forty-five (45) days of the filing of the appeal, not more than ninety (90) days after the expiration of the forty-five (45) day period.

1. TAXPAYER INFORMATION:

A. Name(s) of Assessed Owner: \_\_\_\_\_

B. Name(s) and Status of Applicant (if other than Assessed Owner): \_\_\_\_\_  
 \_\_\_Subsequent Owner (Acquired Title After December 31 on \_\_\_\_\_19\_\_\_\_)  
 \_\_\_Administrator/Executor \_\_\_Lessee \_\_\_Mortgagee \_\_\_Other Specify\_\_\_\_\_

C. Mailing Address and Telephone No.: \_\_\_\_\_ ( ) \_\_\_\_\_  
 Address Tel. No.

D. Previous Assessed Value \_\_\_\_\_ E. New Assessed Value \_\_\_\_\_

2. PROPERTY IDENTIFICATION: Complete using information as it appears on tax bill.

A. Tax Bill Account No.: \_\_\_\_\_ Assessed Valuation \_\_\_\_\_ Annual Tax \_\_\_\_\_

B. Location: \_\_\_\_\_ Description: \_\_\_\_\_  
 No. Street Zip

Real Estate Parcel Identification: Map Block Parcel Type  
 Tangible Personal

C. Date Property Acquired: \_\_\_\_\_ Purchase Price: \_\_\_\_\_ Total cost of any Improvements: \_\_\_\_\_  
What is the amount of fire insurance on building: \_\_\_\_\_

(2001)

3. REASON(S) REDUCTION SOUGHT: Check reason(s) reduction is warranted and briefly explain why it applies. Continue explanation on attachment if necessary.  
\_\_\_\_ Overvaluation                      \_\_\_\_ Incorrect Usage Classification  
\_\_\_\_ Disproportionate Assessment      \_\_\_\_ Other Specify: \_\_\_\_\_  
Applicant's Opinion of Value \$ \_\_\_\_\_

Fair Market Value (as of December 31 in the year of the last update or revaluation for real estate and as of December 31 of the tax year for personal estate;) Class \_\_\_\_\_ Assessed Value \_\_\_\_\_

Explanation \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Have you filed a true and exact account this year with the City Assessor as required by law? \_\_\_\_\_

Comparable Properties that support your claim:

Address	Sale Price	Sales Date	Property Type	Assessed Value
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

(2001)

4. SIGNATURES:

SIGNATURE OF APPLICANT \_\_\_\_\_ DATE \_\_\_\_\_

**SIGNATURE OF AUTHORIZED AGENT \_\_\_\_\_**  
**DATE \_\_\_\_\_**

\_\_\_\_\_  
Name of Preparer                      Address                      ( )                      Tel. No.

TAXPAYER INFORMATION ABOUT APPEAL PROCEDURE

REASONS FOR AN APPEAL. It is the intent of the general assembly to ensure that all taxpayers in Rhode Island are treated equitably. Ensuring that taxpayers are treated fairly begins where cities and towns meet defined standards related to performing property

values. All properties should be assessed in a uniform manner, and properties of equal value should be assessed the same.

**TO DISPUTE YOUR VALUATION OR ASSESSMENT OR CORRECT ANY OTHER BILLING PROBLEM OR ERROR THAT CAUSED YOUR TAX BILL TO BE HIGHER THAN IT SHOULD BE, YOU MUST APPEAL WITHIN 90 DAYS FROM THE DATE THE FIRST TAX PAYMENT IS DUE.** (2001)

You may appeal your assessment if your property is: (1) OVERVALUED (assessed value is more than the fair market value as of December 31 in the year of the last update or revaluation for real estate and as of December 31 of the tax year for personal estate for any reason, including clerical and data processing errors.) (2) disproportionately assessed in comparison with other properties. (3) classified incorrectly as residential, commercial, industrial or open space, farm or forest. (4) illegal tax partially or fully exempt. (5) modified from its condition from the time of the last update or revaluation. (2001)

**WHO MAY FILE AN APPLICATION:** You may file an application if you are (1) the assessed or subsequent (acquiring title after December 31) owner of the property. (2) the owner's administrator or executor. (3) a tenant or group of tenants of real estate paying rent therefrom, and under obligations to pay more than one-half of the taxes thereon. (4) a person owning or having an interest in or possession of the property; or (5) a mortgagee if the assessed owner has not applied. In some cases, you must pay all or a portion of the tax before you can file. (1999)

**WHEN AND WHERE APPLICATION MUST BE FILED.** Your application must be filed with the local office of tax assessment within 90 days from the date the first tax payment is due. **THESE DEADLINES CANNOT BE EXTENDED OR WAIVED BY THE ASSESSOR FOR ANY REASON. IF YOUR APPLICATION IS NOT FILED ON TIME, YOU LOSE ALL RIGHTS TO AN ABATEMENT AND THE ASSESSOR CANNOT BY LAW GRANT YOU ONE. AN APPLICATION IS FILED WHEN RECEIVED BY THE ASSESSOR'S OFFICE.** (1999)

**PAYMENT OF TAX.** Filing an application does not stay the collection of your taxes. In some cases, you must pay the tax when due to appeal the assessor's disposition of your application. Failure to pay the tax assessed when due may also subject you to interest charges and collection action. To avoid any loss of rights or additional charges, you should pay the tax as assessed. If an abatement is granted and you have already paid the entire year's tax as abated, you will receive a refund of any overpayment. (1999)

**FILING AN ACCOUNT.** RI General Law section 44-5-15 requires the annual filing of a true and exact account of all ratable estate owned or possessed by every person and corporate body. The time to file is between December 31, and January 31, of intention to submit declaration by March 15. Failure to file a true and full account, within the prescribed time, eliminates the right to appeal to the superior court, subject to the exceptions provided in Rhode Island general laws section 44-5-26(b). No amended returns will be accepted after March 15th. Such notice of your intention must be sent by certified mail, postage prepaid, postmark no later than 12 o'clock midnight of the last day, January 31. No extensions beyond March 15th can be granted. The form for filing such account may be obtained from the city or town assessor. (2001)

**ASSESSOR'S DISPOSITION.** Upon applying for a reduction in assessment, you may be asked to provide the assessor with further written information about the property and to permit them to inspect it. Failure to provide the information or permit an inspection within 30 days of the request may result in the loss of your appeal rights. (2001)

APPEAL. The assessor shall have forty-five (45) days to review the appeal, render a decision and notify the taxpayer of the decision. The taxpayer, if still aggrieved, may appeal the decision of the tax assessor to the local tax board of review, or in the event that the assessor does not render a decision, the taxpayer may appeal to the local tax board of review at the expiration of the forty-five (45) day period. Appeals to the local tax board of review shall be filed not more than thirty (30) days after the assessor renders a decision and notifies the taxpayer, or if the assessor does not render a decision within forty-five (45) days of the filing of the appeal, not more than ninety (90) days after the expiration of the forty-five (45) day period. (1999)

DISPOSITION OF APPLICATION (ASSESSOR'S USE ONLY)

Date Sent _____	_____ GRANTED	Assessed Value _____
Date Returned _____	_____ DENIED	Abated Value _____
On-Site Inspection _____	_____ DEEMED	Adjusted Value _____
	_____ DENIED	Assessed Tax _____
Date _____		Abated Tax _____
By _____		Adjusted Tax _____
	Date Voted/ Deemed Denied _____	Tax Board of Review
Date Change _____	Certificate No. _____	

Any person still aggrieved on any ground whatsoever by an assessment of taxes against him or her in any city or town may, within thirty (30) days of the tax board of review decision notice, file a petition in the superior court for the county in which the city or town lies for relief from the assessment, to which petition the assessors of taxes of the city or town in office at the time the petition is filed shall be made parties respondent, and the clerk shall thereupon issue a citation substantially in the following form: (1999)

THE STATE OF RHODE ISLAND AND  
PROVIDENCE PLANTATIONS

To the sheriffs of our several counties, or to their deputies, Greetings:

We command you to summon the assessors of taxes of the town of: \_\_\_\_\_ to wit \_\_\_\_\_

of \_\_\_\_\_ (if to be found in your precinct) to answer the complaint of \_\_\_\_\_ of \_\_\_\_\_ on the return day hereof (said return day being the \_\_\_\_\_ day of \_\_\_\_\_ A.D. 19\_\_\_\_) in the superior court to be holden at the county courthouse in \_\_\_\_\_ as by petition filed in court is fully set forth; and to show cause why said petition should not be granted.

Hereof fail not, and make true return of this writ with your doings thereon.

Witness, the seal of our superior court, at \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_ in the year \_\_\_\_\_.  
\_\_\_\_\_, Clerk

Provided, however, that in case such person has not filed an account, or filed an appeal first within the local tax board of review, that person shall not have the benefit of the remedy provided in this section and in sections 44-5-27 to 44-5-31, inclusive, unless (1)

his real estate has been assessed at a value in excess of the value at which it was assessed on the last preceding assessment day, whether then owned by him or not, and has been assessed, if assessment has been made at full and fair cash value, at a value in excess of its full and fair cash value, or, if assessment has purportedly been made at a uniform percentage of full and fair cash value, at a percentage in excess of such uniform percentage, or (2) the tax assessed is illegal in whole or in part; and his remedy shall be limited to a review of the assessment on such real estate or to relief with respect to such illegal tax as the case may be.

**44-5-27. Exclusiveness of remedy by petition.** The remedy provided in section 44-5-26 shall be exclusive if the taxpayer owned or possessed any ratable estate at all, except that in a proper case the taxpayer may invoke the equity jurisdiction of the superior court provided that complaint is filed within three (3) months after the last day appointed for the payment without penalty of such tax, or the first installment thereof, if such tax be payable in installments. A taxpayer alleging an illegal or void tax assessment against him shall be confined to the remedies provided by section 44-5-26; except that the taxpayer shall not first be required to file an appeal with the local assessor.

**44-5-28. Collection proceedings not stayed by petition.** No such petition shall, before judgment, stay any proceedings for collecting the tax.

**44-5-29. Service and return of citation - Procedural rules - Jurisdiction of Court.** Said citation shall be made returnable and shall be served in like manner as a writ of summons and said petition shall be subject to all provisions of law as to time for pleading, assignment day, and all other incidents applicable to an action at law originally commenced in the superior court, and said court shall have exclusive original jurisdiction of all such petitions, notwithstanding that the amount involved shall not exceed one thousand dollars (\$1,000).

**44-5-30. Judgment on petition where taxpayer has filed account.** If the taxpayer has given in an account, and if on the trial of said petition, either with or without a jury, it shall appear that the taxpayer's real estate, tangible personal property, or intangible personal property has been assessed, if assessment has been made at full and fair cash value, at a value in excess of its full and fair cash value, or if assessment has purportedly been made at a uniform percentage of full and fair cash value, at a percentage in excess of such uniform percentage, or if it shall appear that the tax assessed is illegal in whole or in part, the court shall give judgment that the sum by which the taxpayer has been so overtaxed, or illegally taxed, with his costs, be deducted from his tax; but if the taxpayer's tax be paid, whether before or after the filing of said petition, then the court shall give judgment for the petitioner for the sum by which he has been so overtaxed, or illegally taxed, plus the amount of any penalty paid thereon, with interest from the date on which said tax and penalty were paid and costs, which judgment shall be paid to the petitioner by the town treasurer out of the treasury. If, however, on the trial of said petition, it shall appear that the assessors have not assessed either the taxpayer's real estate or his tangible personal property or his intangible personal property at a value in excess of its full and fair cash value, if assessment has been made at full and fair cash value, or if assessment has purportedly been made at a uniform percentage of full and fair cash value, at a percentage in excess of such uniform percentage, and that the taxpayer has not been illegally taxed, the assessors shall have judgment and execution for their costs.



**44-5-31. Judgment where taxpayer has not filed account.** If the taxpayer has not filed an account and if on the trial of said petition, either with or without a jury, it shall appear (1) that his real estate has been assessed at a value in excess of the value at which it was assessed on the last preceding assessment day, whether then owned by him or not, and that said real estate has been assessed if assessment has been made at full and fair cash value, at a value in excess of its full and fair cash value, or, if assessment has purportedly been made at a uniform percentage of full and fair cash value, at a percentage in excess of such uniform percentage, or (2) that the tax assessed is illegal in whole or in part, the court shall give judgment that the sum by which the taxpayer has been so overtaxed or illegally taxed, with his costs, be deducted from his tax; but if the taxpayer's tax be paid, whether before or after the filing of said petition, then the court shall give judgment for the petitioner for the sum by which he has been so overtaxed, or illegally taxed, plus the amount of any penalty paid thereon, with interest from the date on which said tax and penalty were paid, and costs, which judgment shall be paid to the petitioner by the town treasurer out of the treasury. Otherwise, the assessors shall have judgment and execution for their costs.

**44-5-31.1. Burrillville – Judgment.** (2013)

**44-5-32. Execution and filing of assessment.** The assessors, on completing the assessment as aforesaid, shall date and sign the same and deposit it in the office of the town clerk.

**44-5-33. Copy of assessment to treasurer.** The town clerk shall forthwith make a copy of the same and deliver it to the town treasurer.

**44-5-34. Warrant for collection.** The town treasurer shall forthwith issue and affix to said copy a warrant under his hand, and which need not be under seal, directed to the collector of taxes of the town, commanding him to proceed and collect the several sums of money therein expressed, of the persons and estates liable therefore, by the time directed by the town, and to pay over the same to him or to his successor in office. Whenever any town shall elect its town treasurer collector of taxes for such town, such warrant shall be issued to the town treasurer as collector of taxes by the town clerk.

**44-5-35. Collection procedure in Providence.**

**44-5-36. Collection procedure in Pawtucket.**

**44-5-37. Collection procedure in Cranston.**

**44-5-38. Rate of levy against tangible personal property consisting of manufacturing machinery and equipment acquired or used by a manufacturer.** Tangible personal property consisting of manufacturing machinery and equipment acquired, owned, or used by a manufacturer shall be subject to taxation at a uniform rate of assessment not to exceed fifty percent (50%) of the full and fair cash value of such property. The levy and assessment of the tax upon such manufacturer's manufacturing machinery and equipment shall be subject to and limited to the following:

(a) Assessment and levy on manufacturer's machinery and equipment.

(1) In assessing the valuation of such property and apportioning the levy of such tax on December 31, 1968, the assessors in the several cities and towns shall not exceed seventy-five percent (75%) of the total adjusted levy on the machinery, equipment and inventories of all manufacturers of the city or town as established by the division of local

and metropolitan government using the levy based on the assessment of the city or town of December 31, 1966, provided that in apportioning the levy as above set forth, the assessor may add to such total adjusted levy, the increase in levy on manufacturer's machinery, equipment and inventory occasioned by manufacturers found to be operating but not taxed in the city or town as of December 31, 1966, or who have located in such city or town since said date.

(2) In apportioning the levy of such tax on manufacturer's machinery and equipment within a city or town for fiscal years ending after December 31, 1969, the assessors of any such city or town shall apportion the levy of such tax in an amount not to exceed one hundred three and one-half percent (103 1/2%) of the total adjusted levy on manufacturer's machinery and equipment for the next prior fiscal year; provided that in apportioning the levy of such tax, as provided in this subparagraph, the assessors of any city or town may add to the total adjusted levy for the next prior fiscal year, the increase in levy on manufacturer's machinery and equipment occasioned by manufacturers who have located or who have increased investment within the meaning of subparagraph (c) below in such city or town since the date of the next prior assessment.

(b) Assessment and levy on individual manufacturers.

(1) In assessing the valuation of such property and apportioning the levy of such tax on December 31, 1968, the assessors of the several cities and towns shall not exceed seventy-three and one-half percent (73 1/2%) of the adjusted levy of such tax on the machinery, equipment and inventory of any manufacturer of the city or town for the next prior year; provided, however, that if the application of the foregoing provision will result in the total tax levy thus obtained on manufacturer's machinery and equipment of a city or town for the year for which the date of assessment of valuations was December 31, 1968, as such assessment of valuations is established under the provisions of the first paragraph of this section, being less in amount than the total adjusted levy as computed in accordance with the seventy-five percent (75%) limitation prescribed under the provisions of subparagraph (a) (1), the assessor of said city or town, for the purpose of bringing such total levy on such machinery and equipment to an amount not exceeding the amount of the total adjusted levy as computed by such seventy-five percent (75%) limitation, may apply the amount of such total adjusted tax levy, as was thus limited and computed under the provisions of said subparagraph (a) (1), to the total assessed valuation as of December 31, 1968, as such valuation is established under the provisions of the first paragraph of this section, on the machinery and equipment of all manufacturers of the city or town, and apply the resulting classified tax rate thereby obtained to such assessed valuations as of December 31, 1968, on the machinery and equipment of each manufacturer of said city or town.

(2) In assessing the valuation of such property and apportioning the levy of such tax for fiscal years ending after December 31, 1969, the assessors of the several cities and towns shall not exceed one hundred five percent (105%) of the adjusted levy of such tax on the machinery and equipment of any manufacturer for the next prior fiscal year.

(c) As to such property constituting an increase in investment, the limitations fixed in subparagraphs (a) and (b) above shall not apply to that portion of the tax levy on a manufacturer derived from a substantial increase in investment in additional machinery and equipment or that portion of the tax levy applicable to such property not previously taxed in the city or town. For the purposes of this section, the term "substantial" shall mean an investment in any one (1) year equal to at least fifteen percent (15%) of the sum of net book value, plus accumulated reserves for depreciation of other machinery and equipment of the manufacturer within such city or town.

(d) When a city or town has completed a revaluation of all ratable property by independent professional appraisers since December 31, 1966, the assessor of the city or town shall, in applying the foregoing limitations, employ the levy and assessment made for the fiscal year immediately following the completion of such revaluation in lieu of the base established as heretofore set forth by the division of local and metropolitan government; provided, that a base year later than a fiscal year commencing in 1969 shall not be employed.

(e) Nothing herein contained shall affect any agreement for the stabilization or exemption of local taxes entered into under the provisions of section 44-3-9, general laws of Rhode Island, 1956, as amended; provided, however, that any such agreement may be modified to take into account the effect of section 44-11-2, general laws of Rhode Island, 1956, as amended by the city or town council and the manufacturer without the necessity of meeting the criteria and complying with the procedures set forth in section 44-3-9, general laws of Rhode Island, 1956, as amended; provided, further that upon expiration of any such existing agreement, the tax on the property consisting of manufacturer's machinery, equipment and inventory formerly stabilized or exempted under such agreement shall be based upon a new assessment complying with all the terms of this section.

(f) Each city or town shall have the option of using its general property tax rate in computing its levy on machinery and equipment of manufacturers or any separate rate which it deems appropriate subject to the restrictions herein set forth.

(g) In order to assess accurately the impact of the provisions of this section upon the several cities and towns and to provide necessary information for that purpose, each manufacturer subject to taxation in any city or town shall submit to the division of local and metropolitan government on or before October 1, 1966, a declaration report on the value of machinery and equipment for each city or town in which said manufacturer shall be located; said declaration reports shall be submitted on a form designed and furnished by the said division and shall provide for inclusion of the net book value and the accumulated reserve for depreciation of machinery and equipment subject to local taxation, all as set forth in the manufacturer's most recent Rhode Island corporate tax return. Said declaration report shall cover the most recent fiscal year of the taxpayer for which the due date for the filing of a corporate tax return with the tax administrator is prior to the date prescribed herein for the filing of such report; provided, however, that where a manufacturer files a corporate tax return with the tax administrator on or prior to said date of October 1 for such fiscal year, such manufacturer shall file such declaration report on or before October 1.

On or before October 1, 1968, and annually thereafter, each such manufacturer shall file, with the office of the assessor of the city or town in which such property is situated, a declaration report, as above set forth, on a form prescribed by the **department of revenue** and furnished to the local assessors. All such reports shall be treated confidentially by said assessor and employed by him for assessment purposes only. No declaration report shall be required to be filed during the year 1967.

Failure to submit a declaration report to either the **department of revenue** or the tax assessors of any city or town as above required shall subject the manufacturer to a penalty not to exceed ten percent (10%) of the tax on machinery and equipment payable at the time when such taxes are due and payable as an addition to the tax due in the next succeeding year and such penalty shall be so identified and listed on the tax roll. Shall a manufacturing establishment fail to submit a declaration report for a second successive

year, it shall be subject to a penalty not to exceed twenty-five percent (25%) of its tax on machinery and equipment, payable as aforesaid; shall a manufacturing establishment fail for a third successive year to file said declaration report it shall be subject to a penalty not to exceed fifty percent (50%) of the tax on its machinery and equipment, payable as aforesaid; for subsequent successive years, failure to file said declaration report shall subject the manufacturing establishment to a penalty not to exceed fifty percent (50%) of its said tax on machinery and equipment, payable as aforesaid. As to any manufacturer failing to file a declaration report with the local assessor as herein required, the limitation of subparagraph (b) (2) above shall not take effect until the assessment date next following the date upon which such manufacturer shall first file such a report with said assessor. In lieu of said declaration report, any manufacturer subject to taxation for the first time in any city or town of this state shall submit such information as is necessary to establish its initial tax base and in subsequent years shall file said declaration report.

(h) In any case where the assessor of any city or town has reason to doubt the veracity of the contents of any declaration report so filed, said report may be submitted to the **department of revenue**, which shall compare the information contained in said report with information on file with the division of taxation and advise the assessor as to the veracity of said report.

(i) A manufacturer who stores or otherwise keeps on hand raw materials, work in process and his finished products in a storage place (as distinguished from finished products which he holds for retail sale in any retail establishment operated by him) in a city or town other than that in which his manufacturing plant is located shall file on or before March 15, 1969, and annually thereafter on or before each succeeding March 15, an inventory report on a form prescribed and furnished by the **department of revenue** through the assessor, with the assessor of the city or town wherein such raw materials and finished products are so stored. The assessor of each city or town shall notify all manufacturers of such city or town of the requirement for filing said reports by publication in a newspaper of general circulation in such city or town during the month of January, 1969, and during the same month in each year thereafter. Such report shall contain a true account of such raw materials, work in process and such finished products as were manufactured by him in this state as well as any other merchandise owned or possessed by him in such city or town on December 31st next preceding the date specified for the filing of such inventory report. Such report must describe and specify the value of such raw materials, work in process and finished products as were manufactured as aforesaid and also the value of all other merchandise stored in such city or town. Any manufacturer who fails or refuses to file any such inventory report at the time and in the manner herein prescribed shall be deemed to have waived the tax exemption provided for on such raw materials, work in process, and finished products thus stored, whereupon, and notwithstanding the provisions of section 44-3-3(20), such property shall be subject to taxation like all other taxable property. The provisions of this paragraph shall not be construed to repeal section 44-5-15 or to limit the application of its provisions.

(j) A manufacturer who operates such storage facilities for the storage of his raw materials, work in process and finished products in a city or town other than that in which his manufacturing plant is located shall set forth in the declaration report, as and in the manner prescribed in paragraph (g) to be filed with the assessor of the city or town wherein such storage facilities are located, any machinery and equipment owned or possessed by him which is situated in or upon such storage facilities for use in the operation thereof, or held therein for use in the operation of such manufacturing plant.

(k) The restrictions contained in this act shall not apply to the portion of the tax, if any, assessed by the city or town for the purpose of paying the indebtedness of the city or town and the indebtedness of the state or any political subdivision thereof to the extent assessed upon or apportioned to the city or town, and the interest thereon; and for appropriation to any sinking fund of the city or town (which portion of the tax shall be paid in full).

(l) Any person who hires a person from public supported programs for persons with disabilities and rehabilitated, shall receive a five hundred dollar (\$500) credit per person hired, provided the number of such persons increases the number of full time employees by three percent (3%) of the total number of persons employed the previous year. (1999)

(m) For purposes of this paragraph, in determining the total amount of the tax levy on manufacturing machinery and equipment owned or used by a manufacturer on the 31st day of December, 1973, the assessors in the several cities and towns shall not exceed ninety percent (90%) of such levy on such class of property made as of December 31, 1972; thereafter annually commencing in 1974 on the 31st day of December, the assessors shall reduce such levy on such class of property whether or not acquired subsequent to December 31, 1972, except as herein provided, as follows: to eighty percent (80%) of such December 31, 1972 levy on December 31, 1974; to seventy percent (70%) of such December 31, 1972 levy on December 31, 1975; to sixty percent (60%) of such December 31, 1972 levy on December 31, 1976; to fifty percent (50%) of such December 31, 1972 levy on December 31, 1977; to forty percent (40%) of such December 31, 1972 levy on December 31, 1978; to thirty percent (30%) of such December 31, 1972 levy on December 31, 1979; to twenty percent (20%) of such December 31, 1972 levy on December 31, 1980; to ten percent

(10%) of such December 31, 1972 levy on December 31, 1981; and to continue at ten percent (10%) of such December 31, 1972 levy on December 31, 1982; and to five (5%) of such December 31, 1972 levy on December 31, 1983; and thereafter such property shall be exempt from taxation.

**44-5-39. Land use change tax.** (a) After May 15, 1980, when land classified as farm forest or open space land and assessed and taxed as such under the provisions of 44-5-12 is applied to a use other than as farm, forest or open space or when the land owner voluntarily withdraws that classification, it shall be subject to additional taxes, hereinafter referred to as a land use change tax. Said tax shall be at the following rate:

(1) Ten percent (10%) of the then fair market value of the land if the use is changed or classification is withdrawn during the first six years of classification. (2) Nine percent (9%) of the then fair market value of the land if the use is changed or classification is withdrawn during the seventh year of classification. (3) Eight percent (8%) of the then fair market value of the land if the use is changed or classification is withdrawn during the eighth year of classification. (4) Seven percent (7%) of the then fair market value of the land if the use is changed or classification is withdrawn during the ninth year of classification. (5) Six percent (6%) of the then fair market value of the land if the use is changed or classification is withdrawn during the tenth year of classification. (6) Five percent (5%) of the then fair market value of the land if the use is changed or classification is withdrawn during the eleventh year of classification. (7) Four percent (4%) of the then fair market value of the land if the use is changed or classification is withdrawn during the twelfth year of classification. (8) Three percent (3%) of the then fair market value of the land if the use is changed or classification is withdrawn during the thirteenth year of classification. (9) Two percent (2%) of the then fair market value

of the land if the use is changed or classification is withdrawn during the fourteenth year of classification. (10) One percent (1%) of the then fair market value of the land if the use is changed or classification is withdrawn during the fifteenth year of classification. No tax shall be imposed by the provisions of this section following the end of the fifteenth year of classification.

(b) Owners of land classified as farmland who have held title to the land, and where the land has been farmed for five years previous to classification, shall be liable for a land use change tax of (1) ten percent (10%) of the then fair market value of the land if the use is changed or classification is withdrawn during the first year of classification. (2) Nine percent (9%) of the then fair market value of the land if the use is changed or classification is withdrawn during the second year of classification. (3) Eight percent (8%) of the then fair market value of the land if the use is changed or classification is withdrawn during the third year of classification. (4) Seven percent (7%) of the then fair market value of the land if the use is changed or classification is withdrawn during the fourth year of classification. (5) Six percent (6%) of the then fair market value of the land if the use is changed or the classification is withdrawn during the fifth year of classification. (6) Five percent (5%) of the then fair market value of the land if the use is changed or classification is withdrawn during the sixth year of classification. (7) Four percent (4%) of the then fair market value of the land if the use is changed or the classification is withdrawn during the seventh year of classification. (8) Three percent (3%) of the then fair market value of the land if the use is changed or the classification is withdrawn during the eighth year of classification. (9) Two percent (2%) of the then fair market value of the land if the use is changed or the classification is withdrawn during the ninth year of classification. (10) One percent (1%) of the then fair market value of the land if the use is changed or the classification is withdrawn during the tenth year of classification. No tax shall be imposed by the provisions of this section following the end of the tenth year of classification.

**44-5-39.1. Recording required.** No tax provided for in section 44-5-39 shall constitute a valid lien upon any parcel of real estate classified as farm, forest or open space unless notice of the classification of such real estate has been filed by the tax assessor with the recorder of deeds of the city or town in which said real estate is located. There shall be no recording fee collected for the recording of such notice.

**44-5-40. Procedures for collecting land use change tax.** (a) When a change in the use of the land occurs, the assessor shall record in the land evidence records a notice of such change in use, stipulating thereon, a description of the property, its plat and lot number (if any), the fair market value and the amount of taxes due. Similar notices shall be mailed to the present owner of the property and the director of environmental management by registered or certified mail within twenty-four (24) hours of such recording. Said tax shall constitute a lien on the property at the time of recording the notice of land use change and said tax shall become due and payable in full within ninety (90) days of the date of recording. The lien shall continue in effect until said taxes are paid in full. Every city and town shall make provisions for the payment in installments of any land use change tax, permitting persons to pay the tax in equal quarterly installments, with the final quarter to be paid in full within one (1) year of the date when the change of use notice is recorded, as prescribed in this section. Failure by the owner to pay such taxes in a timely manner as prescribed above will permit the tax collector to advertise and sell the property in the same manner as prescribed in chapter 44-9 of the general laws.

(b) The board of assessment review of any city or town, or the town council if there is no board of review in any town, shall have the authority to hear and consider the appeal of any property owner concerning the fair market value placed on his land by the

assessor, and if it shall appear that the land has been appraised in excess of its fair market value at the time of the change in use, the board or council shall have the power to change the value of said land and adjust the land use change tax applied thereto according to the schedule set forth in section 44-5-39.

**44-5-41. Condemnation not to result in land use change tax.** The taking of land which is being valued, assessed and taxed as farm, forest or open space land pursuant to the provisions in 44-5-12 by right of eminent domain shall not subject the land so taken to the land use change tax imposed by 44-5-39.

**44-5-42. Exemption of certain farm property.** All farm machinery, including motor vehicles with farm registration plates, shall be exempt (from taxation), provided, however, that any town or city shall be entitled to reimbursement by the state in an amount equal to the amount levied on the value of such farm machinery in excess of the value of ten thousand dollars (\$10,000) based upon assessments on the 31st day of December, 1982.

Livestock and poultry which are actually and exclusively used in farming, when owned and kept in this state by any farmer or group of farmers operating as a unit, a partnership or a corporation, a majority of the stock of which corporation is held by members of a family actively engaged in farm operations, shall be exempt from local property taxation; provided the principal means of livelihood of each such farmer whether operating individually or as one of a group, partnership or corporation shall be derived from such farming operation. Only one (1) such exemption shall be allowed to each such farmer, group of farmers, partnership or corporation, **except in Richmond.**

Cities and towns may tax farm buildings at a rate that reflects the actual costs incurred by the town in services to those buildings. (2001)

**All greenhouses constructed after January 1, 2006, or altered or repaired after January 1, 2006, where the cost of the alterations or repairs is equal to or greater than fifty percent (50%) of the physical value of the greenhouse, are exempt from taxation, provided that the greenhouse is used solely as an agriculture growing structure and provided further that the owner of the greenhouse operates a farm, has filed a 1040F, and has a current, valid Level II certificate of exemption as provided for in section 44-18-30.** (2006)

**44-5-43. Definitions.** As used in this chapter the following terms shall be construed as follows:

(a) "Department" means the Department of **Revenue.**

(b) "Assessment ratio study" means the process of comparing, on a sampling basis, the current market values of properties to their assessed valuations, and of applying statistical procedures to determine assessment levels and to measure the nonuniformity of assessments.

(c) "Russell Index of Inequality" is that percentage obtained from the relation between the average absolute deviation of assessment ratios and the average ratio of assessment, and formulated as follows:

Average absolute deviation of assessment ratios divided by the average assessment ratio = Russell Index of Inequality.

**44-5-44. Collection and publication of property tax data.** (a) The department of **revenue** annually shall make and publicly issue comprehensive assessment ratio studies of the average level of assessment and the degree of assessment uniformity within each town and city. The department of **Revenue** shall also annually compute and publicly issue the Russell Index of Inequality within each town and city.

(b) The department of **revenue** shall require assessors and other officers to report to it data on assessed valuations and other features of the property tax for such periods and in such form and content as the department shall require. The department of **revenue** shall so construct and maintain its system for the collection and analysis of property tax facts so as to enable it to make intrastate comparisons as well as interstate comparisons based on property tax and assessment ratio data compiled for other states by the United States Bureau of Census or any agency successor thereto.

**44-5-46. Severability.** If any clause, sentence, paragraph or part of this chapter shall for any reason be judged invalid by any court of competent jurisdiction, such judgment shall not affect, impair or invalidate the remainder thereof, but shall be confined in its operation to the clause, sentence, paragraph, or part thereof directly involved in the controversy in which judgment shall have been rendered.

**44-5-48. Municipal revaluation - Registration.** All persons, firms, partnerships, corporations, or other business entities seeking to perform a municipal revaluation as is described in section 44-5-11.6 shall first register with the department of **revenue** and shall conform to such rules and regulations as shall be promulgated by the director of the department of **revenue** in order to do business in this state. (2005)

**44-5-49. Municipal revaluation - Rules and Regulations - Investigation.** The Director of the Department of **Revenue** is authorized and empowered to promulgate rules and regulations for revaluation firms as described in section 44-5-48 and the director is authorized to investigate and inquire into the resources of applicants including, but not limited to contacting prior persons for whom said service was performed in order to evaluate the applicant's ability to perform the service of revaluation.

**44-5-50. Contract for revaluation - Certified copy.** Within ten (10) days after execution of a contract for revaluation as described in section 44-5-11.6, the city or town clerk shall submit a duly authorized and certified copy of the contract to the department of **revenue**. (2005)

**44-5-51. Exemption of Commercial Fishermen in the Town of Little Compton.**

**44-5-52 to 44-5-55. Property tax classification in Burrillville.** (2013)

**44-5-55.1. Burrillville – Tax assessment stabilization.** (2006)

**44-5-56 to 44-5-59. Property tax classification in North Providence.** (1999)

**44-5-60. Homestead exemptions in the town of North Providence.** (1999)

**44-5-60.1. Homestead exemptions in the town of Johnston.** (2000)

**44-5-61. Exemption or stabilizing of taxes on qualifying property used for manufacturing or commercial purposes in the town of Coventry.**



**44-5-61.1. Exemption or stabilizing of taxes on qualifying property located in the City of Central Falls.** (2013)

**44-5-61.2. Exemption or stabilizing of taxes on qualifying property located in the City of Pawtucket.** (1999)

**44-5-62. Homestead exemption in the city of Cranston.**

**44-5-63 to 44-5-64. Property tax classification in Barrington.**

**44-5-65. Homestead exemption in the town of East Greenwich.**

**44-5-66. Property tax classification - Mobile and manufactured homes.**

Notwithstanding any other provisions of this chapter, any city or town which does not specifically designate mobile or manufactured homes, shall not tax mobile or manufactured homes at a rate which exceeds the existing real property rate.

**44-5-67 to 44-5-67.2. Property tax classification in Warwick.**

**44-5-67.3. Warwick – Reduction in assessed value of real estate upon demolition of buildings.** (2008)

**44-5-68 to 44-5-68.2. Property tax classification in Warren.**

**44-5-69. Local fire districts - Publication of property tax data.** Every fire district authorized to assess and collect taxes on real and personal property in the several towns in the state shall provide to the **to the division of property valuation and municipal finance in the department of revenue** information on tax rates, budgets, assessed valuations and other pertinent data upon forms provided by the **division of property valuation and municipal finance**. The information shall be included in the department's annual state report on local governmental finances and tax equalization. (2006)

**44-5-69.1. Property tax classification – Albion fire district within the town of Lincoln – Tax levy determination.** (2010)

**44-5-70. Homestead exemption in the city of East Providence.**

**44-5-71. Reduction in assessed value of real estate upon removal of damaged buildings - Jamestown.** (1998)

**44-5-72. Assessment and taxation of new real estate construction in Jamestown.** (1998)

**44-5-73. Authority granted to city and town collectors to sell, assign and transfer tax liens and tax titles in bulk.** (a) Notwithstanding any of the provisions of chapter 9, title 44, any city or town may by resolution of its legislative body authorize its collector to **sell and assign for consideration to the Rhode Island housing and mortgage finance corporation pursuant to section 44-9-8.3 of the general laws** any and all liens for taxes assessed against any **owner-occupied residential property of three (3) units or less** on real estate as constituted pursuant to section 44-9-1, **together with the right to receive the taxes, penalties, and other charges secured by the lien, and to sell and assign any real estate liable for overdue taxes and deliver a collector's deed granting tax title thereto, and to sell and assign any other tax titles**

**on owner-occupied residential property of three (3) units or less previously acquired by the city or town. Sections 44-9-8 and 44-9-9 of the general laws shall not apply to the sale, assignment and transfer of real estate liable for overdue taxes pursuant to section 44-5-73.** (2006)

(b) The cities and towns may make regulations for the possession, management and sale or assignment, either individually or in bulk, of land purchased or taken for taxes, not inconsistent with law or the right of redemption. (1998)

(c) **The minimum sum paid for the assignment of any tax lien may not be less than the tax due, plus accrued interest and expenses of collection or at a rate which may be discounted to reflect uncollectable factors.** (2006)

(d) The collector of any city or town holding a tax title may assign and transfer such tax title, individually or in bulk, with other tax titles, either by public auction to the highest bidder or by direct sale. (2006)

(e) **After complying with the provisions of section 44-9-8.3,** the minimum sum paid for the assignment **of a tax title may not be** less than the total amount necessary for the redemption of each individual tax title **sold and** assigned or at a rate which may be discounted to reflect uncollectable factors. (2006)

(f) The collector may execute and deliver on behalf of the city or town any instrument necessary **in connection with the sale and assignment of the tax liens or tax titles, including, but not limited to, purchase and sale agreements, servicing agreements and trust agreements** and accept on behalf of the city or town appropriate consideration pursuant to said regulations. (2006)

(g) The assignee of the liens or tax titles shall have and possess the same powers and rights at law and in equity as such city or town collector would have if the lien had not been assigned with regard to **the collection of taxes,** the precedence and priority of such lien, the accrual of interest and the fees and expenses of collections **and the exemption from liability for enforcement or penalties arising from violations of environmental or minimum housing standards.** (2006)

(h) The assignee shall have the same rights to enforce such liens as any private party holding a lien on real property. (1998)

**44-5-74. to 44-5-74.3. Property tax classification in the city of Woonsocket.** (2013)

**44-5-74.4. Woonsocket – Supplemental Tax.** (2013)

**44-5-75. Homestead exemption. – Woonsocket.** (2003)

**44-5-76. Reduction in assessed value of real estate upon removal of damaged structure - East Greenwich.** (2002)

44-5-76.1 to 44-5-76.3. Property tax classification in Newport. (2002)

44-5-77. Cooperative housing corporation property exemption – Providence. (2002)

44-5-78. Homestead exemption in the city of Newport. (2002)

44-5-78.1. Newport – Exemption for elderly and disabled residents. (2009)

44-5-79. Little Compton – Property tax classification. (2005)

44-5-80. Homestead exemption in the town of West Greenwich . (2005)

44-5-81. Pawtucket – Waiver of interest. (2008)

44-5-82. Cumberland homestead exemption. (2008)

44-5-83. Annual training institute for local tax collectors. – (a) The director of the department of revenue, in cooperation with the Rhode Island association of collection officers, shall establish and conduct an annual training institute for local tax collectors. The training institute shall consist of certified training courses in such areas as recording of payments, reconciliation of tax, recording of abatements, banking, certificates of tax and other liens, bankruptcies, knowledge of state and local laws, and conducting a tax sale. For this purpose, the department may cooperate with educational institutions, local, regional, state, or national collections’ organizations, and with any other appropriate professional organizations. The cost of said training program shall be at no cost to the state or municipality. A local tax collector who has successfully completed the training program, or who has obtained the necessary amount of credits, shall be awarded the designation of Rhode Island Certified Collector (RICC). Participation by a local tax collector at the training institute is not mandatory to continue working or be hired without the designation “RICC”.

(b) An applicant who is a member of a local collector’s staff , who has successfully completed the training program, or who has obtained the necessary courses, shall be awarded the designation of Rhode Island Certified Collector’s Personnel (RICCP). Participation by the personnel or staff of a local tax collector at the training institute is not mandatory to continue working or to be hired without the designation “RICCP”.

(c) The Rhode Island association of collection officers shall establish a program of recertification, approved by the department of revenue, for all designated members. (2012)

44-5-84. Town of East Greenwich – Exemption for elderly, disabled, and military service. (2013)

**CHAPTER 44-5.1**  
**REAL ESTATE NONUTILIZATION TAX**

**44-5.1-1. Purpose** – (a) there are numerous vacant and abandoned properties throughout the cities and towns of Rhode Island.

(b) The existence of vacant and abandoned properties within a city or town contributes to the deterioration of its viable real estate.

(c) Vacant and abandoned properties sometimes place a greater demand on essential city or town services such as police and fire protection than do occupied properties comparably assessed for real estate tax purposes.

(d) The owners of vacant and abandoned properties do not always contribute a fair share of the costs of providing the foregoing essential city or town services financed in part by real estate tax revenues, which revenues are solely based on the assessed value of properties.

(e) Some properties are deliberately left vacant by their owners in the hope that real estate values will increase, thereby enabling the owners to sell these properties at a substantial profit without making any of the required repairs or improvements to the property.

(f) The nonutilization of property whether for profit speculation, tax benefit, or any other purposes is the making use of that property and as such, is a privilege incident to the ownership of the property.

(g) Owners of vacant properties must be encouraged to use the properties in a positive manner to stop the spread of deterioration and to increase the stock of viable real estate within a city or town.

(h) Owners of vacant and abandoned properties must be required, through a city's or town's power to tax, to pay a fair share of the cost of providing certain essential city or town services.

**44-5.1-2. Definitions** -- The following words, terms, and phrases, when used in this chapter, shall have the meanings ascribed to them in this section, except in those instances where the context clearly indicates a different meaning:

(1) "Actively marketed" means good faith efforts by the owner of the property to obtain one or more occupants of the property. These good faith efforts may include, without limitation, one or more of the following: (i) making substantial financial expenditures in comparison with the value of the property; or (ii) listing the property for sale or lease, or both, with one or more real estate brokers, for a price and on terms, or for a rental that is realistic considering the fair market or fair market rental value of the property; or (iii) advertising, using one or more signs on the property and at least one other medium, the

availability of the property for sale or rental for a price and on terms, or at a rental that is realistic considering the fair market value or fair rental value of the property. Sporadic attempts to sell or lease the property during the privilege year may be viewed as not constituting a good faith marketing effort.

(2) “Continuously unoccupied” means any property which is listed during the entire privilege year as vacant in the records of a city’s or town’s department of minimum housing shall be deemed continuously unoccupied during the privilege year.

(3) “Privilege year” means the twelve (12) month period corresponding to the calendar year.

(4) “Vacant and abandoned property” means any property which is:

(i) A building that has remained continuously unoccupied during the privilege year or a lot, with no existing structure that is littered with trash and obviously abandoned; (2001)

(ii) (A) In the case of property containing one or more buildings used in whole or in part for one or more dwelling units immediately prior to the time the property became vacant, been under continuous designation as vacant by a city’s or town’s department of minimum housing during the privilege year; or

(B) In the case of property containing one or more buildings none of which were used in whole or in part for one or more dwelling units immediately prior to the time the property became vacant, been under continuous citation by an agency of a city or town for violation of minimum housing code provisions relating to the health or safety of citizens during the privilege year.

(5) “Nonprofit housing organization” means any organization exempt from taxation pursuant to section 501 (c) (3) of the Internal Revenue Code whose exempt purposes include the provision of affordable housing to low and moderate income households. (2001)

(6) “Reviewing entity” means the municipal entity designated by the city or town pursuant to Rhode Island general laws section 44-5.1-3. (2001)

(7) “Development plan” means a plan to rehabilitate a vacant and abandoned property within a set time frame for a use in conformance with the city or town’s comprehensive plan. (2001)

(8) “Abutter” means a neighbor whose property touches the property in question. (2001)

**44-5.1-3. Imposition of tax. The following communities are empowered to impose this tax: Cranston, East Providence, North Providence, Pawtucket, Providence and Woonsocket.**

(g) Any city or town not previously empowered is empowered to impose a tax upon the privilege of utilizing vacant and abandoned property within the city or town during any privilege year commencing with the privilege year beginning January 1, 2002, and every privilege year thereafter. The tax shall be in addition to any other taxes authorized by the general or public laws. (2001)

(h) Implementing ordinance – Cities and towns that are empowered to impose this tax and who choose to impose this tax shall adopt an implementing ordinance. Said ordinance shall:

(1) designate a municipal entity responsible for determining which properties are vacant and abandoned;

(2) establish the mechanism by which the tax is imposed and how said tax is removed from the property once the property has been rehabilitated;

(3) designate a reviewing entity to review and approve a development plan submitted by a nonprofit housing organization or an abutter;

(4) empower the tax assessor to abate the tax if it is imposed in error or if a nonprofit housing organization or an abutter acquires the property for rehabilitation and submits a development plan that complies with the provisions of Rhode Island general laws section 44-5.1-3(i)(2); (2001)

(i) Exemptions:

(1) The non-utilization tax authorized by this chapter shall not be imposed on property owned by an abutter or a nonprofit housing organization if: (i) the abutter or nonprofit housing organization submits a proposed development plan which has been approved by the Rhode Island Housing Resources Commission or Rhode Island Housing and Mortgage Finance Corporation to the reviewing entity; (ii) the proposed development plan contains a reasonable timetable for the development or reuse of the property; and (iii) the reviewing entity determines that the proposed development plan is in accordance with the approved comprehensive plan of the city or town and approves it.

(2) The reviewing entity shall deliver a copy of the approved development plan to the tax assessor who shall certify the property as exempt from the non-utilization tax.

(3) Failure of the nonprofit housing organization or abutter, without good cause, to carry out the development or reuse of the property in accordance with the timetable set forth in the approved development plan shall result in the property being subject to the non-

utilization tax as of the first date of assessment following the expiration of the timetable in the approved development plan.

(4) The decision of the reviewing entity denying approval of a development plan may be appealed as provided in Rhode Island general laws section 44-5.1-6. (2001)

**44-5.1-4. Rate of tax** -- The tax authorized by this chapter shall be measured by the assessed value of the real estate at the rate of ten dollars (\$10.00) for each one hundred dollars (\$100) of the assessed value of the real estate as most recently returned by the tax assessor of a city or town.

**44-5.1-5. Date on which taxes due** -- The tax imposed under authority of this chapter shall be due and payable in the same manner as other municipal taxes are due in a city or town.

**44-5.1-6. Appeals** -- (a) In any appeal from the imposition of the tax set forth in this chapter, the tax review board of a city or town shall find in favor of an appellant who shows that the property assessed:

(1) Was actively marketed during the privilege year; or

(2) Was occupied for substantial portions of the privilege year, notwithstanding its designation by the department of minimum housing.

(b) Nothing contained in this section shall be deemed to enlarge or diminish any other right or appeal that an appellant may possess pursuant to the general or public laws, city or town ordinances. (2000)

(3) Was exempt pursuant to Rhode Island general laws section 44-5.1-3(i) from the imposition of the tax set forth in that section. (2001)

**CHAPTER 44-5.2  
POWERS AND DUTIES OF FIRE DISTRICTS IN THE TOWN OF COVENTRY**

**44-5.2-1. Tax classification.** -- (a) Any fire district in the town of Coventry may adopt a tax classification plan, by vote of the electors of the district, with the following limitations:

(1) The designated classes of property shall be limited to the four (4) classes as defined in subsection (b) of this section.

(2) The effective tax rate applicable to any class excluding class 4 shall not exceed by fifty percent (50%) the rate applicable to any other class.

(3) Any tax rate changes from one year to the next shall be applied such that the same percentage rate change is applicable to all classes, excluding class 4.

(4) Notwithstanding subdivisions (2) and (3) of this subsection, the tax rates applicable to wholesale and retail inventory within class 3 as defined in subsection (b) of this section are governed by section 44-3-29.1.

(5) The tax rates applicable to motor vehicles within class 4 as defined in subsection (b) of this section are governed by section 44-34.1-1.

(6) The provisions of chapter 35 of this title relating to property tax and fiscal disclosure applies to the reporting of and compliance with these classification restrictions.

**(b) Classes of Property:**

(1) **Class 1: Residential real estate consisting of no more than five (5) dwelling units, land classified as open space, and dwellings on leased land including mobile homes.**

(2) **Class 2: Commercial and industrial real estate, residential properties containing partial commercial or business uses and residential real estate of more than five (5) dwelling units.**

(3) **Class 3: All ratable tangible personal property.**

(4) **Class 4: Motor vehicles and trailers subject to the excise tax created by chapter 34 of this title.**

**44-5.2-2. Audit of accounts and installation of systems.** – All fire districts located within the town of Coventry shall be required to provide for an independent annual audit.

**44-5.2-3. Availability of funds upon failure of fire district to approve annual appropriation.** – Unless otherwise provided by charter, if a fire district in the town of Coventry fails to approve an annual appropriation measure, the same amounts appropriated in the previous fiscal year shall be available.



**44-5.2-4. Compliance. – Unless otherwise provided, the division of municipal finance in the department of revenue shall monitor fire district compliance with this chapter and issue periodic reports to the general assembly on compliance.**

**44-5.2-5. Application. – The powers and duties set forth in this chapter shall not apply if specifically prohibited by the charter of any fire district.**

**(2013)**

**CHAPTER 44-6**  
**ASSESSMENT AND COLLECTION OF STATE TAXES**

**44-6-1. Notice to assessors of state tax on inhabitants or ratable estates.**

Whenever any tax is ordered by the general assembly to be assessed and levied on the inhabitants or ratable estates within the state, and no special provision is otherwise made in the act ordering said tax, the secretary of state shall forthwith send a certified copy of the act imposing the tax, to the town clerk of every town, who shall notify the assessors thereof and deliver such copy to them; and the assessors shall immediately give notice and proceed to assess the same or their town's proportion thereof, in the same manner as is by law provided for town taxes.

**44-6-2. Remedy against illegal or overtax - Deficiencies in collections.** Every person who shall be overtaxed, or illegally taxed, shall have the same remedy therefore as if it were a town tax; and if, on petition judgment be given that such person is overtaxed, or illegally taxed, or if any person's tax for any cause be not collected, the deficiency caused thereby in the said tax or in the town's proportion of said tax shall be paid to the state by the town treasurer, out of the town treasury.

**44-6-3. Copy of assessment furnished to general treasurer.** The assessors, having completed the assessment, shall date, sign and deposit the same in the office of the town clerk who shall forthwith send a copy thereof to the general treasurer, with the names of the town treasurer and collector of taxes of the town, and their post office address.

**44-6-4. Warrant for collection of tax.** The General Treasurer shall forthwith issue and affix to said copy his warrant under his hand, and which need not be under seal, directed to the collector of the town, commanding him, in the name of the state, to collect the several sums therein expressed against each person's name, by such time as by law is limited, and to pay over the same to him or his successors in office.

**44-6-5. Collection in manner of town taxes.** The collector shall proceed forthwith to collect the same, in the same manner as is provided in case of town taxes.

**44-6-6. Action against delinquent collector.** The general treasurer may have his action against any delinquent town collector and his sureties, and the like proceedings shall be had as are provided in sections 44-7-16 to 44-7-18, inclusive.

**44-6-7. Distress warrant on failure of town treasurer to deliver delinquent collector's bond.** If any town treasurer shall neglect or refuse to deliver to the general treasurer any delinquent collector's bond for suit, the general treasurer shall immediately issue a warrant of distress against such town treasurer, directed to the sheriff or his deputy of the county in which such town treasurer resides.

**44-6-8. Attachment and sale of town treasurer's estate.** The ~~sheriff~~ or deputy sheriff shall forthwith attach and take possession of all the real and personal estate of such town treasurer, and sell the same at public auction, in the same manner as in case of a delinquent collector. (2012)

**44-6-9. Forfeiture by town on failure to assess or collect tax.** If the assessors neglect to assess, or the collector to collect, any town's proportion of a state tax, or if any town neglect to appoint assessors or a collector, the town shall forfeit double the amount of their proportion of the tax, to be recovered by the general treasurer, in an action of debt against the delinquent town, and to be collected on execution from the property of the town or the inhabitants thereof.

## CHAPTER 44-7 COLLECTION OF TAXES GENERALLY

**44-7-1. Definitions.** Terms used in chapter 7 to 9 inclusive, of this title shall, unless other meaning is clearly apparent from the context, or unless inconsistent with the manifest intent of the legislature, be construed as follows:

"Collector", a person receiving a tax list and a warrant to collect the same.

"Person", shall mean a co-partnership, a corporation, private or municipal, a joint stock company, a trust, an estate, an association, or any other entity or group organization against which a tax may be assessed.

"Town", may be construed to include city; "town clerk", may be construed to include city clerk; "town council", may be construed to include city council; "town treasurer", may be construed to include city treasurer, "collector", may be construed to include city collector.

"Publication", as applied to any notice, advertisement or other instrument, the publication of which is required by law, shall mean the act of printing it once in a newspaper published in the town, if any, otherwise in the county, where the land or other property to which the notice or other instrument relates is situated. The publication shall be made at least fourteen (14) days prior to the date stated for the occurrence of the event to which the publication relates.

**44-7-2. Duty of collectors to collect and pay over.** The collector shall collect all taxes levied by the town by the time directed for payment thereof according to law, and shall pay over the same to the town treasurer by the time limited therefore.

**44-7-3. Collector's records.** All records kept by the collector shall be furnished by the town and shall be at all reasonable times open to the inspection of the auditor of such town or any other agent thereof duly authorized therefore, and when the tax warrant has been executed and the accounts of the collector audited, the records showing the collection of all taxes or other disposition thereof shall be forthwith returned to the town.

**44-7-4. Continuance in force of collection warrants.** All warrants for the collection of taxes shall continue in force until the whole tax is collected, notwithstanding the time appointed for collecting the tax, or the term of office of the collector, may have expired, and notwithstanding the collector may have paid the tax into the town treasury.

**44-7-5. Removal of collector from office - New collection warrant.** The collector of any town may be removed for cause shown from office by the town council, in which case a new warrant may issue to the new collector for the collection of the portion of any tax not collected.

**44-7-6. City treasurer as collector.** In every city in which a collector is not elected or appointed the city treasurer shall perform all the duties and exercise all the powers which by law are imposed and conferred upon collectors of taxes.

**44-7-7. Notice by collector to taxpayer of amount of tax.** The collector after receiving a tax list and warrant shall forthwith, at the expense of the town, send notice to each person assessed of the amount of his tax. Said notice shall be mailed postpaid and directed to the address on file in the office of the town treasurer or the assessors of taxes. Failure by the collector to send, or by the taxpayer to receive, a notice shall not excuse the non-payment of the tax or affect its validity or any proceedings for the collection thereof.

**44-7-7.1 Taxpayer information.** When a municipality issues a property tax bill to each taxpayer, each bill shall state the amount by which the taxpayer's rate of tax has been reduced by the distribution of state municipal revenue sharing and state aid for education. The bill shall also state the total amount of state municipal revenue sharing and state aid for education received by the municipality from the state. The statement shall read as follows:

Fiscal Year 19\_\_\_\_\_

Total Amount\_\_\_\_\_

Tax rate reduced by\_\_\_\_\_

The state director of **revenue** shall annually provide each municipality with the amount of state municipal revenue sharing and state aid for education subject to identification under this section.

**44-7-7.2. Portsmouth – Tax bill contents. (2012)**

**44-7-8. Permissive excise tax collection agreement.** A tax collector or a finance director of any city or town may enter into an agreement with the registrar of the division of motor vehicles for the collection of motor vehicle excise taxes and/or motor vehicle registration fees and/or the issuance of motor vehicle registrations on a mutually agreed cost sharing basis.

**44-7-9. Delegated authority.** (a) Pursuant to an agreement made under section 44-7-8, the registrar may delegate to a tax collector or finance director of any city and/or town, the authority to issue motor vehicle registrations, to collect motor vehicle registration fees, to retain a portion of such fee for administrative expenses, and/or to withhold the issuance of a motor vehicle registration until either the delinquent excise tax and interest thereon has been paid in full to the tax collector, or the appropriate pro rata quarterly excise tax has been paid in full to the tax collector.

(b) Any tax collector or finance director may delegate to the registrar of the division of motor vehicles the authority to collect its excise taxes on motor vehicles at the time of registration and may reimburse the registrar a reasonable percentage of the tax collected for the cost of collection.

**44-7-10. Priority of town taxes in insolvency.** Whenever any person shall become insolvent, or die insolvent, town taxes due from him or his estate shall have preference, after debts or taxes due the United States and this state, over all other debts or demands, save those due for necessary funeral charges, and for attendance and medicine during his or her last sickness.

**44-7-10.1 Non-issuance and/or renewal of licenses or permits to applicants or licensees in arrears in local taxes, liens and assessments in the town of Exeter.**  
(1999)

**44-7-10.2. Gloucester – Non-issuance of building and demolition permits to applicants in arrears in local taxes, liens, and assessments in town.** (2013)

**44-7-11. Collectors to furnish statements of liens.** (a) The collector of taxes for any city, town or fire district shall, on written application by any person, and within five (5) days thereafter, excluding Saturdays, Sundays, and holidays, furnish to such applicant a single certificate of all taxes and other assessments, including water rates and charges, which at the time constitute liens on the parcel of real estate specified in such application and are payable on account of real estate. The certificate shall be itemized and shall show the amounts then payable on account of all taxes and assessments, rates, fees and charges, so far as the amounts are fixed and ascertained, and if the amounts are not then ascertainable, it shall be so expressed in the certificate. In addition, the tax certificate shall include (1) a statement as to whether there are any tax sales scheduled which would affect the parcel of real estate noted in said certificate and (2) a statement as to whether any of taxes or other assessments noted on the tax certificate as being paid in full were paid as the result of a sale held pursuant to the provisions of chapter 9 of title 44 within the twelve (12) month period immediately preceding issuance of the certificate. Any city or town officer or board doing any act toward establishing any tax, assessment, lien, fees or charge upon any real estate in the city or town shall transmit a notice of that act to the collector of taxes. The collector of taxes shall charge not more than twenty-five dollars (\$25.00) for each certificate so issued, and the money so received shall be paid into the city or town treasury. A certificate issued on or after October 1, 1966, under this section may be filed or recorded with the land evidence records of the city or town in which the real estate shall be situated within sixty (60) days after its date, and if so filed or recorded shall operate to discharge the parcel of real estate specified from the liens for all taxes, assessments or portions thereof, rates, fees and charges which do not appear by the certificate to constitute liens, thereon, except the taxes, assessments or portions thereof, rates, fees and charges which have accrued within one (1) year immediately preceding the date of the certificate, provided that the same are noted in the certificate, and the taxes, assessments or portions thereof, rates, and charges concerning which a statement has been filed or recorded in the land evidence records; provided, a certificate issued under this section shall not affect the obligation of any person liable for the payment of any tax, assessment, rate, fee or charge. (2004)

(b) The fee to be paid for filing such certificate with the registry of deeds shall be eight dollars (\$8.00).

(f) City, town or fire district. - The collector of taxes for any city, town or fire district may upon application for any municipal lien certificate, include and attach thereto at no additional fee, a separate motor vehicle excise tax certificate setting forth all motor vehicle excise taxes which at the time are due and payable to the town on account of any owner of any real estate referenced in such application. The closing agent presiding at the closing on any transfer of such real estate shall collect all sums due as set forth on the motor vehicle excise tax certificate and transmit the same to the tax collector along with the forwarding address of the owner transferring any such real estate. This section does **not** apply to refinancing transactions or to transfers of real estate within a family without consideration, **except in the following communities: Barrington, Bristol, East Greenwich, Gloucester, North Providence, Scituate, Smithfield, and Warren.** (2013)

**44-7-12. Action for recovery of tax.** The collector of any tax may recover the amount thereof in an action against the person taxed, and in the complaint it shall be sufficient to set forth that the action is to recover a specified sum of money, being a tax assessed against the defendant, specifying the town in which said tax was assessed and the time of ordering and assessing the same.

The court may award a reasonable attorney's fee to the prevailing party in any civil action arising from the collection of a municipal tax levy in which the court (a) finds that there was a complete absence of a justifiable issue of either law or fact raised by the losing party or (b) renders a default judgment against the losing party.

**44-7-13. Judgment for collector - Execution and levy.** If judgment be rendered in favor of the collector, he shall have an allowance for his reasonable trouble in attending to the suit, to be taxed by the court in the bill of costs, and execution shall issue against the real and personal estate of the defendant, and the levy of the execution upon any real estate, upon which a lien for such tax is created by chapter 9 of this title, shall be deemed to relate back, and take effect from the time of commencement of such lien.

**44-7-14. Cancellation of taxes - Erroneous, uncollectible or illegal - Incentive to rehabilitate property.** The city council of any city or the town council of any town may cancel in whole or in part, taxes assessed upon personal, mixed or real property:

(1) When there is a mistake in the assessment of a tax, and the tax assessors have certified to the fact in writing to the body authorized by the provisions of this section to cancel taxes, setting forth the nature of the mistake, the valuation of the property, the amount of the tax assessed and the name of the person to whom the property was taxed.

(2) When a person dies leaving no estate, or removes from the state and owns no property or interest therein within the state, and the tax collector or person acting in the capacity of tax collector certifies in writing to the body authorized by the provisions of this section to cancel taxes, as to the facts in the case.

(3) When the council is advised by the town solicitor, or the person acting in the capacity of such solicitor, by written opinion that a tax is illegal, and such opinion has been concurred in by the tax administrator.

(4) When the council is acting pursuant to 45-44-1 to 45-44-13, "the homestead act", or a properly enacted city or town ordinance intended to encourage the renovation, rehabilitation or construction of tax delinquent properties, **except in Exeter**.

**44-7-15. Certificate of cancellation - Attachment to tax list.** Whenever any tax is canceled in accordance with the provisions of section 44-7-14, the body canceling the tax shall forthwith certify to the tax collector, or person acting in the capacity of tax collector, that such tax has been canceled, and the tax collector or person acting in the capacity of tax collector shall upon receipt of such certification, forthwith attach such certification to the tax list, whereupon it shall become a part of said list, and shall strike the canceled tax from said list or correct the amount in said list, as the case may be. The liability of the collector of taxes or person acting in the capacity of collector of taxes and the surety of his bond shall be measured and determined by the tax list as amended by cancellations made under the provisions of this chapter, in the same manner and to the same extent as if it were the original list.

**44-7-16. Action by town treasurer against delinquent collector.** The town treasurer may have his action against any collector and his sureties, who shall neglect to pay in any tax to the town treasury by the time limited therefore.

**44-7-17. Execution against delinquent collectors.** In every execution issued by any court against any such collector or his sureties, the words "and real estate", and the officer charged therewith shall immediately after the words "goods and chattels", and the officer charged therewith shall immediately attach and take possession of all the estate, real and personal, of such collector within his precinct, and shall immediately advertise the same to be sold within twenty (20) days thereafter at public auction; and he shall cause enough thereof to be sold to pay the amount of such execution, and all incidental costs and expenses; and said sale may be adjourned from time to time.

**44-7-18. Execution against sureties of delinquent collector.** If no estate of the collector can be found in the precinct of the officer, or if the same be insufficient, the officer shall make return thereof to the clerk's office, and an alias execution shall immediately be issued against the sureties of such collector, for the amount unpaid, and costs and expenses, which shall be levied upon their estates, and proceeded within manner as directed above concerning collectors.

**44-7-19. Action by co-tenant for contribution to tax.** A tenant in common or a joint tenant who pays the entire tax assessed for property held in common, or jointly, may recover from his co-tenants jointly or severally the proportion of said tax payable by said co-tenants in an action of the case.

**44-7-20. Actions for refund of taxes.** No action to recover back a tax shall be maintained unless commenced within three months after payment of the tax, nor unless said tax is paid under a written protest. In an action founded on an error or irregularity in the assessment or apportionment of the tax, only the amount in excess of the tax for which the plaintiff was liable shall be recoverable, and no sale, contract or levy shall be avoided solely by reason of such error or irregularity.

**44-7-21. Severability.** The powers granted and the duties imposed by chapters 7 to 9, inclusive, of this title and the applicability thereto any persons, tax districts or circumstances shall be construed to be independent and severable, and if any one or more sections, clauses, sentences or parts of said chapters, or the applicability thereof to any persons, tax districts or circumstances shall be adjudged unconstitutional or invalid, such judgment shall not affect, impair or invalidate the remaining provisions thereof, or the applicability thereof to other persons, tax districts or circumstances, but shall be confined in its operation to the specific provisions so held unconstitutional and invalid and to the persons, tax districts and circumstances affected thereby.

**44-7-22. Remedy not exclusive.** The remedy provided by chapters 7 to 9, inclusive, of this title shall be cumulative and shall not exclude or prevent the exercise of any other right, remedy or process heretofore allowed by law or by previous enactment of the legislature.

**44-7-23. Exemption on uninhabited buildings.** No city or town council may cancel or abate, in whole or in part, taxes assessed upon any real property consisting of an uninhabited, boarded up, or otherwise uninhabitable building unless such property is or will be subject to eminent domain proceedings by the state or local government or an agency thereof, and the state or local government or an agency thereof participating in such eminent domain proceedings certifies such fact in writing to the city or town council.



**44-7-25. Sale of rights to uncollected taxes that are due and payable.** The collector, with the approval of the city or town council, is authorized to sell to a bank or other financial institution the rights of the city or town to receive taxes which are due and payable as of the end of the city or town's fiscal year and are uncollected at the time of the sale. Any agreement executed under this section shall be filed with the city clerk or town clerk, but need not be filed or recorded under the uniform commercial code. The collector shall act as the sole collecting agent for the bank or financial institution and shall exercise the rights under chapters 7-9 inclusive of this title as to collection, enforcement of liens, and sale for nonpayment with respect to such taxes.

**44-7-26. Jeopardy collection of taxes.** (Effective January 1, 1985). If, between the assessment date and the tax due date, any tax collector believes that the collection of any tax will be jeopardized by delay, he shall, subject to the provisions of this section, collect such tax forthwith. He may enforce collection thereof by using any one or more of the methods provided in chapters 8 and 9 of title 44, or in any other section of the general laws relating to the collection of taxes. If the amount of such tax has been definitely fixed by the assessors, the collector shall collect such amount. If the assessment of the property represented by such tax has been fixed by the assessors, but the tax rate has not been laid, the collector shall, subject to the provision of this section, enforce collection of a tax obtained by multiplying the assessment so fixed by the tax rate of the year next preceding. If neither the assessment of the property nor the tax rate has been fixed, the tax collector shall make application to the assessors for a valuation on such property. The assessors shall, forthwith, value such property and the valuation placed upon such property by the assessors, together with the tax rate of the year preceding, shall be used by the collector in determining the amount of tax to be collected. If, after the payment of any tax in conformity with the provisions of this section, it is found that the amount so paid is in excess of the amount which would have been paid on the tax due date or after appeal to the courts, the excess so paid shall be returned to the taxpayer upon written application by him to the treasurer of the municipality. Such written application shall contain a recital of the facts; shall show the amount of rebate to which the applicant believes he is entitled, shall be approved by the tax collector, and shall be made within the period of one (1) year from the date of the definite determination of such tax. The person against whom jeopardy collection proceedings have been begun may obtain a stay of collection of the whole or any part of the amount of the tax so represented by such proceedings by filing with the tax collector a bond in such an amount not exceeding double the amount as to which the stay is desired, and with such surety as the tax collector deems necessary, conditioned upon the payment of so much of the amount, the collection of which is stayed by the bonds as is found to be due from such person when the tax roll has been completed and the tax rate fixed or as is determined by a court of competent jurisdiction after appeal to it. The amount of the tax which is stayed by the bond shall be paid on notice and demand of the tax collector (at) any time after the tax due date. The person subject to jeopardy collection proceedings under the provisions of this section, who has obtained a stay of collection in whole or in part, shall have the right to waive such stay at any time in respect to the whole or any part of the amount covered by the bond and if, as the result of such waiver, any part of the amount covered by the bond is paid, the bond shall, at the request of the taxpayer, be proportionately reduced.

**44-7-27. Cancellation of real property taxes in the city of Newport.**

**44-7-28. Glocester – Tax lien on mobile or manufactured home in the town.**  
(2013)

**23-27.3-125.7. Lien for emergency repairs.** Whenever the owner fails to comply with an order to repair, board, or demolish a building, sign, or structure as required by the building official, and the building official has made repairs, boarded, or demolished the building, sign, or structure, reasonable costs incurred by the building official in the action shall be a lien against the real property. The lien shall be recorded with the records of land evidence of the municipality, and the lien shall incur legal interest from the date of recording. The cost incurred by the building official, plus the interest thereon, in the boarding or demolition of a building, sign, or structure, shall be added to the amount of taxes due on said real estate. The tax collector of the city or town shall have the same powers and shall be subject to the same duties with respect to such claim as in the case of the annual taxes upon real estate, and the provisions of law relative to the collection of such annual taxes, the sale or taking of land for the nonpayment thereof and the redemption of land so sold or taken shall apply to such a claim.

## CHAPTER 44-8 COLLECTION BY DISTRESS

**44-8-1. Property subject to distraint.** The collector may distraint personal property, except such as is exempt from attachment or distress by the laws of this state or of the United States, and may sell the same in the manner hereinafter directed.

**44-8-2. Notice of sale of personal property distrained.** In all cases where personal property shall be levied on by any collector, he shall cause notice thereof, and of the time and place of sale, to be left at the last and usual place of abode of the owner, or personally to be given to him, at least five (5) days previous to the appointed time of sale, if such owner have a last and usual place of abode in the state or if personal notice can be given to him. The collector shall also in all cases advertise the same once a week for three (3) successive weeks in a newspaper, if there be one published in the town, if not, in the county, and shall also post up notices in three (3) public places in said town, at least twenty (20) days previous to the appointed time of sale.

**44-8-3. Sale of property - Disposition of surplus proceeds or property.** If such owner does not pay the amount of the tax, with the interest or percentage and all costs and charges, by the time appointed for the sale, the collector shall sell the same, or enough to pay said sums, at public auction. Any property or surplus of money remaining shall be returned to the owner or person entitled to receive it. If no owner or person entitled to receive the same can be found by the collector, he shall deliver such property or surplus of money to the town treasurer, who shall hold the same subject to the call of the owner thereof.

**44-8-4. Removal of property to advantageous place for sale.** Any collector may, with the consent of the owner, remove personal property for sale to any town or place, where it may be sold to the best advantage, giving notice to the owner as before provided, and giving notice as provided by section 44-8-2, in the town or place where the sale is to be made.

**44-8-5. Collection of tax after removal of person or property to another town.** If any person or property taxed in one (1) town removes or is removed into another town before the tax is collected, the collector may follow such person or property into any town, and levy or collect the tax with the same power as if not removed.

**44-8-6. Adjournment of sales.** Any sale of real or personal estate or of any interest therein, liable for the payment of taxes by the provisions of this chapter, may be adjourned from time to time.

**44-8-7. Summons of person holding property of nonresident or absent taxpayer.** If any person legally taxed shall be out of the state, or depart therefrom, leaving no property liable for the tax, the collector may summon the attorney, agent, factor, trustee or debtor of such person before the district court of the district in which the town where the tax is assessed is situated, to declare on oath how much property, if any, of such absent person, he has in his possession; and if he has sufficient property he shall forthwith pay such tax and charges, or deliver to the collector sufficient property therefore.

**44-8-8. Distress warrant against person holding property of non-resident or absentee.** If any person so summoned shall neglect to appear, or refuse to make oath, or having made oath shall refuse to pay such tax and charges, or to deliver to the collector sufficient property therefore, if such he has, such district court shall forthwith grant to the collector a warrant of distress against the proper goods and chattels of such person so summoned, and the collector may distrain and sell the same wherever found, or so such thereof as will pay the tax and all interest and expenses, in manner provided by this chapter; and said district court shall have jurisdiction in the premises, although the amount involved shall exceed one thousand dollars (\$1,000).

**44-8-9. Payment of tax barring action by non-resident or absentee for property.** If the person summoned shall pay the tax and charges, or deliver property therefor, or have his or her own property sold therefor, this proceeding shall be sufficient to bar any action brought therefor by the absent person.

**44-8-10. Distress warrant against delinquent corporation.** If any corporation shall neglect for the space of thirty (30) days to pay the tax imposed upon such corporation, the general treasurer shall issue his warrant of distress against the same, director to the sheriff or his deputy of the county in which such corporation is located, for the amount of such tax; commanding him, in the name of the state, to collect from such corporation said amount, with interest thereon from the time the same was payable to the time of its receipt by such officer, with his lawful fees, and to make return thereof within ninety (90) days from the date of such warrant.

**44-8-11. Attachment and sale of corporate property.** The officer charged with the service of such warrant shall levy and collect the sum therein named, by attachment and seizure of the real and personal estate of the corporation against whom such warrant was issued, and shall sell the same at public auction, giving thirty (30) days previous notice of the time and place of such sale, by posting up two (2) notices in the town in which such corporation is located; and a deed of such estate made by such officer shall vest in the purchaser all the right, title and interest which such corporation had therein at the time of the attachment and seizure thereof.

## CHAPTER 44-9 TAX SALES

**44-9-1. Tax lien on real estate.** Taxes assessed against any person in any town for either personal property or real estate shall constitute a lien on said real estate. Said lien shall arise and attach as of the date of assessment of such taxes, as defined in section 44-5-1.

Said lien shall terminate at the expiration of 3 years thereafter if the estate has in the meantime been alienated and the instrument alienating the same has been recorded; otherwise, it shall continue until a recorded alienation thereof.

Said lien shall be superior to any other lien, encumbrance or interest in said real estate whether by way of mortgage, attachment or otherwise, except easements and restrictions. Related matter: Lien on real estate for water charges 39-15-12.

**44-9-2. Taxes for which particular property liable.** If any person is taxed for several parcels of real estate, each of such parcels shall be liable for the payment of the tax assessed against it, even though the same may have been alienated, but no such parcel shall be liable for any tax assessed against any other parcel. If any person is taxed for real estate and for personal estate in the same tax, the whole of such person's tax may be collected either out of the real or personal estate. If any person is taxed for several parcels of real estate and for personal estate in the same tax, the tax on personal estate may be collected out of the real estate, and each of such parcels shall be liable for the payment of the tax assessed against it, together with such portion of the tax on the personal estate as the assessed value of such parcel bears to the aggregate assessed values of all such parcels.

**44-9-3. Lien of fire district, lighting district, water district, sewer district and road district.** All taxes, charges, assessments, assessed against any person in any fire district, water district, sewer district, road district and lighting district within this state, pursuant to the act of incorporation of the district, for either real or personal estate, shall constitute a lien upon that person's real estate in the district for the space of three (3) years after the assessment, and, if such real estate be not alienated, then until the taxes are collected. (2003)

**44-9-4. Powers of fire district, lighting district and other collectors.** The collector of taxes of every fire district, water district, sewer district, road district and lighting district shall have all the powers and privileges and be subject to all the duties and liabilities which are conferred or imposed upon collectors of taxes in towns. (2003)

**44-9-5. Agreements between towns and fire districts, water districts, sewer districts, road districts, lighting districts, and lien priorities.** Towns and fire districts, water districts, sewer districts, road districts and lighting districts are authorized to make agreements with respect to the parcel of property upon which they respectively own tax liens in respect to the disposition of the liens, of the parcel of property subject to the liens, and of the proceeds of a tax sale of the property. (2003)

**44-9-6. Primary liability of life estate.** In case of a life estate, the interest of the tenant for life shall first be liable for the tax, and the remainderman, if assessed, shall be secondarily liable. (2003)

**44-9-7. Advertisement taking or sale of real estate.** The collector may advertise and take, or sell any real estate liable for taxes in the manner hereinafter directed.

**44-9-8. Sale of undivided part or whole of land.** If the taxes are not paid, the collector shall at the time and place appointed for the sale, sell by public auction for the amount of the taxes, assessments, rates, liens, interest and necessary intervening charges, the smallest undivided part of the land which will bring said amount, but not less than one percent (1%), or the whole for said amount if no person offers to take an undivided part. (2002)

**44-9-8.1. Taking for taxes.** Notwithstanding the provisions of section 44-9-8, upon a determination that the property is necessary for redevelopment, revitalization or municipal purposes by the redevelopment agency of a municipality or, if there is no redevelopment agency and the city or town council makes such a determination, then the municipality may take such land for the city or town.

If a tax on land is not paid within fourteen (14) days after demand therefore and remains unpaid at the date of taking, the collector may take such land for the town, first giving fourteen (14) days notice of his intention to exercise such power of taking, which notice may be served in the manner required by law for the service of civil cases or may be published. Such notice shall contain a substantially accurate description of the lots or divisions of land to be sold, which shall be furnished to the collector by the assessors upon demand of the collector, the amount of tax assessed on each, and the names of all owners known to the collector. Such notice of the sale of the undivided real estate of a deceased person assessed to his heirs or devisees or assessed in general terms to his estate shall contain the names of all the heirs or devisees interested in such real estate, if the probate records of the county where the land lies disclose their identity. He shall also, fourteen (14) days before the taking, post a notice so conforming in two (2) or more convenient and public places.

Whenever the collector of taxes of a city or town shall have taken land therein he may, in the name and on behalf of said city or town, take immediate possession of such land and, until the tax title so acquired is redeemed, collect the rent and other income from such land, which rent and income, after the payment therefrom of all necessary expenses in the care, repair and management of such land, shall be applied on account of the taxes, assessments, rates, charges, interest and costs due said city or town on said land, with any balance remaining being paid to the person otherwise entitled thereto. Upon petition of any person having a right to redeem such tax title, the superior court for the county within which the land lies, if it adjudges justice and the circumstances so warrant, may, upon such terms as it shall deem equitable, enjoin a taking of possession under this section or command the surrender of a possession taken. A city or town must designate a detailed purpose and plan for any land it takes at a tax sale within one (1) year, or said land shall be offered at the next tax sale.

Neither said city or town nor any of its officers, agents, or employees shall be liable or accountable to the owner or to any other person having an interest in such land for failure to collect rent or other income therefrom; and neither said city or town nor any of its officers, agents or employees shall be liable for injury or damage caused by the possession of land under the section to such land or to the person or property of any person.

**44-9-8.2. Deed of taking.** The instrument of taking shall be under the hand and seal of the collector and shall contain a statement of the cause of taking, a substantially accurate description of each parcel of land taken, the name of the person to whom the same was assessed, the amount of the tax thereon, and the incidental expenses and costs to the date of taking, **and if notice of the sale was given to the Rhode Island Housing and Mortgage Finance Corporation and/or to the department of elderly affairs under the provisions of section 44-9-10, an affirmative certification as to which entity received notice and the date(s) on which each such notice was given shall be set forth in the instrument.** Such an instrument of taking shall not be valid unless recorded within sixty (60) days of the date of taking. If so recorded it shall be prima facie evidence of all facts essential to the validity of the title so taken. Title to the land so taken shall thereupon vest in the town, subject to the right of redemption. Such title shall, until redemption or until the right of redemption is foreclosed be held as security for the repayment of said taxes with all intervening costs, terms imposed for redemption and charges, with interest thereon, and the premises so taken, both before and after either redemption or foreclosure, shall also be subject to and have the benefit of all easements and restrictions lawfully existing in, upon or over said land or appurtenant thereto, and all covenants and agreements running with said premises either at law or in equity, when so taken. (2006)

**44-9-8.3. Sale of owner-occupied residential property to housing agency.**

(a) **Where the property subject to tax sale is owner-occupied residential and contains three (3) or less units, the Rhode Island Housing and Mortgage Finance Corporation shall have a right of first refusal to acquire the tax lien at tax sale, and may assist the owner to discharge the lien or take title and acquire the property in its own name pursuant to regulations to be developed by the corporation, consistent with its purposes. The corporation shall notify the collector of its intention to exercise this right by the later of: (i) thirty (30) days from its receipt of the certified mail notice set forth in section 44-9-10; or (ii) ten (10) days before the date of sale or any adjournment of the sale. Failure of the corporation to notify the collector as provided herein shall extinguish the right of first refusal provided in this section.**

(b) **There shall be an advisory board consisting of six (6) members: one person appointed by the Rhode Island League of Cities and Towns; one person appointed by the Consumer Credit Counseling Services of Rhode Island; one person appointed by Rhode Island Legal Services; one person appointed by the Housing Network of Rhode Island, one appointed by the Urban League of Rhode Island and one appointed by the Center for Hispanic Policy and Advocacy. The advisory committee shall provide advice and recommendations to the governing board of the Rhode Island Housing and Mortgage Finance Corporation regarding that corporation's activities under this section. The members of the advisory board shall receive no compensation for the performance of their duties, but may be reimbursed for reasonable expenses incurred in carrying out their duties.** (2006)

**44-9-9. Notice and advertisement of sale.** Before said sale, the collector shall give notice of the time and place of sale posted in two (2) or more public places in the town at least three (3) weeks before the time of said sale. The collector shall also cause to be published in some public newspaper published in the town, if there be one, and if there be no public newspaper published in the town, then in some public newspaper published in the county, a statement concerning the time and place of sale, the real estate liable for payment of taxes and the name of the person against whom the real estate was assessed, with a list of the parcel or parcels to be offered for sale by the recorded plat and lot number, or by assessor's plat and lot number, or by other adequate description. Such

newspaper notice giving such full description shall be inserted, once, at least three (3) weeks prior to the date of the advertised sale, and thereafter a weekly formal legal notice, between the date of original advertisement and the time of sale specified therein, shall be inserted, stating that the collector will sell at public auction real estate thus advertised. Said subsequent formal legal notice shall include reference to said original advertisement which gave full description. Whenever a duly advertised tax sale is continued or postponed, a formal legal notice giving the new date shall be inserted at least 1 week prior to said new date. Any notice of sale shall inform any party entitled to notice of its right of redemption and shall explain to such party the manner in which said right shall be exercised and inform said party of the penalties and forfeiture that may occur if the right of redemption is not exercised. (2003)

**44-9-10. Notice of sale to taxpayer.** (a) Whether or not the person or general partnership to whom the estate is taxed as of December 31<sup>st</sup> prior to the tax sale is a resident of this state, the collector shall, in addition to the foregoing, notify the taxpayer of the time and place of sale **first by first-class mail not less than ninety (90) days before the date of sale or any adjournment of the sale, and again by certified mail not less than forty (40) days before the date of sale or any adjournment of the sale,** sent postpaid to the street address of the real estate liable for payment of taxes, and, if different, to the taxpayer's address listed with the tax assessor's office of the city or town where the real estate is located or to any other address which the taxpayer designates by written notice to the tax assessor, or to the address of the taxpayer stated on the deed recorded in the land evidence records of the city or town where the real estate is located or to the last known address of the taxpayer or be left at the taxpayer's last known address or personally served on the taxpayer not less than **thirty (30) days** before the date of sale or any adjournment of the sale, but no notice of adjournments shall be necessary other than the announcement made at the sale. **Copies of such notices shall also be sent or hand delivered at the same time as prescribed above to the Rhode Island Housing and Mortgage Finance Corporation. Failure to notify the Rhode Island Housing and Mortgage Finance Corporation as prescribed herein shall nullify any tax sale of any property with respect to which such notice was not given.** (2006)

(b) Persons aged 65 years and over or persons suffering from a disability may designate a third party to whom notice may be sent as required pursuant to this section by advising the tax assessor of the name and address of such person.

(c) If the estate taxed is a corporation, said notice may be sent either by registered or certified mail to its place of business or left at the business office of said corporation with some person there employed.

(d) In the event the person to whom the estate is taxed is listed in the records of the assessor and/or collector as having applied for and been granted a property tax abatement based wholly or partially on the age of the taxpayer, then the collector shall also notify the Department of Elderly Affairs by certified mail or hand delivery as described herein **not less than forty (40) days before the date of sale.** Failure to notify the Department of Elderly Affairs as prescribed herein shall nullify any tax sale of any property with respect to which such notice was not given. (2011)

(e) **Within ninety (90) days after the end of each calendar year, the department of elderly affairs shall prepare and submit an annual report to the governor, the speaker of the house of representatives, the president of the senate and the secretary of state. The report shall contain information concerning the number of notices received by the department of elderly affairs pursuant to this**



section of law during the calendar year, and information concerning the identity of the specific parcels that might be sold in each city or town as well as a description of exactly what action followed on each such notice. The report shall conclude by indicating the present status of each case in which the department received such a notice as well as an indication as to whether each such case is open or closed.

(2006)

**44-9-11. Notice to mortgagees and other parties in interest.** (a) In case the collector shall advertise for sale any property, real, personal, or mixed, in which any person other than the person to whom the tax is assessed has an interest, it shall not be necessary for the collector to notify the interested party, except for the following interested parties, provided that their interest was of record at least ninety (90) days prior to the date set for the sale: the present owner of record, mortgagees of record and mortgage assignees of record, former fee holders whose right to redeem has not been foreclosed, holders of tax title, federal agencies having a recorded lien on the subject property, holders of life estates of record, and vested remaindermen whose identity can be ascertained from an examination of the land or probate records of the municipality conducting the sale, and/or their assignees of record who shall be notified by the collector either by registered or certified mail sent postpaid not less than twenty (20) days before the date of sale or any adjournment thereof, to an agent authorized by appointment or by law to receive service of process, or to the address of the party in interest set forth in the recorded mortgage document or the recorded assignment, or to the last known address of the party in interest, but no notice of adjournments shall be necessary other than the announcement made at the sale. The posting and publication of the notice of the time and place of sale in the manner provided by section 44-9-9 shall be deemed sufficient notice to all other interested parties. This provision shall apply to all taxes levied prior to and subsequent to 1896. **This provision shall be subject to the notice requirements of section 44-9-10. It shall not be necessary, however, to provide the names of the mortgagees and other parties in interest under this section to the Rhode Island Housing and Mortgage Finance Corporation or to the department of elderly affairs.**

(2006)

(b) Only a person or entity failing to receive notice in accordance with the provisions of this section and sections 44-9-9 and 44-9-10 shall be entitled to raise the issue of lack of notice or defective notice to void the tax sale. The right to notice shall be personal to each party entitled thereto and shall not be asserted on behalf of another party in interest. If there is a defect in notice, the tax sale shall be void only as to the party deprived of adequate notice, but shall be valid as to all other parties in interest who received proper notice of the tax sale.

(2002)

(c) Once a petition is filed under section 44-9-25, and any party in interest entitled to notice of the tax sale receives actual notice of the pendency of the petition to foreclose, such party must raise the notice defense in accordance with the provisions of section 44-9-31 or be estopped from alleging lack of notice in any action to vacate a final decree entered in accordance with section 44-9-30.

(2002)

**44-9-12. Collector's deed - Rights conveyed to purchaser - Recording.** The collector shall execute and deliver to the purchaser a deed of the land, stating the cause of sale, the price for which the land was sold, the places where the notices were posted, the name of the newspaper in which the advertisement of the sale was published, the residence of the grantee, **and if notice of the sale was given to the Rhode Island Housing and Mortgage Finance Corporation and/or to the department of elderly affairs under the provisions of section 44-9-10, the collector shall include an affirmative certification as to which entity/entities received notice and the date(s) on**

**which each such notice was given which shall set forth in the collector's deed.** The deed shall convey the land to the purchaser, subject to the right of redemption. The title thus conveyed shall, until redemption or until the right of redemption is foreclosed as hereinafter provided, be held as security for the repayment of the purchase price, with all intervening costs, terms imposed for redemption and charges, with interest thereon, and the premises conveyed, both before and after either redemption or foreclosure, shall also be subject to and have the benefit of all easements and restrictions lawfully existing in, upon or over said land or appurtenant thereto. Such deed shall not be valid against intervening interests unless recorded within sixty (60) days after the sale. If so recorded it shall be prima facie evidence of all facts essential to the validity of the title thereby conveyed. It shall be the duty of the collector to record the deed within sixty (60) days of the sale and to forward said deed promptly to the tax sale purchaser. The applicable recording fee shall be paid by the redeeming party. No sale hereafter made shall give to the purchaser any right to either the possession, or the rents, or profits of the land until the expiration of one (1) year after the date of the sale, nor shall any sale obviate or transfer any responsibility of an owner of property to comply with any statute of this state or ordinance of any municipality governing the use, occupancy or maintenance or conveyance or property until the right of redemption is foreclosed.

**The rents to which the purchaser shall be entitled after the expiration of one year and prior to redemption shall be those net rents actually collected by the former fee holder or a mortgagee under an assignment of rents. Rents shall not include mere rental value of the land, nor shall the purchaser be entitled to any rents from owner-occupied, single-unit residential property. For purposes of redemption, net rents shall be computed by deducting from gross rents actually collected any sums expended directly or on behalf of the tenant from whom the rent was collected. Such expenditure shall include utilities furnished, repairs made to the tenanted unit, and services provided for the benefit of the tenant. However, mortgagee payments, taxes and sums expended for general repair and renovation (i.e. capital improvements) shall not be deductible expenses in the computation of rent.** (2006)

(b) The tax title purchaser shall not be liable for any enforcement or penalties arising from violations of environmental or minimum housing standards prior to the expiration of one (1) year from the date of the tax sale, except for violations which are the result of intentional acts by the tax sale purchaser or his or her agents. (2003)

(c) Upon the expiration of one year after the date of the sale, the tax title holder shall be jointly and severally liable with the owner for all responsibility and liability for the property and shall be responsible to comply with any statute of this state or ordinance of any municipality governing the use, occupancy, or maintenance or conveyance of the property even prior to the right of redemption being foreclosed. Nothing in this section shall be construed, however, to confer any liability upon a city or town which receives tax title as a result of any bids being made for the land offered for sale at an amount equal to the tax and charges.

**(d) In the event that the tax lien is acquired by the Rhode Island Housing and Mortgage Finance Corporation, and said corporation has paid the taxes due, title shall remain with the owner of the property, subject to the right of the corporation to take the property in its own name, pursuant to applicable statutes and any regulations duly adopted by the corporation. Upon such notice by the corporation, the collector shall execute and deliver a deed to the corporation as herein provided.** (2006)

**44-9-13. Entry by collector not required - Recording of tax sale list.** No entry upon the land by the collector shall be deemed necessary; but the collector in all cases of sales of real estate shall deliver to the clerk's or recorder's office a list of those properties sold at a tax sale which said clerk or recorder shall record or post in the land evidence records for their respective city or town within five (5) business days after the sale of real estate. Said recorded or posted list shall include the assessed owner's name(s), the address of the property and the assessor's plat and lot, which recorded or posted list shall be conclusive evidence of the facts therein stated. (2003)

No properties shall be sold at tax sale to any bidder who is delinquent in the paying of taxes or is an officer, more than ten percent (10%) shareholder or owner of a partnership or corporation or limited liability company that is delinquent in the paying of taxes on any property located within the city or town in which the tax sale is held, unless said bidder has agreed to a written payment plan approved by the collector and is current on any and all payments required by said plan. The collector may require a bidder or an authorized officer or partner thereof to execute an affidavit that the bidder is qualified under this provision.

**44-9-13.1. Tax title holders - Filing required statements.** Prior to receiving a deed, whoever has purchased a title to land under a sale for nonpayment of taxes or other assessment, shall file with the treasurer of the city or town and in the registry of deeds thereof a statement of his or her residence and place of business, with the street and number, if any. Such person, who is not a resident of the city or town where the tax sale is held, shall also appoint an agent residing within the state, authorized to release such land. He or she shall also file the statement above required in which he or she shall also state the name of such agent and his residence and place of business, with the street number, if any. Whenever a person holding tax title changes his residence or place of business or agent, he or she shall file a new certificate. Tender of payment to, and service of process upon, such agent shall be sufficient tender to, or service upon, the holder of such tax title.

**44-9-14. Purchase by collector for town.** If at the time and place of sale no person bids for the land offered for sale an amount equal to the tax and charges, the collector shall then and there make public declaration of the fact; and, if no bid equal to the tax and charges is then made, he shall give public notice that he purchases for the town by which the tax is assessed said land as offered for sale at the amount of the tax and the charges and expenses of the levy and sale. Said amount, together with the cost of recording the deed of purchases, shall be allowed him in his settlement with such town, provided he has caused the deed to be duly recorded within sixty (60) days after the purchase and to be delivered to the town treasurer.

**44-9-15. Recital in deed to town.** If the town becomes the purchaser, the deed to it, in addition to the statements required by section 44-9-12, shall set forth the fact that no sufficient bid was made at the sale or that the land was taken by the town and shall confer upon such town the rights and duties of an individual purchaser.

**44-9-16. Conveyance of several unimproved parcels by single deed - Apportionments of costs.** If any unimproved and unoccupied parcels of land are sold for nonpayment of taxes assessed against the same person, the collector may convey in one (1) deed to the same purchaser, or convey to the town any number of lots so advertised and sold, and said deed shall state the amount of the taxes and costs due for each lot. The cost of the sale shall be apportioned equally among all the lots sold, and the cost of the deed shall be apportioned equally among all the lots conveyed thereby.

**44-9-17. Lien for taxes assessed subsequent to sale.** Whenever a town shall have purchased real estate for payment of taxes, the lien of the town on such real estate, for all taxes assessed subsequently to the assessment for payment of which the estate was purchased, shall continue, and it shall be unnecessary for the town to sell said real estate for nonpayment of said subsequent taxes, costs, and interest; and on either redemption from, or foreclosure of the right of redemption under such purchase, said subsequent taxes, costs and interest shall be paid to the town, and the payment shall be made a part of the terms of redemption. A town which has assigned a tax title held by it shall, after such assignment, have all the rights and powers to sell the real estate affected thereby, for the nonpayment of taxes, which it would have possessed had said town never been the holder of said tax title.

**44-9-18. Management and sale of land purchased by town-Assignment of tax title.** Towns must make regulations for the possession, management and sale of land purchased or taken for taxes, not inconsistent with law or with the right of redemption. The treasurer of any town holding a tax title, upon payment to said town of a sum not less or more than the amount necessary for redemption, may assign and transfer such tax title to any person, and may execute and deliver on behalf of the town any instrument necessary therefore. The treasurer shall send notice of the intended assignment to the owner of record at his last known address, by registered or certified mail, at least ten (10) days prior to the assignment, but failure to receive such notice shall not affect the validity of the assignment. The instrument of assignment shall be recorded within sixty (60) days from its date and if so recorded shall be prima facie evidence of all facts essential to its validity. Except as hereinafter otherwise provided, all provisions of law applicable in cases where the original purchaser at a tax sale is other than the city or town shall thereafter apply in the case of such assignment, as if the assignee had been a purchaser for the original sum at the original sale and had paid to the town the subsequent taxes and charges included in the sum paid for the assignment (Forms 1 and 2 44-9-46).

Neither a city or town or any of its officers, agents or employees shall be liable or accountable to the owner or to any other person having an interest in such land for failure to collect rent or other income therefrom; and neither said city or town nor any of its officers, agents or employees shall be liable for injury or damage caused by the possession of land or to the person or property of any person.

**44-9-18.1. Assignment to The Barrington Land Conservation Trust, Incorporated.**

**44-9-18.2. Assignment to redevelopment agency.** Notwithstanding the provisions of section 44-9-18, the treasurer may transfer and assign any or all tax titles held by a city or town for no monetary consideration to the redevelopment agency of said city or town. Such transfer shall not confer upon the redevelopment agency any greater rights or responsibilities than those granted to or imposed upon the city or town as the original holder of the tax title. The redevelopment agency shall hold any such tax title so transferred or assigned subject to any and all rights of redemption held by the owner of record and/or his or her successors and assigns in title. Notwithstanding the foregoing, the redevelopment agency shall also hold and be permitted to exercise any rights that the city or town previously held, including the right to petition for foreclosure of any rights of redemption.

**44-9-18.3. Tiverton – Assignments to the Tiverton land trust.** (2006)

**44-9-18.4. Westerly – Assignments to the Westerly land trust.** (2007)

**44-9-19. Right of redemption from town.** Any person having an interest in land sold for nonpayment of taxes, or his heirs or assigns, at any time prior to the filing of a petition for foreclosure under section 44-9-25, if the land has been purchased by the town and has not been assigned, may redeem the same by paying or tendering to the treasurer the sum for which said real estate was purchased, plus a penalty which shall be ten percent (10%) of the purchase price if redeemed within six (6) months after the date of the collector's sale, and an additional one percent (1%) of the purchase price for each succeeding month, together with all charges lawfully added for intervening taxes, which have been paid to the municipality, plus interest thereon at a rate of one percent (1%) per month, and expenses assessed subsequently to the collector's sale. (2003)

(b) The certificate of redemption shall be recorded by the treasurer on the land records within twenty (20) days after the entire redemption amount has been paid to the municipality. The recording costs for the certificate of redemption shall be paid by the redeeming party. (2003)

(c) The right of redemption may be exercised only by those entitled to notice of the sale pursuant to sections 44-9-10 and 44-9-11. (2003)

**44-9-20. Town treasurer's release.** If land sold to a town for nonpayment of taxes, which has not been assigned, is redeemed, the treasurer shall sign, execute and deliver on behalf of the town, a release of all the right, title and interest, which it acquired by such purchase, in and to the land so redeemed. The delivery of such instrument shall extinguish all right and title under the collector's deed. If a person other than the owner of the fee rightfully redeems, the instrument when duly recorded shall be notice to all persons of such payment. If the amount so paid for redemption is paid by a holder of a mortgage on the premises, the amount so paid may be added to the mortgage debt (Form 3 44-9-46).

**44-9-21. Redemption from purchaser other than town.** Any such person may so redeem by paying or tendering to a purchaser, other than the town, his legal representatives or assigns, or to the person to whom an assignment of a tax title has been made by the town, at any time prior to the filing of such petition for foreclosure, in the case of a purchaser, the original sum and any intervening taxes which have been paid to the municipality plus interest thereon at the rate of one (1%) per month and costs paid by him, plus a penalty as provided in section 44-9-19, or in the case of an assignee of a tax title from a town, the amount stated in the instrument of assignment, plus the above-mentioned penalty. He may also redeem the land by paying or tendering to the treasurer the sum which he would be required to pay to the purchaser or to the assignee of a tax title, in which case the town treasurer shall be constituted the agent of the purchaser or assignee. The right of redemption may be exercised only by those entitled to notice of the sale pursuant to sections 44-9-10 and 44-9-11. (2003)

**44-9-22. Proceedings as to low value lands unaffected by redemption provisions.** Nothing in sections 44-9-19 to 44-9-21, inclusive, nor in sections 44-9-25 to 44-9-33, inclusive, shall be construed to prevent the title of a person or a town purchasing land at a sale under sections 44-9-36 to 44-9-38, inclusive, from becoming absolute without any foreclosure proceedings under said sections.

**44-9-23. Certificate of redemption money paid to treasurer.** The treasurer shall receive any money paid to him instead of the purchaser or assignee of a tax title, and, if the period of one (1) year has not passed from the date of sale, give to the person paying it a certificate specifying the amount paid, the name of the person to whom and the real estate on which the tax was originally assessed, and the registry of deeds and the book and page of the records therein where the collector's deed and the instrument of assignment, if any, is recorded; and the recording of the certificate in said registry shall extinguish all right and title acquired under the collector's deed (Form 4 44-9-46).

(2002)

**44-9-24. Title absolute after foreclosure of redemption - Jurisdiction of proceedings.** The title conveyed by a tax collector's deed shall be absolute after foreclosure of the right of redemption by decree of the Superior Court as provided in this chapter. Notwithstanding the rules of civil procedure or the provisions of chapter 9-21, no decree shall be vacated except in a separate action instituted within one (1) year following entry of the decree and in no event for any reason, later than one (1) year following said entry of decree. Furthermore, such action to vacate shall only be instituted for inadequacy of notice **of the petition** amounting to a denial of due process or for the invalidity of the tax sale **because the taxes for which the property was sold had been paid or were not due and owing because the property was exempt from the payment of such taxes.** The Superior Court shall have exclusive jurisdiction of the foreclosure of all rights of redemption from titles conveyed by a tax collector's deed, and the foreclosure proceedings shall follow the course of equity in a proceeding provided for in sections 44-9-25 and 44-9-33, inclusive. (2006)

**44-9-25. Petition for foreclosure of redemption.** After one (1) year from a sale of land for taxes, except as provided in sections 44-9-19 to 44-9-22, inclusive, whoever then holds the title thereby acquired may bring a petition in the superior court for the foreclosure of all rights of redemption thereunder. Such petition shall set forth a description of the land to which it applies, with its assessed valuation, the petitioner's source of title, giving a reference to the place, book and page of record, and such other facts as may be necessary for the information of the court. Two (2) or more parcels of land may be included in any petition brought by any purchaser of a title or titles, if the parcels are in the same record ownership at the time of bringing the petition (Form 5 44-9-46). (2003)

(b) No more than one (1) foreclosure petition may be filed for each tax deed regardless of the number of tax title holders having an interest under such deed. If more than one (1) petition is filed the petitions shall be consolidated for hearing by the court. The court shall not award more than one (1) attorneys' fee to the petitioners. (2003)

(c) **Notwithstanding the provisions of subsection (a) of this section, no petition for foreclosure of redemption shall be filed or entertained by any court with respect to any property or title acquired by the Rhode Island Housing and Mortgage Finance Corporation pursuant to section 44-9-8.3 of the general laws until after five (5) years from the sale of said property or title for taxes.** (2006)

**44-9-25.1. Foreclosure of the rights of redemption on account of abandonment.** Notwithstanding the provisions of section 44-9-25 of this chapter, following a sale of land for taxes, whoever then holds the title thereby acquired may bring an immediate petition in the superior court for the foreclosure of all rights of redemption thereunder upon a finding by the superior court of abandonment. Said petition shall include a description of the land to which it applies, with its assessed

valuation, the petitioner's source of title, giving reference to the assessed valuation, the petitioner's source of title, giving reference to the place, book and page of the record, and such other facts as may be necessary for the information of the court. A finding of abandonment shall be made under the following circumstances.

(a) The summons initiating the proceedings for the foreclosure of all rights of redemption and directed to the taxpayer(s) at the taxpayer's premises, or at the last known address of the taxpayers, if known by the petitioner to be different from that of the taxpayer's premises, is returned not found.

(b) Upon the return of such summons as "not found", the petitioner may move the court, notice of the motion having been sent to the taxpayer by certified mail at the taxpayer's last known address, for the appointment of the code enforcement officer of the city or town or other appropriate person as an officer of the court to make a personal inquiry into the whereabouts of the taxpayer. Such an inquiry shall include visits to the taxpayer's premises, inquiries with neighbors, known relatives, employers, and any other person or entity whom the officer may reasonably conclude has information to the whereabouts of the taxpayer.

(c) If the officer of the court, upon such inquiry, is unable to ascertain the whereabouts of the taxpayer, the court may, upon hearing the report of the officer and being satisfied as to its thoroughness, enter a finding that the taxpayer's premises are abandoned, and order that all rights of redemption thereunder be immediately foreclosed on account of said abandonment.

(d) If the inquiry of the officer results in the location of the taxpayer, the taxpayer shall be ordered by the court to appear for the limited purpose of declaring his intention with regard to exercising his right of redemption over the property. If, upon making such an appearance, the taxpayer states that neither he nor anyone holding under him intends to occupy the mortgaged premises, the court may order that all rights of redemption be immediately foreclosed on account of said abandonment.

(e) Any person who willfully misrepresents facts regarding the finding of abandonment of taxpayer's premises or who engages in harassment or pressure to cause taxpayers to abandon premises or otherwise fraudulently obtains a finding of abandonment or a finding that premises have not been abandoned, shall be guilty of a misdemeanor punishable by a fine of not less than one thousand dollars (\$1,000) or thirty (30) days in prison.

(f) Actions brought under this section to foreclose the right of redemption on account of abandonment in the superior court shall be given precedence on the calendar and shall be heard not later than thirty (30) days from the initiation of such proceedings.

**44-9-25.2. Foreclosure of the rights of redemption on account of constructive abandonment by a city or town.** Notwithstanding the provisions of section 44-9-25 of this chapter, following a sale or taking of land for taxes, whenever the city or town holds the title thereby acquired, the city or town may at any time foreclose all rights of redemption thereunder upon a finding by the superior court of constructive abandonment.

If the inspector of buildings determines that said buildings **or unimproved land** are abandoned property he shall notify the record owner, and, if appropriate, the mortgagee or lessee, of his finding. Such notice shall include a statement that the inspection was conducted at the request of the local treasurer and that the failure of the record owner, or other interested party, to correct the conditions described in the notice

within thirty (30) days of receipt or publication of the notice will result in proceedings to foreclose the record owner's right of redemption. Such notice may be served in the manner required by law for the service in civil cases or may be published. The inspector of buildings shall also, at the time of service or publication, post a copy of the notice in two (2) or more convenient public places. (2006)

If at the expiration of the thirty (30) day period, the inspector of buildings is of the opinion that action has not been initiated to correct the condition described in the notice, he shall forthwith notify the local treasurer in writing under penalties of perjury, that the buildings on the land **or the unimproved land itself** have been found to be abandoned property. Such written notice shall include therein the facts and circumstances which formed the basis of his findings, and a copy of the notice served on the record owner, or if service was by publication, an account of the steps taken to locate the record owner and a copy of the published notice as well as information appearing in the records of the assessors and of the collector and tending to establish the validity of tax title on such land. If the treasurer is of the opinion that the facts and circumstances as found by the inspector of buildings are sufficient to establish that the buildings on the land **or the unimproved land** so taken or purchased are abandoned property and that the facts essential to the validity of the tax title on such land have been adequately established, he shall make an affidavit of such finding which shall be recorded in the registry of deeds for the district wherein the land lies. The treasurer shall incorporate in his affidavit the statements of the inspector of buildings and the treasurer, or such portions thereof as he finds pertinent, and when recorded, shall be prima facie evidence of such facts. (2006)

The treasurer shall make an affidavit and shall bring a petition in the superior court pursuant to section 45-9-25 for the foreclose of all rights of redemption of said land. The petition shall include a description of the land to which it applies, with its assessed valuation, the source of title giving reference to the place, book and page of record, and such other facts as may be necessary for the information of the court. A finding of constructive abandonment will be made in a situation where the owner of a property has manifested said constructive abandonment with some act or failure to act. In determining whether an owner has constructively abandoned a property, the court shall consider the following:

- (a) whether or not the property is vacant;
- (b) whether or not housing and building code violations have not been addressed;
- (c) whether or not the grounds are maintained;
- (d) whether or not the building's interior is sound;
- (e) whether or not any vandalism or damage to the building has not been repaired;
- (f) whether or not dumping regularly occurs on the property;
- (g) whether or not the property is regularly maintained (i.e. grass, litter control, etc.); and
- (h) the length of time any of the above conditions have existed.



Actions brought under this section to foreclose the right of redemption on account of constructive abandonment in the superior court shall be given precedence on the calendar and shall be heard not later than thirty (30) days from the initiation of such proceedings.

**44-9-26. Deposit by petitioner to cover costs.** The petitioner at time of filing his petition shall deposit with the clerk of the superior court a sum sufficient to cover the costs of the proceedings as estimated by the court.

**44-9-27. Examination of title - Notice to interested parties of foreclosure petition.** Upon the filing of such a petition, the petitioner shall thereafter, at his own cost, select, with the approval of the court, a title company or an attorney familiar with the examination of land titles, which said company or attorney shall make an examination of the title sufficient only to determine the persons who may be interested in the same, and the petitioner shall, upon filing of the examiner's report, notify all persons appearing to be interested, whether as equity owners, mortgagees, lienors, attaching creditors or otherwise, as well as the tax collector in the municipality where the subject property is located, of the pendency of the petition, the notice to be sent to each by registered or certified mail and return of receipt required. **In the event that any item mailed by certified mail is returned unopened, the petitioner shall send that notice to the addressee at the same address by first class regular mail, postage prepaid, and also, if the subject property is residential, petition the court for leave to serve the addressee by tacking said notice to the front door of the subject property.** Such other and further notice by publication or otherwise shall be given as the court may at any time order. (2006)

The notice, to be addressed "To all whom it may concern" shall contain the name of the petitioner, the names of all known respondents, a description of the land and a statement of the nature of the petition, shall fix the time within which appearance may be entered, and shall contain a statement that unless the party notified shall appear within the time fixed a default will be recorded, the petition taken as confessed, and the right of redemption forever barred (Form 6 44-9-46).

**44-9-28. Order as to parties in default.** After the return day fixed, to be at least twenty (20) days after the time of the actual issuance of notice, the court shall, if satisfied that the notice has been properly given, on motion of the petitioner enter an order defaulting all persons, failing to appear, and decreeing that the petition as to them be taken as confessed (Form 8 44-9-46).

**44-9-29. Redemption by party to foreclosure proceedings.** Any person claiming an interest, on or before the return day or within such further time as may on motion be allowed by the court, shall, if he desires to redeem file an answer setting forth his right in the land, and an offer to redeem upon such terms as may be fixed by the court. Thereupon, the court shall hear the parties, and may in any case in its discretion make a finding allowing the party to redeem, within a time fixed by the court, upon payment to the petitioner of an amount to cover the original sum, costs, penalties, and all subsequent taxes, costs, and interest to which the petitioner may be entitled, together with the costs of the proceeding and such counsel fee as the court deems reasonable. The court may impose such other terms as justice and the circumstances warrant.

**44-9-30. Decree barring redemption.** If a default is entered under section 44-9-28, or if redemption is not made within the time and upon the terms fixed by the court under section 44-9-29, or if at the time fixed for the hearing the person claiming the right to redeem does not appear to urge his claim, or if upon hearing the court determines that the facts shown do not entitle him to redeem, a decree shall be entered which shall forever bar all rights of redemption.

**44-9-31. Contest of validity of tax title.** If a person claiming an interest desires to raise any question concerning the validity of such a title, he shall do so by answer filed in the proceeding on or before the return day, or within such further time as may on motion be allowed by the court, or else be forever barred from contesting or raising the question in any other proceeding. He shall also file specifications setting forth the matters upon which he relies to defeat the title; and unless such specifications are so filed, all questions of the validity or invalidity of the title, whether in the form of the deed or proceedings relating to the sale, shall be deemed to have been waived. Upon the filing of the specifications the court shall hear the parties, and shall enter a decree in conformity with the law on the facts found.

**44-9-32. Recording of notices of foreclosure petition and final disposition.** Notice of filing the petition for foreclosure and notices of the final disposition thereof shall be recorded in the proper registry of deeds (Forms 7 and 10).

**44-9-33. Practice following course of equity.** Practice and procedure under chapters 7 to 9, inclusive, of this title not therein otherwise provided for, shall follow the course of equity so far as the same is applicable.

**44-9-34. Holding and disposition of land foreclosed by town.** After foreclosure by a town of the rights of redemption under a tax title, as hereinbefore provided, the land shall thereafter be held and disposed of like any land belonging to it and held for municipal purposes, and shall not while so held be assessed for taxes. Such land may be disposed of without the necessity of giving the notice provided for by section 45-3-12.

**44-9-35. Errors and irregularities in proceedings.** No tax title shall be held to be invalid by reason of any error or irregularity which is neither substantial nor misleading, whether such error or irregularity occurs in the proceedings of the collector or the assessors or in the proceedings of any other official or officials charged with duties in connection with the establishment of such tax title, or in the proceedings to foreclose the rights of redemption as set forth in sections 44-9-25 to 44-9-33, inclusive. Failure of notice under sections 44-9-9, 44-9-10 and 44-9-11 may only be raised by a party who was not sent notice, and, if failure of notice be proved, the collector's sale shall be invalid only as to that party and no other. (2003)

**44-9-36. Sale by town treasurer without foreclosure.** After one (1) year from the purchase by a town of any parcels of land for nonpayment of taxes, if the treasurer is of the opinion that such parcels are of insufficient value to meet the taxes, interest, and charges and all subsequent taxes and assessments thereon, together with the expenses of a foreclosure under section 44-9-25, and that the facts essential to the validity of the tax title on such lands have been adequately established, he may sell all such parcels, severally or together, at public auction to the highest bidder, first giving notice of the time and place of sale by publication in some public newspaper at least once a week for three (3) successive weeks before such sale, the first publication of such notice shall be at least twenty-one (21) days before the day of sale, including the day of such first publication in the computation; provided, that the treasurer at such auction may reject any bid which he deems inadequate. The treasurer shall execute and deliver to the highest

bidder whose bid has not been rejected as inadequate a deed without covenant, except that the sale has in all particulars been conducted according to law. Such deed shall not be valid unless recorded within sixty (60) days after the sale. Title taken pursuant to a sale under this section shall be absolute upon the recording of the deed of the treasurer in the proper registry of deeds within sixty (60) days (Forms 11 to 13 44-9-46).

**44-9-37. Surplus proceeds from sale without foreclosure.** If the amount received from the sale is more than the taxes, interest and charges, and subsequent taxes and assessments, on all land included in the sale, together with the expense thereof, the balance shall be deposited with the town treasurer to be paid to the person entitled thereto if demanded within five (5) years, otherwise it shall enure to the town. If such surplus results from the sale of several parcels for a lump sum, it shall be held as aforesaid for the several owners in proportion to the prices at which the several parcels were originally assessed by the town.

**44-9-38. Purchase by town at sale without foreclosure.** If no person bids at such a sale, or if no bid deemed adequate by the treasurer is made thereat, the treasurer shall then and there make public declaration of the fact, and if no bid or no bid deemed adequate as aforesaid is then made, he shall give public notice that he purchases for the town by which the tax is assessed; or if the person to whom the land is sold does not within ten (10) days pay to the treasurer the sum bid by him, the sale shall be void and the town shall be deemed to be the purchaser of the land. If the town becomes the purchaser hereunder, the treasurer shall execute to it a deed which shall set forth the fact that no bid or no bid deemed adequate as aforesaid was made at the sale or that the purchaser failed to pay the amount bid, as the case may be. Such deed shall not be valid unless recorded within sixty (60) days after the sale under this section; and the title of the town to land conveyed thereby shall be absolute upon the recording of said deed in the proper registry of deeds within such sixty (60) days (Form 14 44-9-46).

**44-9-39. Bar of persons notified of sale without foreclosure.** Any person, having a right of redemption or any other interest in the land conveyed or purporting to be conveyed under section 44-9-36 or section 44-9-38 upon whom service of the notice of sale provided in said section 44-9-36 has been made by registered or certified mail, who, prior to the sale, shall, upon the recording of the deed as required by said section 44-9-36 or section 44-9-38, be forever barred from raising any question concerning the validity of the title, conveyed thereby, and a statement contained in the treasurer's deed that such service has been made, naming the persons who were served by registered or certified mail, shall be prima facie evidence thereof (Form 12 44-9-46).

**44-9-40. Petition to establish title based on sale without foreclosure.** The holder of a title acquired under section 44-9-36 or section 44-9-38, may file in the superior court a petition to establish such title by requiring all persons who would have an interest in the land involved, except for either the petitioner's title or his claim of title originating under said section 44-9-36 or said section 44-9-38, to show cause why they should not bring an action to try any claim or claims which they may have adverse to the petitioner's title arising out of the tax proceedings upon which such title was based. The petition shall set forth on oath the petitioner's source of title, giving a reference to the place, book and page of record of the deed under said section 44-9-36 or said section 44-9-38 upon which the petitioner relies, the description of the land involved which appeared in the tax deed upon which such deed under said section 44-9-36 or said section 44-9-38 was based, the names of all persons known to the petitioner and such other facts as may be necessary for the information of the court; but the petitioner need not allege in such petition nor show during the hearing thereof any error or irregularity in the tax proceedings upon which such title depends or any other defect in such title. The petition

shall be in the alternative praying that such persons be ordered to show cause why they should not bring action to try such claim or claims or, if such persons do not appear within the time fixed or, having appeared, disobey the lawful order of the court to try their claim or claims, that the court enter a decree that they be forever barred from having or enforcing any such claim or claims adversely to the petitioner, his heirs or assigns, in the land described (Form 15 44-9-46).

**44-9-41. Notice of petition to establish title.** Upon the filing of the petition, the petitioner shall notify all such persons of the pendency of the petition, the notice to be sent to each by registered or certified mail and the return of receipt to be required. Such other and further notice by publication or otherwise shall be given as the court may at any time order. The notice, to be addressed "To all whom it may concern", shall contain the name of the petitioner, the names of all respondents named in the petition, the description of the land, and a statement of the nature of the petition, shall fix the time within which appearance may be entered and shall contain a statement that unless the persons notified shall appear within the time fixed that they shall be forever barred from having or enforcing any such claim or claims adversely to the petitioner, his heirs or assigns, in the land described.

**44-9-42. Decree on petition to establish title.** The persons so notified shall by answer show why they should not be required to bring an action to try such claim or claims, and the court shall enter an appropriate decree relative to bringing and prosecuting such action. If the persons so notified do not appear within the time fixed, or having appeared, disobey the lawful order of the court to try their claim or claims, the court shall enter a decree that they be forever barred from having or enforcing any such claim or claims adversely to the petitioner, his heirs or assigns, in the land described.

**44-9-43. Refund of purchase price when title based on collector's sale, treasurer's assignment, or sale without foreclosure adjudged invalid.** If, as the result of such a petition, the petitioner's title is determined to be invalid by the superior court because of errors or irregularities in the tax proceedings upon which it was based, the clerk upon request, shall issue a certificate to that effect. The treasurer of the town where the land affected by such title is situated, upon receipt of a deed from the petitioner conveying all of the interest which he may have under it, together with such certificate, shall refund to such holder the amount paid **therefore plus statutory interest at the rate of one percent (1%) per month from the date of payment until the date of refund, notwithstanding the provisions of section 45-15-5. The taxing authority may recover any interest paid to a tax sale purchaser under this section from the delinquent assessed owner of the property as if the tax sale of the property had not been held.** (2006)

**44-9-44. Recording of notices in proceedings to establish title.** Notice of filing the petition and notice of the final disposition thereof shall be recorded in the proper registry of deeds.

**44-9-45. Jurisdiction of proceedings to establish title-Practice and procedure.** The superior court shall have jurisdiction of petitions under sections 44-9-40 to 44-9-44, inclusive, and except as herein provided, practice and procedure under said sections shall conform as nearly as possible to the superior court practice, rules, regulations and procedure.

**44-9-46. Forms.** The following forms\* (reference to which are made below) may be used in proceedings for the collection of taxes under this chapter, and, if substantially followed, they shall be deemed sufficient for the proceedings to which they respectively relate; but other suitable forms may also be used.

<u>Form #</u>	<u>Section</u>	<u>Purpose</u>
1	44-9-18	Notice of intention to assign tax title
2	44-9-18	Instrument of assignment of tax title
3	44-9-20	Form of deed when estate is redeemed under Section 44-9-19
4	44-9-23	Treasurer's certificate of receipt of money paid for purpose of redemption
5	44-9-25	Petition to foreclose right of redemption
6	44-9-27	Citation of petition to foreclose right of redemption. Certificate of service by registered or certified mail. Certificate of service by publication
7	44-9-32	Notice of filing petition
8	44-9-28	Motion for decree pro confesso
9	44-9-30	Final decree in tax lien case
10	44-9-32	Notice of disposal in tax lien case
11	44-9-36	Notice of sale-land of low value
12	44-9-36	Notice of sale of land of low value
13	44-9-36	Treasurer's deed to a person-land of low value
14	44-9-38	Treasurer's deed to municipality-land of low value
15	44-9-40	Petition to establish title acquired under sections 44-9-36 or 44-9-38

**44-9-47. Definitions.** As used in sections 44-9-47 to 44-9-53, inclusive, unless the context requires otherwise:

- (a) "goods" means goods as defined in section 6A-9-102(a)(44).
- (b) "lien" means the lien to secure the payment of personal property taxes described in section 44-9-48.
- (c) "municipality" means any town or city of the state.
- (d) "proceeds" means proceeds as defined in section 6A-9-102(a)(64).
- (e) "purchase money security interest" means purchase money security interest as defined in section 6A-9-103.
- (f) "secured party" means a municipality.
- (g) "taxpayer" means a person with respect to whom personal property taxes have been levied by a municipality.
- (h) "tax collector" means the person receiving the tax list of a municipality and the warrant to collect the tax list.

(2005)

**44-9-48. Lien - Perfection - Priority.** If any personal property tax, other than a tax on a motor vehicle, due any municipality is not paid within the time limited by law, or if the municipality, following the assessment date for such tax, the municipality shall have a lien, upon perfection as hereinafter provided, upon the goods situated in this state and owned by the taxpayer upon the date of perfection, or upon the goods thereafter acquired by the taxpayer. The lien shall attach and become perfected at the time when a notice of lien is filed pursuant to the filing provisions of part 5 of chapter 6A-9 of the general laws, except that the signature of the taxpayer against whose property the lien is claimed shall not be required on the notice of lien. Except as hereinafter provided, upon perfection, the lien shall have priority over all subsequently perfected liens and security interests. The lien shall not attach to or be applicable to proceeds nor shall the municipality filing the notice of lien have the status of a lien creditor, as defined in section 6A-9-102(a)(52). (2005)

**44-9-49. Notice of lien - Taxpayer.** Prior to the lien being filed with the secretary of state the taxpayer shall be notified by certified mail, return receipt requested, that a lien will be filed against all goods situated in the state if said outstanding tax is not paid within seven (7) business days of receipt of this notice.

**44-9-50. Notice of lien - Secretary of state.** (a) The notice of lien, in the form prescribed herein, will be filed in the office of the secretary of state.

(b) The notice of lien will be in writing and will (i) give the names of the taxpayer and the municipality party, (ii) be signed by the tax collector of the municipality (whose signature may be a facsimile signature), (iii) give the mailing addresses of the municipality party and the taxpayer, (iv) contain a statement indicating the types, or describing the items, of collateral, (v) state the amount of taxes and interest accrued (through a date specified in the notice of lien) claimed to be due to the municipality, and (vi) state the tax year or years for which the taxes were assessed.

(c) A notice of lien in the form of the financing statement prescribed by part 4 of chapter 6A-9 of the general laws, which is adapted to comply with the requirements of subsection (b) hereof, will be sufficient for the purposes of the filing required by this section.

**44-9-51. Notice to taxpayer - After lien has been perfected.** After the lien has been filed with the secretary of state, the taxpayer shall be notified by certified mail, return receipt requested, that a lien has been perfected and said taxpayer has seven (7) business days from receipt of the certified letter to pay any outstanding taxes or request a hearing with the city or town tax collector or designee.

**44-9-52. Effective period of lien - Limitation period.** The lien shall be effective for a period of five (5) years from the date of filing of the notice of lien unless discharged as provided in section 44-9-55. A notice of lien shall not be effective if filed more than two (2) years from the date of assessment for the taxes claimed to be due.

**44-9-53. Rights and remedies of municipality and taxpayer.** A municipality which has filed a notice of tax lien and the taxpayer against whom said lien has been filed, shall have the right and remedies of a secured party and debtor, respectively, as provided for in chapter 6A-9, except that the municipality shall not have the right to propose to retain any property in satisfaction of the obligation as provided in section 6A-9-620. In proceeding to enforce said lien, the municipality shall observe the procedures applicable to a secured party under part 6 of chapter 9 of title 6A. (2005)

**44-9-54. Validity of liens.** Even though notice of a lien has been filed by a municipality, such lien shall not be valid:

(a) With respect to tangible personal property purchased at retail, as against a purchaser in the ordinary course of the seller's trade or business, unless at the time of such purchase such purchaser intends such purchase to, or knows such purchase will, hinder, evade, or defeat the collection of any tax under part 6 of chapter 9 of title 6A. (2005)

(b) With respect to a purchase money security interest, if said purchase money security interest would be prior to a conflicting security interest in the same collateral under section 6A-9-324. (2005)

**44-9-55. Discharge.** If any lien created under sections 44-9-47 to 44-9-55, inclusive, is discharged, then a certificate of discharge shall promptly be filed by the tax collector of the municipality which originally filed the notice of lien, or by the tax collector's successor, in the office of the secretary of state in the same manner as termination statements are filed under section 6A-9-513. The municipal officer who has filed the notice of lien shall file a notice of discharge of the lien in the manner provided in this section if: (a) the taxes for which the lien has been filed are fully paid together with all interest due thereon; or (b) a cash bond or surety company bond is furnished to the municipality conditioned upon the payment of the amount of the taxes together with interest due thereon, for which the notice of lien has been filed, within the effective period of the lien as hereinbefore provided; or (c) a final judgment is rendered in favor of the taxpayer or others claiming an interest in the property subject to the lien determining that the tax is not owed, or that the lien is not valid. If the judgment determines that the tax is partially owed, then the office who filed the notice of lien or his successor shall within ten (10) days of the rendition of the final judgment of the court file an amended tax lien for the actual amount of tax found to be due by the court, which amended lien shall be effective as to the revised amount of the revised amount of the lien as of the date of the filing of the original notice of tax lien, and said officer or his successor at the time of the filing of the amended tax lien shall also file a discharge of the original tax lien. (2005)

**44-9-56. Filing fees.** Municipalities will not be liable for the payment of any filing fees with respect to the filing of notices of lien or certificates of discharge in the office of the secretary of state.

**CHAPTER 44-13**  
**PUBLIC SERVICE CORPORATION TAX**

**44-13-13. Taxation of tangible personal property.** The lines, cables, conduits, ducts, pipes, machines and machinery, equipment and other tangible personal property within this state of telegraph, cable and telephone corporations and express corporations, used exclusively in the carrying on of the business of any such utility shall be exempt from local taxation; provided, however, that nothing in this section shall be construed to exempt any community antenna television system company (CATV) from local taxation, and provided further, however, that the tangible personal property of companies exempted from local taxation by the provisions of this section shall be subject to taxation in the following manner:

(1) Definitions: Whenever used in this section, and in sections 44-13-13.1 and 44-13-13.2, unless the context shall otherwise require:

(i) "average assessment ratio" shall mean the total assessed valuation as certified on tax rolls for reference year divided by the full market value of said valuation as computed by the Rhode Island department of **revenue** in accordance with section 16-7-21 of the general laws.

(ii) "average property tax rate" shall mean the statewide total property levy divided by the statewide total assessed valuation as certified on tax rolls for the most recent tax year;

(iii) "company" shall mean any telegraph, cable, telephone, or express company doing business within the state of Rhode Island;

(iv) "department" shall mean the department of **revenue**.

(v) "population" shall mean the population as determined by the most recent census;

(vi) "reference year" shall mean the calendar year two years prior to the calendar year preceding that in which the tax exempt payment provided for by this section is levied;

(vii) "value of tangible personal property" of companies shall mean the net book value of tangible personal property of each company doing business in this state as computed by the department of **revenue**. Net book value shall mean the original cost less accumulated depreciation; provided, however, that no tangible personal property shall be depreciated more than seventy-five percent (75%) of its original cost.

(2) On or before March 1 of each year, each company shall declare to the department, on forms provided by the department, the value of its tangible personal property in the state of Rhode Island on the preceding December 31.

(3) On or before April 1, 1982 and each April 1 thereafter of each year, the **division of property valuation** shall certify to the tax administrator the average property tax rate, the average assessment ratio and the value of tangible personal property of each company.



(4) The tax administrator shall apply the average assessment ratio and the average tax rate to the value of tangible personal property of each company and by April 15 of each year shall notify said companies of the amount of tax due. **For each filing relating to tangible personal property as of December 31, 2008 and thereafter the tax rate applied by the tax administrator shall be not less than the rate applied in the prior year.** (2009)

(5) Said tax shall be due and payable within sixty (60) days of the mailing of said notice by the tax administrator. If the entire tax is not paid to the tax administrator when due, there shall be added to the unpaid portion thereof, and made a part thereof, interest at the rate provided for in section 44-1-7 from the date the tax was due until the date of the payment. The amount of any tax, including interest, imposed by this section shall be a debt due from the company to the state, shall be recoverable at law in the same manner as other debts, and shall, until collected, constitute a lien upon all the company's property located in this state.

(6) The proceeds from said tax shall be allocated in the following manner:

(a) Payment of reasonable administrative expenses incurred by the department of **revenue**, not to exceed three-quarters of one percent (.0075), such payment to be identified as general revenue and appropriated directly to the department;

(b) The remainder of the proceeds shall be deposited in a restricted revenue account and shall be apportioned to the cities and towns within this state on the basis of the ratio of the city or town population to the population of the state as a whole. Estimated revenues shall be distributed to cities and towns by July 30 and may be recorded as a receivable by each city and town for the prior fiscal year.

(2006)

**44-13-13.1. Personal property tax - Application of aggrieved party for hearing.** Any company aggrieved by any action in determining the amount of any tax or assessment imposed by the provisions of section 44-13-13 may apply in writing to the tax administrator within thirty (30) days of the mailing of the notice of tax or assessment for a hearing in accordance with chapter 35 of title 42; provided, however, that the request shall not be valid unless the tax or assessment as set forth in the notice has been paid.

**44-13-13.2. Personal property tax - Application to recover.** Companies which become subject to personal property taxes by reason of the tax imposed by section 44-13-13 may file with the public utilities commission to recover such additional tax expense. The commission shall make a decision upon any application filed during the year 1982 within one hundred and eighty (180) days of said filing; provided, however, that payment of all taxes and interest due under section 44-13-13 shall be a condition precedent to said filing with the public utilities commission.

**44-13-32. Appeals.** Appeals from administrative orders or decisions made pursuant to any provisions of this chapter shall be to the sixth division district court pursuant to chapter 8 of title 8. The taxpayer's right to appeal hereunder shall be expressly made conditional upon prepayment of all taxes, interest and penalties unless the taxpayer moves for and is granted an exemption from the prepayment requirement pursuant to section 8-8-26. If the court, after appeal, holds that the taxpayer is entitled to a refund, such taxpayer shall also be paid interest on said amount at the rate provided in section 44-1-7.1.

**CHAPTER 44-13.1**  
**TAXATION OF RAILROAD CORPORATIONS**

**44-13.1-2. Assessment of amounts of tax and payments to cities and towns and fire districts.** (a) Cities and towns and fire districts shall assess the property described in section 44-13.1-1(b) [repealed] and shall apply a tax rate to the assessed value in a manner consistent with property subject to taxation under the provisions of sections 44-5-1 – 44-5-22.

(b) The amount of the tax on the property computed shall be submitted on or before October 1, 1985, and each year thereafter to the state budget offices.

(c) The state budget office shall include the amount of the tax in the state budget for the next fiscal year, and the General Assembly shall annually appropriate to the several cities and towns and fire districts any sum that may be necessary to carry out the purposes of this section.

(d) Distribution of the appropriations and receipts as referenced in section 44-13.1-3 shall be made by the state on or before July 31 of 1986 and each year thereafter and the payments may be counted as a receivable by any city or town or fire district for a fiscal year ending the preceding June 30.

(e) The state of Rhode acting through the department of **revenue** shall have the right in accordance with section 44-5-26 to seek relief from any assessment.

**44-13.1-3. Payment in lieu of taxes.** (a) Within thirty (30) days after the end of the state's fiscal year ending June 30, 1986 and within thirty (30) days after the end of each fiscal year thereafter, each corporation operating a railroad and carrying on business for profit in this state shall make a payment to the state in lieu of the taxes from which the corporation is exempted under section 44-13.1-1 [repealed]. The payment shall be in the amount equal to the sum of:

(i) The property taxes which would otherwise have been payable, without penalty or interest, by the corporation to municipalities and fire districts within the state during the fiscal year; and

(ii) All taxes otherwise payable to the state and based on the corporations' income during the fiscal year.

(b) From the payments received from the corporations pursuant to the provisions of subsection (a) (i), an account in the general fund is created, the proceeds of which are restricted to the distribution of funds to the several cities and towns and fire districts as outlined in section 44-13.1-2.

**CHAPTER 44-18**  
**SALES AND USE TAXES – LIABILITY AND COMPUTATION**

**44-18-18.1. Local meals and beverage tax.** (a) There is hereby levied and imposed, upon every purchaser of a meal and/or beverage, in addition to all other taxes and fees now imposed by law, a local meals and beverage tax upon each and every meal and/or beverage sold within the state of Rhode Island in or from an eating and/or drinking establishment, whether prepared in the eating and/or drinking establishment or not and whether consumed at the premises or not, at a rate of one percent of the gross receipts. The tax shall be paid to the tax administrator by the retailer at the time and in the manner provided.

(b) All sums received by the division of taxation under this section as taxes, penalties or forfeitures, interest, costs of suit and fines shall be distributed at least quarterly, credited and paid by the state treasurer to the city or town where the meals and beverages are delivered.

(d) This local meals and beverage tax shall be administered and collected by the division of taxation, and, unless provided to the contrary in this chapter, all of the administration, collection, and other provisions of chapter 18 and 19 of this article apply.

In recognition of the work being performed by the Streamlined Sales and Use Tax Governing Board, upon **passage of any federal law which authorizes states to require remote sellers to collect and remit sales and use taxes, effective the first (1<sup>st</sup>) day of the first (1<sup>st</sup>) state fiscal quarter following the change**, the rate imposed under section 44-18-18.1 shall be **increased from one percent (1%) to one and one-half percent (1.5%). The one and one-half percent (1.5%) rate shall take effect on the date that the state requires remote sellers to collect and remit sales and use taxes. (2013)**

**44-18-36.1. Hotel tax.** (a) There is imposed a hotel tax of five percent (5%) upon the total consideration charged for occupancy of any space furnished by any hotel in this state. The hotel tax is in addition to any sales tax imposed. This hotel tax is administered and collected by the division of taxation and unless provided to the contrary in this chapter, all the administration, collection, and other provisions of chapters 18 and 19 of this title apply. Nothing in this chapter shall be construed to limit the powers of the convention authority of the city of Providence established pursuant to the provisions of chapter 84 of the public laws, January session, 1980, except that distribution of hotel tax receipts shall be made pursuant to chapter 63.1 of title 42 rather than chapter 84.

(b) There is hereby levied and imposed, upon the total consideration charged for occupancy of any space furnished by any hotel in this state, in addition to all other taxes and fees now imposed by law, a local hotel tax at a rate of one percent (1%).

(c) All sums received by the division of taxation from the local hotel tax, penalties or forfeitures, interest, costs of suit and fines shall be distributed at least quarterly, credited and paid by the state treasurer to the city or town where the space for occupancy that is furnished by the hotel is located.

(d) **Notwithstanding the provisions of subsection (a) of this section, the city of Newport shall have the authority to collect from hotels located in the city of Newport the tax imposed by subsection (a) of this section.**

**(1) Within ten (10) days of collection of the tax, the city of Newport shall distribute the tax as provided in section 42-63.1-3. No later than the first day of March and the first day of September in each year in which the tax is collected, the city of Newport shall submit to the division of taxation a report of the tax collected and distributed during the six (6) month period ending thirty (30) days prior to the reporting date.**

**(2) The city of Newport shall have the same authority as the division of taxation to recover delinquent hotel taxes pursuant to chapter 44-19, and the amount of any hotel tax, penalty and interest imposed by the city of Newport until collected constitutes a lien on the real property of the taxpayer. (2009)**

**In recognition of the work being performed by the Streamlined Sales and Use Tax Governing Board, upon any federal law which requires remote sellers to collect and remit taxes, effective the first (1<sup>st</sup>) day of the first (1<sup>st</sup>) state fiscal quarter following the change, the rate imposed under section 44-18-36.1(b) shall be one and one-half percent (1.5%). (2011)**

**42-63.1-3. Distribution of tax.** – Except as provided in Section 42-63.1-12, the proceeds of the hotel tax shall be distributed as follows by the division of taxation and the city of Newport:

(1) Forty-seven percent (47%) of the tax generated by the hotels in the district, except as otherwise provided in this chapter, shall be given to the regional tourism district wherein the hotel is located; provided, however, that from the tax generated by the hotels in the city of Warwick, thirty-one percent (31%) of the tax shall be given to the Warwick regional tourism district established in Section 43-63.1-5(5) and sixteen percent (16%) of the tax shall be given to the Greater Providence-Warwick Convention and Visitors' Bureau established in Section 42-63.1-11; and provided further, that from the tax generated by the hotels in the city of Providence, sixteen percent (16%) of that tax shall be given to the Greater Providence-Warwick Convention and Visitors' Bureau established by Section 42-63.1-11, and thirty-one percent (31%) of that tax shall be given to the Convention Authority of the city of Providence established pursuant to the provisions of chapter 84 of the public laws of January, 1980; provided, however, that the receipts attributable to the district as defined in Section 42-63.1-5(7) shall be deposited as general revenues;

(2) Twenty-five percent (25%) of the hotel tax shall be given to the city or town where the hotel, which generated the tax, is physically located, to be used for whatever purpose the city or town decides.

(3) Twenty-one (21%) of the hotel tax shall be deposited as general revenues and seven percent (7%) to the Greater Providence-Warwick Convention and Visitors' Bureau. (2001)

**CHAPTER 44-25**  
**REAL ESTATE CONVEYANCE TAX**

**44-25-1. Tax imposed – Payment – Burden.** (a) There is imposed, on each deed, instrument, or writing by which any lands, tenements, or other realty sold is granted, assigned, transferred, or conveyed to, or vested in, the purchaser or purchasers, or any other person or persons, by his or her or their direction, when the consideration paid exceeds one hundred dollars (\$100), a tax at the rate of two dollars (\$2.00) for each five hundred dollars (\$500) or fractional part of it which is paid for the purchase of the property (inclusive of the value of any lien or encumbrance remaining at the time of sale), which tax is payable at the time of making, execution, delivery, acceptance or presenting for recording of the instrument. In the absence of an agreement to the contrary, the tax shall be paid by the grantor.

(b) In the event no consideration is actually paid for the lands, tenements, or realty, the instrument of conveyance shall contain a statement to the effect that the consideration is such that no documentary stamps are required.

(c) The tax administrator contributes to the distressed community relief program the sum of thirty cents (\$.30) per two dollars (\$2.00) of the face value of the stamps to be distributed pursuant to Section 45-13-12. The state shall retain sixty cents (\$.60) for state use. The balance of the tax is retained by the municipality collecting the tax. Provided, however, in fiscal years 2004 and 2005, from the proceeds of this tax, the tax administrator shall deposit as general revenues the sum of ninety cents (\$.90) per two dollars (\$2.00) of the face value of the stamps. The balance of the tax is retained by the municipality collecting the tax.

(2004)

**CHAPTER 44-27**  
**TAXATION OF FARM, FOREST AND OPEN SPACE LAND**

**44-27-1. Legislative declaration.** It is hereby declared (a) that it is in the public interest to encourage the preservation of farm, forest and open space land in order to maintain a readily available source of food and farm products close to the metropolitan areas of the state, to conserve the state's natural resources and to provide for the welfare and happiness of the inhabitants of the state. (b) That it is in the public interest to prevent the forced conversion of farm land, forest and open space to more intensive uses as the result of economic pressures caused by the assessment thereof for purposes of property taxation at values incompatible with their preservation as such farm, forest and open space land, and (c) that the necessity in the public interest of the enactment of the provisions of this chapter is a matter of legislative determination.

**44-27-2. Definitions.** When used in this chapter:

(1) The term “farmland” means:

(i) Any tract or tracts of land, including woodland and wasteland constituting a farm unit;

(ii) Land which is actively devoted to agricultural or horticultural use including, but not limited to: forages and sod crops; grains and feed crops; fruits and vegetables; poultry, dairy, and other livestock and their products; nursery, floral, and greenhouse products; other food or fibre products useful to people;

(iii) When meeting the requirements and qualifications for payments pursuant to a soil conservation program under an agreement with the federal government, the director of environmental management is authorized to promulgate and adopt rules and regulations defining particular categories and minimum acreages of land eligible for designation as farmland under this chapter.

(2) The term “forest land” means any tract or contiguous tracts of land, ten (10) acres or larger bearing a dense growth of trees, including any underbrush, and having either the quality of self perpetuation, or being dependent upon its development by the planting and replanting of trees in stands of closely growing timber, actively managed under a forest stewardship plan approved by the director of environmental management.

(3) The term “open space land” means any tract or contiguous tracts of undeveloped land, where said undeveloped land serves to enhance agricultural values, or land in its natural state that conserves forests, enhances wildlife habitat or protects ecosystem health, and that are:

(i) Ten (10) total acres or larger, exclusive of house site, where “house site” means the zoned lot size or one acre, whichever is smaller, and land surrounding dwellings or devoted to developed facilities, such as tennis courts, pool, etc., related to the use of the residence; or

(ii) Tracts of land of any size that are designated as open space land in the comprehensive community plan; or

(iii) Tracts of land of any size that have conservation restrictions or easements in full force and applied for as open space, which shall be taxed on an equitable basis.

(2001)

**44-27-3. Classification of farm land.** (a) An owner of land may file a written application with the director of environmental management, for its designation by said director as farm land. When such application has been made and after a filing fee of ten (10) dollars has been paid, the director shall examine the land and, if he determines that it is farm land, he shall issue a certificate in his office, furnish a copy to the owner of the land and file one copy in the office of the assessor of the city or town in which the land is located.

(b) When requested to do so by such assessor or whenever he deems it necessary, the director of environmental management, shall re-examine land designated by him as farm land, and, if he finds that it is no longer farm land, he shall send a notice to the landowner that said landowner has thirty (30) days either to bring the land into compliance or to request a formal hearing before said director. If after the thirty (30) days or after the hearing, the director has confirmed that said land is no longer farm land, he shall issue a certificate canceling his designation of such land as farm land, and furnish one copy to the owner and file one in the office of such assessor. Loss of designation by action of the director of environmental management shall make the land subject to the land use change tax provided for in 44-5-39.

(c) (1) An owner of land designated as farm land by the director of environmental management may apply for its classification as farm land on any assessment list of the city or town where it is located by filing a written application for such classification with the assessor of such city or town not earlier than thirty (30) days before nor later than thirty (30) days after the date of assessment, except that in years of revaluation not later than thirty (30) days after written notice of revaluation or in its absence after receipt of the tax bill, and if such director has not canceled his designation of such land as farm land as of a date at or prior to the date of such assessment, such assessor shall classify such land as farm land and include it as such on the assessment list.

(2) In order to maintain this classification, each year thereafter, said property owner shall submit to the assessor a certificate on a form prescribed by the assessor confirming that said land is still used in farming. The assessor shall **in the first notification** mail the forms by ~~registered or certified~~ **first class** mail not later than the thirtieth (30th) of November, **and if a second notification is needed, it shall be mailed certified.** Failure to submit said certificate by thirty (30) days after the date of assessment shall be construed as voluntary withdrawal of the classification, except that said assessor may waive this requirement for good cause. **(2013)**

(3) Notwithstanding the foregoing, whenever the owner of land designated and classified as farmland is a municipal land trust, municipal conservation commission, or private non-profit land trust annual certification shall not be required, and the classification thereof shall continue until the voluntary withdrawal of the classification by the owner, or the transfer of the land by the owner in fee simple.

(d) Application to the director of environmental management for designation as farm land shall be made upon a form prescribed by him and shall set forth a description of the land and such other information as he may require to aid him in determining whether such land qualified for such designation. An application to an assessor for classification of such land as farm land shall be made upon a form prescribed by him and shall set forth a description of the land and the date of issuance by the director of environmental management of his certificate designating it as farm land.

(e) Failure to file an application for classification of farm land within the time limit prescribed in subsection (c) and in the manner and form prescribed in subsection (d) shall be construed a waiver of the right to such classification on such assessment list.

(f) Any landowner aggrieved by (1) the cancellation of a designation under subsection (b), the denial of an application, filed in accordance with the provisions of subsections (c) and (d) hereof, by the assessor of a city or town for classification of land as farm land; or (2) the use value assessment placed on land classified as farm land by said assessor, shall have the right to file an appeal within ninety (90) days of receiving notice in writing of the denial or the use value assessment with the board of assessment review of said city or town. Should said city or town not have a board of assessment review, the city or town council shall review the appeal. The assessor shall be given the opportunity to explain either his refusal to classify such land or the assessment placed on the land so classified. The board of review or city or town council shall also consider the testimony of the landowner and the city or town's planning board and conservation commission, if they exist. They shall also seek and consider the advice of the office of state planning, the department of environmental management, the dean of the college of resource development and the conservation district in which the city or town is located.

(g) (1) The board of assessment review, or city or town council, shall not disturb the designation of the director issued pursuant to subsection (a) hereof, unless the tax assessor shall have shown by a preponderance of the evidence that such designation was erroneous.

(2) The board of assessment review or city or town council shall render a decision within forty-five (45) days of the date of filing such appeal. Decisions of the board of assessment review or city or town council shall be appealable to the superior court pursuant to the provisions of 44-27-6.

**44-27-4. Classification of forest land.** (a) An owner of not less than ten (10) acres of forest land may file a written application with the director of environmental management for its designation by said director as forest land. When such application has been made and a filing fee of ten (10) dollars is paid, the director shall examine the land, and if he determines that it is forest land, he shall issue a certificate in his office, furnish a copy to the owner of the land and file a copy in the office of the assessor of the city or town in which the land is located.

(b) (1) When requested to do so by such assessor or whenever he deems it necessary, the director of environmental management shall re-examine land designated by him as forest land, and if he finds that it is no longer forest land or if he finds that it is not being managed in accordance with the forest management plan approved by the director, he shall send a notice to the landowner that said landowner has thirty (30) days either to bring the land into compliance or to request a formal hearing before said director. If after the thirty (30) days or after the hearing, the director has confirmed that said land is no longer forest land, he shall issue a certificate canceling his designation of such land as forest land and furnish one copy to the owner and file one copy in the office of such assessor.

(2) Loss of designation by action of the director of environmental management shall make the land subject to the land use change tax provided for in 44-4-39.



(c) (1) An owner of land designated as forest land by the director of environmental management may apply for its classification as forest land on any assessment list of the city or town where it is located by filing a written application for such classification with the assessor of such city or town not earlier than thirty (30) days before nor later than thirty (30) days after the date of assessment, except that in years of revaluation, not later than thirty (30) days after written notice of revaluation or in its absence after receipt of the tax bill. And if such director has not canceled his designation of such land as forest land as of a date at or prior to the date of such assessment, such assessor shall classify such land as forest land and include it as such on the assessment list.

(2) In order to maintain this classification, each year thereafter, said property owner shall submit to the assessor a certificate on a form prescribed by the assessor confirming that said land is still managed as forest land. The assessor shall **in the first notification** mail these forms **by first class mail** ~~to the property owner~~ not later than November thirtieth (30th), **and if a second notification is needed, it shall be mailed certified.** Failure to submit said certificate by thirty (30) days after the date of assessment shall be construed as voluntary withdrawal of the classification; except that said assessor may waive this requirement for good cause. **(2013)**

(3) Notwithstanding the foregoing, whenever the owner of land designated and classified as forest land is a municipal land trust, municipal conservation commission, or private non-profit land trust annual certification shall not be required, and the classification thereof shall continue until the voluntary withdrawal of the classification by the owner or transfer of the land by the owner in fee simple.

(d) Application to the director of environmental management for designation of land as forest land shall be made upon a form prescribed by him and shall set forth a description of the land and such other information as he may require to aid him in determining whether such land qualifies for such designation, including a written forest management plan prepared by a professionally qualified forester on the director's staff or another professionally qualified forester in consultation with the landowner, with recommended management practices to be followed. An application to an assessor for classification of land as forest land shall be made on a form prescribed by such assessor and shall set forth a description of the land and the date of the issuance by the director of his certificate designating it as forest land.

(e) Failure to file an application for classification of land as forest land within the time limit prescribed in subsection (c) and in the manner and form prescribed in subsection (d) shall be considered a waiver of the right to such classification on such assessment lists.

(f) Any landowner aggrieved by (1) the cancellation of a designation under subsection (b); the denial of an application filed in accordance with the provisions of subsections (c) and (d) hereof; by the assessor of a city or town for classification of land as forest land or; (2) the use value assessment placed on land by said assessor, shall have the right to file an appeal within ninety (90) days of receiving notice in writing of the denial or the use value assessment with the board of assessment review of said city or town. Should said city or town not have a board of assessment review, the city or town council shall review the appeal. The assessor shall be given the opportunity either to explain his refusal to classify such land or the assessment placed on the land so classified. The board of review or city or town council shall also consider the testimony of the landowner and the city or town's planning board and conservation

commission, if they exist. They shall also seek and consider the advice of the office of state planning, the department of environmental management, the dean of the college of resource development and the conservation district in which the city or town is located.

(g) (1) The board of assessment review, or city or town council, shall not disturb the designation of the director issued pursuant to subsection (a) hereof, unless the tax assessor shall have shown by a preponderance of the evidence that such designation was erroneous.

(2) The board of assessment review or city or town council shall render a decision within forty-five (45) days of the date of filing such appeal. Decisions of the board of assessment review or city or town council shall be appealable to the superior court pursuant to the provisions of 44-27-6.

**44-27-5. Classification of open space land.** (a) (1) An owner of land may apply for its classification as open space land on any assessment list of a city or town by filing a written application for such classification with the assessor of such city or town, not later than thirty (30) days before nor later than thirty (30) days after the date of assessment, except in years of revaluation when said landowner may file not later than thirty (30) days after receiving written notice of revaluation or in its absence after receipt of the tax bill. Such assessor shall determine whether such land is open space and if he determines that it is open space, he shall classify such land as open space land and include it as such on such assessment list.

(2) In order to maintain this classification, each year thereafter said land owner shall submit to the assessor a certificate, on a form, prescribed by the assessor confirming that said land is still open space. The assessor shall **in the first notification** mail the forms by ~~registered or certified~~ **first class** mail not later than the thirtieth (30th) of November, **and if a second notification is needed, it shall be mailed certified.** Failure to submit said certificate by thirty (30) days after the date of assessment shall be construed as voluntary withdrawal of the classification; except that the assessor may waive this requirement for good cause. **(2013)**

(3) Notwithstanding the foregoing, whenever the owner of land designated and classified as open space land is a municipal land trust, municipal conservation commission, or private non-profit land trust annual certification shall not be required, and the classification thereof shall continue until the voluntary withdrawal of the classification by the owner, or the transfer of the land by the owner is fee simple.

(b) An application for classification of land as open space land shall be made upon a form prescribed by such assessor and shall set forth a description of the land, a general description of the use to which it is being put, and such other information as the assessor may require to aid him in determining whether such land qualifies for such classification.

(c) Failure to file an application for classification of land as open space land within the time limit prescribed in subsection (a) and in the manner and form prescribed in subsection (b) shall be considered a waiver of the right to such classification on such assessment list.

(d) Any land owner aggrieved by (1) the denial of an application, filed in accordance with the provisions of subsection (a) and (b) hereof by the assessor of a city or town for classification of land as open space land; or (2) the use value assessment placed on land classified as open space land by said assessor, shall have the right to file an appeal within ninety (90) days of receiving notice in writing of the denial or the use value assessment with the board of assessment review of said city or town. Should said city or town not have a board of assessment review, the city or town council shall review the appeal. The assessor shall be given the opportunity to explain either his refusal to classify such land or the assessment placed on the land so classified. The board of review or city or town council shall also consider the testimony of the land owner and the city or town's planning board and conservation commission if they exist. They shall also seek the advice of the office of state planning, the department of environmental management, the dean of the college of resource development and the conservation district in which the city or town is located. The board of assessment review, or city or town council, shall not disturb the designation of the director issued pursuant to subsection (a) hereof, unless the tax assessor shall have shown by a preponderance of the evidence that that designation was erroneous. The board of assessment review or city or town council shall render a decision within forty-five (45) days of the date of filing such appeal. Decisions of the board of assessment review or city or town council shall be appealable to the superior court pursuant to the provisions of 44-27-6.

**44-27-6. Appeals to superior court.** Any person or persons jointly or severally aggrieved by a decision of the board of assessment review or city or town council may appeal to the superior court for the county in which the municipality is situated by filing a complaint setting forth the reasons of appeal within ninety (90) days after such decision has been filed in the office of the board of assessment review or city or town council. The board of assessment review or city or town council shall file the original documents acted upon by it and constituting the record of the case appealed from, or certified copies thereof, together with such other facts as may be pertinent, with the clerk of the court within ten days after being served with a copy of the complaint.

When the complaint is filed by someone other than the original applicant or appellant, such original applicant or appellant and the members of the board of review or council shall be made parties to such proceedings. The appeal shall not stay proceedings upon the decision appealed from, but the court may, in its discretion, grant a stay on appropriate terms and make such other orders as it deems necessary for an equitable disposition of the appeal. If, before the date set for hearing in the superior court, application is made to the court for leave to present additional evidence before the board of assessment review or city or town council and is shown to the satisfaction of the court that the additional evidence is material and that there were good reasons for the failure to present it at the hearing before the board of review or council, the court may order that the additional evidence be taken before the board of review or council upon conditions determined by the court. The board of review or council may modify its findings and decision by reason of such additional evidence and shall file that evidence and any modification, new findings or decisions with the superior court.

The review shall be conducted by the superior court without a jury. The court shall consider the record of the hearing before the board of assessment review or city or town council and if it shall appear to the court that additional evidence is necessary for the proper disposition of the matter, it may allow any party to such appeal to present such evidence in open court, which evidence along with said record shall constitute the record upon which the determination of the court shall be made. The court shall not substitute its judgment for that of the board of assessment review or city or town council as to the weight of the evidence on question of fact. The court may affirm the decision of the board of assessment review or city or town council or remand the case for further proceedings, or may reverse or modify the decision if substantial rights of the appellant have been prejudiced because of findings, influences, conclusions or decisions which are: (1) in violation of constitutional, statutory or ordinance provisions; (2) in excess of the authority granted to the board of assessment review or city or town council by statute or ordinance; (3) made upon unlawful procedure; (4) affected by other error of law; (5) clearly erroneous in view of the reliable, probative and substantial evidence of the whole record; or (6) arbitrary or capricious or characterized by abuse of discretion or clearly unwarranted exercise of discretion.

If the taxpayer's tax be paid, whether before or after the filing of the petition, then the court shall upon a finding in favor of the petitioner give judgment for the petitioner for the sum by which he or she has been so overtaxed, or illegally taxed, plus the amount of any penalty paid thereon, with interest at the rate of twelve percent (12%) per annum thereon from the date on which the tax and penalty were paid and costs, which judgment shall be paid to the petitioner by the town treasurer out of the treasury.

**44-27-7. Rules and regulations.** The director of environmental management is authorized to promulgate such rules and regulations as he deems necessary to carry out his responsibilities and fulfill the purposes of this chapter.

**44-27-8. Availability of current values - Duties of the department of revenue.** The Department of **Revenue** shall annually publish all information which it collects that relates to land values for different types of farm, forest or open space lands. Said information shall be made available to local assessors.

**44-27-9. Change of ownership - Procedure for continuance of classification - Effect on land use change tax.** (a) Upon the change of ownership of title, as recorded in the land evidence records of such city or town, of land previously classified as farm, forest or open space land, the assessor of the city or town where said land is located shall notify the new owner that the land has been classified as farm, forest or open space and that land withdrawn from such classification is subject to the land use change tax provided for in 44-5-39. The new owner may apply to the local assessor for continuance of classification and special assessment as provided in 44-5-12. Upon certification by the new owner that the land continues its use as farm land, its management as forest land or its preservation as open space land, the assessor shall continue it as such on the assessment list and notify the director of environmental management of the change in ownership.

(b) A change of ownership of land classified as farm, forest or open space land, except for change in ownership through inheritance or interfamily transfer, where the new owner continues its classification as farm, forest or open space land, shall commence anew the computation of the period the land has been so classified for the purposes of determining the land use change tax provided for in 44-5-39.

(c) For the purposes of this section, transfer of ownership of land from an individual to a corporation wholly owned by that individual and/or his immediate family shall not be considered a change of ownership of such land. Where the owner of land classified under this chapter is a corporation, any change in ownership of ten (10) percent or more of the outstanding common stock of such corporation shall be considered a change in ownership of said land, and shall be reported to the assessor of the town or city in which the land is located.

(d) New owners of land previously classified as farm, forest or open space land who do not apply for continuance of classification as in (a) above, shall be considered to have voluntarily withdrawn the classification and will become liable for the land use change tax in effect at the time of change of ownership. Said tax shall be determined by the assessor within forty-five (45) days of the end of the re-certification period provided for in (a) above, and shall fall due at the time the use of the land is changed. Said tax shall constitute a lien against the land and shall run with the deed until the obligation is satisfied.

**44-27-10. Reclassification of land withdrawn from classification - Effect on obligations and the land use change tax.** Land, previously classified as farm, forest or open space land which was withdrawn from that classification may be reclassified as such if it still meets the requirements of this chapter. Said land shall commence anew the computation of the period for purposes of the land use change tax. Any unpaid lien obligated by the previous withdrawal shall be voided. At no time shall an obligation incurred under the provisions of this act exceed ten (10) percent of the then fair market value of the land.

**44-27-11. Powers of the board of assessment review or city or town council.** The board of assessment review or city or town council shall have the power to: (a) Retain by contract or employ counsel, appraisers, private consultants and other personnel for other service if funds are available. (b) Conduct such hearings, examinations and investigations as may be necessary and appropriate for the conduct of its operations. (c) Obtain access to public records and apply for the process of subpoena, if necessary, to produce books, papers, records and other data. (d) Require the tax assessor of a city or town to classify land as farm land, forest land or open space land if in the board's judgment said land should be so classified. (e) Change the use value assessment placed on land classified as farm land, forest land or open space land if in the board's judgment, land so classified has been incorrectly or inequitably assessed. (f) Change the fair market value placed on land subject to the land use change tax in section 44-5-39 if in the judgment of the board, the land has been appraised in excess of its fair market value at the time of the change of use or withdrawal of classification. (g) Otherwise do all things necessary for the performance of its duties.

**44-27-12. Duties of the board of assessment review or city or town council.** The board of assessment review or city or town council shall hear and render a judgment on all appeals of (1) landowners denied certification as farm land or forest land by the director of the department of environmental management or when such certification has been canceled; (2) tax assessors aggrieved by the certification of land as farm land or forest land by the director of the department of environmental management; (3) landowners denied classification as farm, forest and open space land by the local assessor; (4) landowners aggrieved by the use value assessment set by the local assessor; (5) landowners appealing the fair market value set by the local assessor for use in determining the land use change tax payable under the provisions of 44-5-39 - 44-5-41.

**44-27-13. Severability.** If any clause, sentence, paragraph or part of this chapter shall for any reason be judged invalid by any court of competent jurisdiction, such judgment shall not affect, impair or invalidate the remainder thereof but shall be confined in its operation to the clause, sentence, paragraph, or part thereof directly involved in the controversy in which such judgment shall have been rendered.

**2-4-3.1. Rhode Island Farm, Forest and Open Space Land Value Subcommittee.**

(a) There is hereby created the “Rhode Island Farm, Forest, and Open Space Land Value Subcommittee” (the subcommittee) to recommend the methodology and values for the assessment of land for property taxation on the basis of current use for farm, forest, and open space lands, as established by Chapter 44-27 and 44-5-12. The values recommended by the subcommittee, upon review and approval by the state conservation committee, shall be made available to local tax assessors and such value shall be the recommended maximum current use value per acre at which such land classifications can be assessed. (1999)

(b) The subcommittee shall consist of the following twelve (12) members: the chair of the state conservation committee, or designee; three (3) local tax assessors appointed by the governor; the director of the Department of Administration, or designee; the chief of the Department of Environmental Management’s Division of Agriculture, or designee; the chief of the Department of Environmental Management’s Division of Forest Environment, or designee; the dean of the University of Rhode Island’s College of Natural Resources, or designee; two (2) public members who shall be appointed by the Speaker of the House, one of whom shall be a landowner currently enrolled under the forest land provision of Chapter 44-27 and one of whom shall be a landowner currently enrolled under the farm land provision of Chapter 44-27, each of which appointments to be selected from not less than three (3) persons recommended by the Rhode Island Agricultural Council; and two (2) public members who shall be appointed by the president of the Senate at least one of whom shall be a member of a Land Trust and shall be selected from not less than three (3) persons recommended by the state conservation committee. Each appointed member of the subcommittee shall serve for a term of three (3) years, and shall serve until his or her successor has been appointed and qualified. (2001)

(c) The state conservation committee shall provide the subcommittee’s list of current use values for farm, forest, and open space land to each tax assessor, through the Department of Administration, on or before February 15 of each year in which the subcommittee is required to determine such figures. (1999)

(d) The subcommittee shall abide by the rules governing the state conservation committee, as provided in Section 5 of this Chapter; prior to the adoption of the rules a simple majority of the members of the subcommittee, as provided for in subsection (b) of this section, shall be necessary for a quorum, which quorum shall by majority vote have the power to conduct business in the name of the subcommittee. (1999)

**CHAPTER 44-34**  
**EXCISE ON MOTOR VEHICLES AND TRAILERS**

**44-34-1. Motor vehicle and trailer excise tax.** There is hereby created an excise tax on motor vehicles for the state of Rhode Island. The cities and towns are hereby authorized to administer and collect said excise on registered motor vehicles and trailers in lieu of property tax.

**44-34-2. Assessment-Valuation-Proration-Abatement and cancellation-Exemptions from tax.** Except as hereinafter provided, the tax assessors of each city and town shall assess and levy in each calendar year on every vehicle and trailer registered under chapter 3 of title 31 for the privilege of such registration, an excise measured by the value thereof, as hereinafter defined and determined. For the purpose of this excise, the value of each such vehicle shall be determined in accordance with the regulations of the vehicle value commission. Provided, that any vehicle which is more than twenty-five (25) years old, whether or not the same is an antique motor car as defined in section 31-1-3(a) shall be deemed to possess an average retail value of five hundred dollars (\$500.00). Provided further, that any vehicle more than twenty-five (25) years old on June 16, 1987, whether or not the same is an antique motor car as defined in section 31-1-3(a) shall be deemed to have an average retail value of five hundred dollars (\$500.00) or its actual retail value whichever is less. Provided, further the minimum excise tax on any vehicle, if registered to the same owner for a full year or portion thereof, shall not be less than five dollars (\$5.00) unless said registration is transferred to one (1) or more additional vehicles or trailers, in which case the minimum or combined excise taxes shall be not less than five dollars (\$5.00). Provided, further, that beginning in fiscal year 2001 the assessor may, but shall not be required to, issue minimum tax bills as authorized by this section or any general or public law. Beginning in fiscal year 2002 and thereafter, the assessor shall not issue minimum tax bills, notwithstanding any general or public law to the contrary. The assessor may waive the excise tax on any vehicle where the annual levy would be less than five dollars (\$5.00), provided, however, that the state shall not provide reimbursement for any such waiver. (2000)

Vehicle and trailer excises shall be prorated over the calendar year prior to the year in which said excises are levied and billed, said year hereinafter being referred to as the calendar year of proration.

The excise levy on every vehicle and trailer registered under chapter 3 of title 31 shall be based on the ratio that the number of days such vehicle or trailer is registered is to the number of days in the calendar year of proration.

If during the calendar year of proration, the owner of a vehicle or trailer subject to such excise moves permanently with his or her vehicle to another state and cancels his or her registration in this state and returns the registration plates, the vehicle shall be exempt from excise for the ensuing year.

The term "year of manufacture" as used in this section, shall mean the year used by the manufacturer of the vehicle or trailer in connection with the designation by him or it of the model of such vehicle or trailer. Where the presumptive price of a vehicle or trailer is not readily obtainable, or special equipment is installed on the vehicle or trailer, the tax assessors shall prescribe the retail price to be used or the manner in which the retail price shall be determined.

Nothing in this section shall be construed to prevent the city council of any city or the town council of any town from granting an abatement, in whole or in part, when there is an error in the assessment of a tax, and the tax assessors have certified to the fact in writing to the city or town council to cancel taxes setting forth the nature of the error, the valuation of the vehicle or trailer, the amount of the tax assessed and the name of the person to whom the vehicle or trailer was taxed.

The city or town council may cancel, in whole or in part, an excise tax assessed to a person who has died leaving no estate, or a person who has moved from the state, and the tax collector or person acting in the capacity of tax collector certifies to said city or town council the facts of the case.

The excise imposed by this section shall not apply to vehicles or trailers owned by the state of Rhode Island or any political subdivision thereof, or to vehicles or trailers owned by a corporation, association or other organization whose tangible personal property is exempt under section 44-3-3, subparagraphs (1) through (15), or to vehicles assessed and taxed under section 44-13-13, or those owned by the United States government. Farm vehicles shall be exempt to the extent prescribed in section 44-5-42.

**44-34-3. Assessment roll-Rate-Payment-Penalty upon nonpayment.** The assessor, on the basis of a list of uniform values for motor vehicles prepared by the Rhode Island Vehicle Value Commission pursuant to section 44-34-8 shall make a list containing the value of every vehicle and trailer in the town which is subject to the provisions of section 44-34-2, said values to be at the average retail price as determined under section 44-34-2 or at a uniform percentage thereof, not to exceed one hundred percent (100%), to be determined by the assessors in each city or town; provided, further, that motor vehicles owned, leased, or utilized by rental companies, as those terms are defined in section 31-34.1-1, shall not be valued for excise tax purposes at an amount greater than the National Automobile Dealers Association average retail value for new vehicles for the year and vehicle model in question, **except in Pawtucket.**

The excise tax levy shall be applied to the excise assessment roll at the same rate established by the assessors for all other property except manufacturer's machinery and equipment in accordance with section 44-5-22 and the resulting tax roll certified by the assessors to the town clerk, town treasurer or tax collector, as the case may be, not later than the fifteenth (15th) day of June next succeeding; **except in the following communities: Lincoln, Pawtucket and Woonsocket.**

If any vehicle or trailer liable to taxation in any city or town has been omitted from the tax roll, the tax assessor shall assess such vehicle or trailer on a supplemental excise assessment roll and shall certify same to the tax collector after the fifteenth (15) day of June, but not later than the thirty-first (31st) day of December next succeeding.

As soon thereafter as possible, the tax collector shall cause excise bills to be sent by first class mail to all persons, corporations, partnerships, joint stock companies, or associations that have registered vehicles or trailers during the calendar year of proration. Such bills shall be paid in accordance with section 44-5-7 at the same time and on the same schedule as property tax bills. Failure to pay such excise at the time appropriated shall bring about a penalty of eighteen percent (18%) per annum, or, for any city or town fiscal year commencing between January 1, 1980 and December 31, 1980 after approval by the proper local authority, at the same rate of interest as that which is applied to delinquent property taxes in the taxing jurisdiction, **except in Cranston.**



Failure by the tax collector to send, or by the taxpayer to receive, a bill shall not excuse the nonpayment of the tax or affect its validity or any proceedings for the collection thereof.

This section does not apply to any and all entities which are exempt from such excise as set forth in section 44-34-2.

**44-34-4. Vehicle and trailer tax situs - Apportionment for interstate fleets.**

Tax situs of each such vehicle or trailer shall be in the town or city of permanent abode of the owner at the end of the calendar year of proration if an individual, or at the principal place of business in this state, if a partnership, corporation, joint stock company or association, except that if a vehicle or trailer is customarily kept in some other town or city, then tax situs will be in that municipality. Rented or leased vehicles shall have tax situs in the town or city where they are customarily kept by such renter or lessee if the rental or leasing contracts are long term. For the purpose of this chapter, long term contracts shall be for six (6) months or more. If vehicles are rented or leased for less than six (6) months or on a transient basis, then tax situs for such vehicles shall be the town or city where the leasing company or agency stores such vehicles when they are not being rented or leased.

However, in the case of fleets of vehicles and trailers engaged in interstate commerce the following rules of just apportionment shall apply: (1) if the fleet owner has a terminal where a number of its vehicles is parked, then the average number of vehicles so parked in proportion to its total fleet value shall determine the excise; (2) if the fleet owner does not have vehicles parked in this state but has a pickup and drop off station, then the number of miles traveled by its fleet in this state in proportion to the total number of miles traveled by its fleet shall be the percentage of the total value of its fleet used to determine the excise.

Tax situs for such a fleet shall be the town or city where such terminal or station is located.

In the case of more than one pickup and drop off station of a fleet owner located in this state, the communities in which such stations are situated shall share equally the excise levied against such fleet owner.

The tax assessor may require an owner to disclose any or all information necessary to determine tax situs and value of such vehicles and trailers that are subject to excise. If such owner fails to supply the requested information, then the tax assessor shall assess such vehicles and trailers at what he deems to be their value and such owner, if overtaxed, shall have no remedy therefor.

**44-34-4.1. Exemptions for buses, trucks and trailers in interstate commerce.**

(a) Notwithstanding any provision of the general laws to the contrary the operation of a ~~bus~~, truck, or trailer by a ~~bus~~ or trucking company in interstate commerce shall not be subject to the provisions of the excise tax imposed by this chapter, on the condition that the ~~bus~~, truck and/or trailer be utilized exclusively in interstate commerce.

**(b) Notwithstanding any provision of the law or regulation to the contrary, the operation of a bus by a bus company in interstate commerce shall not be subject to the provisions of the excise tax imposed by this chapter, on the condition that the bus is used eighty percent (80%) or more of the time in interstate commerce and provided that the bus company shall provide a properly executed affidavit attesting**

**to the fact that the bus is used no less than eighty percent (80%) of the time in interstate commerce. (2012)**

**44-34-5. Veterans' and other property tax exemptions.** Those veterans, gold star parents and blind persons who qualify for property tax exemption under section 30-22-1 through 4 and sections 44-3-4, 5 and 12 of the general laws shall have such exemption applied to his real estate and tangible and personal property other than registered vehicles or trailers in the communities where they reside as set forth in said sections. However, if there is not sufficient property to exhaust such exemption, the balance of the exemption shall be applied to the excise tax on his motor vehicle or trailer. The amount of the exemption shall not exceed the amount of excise levied on those vehicles owned by such person.

**44-34-6. Fire districts.** The provisions of this chapter shall apply in all respects in the case of taxes assessed upon motor vehicles by any fire district. Effective with the year 2000 tax roll based upon values of December 31, 1999, the authority of fire districts as authorized by general or public law to levy such excise taxes on motor vehicles is hereby eliminated and each district shall be reimbursed for one hundred percent (100%) of current year lost revenues based upon what the levy net of personal exemptions would otherwise have been. Such reimbursement shall be based upon submission of information to the Department of Revenue on the dates specified in section 44-34.1-2 of the general laws, and reimbursements shall be paid on the dates specified in that section. Future year reimbursements **through fiscal year 2010** shall be based upon the year 2000 tax roll and values of December 31, 1999 and indexed by applying the annual change in the December Consumer Price Index – all urban consumers (CPI-U). **For fiscal year 2011 and thereafter the state shall not reimburse fire districts pursuant to this chapter. Provided, for fiscal year 2011, and thereafter, the authority of fire districts to levy excise taxes shall be deemed restored. The year 2010 tax roll shall be based upon values of December 31, 2009, with corresponding adjustments made for each subsequent year based on the valuation of vehicles as of December 31 of the year preceding the tax. (2010)**

**44-34-7. Severability.** If any provision of this chapter is held invalid, the remainder of this chapter and the application of its provisions shall not be affected thereby.

**44-34-8. Appeal procedure.** (a) Any taxpayer aggrieved by a valuation may appeal that valuation to the tax assessor within thirty (30) days of notice of valuation. When the valuation of the vehicle has been made by the assessor, the assessor shall render a decision within ten (10) days of the filing of the appeal. When the valuation of the vehicle has been made by the R. I. Vehicle Valuation Commission the assessor shall forward the appeal on the form provided by the commission to the R. I. Vehicle Valuation Commission within ten (10) days. The commission shall transmit its decision to the tax assessor within twenty (20) days of the receipt of the appeal. The tax assessor shall notify the aggrieved taxpayer by writing of the commission decision within ten (10) days of the receipt of the commission decision.

(b) Within thirty (30) days of the notification of the decision of the tax assessor or the commission, an aggrieved taxpayer may appeal the decision to the district court for the judicial division within which the city or town is located.

(c) Appeal to supreme court. A party aggrieved by a final order of the district court may seek review thereof in the state supreme court by writ of certiorari. The petition for a writ of certiorari shall set forth the errors claimed. Upon the filing of such

a petition with the clerk of the supreme court, the supreme court may, if it sees fit, issue its writ of certiorari to the district court to certify to the supreme court the record of the proceeding under review, or so much thereof as was submitted to the district court by the parties, together with any additional record of the proceedings in the district court.

**44-34-9. Valuation of motor vehicles.** For the purpose of the imposition of an excise tax upon motor vehicles, the tax assessor shall determine the value of each motor vehicle in accordance with the following procedures::

(a) Each vehicle and trailer of the same make, type, model and year of manufacture in this state shall be deemed to have one uniform statewide value to be utilized in each city and town, except in those instances where no uniform value is established pursuant to the rules of the vehicle value commission section 44-34-11 or where a value is established by the assessor pursuant to section 44-34-2.

(b) The uniform value of each type of vehicle and trailer shall be determined by the Rhode Island vehicle value commission or in accordance with the rules of the vehicle value commission.

(c) The value of each vehicle or trailer or each type vehicle or trailer not established by the Rhode Island vehicle value commission shall be determined by the assessor of the city or town in which the vehicle or trailer is registered. In making such determination a uniform flat value for such vehicles in such municipality may be utilized by the assessor.

**44-34-11. Rhode Island vehicle value commission.** (a) There is hereby authorized, created, and established the "Rhode Island vehicle value commission" whose function it is to establish presumptive values of vehicles and trailers subject to the excise tax.

(b) The commission shall consist of the following seven (7) members as follows:

(1) the director of the department of **revenue** or his/her designee from the department of **revenue**;

(2) five (5) local tax officials named by the governor, at least one of whom shall be from a city or town under ten thousand (10,000) population and at least one of whom is from a city or town over fifty thousand (50,000) population, in making these appointments the governor shall give due consideration to the recommendations submitted by the President of the Rhode Island League of Cities and Towns and each appointment shall be subject to the advise and consent of the senate;

(3) and one motor vehicle dealer appointed by the governor upon giving due consideration to the recommendation of the director of **revenue** and subject to the advice and consent of the senate,

(4) All members shall serve for a term of three (3) years.

(5) Current legislative appointees shall cease to be members of the commission upon the effective date of this act. Non-legislative appointees to the commission may serve out their terms whereupon their successors shall be appointed in accordance with this act. No one shall be eligible for appointment to the commission unless he or she is a resident of this state.

(6) Public members of the commission shall be removable by the governor pursuant to section 36-1-7 of the Rhode Island general laws for cause only, and removal solely for partisan or personal reasons unrelated to capacity or fitness for the office shall be unlawful.

**(7) The governor shall appoint a chairperson from the commission's members. The commission shall elect from among its members others officers as it may deem appropriate.**

(c) Said commission shall annually determine the presumptive values of vehicles and trailers subject to the excise tax in the following manner:

(1) Not earlier than September 30 and not later than December 31 of each year, said commission shall by rule adopt a methodology for determining the presumptive value of vehicles and trailers subject to the excise tax which shall give due consideration to the following factors:

(i) The average retail price of similar vehicles of the same make, model, type and year of manufacture as reported by motor vehicle dealers or by official used car guides, such as that of the national automobile dealers association for New England. Where such regional guides are not available, the commission shall use other publications deemed appropriate; and

(ii) Such other information concerning the average retail prices for make, model, type and year of manufacture of motor vehicles as the director of the Rhode Island vehicle value commission may deem appropriate to determine fair values.

(2) On or before February 1 of each year, it shall adopt a list of values for vehicles and trailers of the same make, model, type and year of manufacture as of the preceding December 31 in accordance with the methodology adopted between September 30 and December 31; said list shall be subject to a public hearing at least five (5) business days prior to the date of its adoption.

(3) Nothing herein shall be deemed to require said commission to determine the presumptive value of vehicles and trailers which are unique, to which special equipment has been added or to which special modifications have been made, or for which adequate information is not available from the sources referenced in subparagraph 1 of this subsection, provided, however, said commission may consider such factors in its lists or regulations.

(4) Said commission shall annually provide the list of presumptive values of vehicles and trailers to each tax assessor on or before the fifteenth (15th) day of February of each year.

(d) Said commission shall adopt rules governing its organization and the conduct of its business; prior to the adoption of said rules, the chair shall have the power to call meetings, and a simple majority of the members of the commission, as provided for in subsection (b) of this section, shall be necessary for a quorum, which quorum shall by majority vote have the power to conduct business in the name of the commission. The commission may adopt rules and elect from among its members such other officers as it deems necessary.

(e) Said commission shall have the power to contract for such professional services as it deems necessary for the development of the methodology for determining

presumptive values, for calculating presumptive values according to the methodology, and for preparing the list of presumptive values in a form and format that is generally usable by cities and towns in their preparation of tax bills. Said commission shall also have the power to incur such expenses as are reasonable in the conduct of its business as required by this chapter and to authorize payments for the same.

(f) Commission members shall receive no compensation for the performance of their duties but may be reimbursed for their reasonable expenses incurred in carrying out such duties.

(g) Said commission shall respond to petitions of appeal by local boards of review in accordance with the provisions of section 44-34-9(a).

(h) Said commission shall establish by rule, procedures for adopting an annual budget and for administering its finances. After July 1, 1986 one-half (1/2) of the cost of the commission's operations shall be borne by the state and one-half (1/2) shall be borne by cities and towns, within the state with the city and town share distributed among cities and towns on a per capita basis.

(i) Within ninety (90) days after the end of each fiscal year, the commission shall approve and submit an annual report to the governor, the speaker of the house of representatives, the president of the senate, and the secretary of state of its activities during that fiscal year. The report shall provide: an operating statement summarizing meetings or hearings held, meeting minutes if requested, subjects addressed, decisions rendered, rules or regulations promulgated, studies conducted, policies and plans developed, approved, or modified, and programs administered or initiated; a consolidated financial statement of all funds received and expended including the source of the funds, a listing of any staff supported by these funds, and a summary of any clerical, administrative or technical support received; a summary of performance during the previous fiscal year including accomplishments, shortcomings and remedies; a synopsis of hearings, complaints, suspensions, or other legal matters related to the authority of the commission; a summary of any training courses held pursuant to subsection 44-34-11(i), a briefing on anticipated activities in the upcoming fiscal year; and findings and recommendations for improvements. The report shall be posted electronically on the general assembly and the secretary of state's websites as prescribed in section 42-20-8.2 of the Rhode Island general laws. The director of the department of **revenue** shall be responsible for the enforcement of this provision. (2007)

**44-34-12. Cooperation of state agencies.** The department of **revenue** shall provide space and secretarial and clerical services to the Rhode Island vehicle value commission without charge to the commission. The department of transportation and the department of **revenue** shall provide, consistent with law, such information as is in their possession, which the commission determines to be useful or necessary in the conduct of its responsibilities. (2006)

**44-34-13. Tax exemption on vehicles adapted for persons who are disabled.** The city or town councils of the various cities and towns may, by ordinance, exempt from taxation up to fifty percent (50%) of the value of any motor vehicle that is necessary to transport a family member with a disability or where the vehicle has been specially adapted to meet the specific needs of the person with a disability. This exemption shall apply to not more than one motor vehicle owned and registered for personal, noncommercial use. After the assessors have allowed an exemption under this paragraph no further evidence of the existence of the facts required by this paragraph shall be required in any subsequent year in the city or town in which the exemption has been so

allowed. For the purpose of this subsection the term “special adaptations” shall include, but not be limited to: wheelchair lifts; wheelchair carriers; wheelchair ramps; wheelchair securements; hand controls; steering devices; extensions, relocations and crossovers of operator controls; power assisted controls; raised tops or dropped floors; raised entry doors; or alternative signalling devices to auditory signals. For the purpose of this subsection “specially adapted motor vehicle” shall mean a motor vehicle with a special adaptation provided the cost of the special adaptation meets or exceeds seven percent (7%) of the value of the motor vehicle, **except in Johnston.** (2005)

**44-34-14. Exemption for certain vehicles in the town of Warren.** (2006)

**CHAPTER 44-34.1  
THE MOTOR VEHICLE AND TRAILER TAX ELIMINATION ACT OF 1998**

**44-34.1-1. Excise tax phase out.** (a) Notwithstanding the provisions of chapter 34 of title 44 or any other provisions of the general laws to the contrary, the motor vehicle and trailer excise tax established by section 44-34-1 may be phased out. The phase out shall apply to all motor vehicles and trailers, including leased vehicles. (2005)

Lessors of vehicles that pay excise taxes directly to municipalities shall provide lessees, at the time of entering into the lease agreement, an estimate of annual excise taxes payable throughout the term of the lease. In the event the actual excise tax is less than the estimated excise tax, the lessor shall rebate annually to the lessee the difference between the actual excise tax and the estimated excise tax. (2000)

(b) Pursuant to the provisions of this section, all motor vehicles shall be assessed a value by the vehicle value commission. Said value shall be assessed according to the provisions of section 44-34-11(c)(1) – and in accordance with the terms as defined herein, provided, however, that the maximum taxable value percentage applicable to model year values as of December 31, 1997 shall continue to be applicable in future year valuations aged by one year in each succeeding year. (2000)

(c)(1) The motor vehicle excise tax phase out shall commence with the excise tax bills mailed to taxpayers for the fiscal year 2000; provided, however, that the phase out, beyond fiscal year 2003, shall be subject to annual review and appropriation by the general assembly. The tax assessors of the various cities and towns and fire districts shall reduce the average retail value of each vehicle assessed by using the prorated exemptions from the following table:

<u>Local Fiscal Year Exempt from value</u>	<u>Local Exemption</u>	<u>State fiscal year Reimbursement</u>
fiscal year 1999	0	\$1,500
fiscal year 2000	\$1,500	\$2,500
fiscal year 2001	\$2,500	\$3,500
fiscal year 2002	\$3,500	\$4,500
fiscal years 2003, 2004 and 2005	\$4,500	\$4,500
fiscal year 2006	\$5,000	\$5,000
for fiscal year 2007	\$6,000	\$6,000

for fiscal years 2008, **2009 and 2010** the exemption and the state fiscal year reimbursement shall be increased, at a minimum, to the maximum amount to the nearest two hundred and fifty dollar (\$250) increment within the allocation of one and twenty-two hundredths percent (1.22%) of net terminal income derived from video lottery games pursuant to the provisions of section 42-61-15, and in no event shall the exemption in any fiscal year be less than the prior fiscal year.

**for fiscal year 2011 and thereafter, the exemption shall be five hundred dollars (\$500). Cities and towns may provide an additional exemption; provided, however, any such additional exemption shall not be subject to reimbursement. (2010)**

(2) The excise tax phase out shall provide levels of assessed value reductions until the tax is eliminated or reduced as provided within. (2002)

(3) Current exemptions shall remain in effect as provided within. (2002)

(4) The excise tax rates and ratios of assessment shall be maintained at a level identical to the level in effect for fiscal year 1998 for each city, town, and fire district; provided, however, in the Town of **Johnston** the excise tax rate and ratios of assessment shall be maintained at a level identical to the level in effect for fiscal year 1999 levels; ~~and in no event shall the final taxable value of a vehicle be higher than assessed in the prior fiscal year~~— and the levy of city, town, or fire district shall be limited to the lesser of the maximum taxable value or net assessed value for purposes of collecting the tax in any given year. **Provided, however, for fiscal year 2011 and thereafter, the rates and ratios of assessment may be less than but not more than the rates described in this subsection (4).** (2010)

(d) Definitions:

(1) Maximum taxable value: The value of vehicles as prescribed by 44-34-11 of the R.I. general laws reduced by the percentage of assessed value applicable to model year values as determined by the Rhode Island Vehicle Value Commission as of December 31, 1997 for the vehicles valued by the commission as of December 31, 1997. For all vehicle value types not valued by the Rhode Island Vehicle Value Commission as of December 31, 1997, the maximum taxable value shall be the latest value determined by a local assessor from an appropriate pricing guide, multiplied by the ratio of assessment used by that city, town, or fire district for a particular model year as of December 31, 1997. (2000)

(2) Net assessed value: The motor vehicle values as determined in accordance with section 44-34-11 less all personal exemptions allowed by cities, towns, fire districts, and the state of Rhode Island exemption value as provided for in 44-34.1-1 (c)(1). (2000)

**(e) If any provision of this chapter shall be held invalid by any court of competent jurisdiction, the remainder of this chapter and the applications of the provisions hereof shall not be effected thereby.** (2006)

**44-34.1-2. City and town and fire district reimbursement.** (a) In fiscal years 2000 through 2008, cities and towns and fire districts shall receive reimbursements, as set forth within, from state general revenues equal to the amount of lost tax revenue due to the phase out or reduction of the excise tax. Cities and towns and fire districts shall receive advance reimbursements through state fiscal year 2002. In the event the tax is phased out, cities and towns and fire districts shall receive a permanent distribution of sales tax revenue pursuant to section 44-18-18 in an amount equal to any lost revenue resulting from the excise tax elimination. Lost revenues shall be determined using a base tax rate fixed at fiscal year 1998 levels for each city, town, and fire district except that the Town of **Johnston's** base tax rate shall be fixed at a fiscal year 1999 level. **Provided, however, for fiscal year 2011 and thereafter, the base rate may be less than but not more than the rates described in this subsection (a).** (2010)

(b)(1) The Director of Administration shall determine the amount of general revenues to be distributed to each city and town and fire district for the fiscal years 1999 and thereafter such that every city and town and fire district is held harmless from tax loss resulting from this act, assuming that tax rates are indexed to inflation through fiscal 2003. (2005)



(2) The Director of Administration shall index the tax rates for inflation by applying the annual change in the December consumer price index - all urban consumers (CPI-U), published by the Bureau of Labor Statistics of the United States Department of Labor, to the indexed tax rate used for the prior fiscal year calculation; provided that for state reimbursements in fiscal years 2004 and thereafter, the indexed tax rate shall not be subject to further CPI-U adjustments. The Director shall apply the following principles in determining reimbursements: (2003)

(i) Exemptions granted by cities and towns and fire districts in the fiscal year 1998 must be applied to assessed values prior to applying the exemptions in section 44-34.1-1(c)(1). Cities and towns and fire districts will not be reimbursed for these exemptions. (1998)

(ii) City, town, and fire districts shall be reimbursed by the state for revenue losses attributable to the exemptions provided for in 44-34.1-1 and the inflation indexing of tax rates through fiscal 2003; provided, however, that reimbursement for revenue losses shall be calculated based upon the difference between the maximum taxable value less personal exemptions and the net assessed value. (2003)

(iii) Inflation reimbursements shall be the difference between:

(a) The levy calculated at the tax rate used by each city and town and fire district for fiscal year 1998 after adjustments for personal exemptions but prior to adjustments for exemptions contained in section 43-34.1-1(c)(1), provided, however, that for the Town of **Johnston** the tax rate used for fiscal year 1999 shall be used for the calculation and (1999)

(b) The levy calculated by applying the appropriate cumulative inflation adjustment through state fiscal 2003 to the tax rate used by each city and town and fire district for fiscal year 1998; provided, however, that for the Town of **Johnston** the tax rate used for fiscal year 1999 shall be used for the calculation, after adjustments for personal exemptions but prior to adjustments for exemptions contained in section 44-34.1-1. (2003)

(c)(1) Funds shall be distributed to the cities and towns and fire districts as follows: (1998)

(i) On October 20, 1998 and each October 20th thereafter through October 20, 2001, twenty-five percent (25%) of the amount calculated by the Director of Administration to be the difference for the upcoming fiscal year, **except in East Providence**. (2002)

(ii) On February 20, 1999 and each February 20th thereafter through February 20, 2002, twenty-five percent (25%) of the amount calculated by the Director of Administration to be the difference for the upcoming fiscal year, **except in East Providence**. (2002)

(iii) On June 20, 1999 and each June 20th thereafter through June 20, 2002, fifty percent (50%) of the amount calculated by the Director of Administration to be the difference for the upcoming fiscal year, **except in East Providence**. (2002)

(iv) On August 1, 2002 and each August 1 thereafter, twenty-five percent (25%) of the amount calculated by the director of administration to be the difference for the current fiscal year. (2005)

(v) On November 1, 2002 and each November 1 thereafter, twenty-five percent (25%) of the amount calculated by the director administration to be the difference for the current fiscal year. (2005)

(vi) On February 1, 2003 and each February 1 thereafter, twenty-five percent (25%) of the amount calculated by the director of administration to be the difference for the current fiscal year. (2005)

(vii) On May 1, 2003 and each May 1 thereafter, **except May 1, 2010**, twenty-five percent (25%) of the amount calculated by the director of administration to be the difference for the current fiscal year. (2010)

**(viii) On June 15, 2010, twenty-five percent (25%) of the amount calculated by the director of administration to be the difference for the current fiscal year.** (2010)

Provided, however, the February and May payments, **and June payment in 2010**, shall be subject to submission of final certified and reconciled motor vehicle levy information. (2010)

(2) Each city, town, or fire district shall submit final certified and reconciled motor vehicle levy information by August 30 of each year. Any adjustment to the estimated amounts paid in the previous fiscal year shall be included or deducted from the payment due November 1. (2002)

(3) On any of the payment dates specified in subsections (i) through (iii), the Director shall be authorized to deduct previously made overpayments or add supplemental payments as may be required to bring such reimbursements into full compliance with the requirements of this chapter. (2000)

(5) **When** the tax is phased out, funds distributed to the cities and towns and fire districts for the following fiscal year shall be calculated as the funds distributed in the fiscal year of the phase-out. Twenty-five percent (25%) of the amounts calculated shall be distributed to the cities and towns and fire districts on August 1, in the fiscal year of the phase-out, twenty-five percent (25%) on the following November 1, twenty-five percent (25%) on the following February 1, and twenty-five percent (25%) on the following May 1. The funds shall be distributed to each city and town and fire district in the same proportion as distributed in the fiscal year of the phase-out. (2006)

(6) **When** the tax is phased out to August 1, of the following fiscal year the director of administration shall calculate to the nearest tenth of one cent (\$.001) the number of cents of sales tax received for the fiscal year ending June 30, of the year following the phase-out equal to the amount of funds distributed to the cities, towns, and fire districts under this chapter during the fiscal year following the phase-out and the percent of the total funds distributed in the fiscal year following the phase-out received by each city, town and fire district, calculated to the nearest one-hundredth of one percent (0.01%). The director of the department of administration shall transmit those calculations to the governor, the speaker of the house, the president of the senate, the chairperson of the house finance committee, the chairperson of the senate finance committee, the house fiscal advisor, and the senate fiscal advisor. The number of cents, applied to the sales taxes received for the prior fiscal year, shall be the basis for determining the amount of sales tax to be distributed to the cities and towns and fire districts under this chapter for second fiscal year following the phase-out and each year

thereafter. The cities and towns and fire districts shall receive that amount of sales tax in the proportions calculated by the director of administration as that received in the fiscal year following the phase-out. (2006)

(7) **When** the tax is phased out, twenty-five percent (25%) of the funds shall be distributed to the cities, towns, and fire districts on August 1, of the following fiscal year and every August 1 thereafter; twenty-five percent (25%) shall be distributed on the following November 1, and every November 1 thereafter; twenty-five percent (25%) shall be distributed on the following February 1, and every February 1 thereafter; and twenty-five percent (25%) shall be distributed on the following May 1, and every May 1 thereafter, **except in East Providence.** (2006)

(9) As provided for in section 44-34-6, the authority of fire districts to tax motor vehicles is eliminated effective with the year 2000 tax roll and the state reimbursement for fire districts shall be based on the provisions of section 44-34-6. All references to fire districts in chapter 34.1 of title 44 shall not apply to the year 2001 tax roll and thereafter. (2000)

(10) **For reimbursements payable in the year ending June 30, 2008 and thereafter, the director of administration shall discount the calculated value of the exemption to ninety-eight percent (98%) in order to establish a collection rate that is comparable to the collection rate achieved by municipalities in the levy of the motor vehicle excise tax.** (2008)

(11) **For reimbursements payable in the year ending June 30, 2010, the director of administration shall reimburse cities and towns eighty-eight percent (88%) of the reimbursements payable pursuant to subdivision (c)(10) above.** (2010)

(12) **For fiscal year 2011 and thereafter, the state shall reimburse cities and towns for the exemption pursuant to subdivision (c)(10) above, ratably reduced to the appropriation.** (2010)

**44-34.1-3. Permanent oversight commission.** (a) There is hereby created a permanent oversight commission on inventory taxes and automobile excise taxes. The commission shall consist of the following members:

- (1) chairperson of House Finance Committee, or designee;
- (2) chairperson of Senate Finance Committee, or designee;
- (3) chairperson of the Rhode Island Vehicle Value Commission;
- (4) three (3) members of the Rhode Island Assessors Association;
- (5) director of department of **revenue**, or designee;
- (6) chief of the **division of property valuation and municipal finance**, or designee;
- (7) the president of the Rhode Island League of Cities and Towns, or designee;
- (8) the administrator of the R.I. Registry of Motor Vehicles, or designee;
- (9) The Mayor of the City of Providence, or designee; (2006)

(b) The purpose of the commission shall be to study and evaluate the phase out of the automobile excise tax and to establish procedures when necessary to facilitate the phase out of said tax by July 1, 2005. (1998)

(c) The commission at its first meeting, shall elect a chairperson from its membership. (1998)

(d) The commission shall meet no less than two (2) times per year at the call of the chairperson or upon the request of at least three (3) of its members. (1998)

(e) The members shall receive no compensation for their services. All departments and agencies of the state shall furnish advice and information, documentary or otherwise to the commission and its agents as is deemed necessary or desirable by the commission to facilitate the purposes of the commission. (1998)

**CHAPTER 44-35**  
**PROPERTY TAX AND FISCAL DISCLOSURE-MUNICIPAL BUDGETS**

**44-35-2. Purpose of chapter.** The purpose of this chapter is to establish a procedure under which towns and cities may levy property taxes; to provide for full disclosure of the effect of rate and base changes on property tax revenues; and to establish a procedure for public hearings on proposed budgets; to require municipalities to adopt a balanced budget; to provide for fiscal oversight of municipalities incurring an operating deficit or an accumulated deficit in the preceding fiscal year.

**44-35-3. Definitions.** (a) "Adjusted current property tax rate" means the estimated property tax rate that would be necessary in the next fiscal year to raise **the maximum levy authorized by section 44-5-2 of the general laws.** (2006)

(b) "Chief elected official" shall mean the highest locally elected official in each town or city.

(c) "Proposed property tax rate" means the estimated property tax rate that is proposed by a town or city to support its operating budget for the town's or city's fiscal year.

**44-35-4. Preparation of the "Proposed Property Tax Rate" and "Adjusted Current Property Tax Rate".** The director of the Department of **Revenue** shall prepare and adopt by rule standards and procedures for towns and cities to follow when preparing the "Proposed Property Tax Rate" and "Adjusted Current Property Tax Rate". However, the director shall have the authority to waive said rule for any town or city which the director deems to have established an acceptable method of preparation of the "Proposed Property Tax Rate" and "Adjusted Current Property Tax Rate".

**44-35-5. Full disclosure of property tax increases.** In addition to existing town and city charter provisions and the general and public laws of the state of Rhode Island pertaining to public hearings regarding town and city budget adoptions, each town and city shall provide for a public hearing and for full property tax disclosure procedures as set out in this chapter. (1999)

The Chief Elected Official in each town and city shall cause to be published the "Proposed Property Tax Rate" and the "Adjusted Current Property Tax Rate" as defined in section 44-35-3 defined for said town or city. No property tax levy in excess of that in the current fiscal year shall be levied until a public hearing has been held as outlined in sections 44-35-6 -- 44-35-8. (1999)

**44-35-6. Publication of property tax rates.** At least ten (10) calendar days prior to the hearing for the purpose of adopting the town or city budget, the Chief Elected Official in each town or city shall cause to be published a notice indicating the town's or city's intent to consider adopting a property tax levy. This notice shall be published in a newspaper of general circulation in the town or city. However, this notice may not be placed in that portion of the newspaper where legal notices and classified advertisements appear. This notice shall constitute notice of public hearing which may coincide with the hearing on the proposed budget and by and in the following form:

(CITY, TOWN) OF (NAME)  
NOTICE OF PROPOSED PROPERTY TAX  
RATE CHANGE

The (City, Town) proposes to increase (decrease) its property tax levy to \$..... in the..... budget year; the property tax levy this year is \$..... THIS IS A PROPOSED INCREASE (DECREASE) OF.....%.

It has been estimated that the proposed increase (decrease) in property tax revenues will result in a property tax rate of \$.....(proposed property tax rate) per \$1,000 assessed valuation, as compared to the current property tax rate of \$.....per \$1,000 assessed valuation.

A property tax rate of \$.....(adjusted current property tax rate) would be needed in the coming budget year to raise **the maximum levy authorized by section 44-5-2 of the general laws.** (2006)

The (City, Town) budget.....will be considered at (date, time, place).

The above property tax estimates have been computed in a manner approved by the Rhode Island Department of **Revenue.**

Chief Elected Official  
(Town or City)

**44-35-7. Publication of town and city budget summary.** At least ten (10) calendar days prior to the financial town meeting or, for towns and cities without town meetings, the first hearing on the budget for the purpose of adopting said budget, the chief elected official in each town and city shall cause to be published a budget summary in a newspaper of general circulation in the town or city. The budget summary shall set out proposed expenditures by department or function and receipts by source for the proposed budget year, and comparisons of these with estimated expenditures and receipts for the current budget year.

The published budget summary shall be in the following form:

(CITY, TOWN) OF (NAME)  
 REPORT TO TAXPAYERS ON CURRENT AND  
 PROPOSED BUDGET

Function or Purpose of Expenditures	Amounts Actually Budgeted for Current Year Operating Capital	Proposed Budget Year  Operating Capital
---	---	--

Expenditures

1. Education
2. General Financial  
Admin.
3. Public Works
4. Police Protection
5. Fire Protection
6. Sewerage
7. Other Sanitation
8. Parks and Recreation
9. Interest on General  
Debt
10. Principal on General  
Debt
11. All Other (Specify)

Revenues

1. Local Property
2. Local Non-Property
3. Federal
4. State
5. All Other (Specify)

TOTAL BUDGET

Certification: This is to certify that data contained in this report are accurate to the best of my knowledge.

Date:.....

.....  
 Signature of Official

**44-35-8. Publication of proposal to amend town and city budget.** At least ten (10) calendar days prior to formal action taken by a town or city to amend its adopted budget when said amendment would result in an accumulated increase in total property tax expenditures of five (5) percent, the chief elected official shall cause to be published in a newspaper of general circulation a notice of a proposal to amend the town or city budget. Such notice shall contain a summary of the proposed expenditures and the impact said amendment is estimated to have on property taxes. Said notice shall be in a form approved by the director of the department of **revenue** and it shall constitute a notice of public hearing.

**44-35-9. Severability.** The invalidity of any section or sections or parts of any section or sections shall not affect the validity of the remainder of this chapter.

**44-35-10. Balanced municipal budgets – Additional reporting requirements – Electronic reporting/municipal uniform chart of accounts.** (a) The operating budgets for all cities and towns shall provide for total appropriations which do not exceed total estimated receipts, taking into account any general fund surplus or deficit estimated to be carried over from the current fiscal year. The funding of accumulated deficits shall be consistent with the provisions of section 45-12-22.

**(b) The chief elected official in each city and town shall provide to the division of municipal finance within thirty (30) days of final action, in the form and format required by the division, the adopted budget survey.**

**(c) Within thirty (30) days of final action as referenced in subsection (b) above each city or town shall provide to the division a five (5) year forecast, in the form and format required by the division, for major funds as defined by generally accepted accounting principles as established by the governmental accounting standards board (GASB). The forecast shall include, but not be limited to, a scenario reflecting pensions and post employment benefits other than pensions (OPEB) obligations at one hundred percent (100%) of the annual required contribution (ARC), both for the general and unrestricted school funds. The forecast shall also reflect any and all underlying assumptions.**

**(d) Within sixty (60) days of executing changes in healthcare benefits, pension benefits and OPEB a municipality shall provide a fiscal impact statement to the division of municipal finance, reflecting the impact on any unfunded liability and ARC, as well as the impact on the five (5) year forecast. The fiscal impact statements shall show underlying actuarial assumptions and provide support for underlying assumptions.**

**(e) A municipality shall join electronic reporting/implement uniform chart of accounts (UCOA), within six (6) months of implementation.**

**(2011)**



**CHAPTER 44-45**  
**OMNIBUS PROPERTY TAX RELIEF AND REPLACEMENT ACT**

**44-45-1. Short title.** This act shall be known and may be cited as the “Omnibus Property Tax Relief and Replacement Act of 1985.”

**44-45-2. Legislative findings.** The general assembly finds and declares that the following conditions confront Rhode Island at this time:

(1) In 1982, the governor’s advisory commission to study the financial operations of state/local governments found that “when the state/local tax system is viewed in its totality, it becomes clear that property tax relief and replacement is needed.”

(2) Rhode Island has a serious over reliance on the property tax, as evidenced by the facts that: (I) Rhode Islanders paid forty-nine dollars and ninety-two cents (\$49.92) per capita in property tax collections in fiscal year 1983, compared to a U.S. average of thirty-four dollars and seventy-one cents (\$34.71), ranking this state sixth highest in the nation; (ii) per one thousand dollars (\$1,000) of personal income, property tax collections in Rhode Island equaled five hundred and thirty-seven dollars (\$537) that year, compared to a three hundred and eighty-one dollar (\$381) U.S. average, placing the state ninth highest nationally; and, (iii) Rhode Island’s cities and towns derived fifty-eight and nine-tenths percent (58.9%) of their own-source local general revenue from the property tax in fiscal year 1983, compared to an average of only twenty-eight and eight-tenths percent (28.8%) for all the states.

(3) In 1983-84, Rhode Island ranked only forty-third nationally in terms of state support for public elementary and secondary school, providing only thirty-six percent (36%) of such revenues.

(4) The state educational operations aid formula should be gradually increased until the state and municipalities equally share the cost of providing local education. **The general assembly remains committed to that objective and intends to pursue that objective aggressively upon receipt and consideration of the final report of the joint legislative committee to establish a permanent education foundation aid formula in accordance with section 16-7.2-2 of the general laws. (2006)**

(5) The state should also share a greater portion of its economically sensitive growth-taxes with its cities and towns in order to further shift the burden of funding essential municipal services from the property tax.

(6) The growth in property tax levies should be capped **in accordance with section 44-5-2 of the general laws** as a quid pro quo for receiving increased state aid to reduce reliance on the property tax. **(2006)**

(7) Cities and towns should be assisted in their efforts to control school and municipal expenditures by appropriately amending state arbitration and school budgeting laws.

## CHAPTER 45-2 GENERAL POWERS

**45-2-1. Charters and special acts.** – Every town, city, and district has all the existing powers and privileges, and is subject to all existing duties and liabilities, conferred or imposed upon it by its charter, or by the several acts of the general assembly specially relating to it, until the charter or acts expire by their own limitation, or are revoked or repealed.

**45-2-1.1. Authorization of every town, city and district to postpone their budgets and Financial Town Meetings for Fiscal Year 2010-2011.** – (a) **Notwithstanding any general or public law or rule or local charter or ordinance to the contrary, every city or town council in the State of Rhode Island is hereby authorized to postpone their FY 2010-2011 budget decisions, including their financial town meetings for up to ninety (90) days.**

(b) **For FY2010-2011 only, every state or local statute, regulation, ordinance or other rule that requires related action (for example, the certifying of a tax roll) shall be extended for ninety (90) days from the date the statute, regulation, ordinance or other rule otherwise requires. 2010)**

**45-2-2. Power to tax property.** Towns may raise by a tax on real or personal estate, or on both, such sums of money as shall be necessary to pay town debts, or to defray the charges and expenses of the town hereinafter set forth; and may include the town's proportion of any state tax which may be assessed, in the assessment of the town tax, and pay the same out of the town treasury; provided, the same be voted at a legal meeting of the electors of the town.

**45-2-2.1. Tax compacts between municipalities.** – **Cities and towns or their agencies owning ratable property devoted to a public use which is located within any other city or town, and such other city or town where such property is located, respectively, are hereby authorized and empowered to enter into agreements from time to time establishing the amount of taxes on such property and the manner or method for determining said amount for a period of time not exceeding ten (10) years at any one time. Such agreements shall be in writing, shall be approved by the city and/or town council, and shall be signed by the mayor, or like officer, on behalf of cities, and by the president of the town council, on behalf of towns, respectively, and such written agreements, when so made and executed pursuant to this act or pursuant to chapter 1443 of Public Laws of 1929 as amended by Chapter 1779 of the Public Laws of 1931, shall be valid and binding upon the parties. (2008)**

**45-2-3. Power to appropriate money.** Towns may, at any legal meeting, grant and vote such sums of money as they shall judge necessary:

(1) For the purchase of sites for, and for the erection and repair of, town houses and other public buildings;

(2) For the support of schools, and purchase of sites for and the building and repair of schoolhouses; and for the establishing and maintaining of school libraries;

(3) For the use of hospitals, to be expended and paid under such limitations and conditions as may be prescribed from time to time by the town council;

(4) For the support and maintenance of the poor, and the purchase, erection, and repair of proper buildings for the accommodation of the poor, as well as for the purchase of proper sites for these buildings, and, if they judge expedient, of farms or farm lands, for the employment and support of paupers and others chargeable to them;

(5) For the purchase of proper sites for workhouses, bridewells, houses of correction, and reform schools for juvenile offenders, and the purchase, erection, and repair of proper buildings, fixtures, and apparatus for these sites, and the purchase of lands for the employment and support of the inmates of these sites;

(6) For the laying out, making, repairing, and amending of highways;

(7) For the building, repairing, and amending of bridges;

(8) For the improvement, in any manner they may deem fit, of any property belonging to the town;

(9) For all necessary charges and expenses whatsoever arising within the town, whether incidental or not to the above.

(10) For the allocation of donated monies to such specific purpose or purposes as designated by a donor.

**45-2-3.1. Powers of certain towns. [Applies only to the following communities: Charlestown, Hopkinton, Richmond and West Greenwich.]**

**45-2-3.2. Availability of funds upon failure of city or town to approve annual appropriation. Unless otherwise provided by a city or town charter, in an emergency caused by a failure of a city or town to approve an annual appropriation measure, the same amounts appropriated in the previous fiscal year shall be available for each department and division thereof, subject to monthly or quarterly allotments, in accordance with seasonal requirements, as determined by the city's or town's chief financial officer: provided, that expenditures for payment of bonded indebtedness of the city or town and interest thereon shall be in such amounts as may be required, regardless of whether or not an annual appropriation ordinance is enacted by the city or town council. (2006)**

**45-2-4. Power to own property and make contracts.** Cities and towns may take, purchase and hold real and personal estate, and alienate and convey the same; and may also take, hold and manage the same in trust for any charitable, other than religious uses, and may make all contracts, including lease or lease-purchase agreements of real and personal property, necessary and convenient for the transaction of the business of the city or town.

**CHAPTER 45-3  
TOWN MEETINGS**

**45-3-12. Notice of meeting to dispose of land or make tax.** No vote shall be passed in any town meeting concerning the disposing of the town's land or making a tax, unless special mention be made, and notice thereof given, in the warrant issued for the warning of such meeting; and the town clerk of every town shall grant such warrant, except in cases where the law otherwise directs, which warrant shall be directed to the town sergeant, or to one of the constables of the town or in the event that the town sergeant or a constable is not available, to any elector of that city or town designated by the town or city clerk. The notice for the making of a tax as herein provided shall be in substantially the following form:

"WARNING FOR TOWN MEETING"  
STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

COUNTY OF \_\_\_\_\_ Greeting SC:

By the town clerk of the town of \_\_\_\_\_, R.I. (Seal) To \_\_\_\_\_, town sergeant of the town of \_\_\_\_\_, or any of the constables of said town.

Pursuant to chapter 3 of title 45 of the general laws of the State of Rhode Island, you are hereby required to post, at least seven (7) days before the \_\_\_\_\_ day of \_\_\_\_\_, A.D. 19\_\_, written notifications in three or more public places in the said town of \_\_\_\_\_, Rhode Island, notifying and warning the electors of the said town of \_\_\_\_\_, qualified to vote upon any proposition to impose a tax or for the expenditure of money, to assemble in town meeting at the town hall (or other place designated) in said town of \_\_\_\_\_, on the \_\_\_\_\_ day of \_\_\_\_\_, A.D. 19\_\_, at \_\_\_\_\_ o'clock in the \_\_\_\_\_ noon for the purpose of ordering a tax to be levied and assessed on the ratable property of said town and the inhabitants thereof for the payment of the town debts and interest, for the payment of the town's proportion of the state tax, for the support of schools, for the support and maintenance of the poor, for the building, repairing and amending of highways, for the building, repairing and amending of bridges, for the improvement in any manner deemed fit of any property belonging to the town, for all necessary charges and expenses whatsoever arising within said town, whether incidental or not to the above (here designate any further purpose, if any, for which town may legally appropriate money), and for any or all other purposes authorized by law, and to transact such other business as may legally come before said meeting.

Given under my hand this \_\_\_\_\_ day of \_\_\_\_\_ A.D. 19\_\_, at said town of \_\_\_\_\_, Rhode Island.

.....  
Town Clerk

**45-3-20. Voting on motions.** The moderator of every town meeting shall, on a motion being made and seconded, relative to any business regularly before such meeting, after having heard all the electors entitled to vote thereon who shall be desirous of being heard, cause the votes of the electors present to be taken thereon. Whenever any question shall be pending in any town meeting involving an expenditure of money, or the incurring of liability by the town, or the disposition of town property, the same shall be taken by ballot, if a ballot be called for the call be seconded by at least one-fifth (1/5) of the electors present who are qualified to vote on the pending question.

**45-3-25. Voting machines for municipal budget referenda.** At the request of the council of a city or town, the board of elections shall furnish a sufficient number of voting machines for use in connection with votes to be taken at any municipal budget referenda. Any such request shall be made to the board of elections not later than fifteen (15) days prior to the date of the municipal budget referenda. (1998)

Nothing herein contained shall be deemed to make the provisions of title 17 of the general laws applicable to municipal budget referenda.

## CHAPTER 45-4 ELECTION AND QUALIFICATIONS OF OFFICERS

**45-4-1. Officers to be elected.** The electors in each town shall, on their town election days, choose and elect as many town officers as by the laws of the state are or shall be required; that is to say, a moderator to preside in all the meetings of the town, and a town clerk, a town council to consist of not less than three (3) nor more than seven (7) members, a town treasurer, a town sergeant, a town sealer of weights and measures, one or more auctioneers, such a number of assessors of taxes, not less than three (3) nor more than seven (7), as may be deemed necessary, one or more collectors of taxes, one or more corders of wood, one or more packers of fish, one or more poundkeepers, one (1) sealer of leather, and as many constables, directors of public welfare, viewers of fences, gaugers of casks and all such other officers as by law are required in such town and as each or any town shall have occasion for, including persons to superintend the building of chimneys and placing of stoves and stovepipes.

**Additional provisions cover the following communities: Burrillville, East Greenwich and Exeter.**

**45-4-13. Bond of tax collectors.** Every collector of taxes shall give bond, with sufficient surety, for the faithful performance of such trust, to the town treasurer of the town for which he is chosen, in such sum as the said town or the town council of said town shall determine, not exceeding double the amount of the tax with the collection of which he shall be charged. Whenever any town shall elect its town treasurer as collector of taxes for such town, the bond to be given by such collector under the provisions hereof shall be given to the town, and shall be delivered to the town council for safekeeping, and upon the happening of any breach of the condition of the said bond, an action thereon may be commenced in the name of the town to which it was given.

Provided, however, that any collector of taxes, for any fire district who is covered by any other bond held by the district which gives sufficient coverage and protection for his or her duties as determined by the board of commissioners of said district, shall be exempt from the requirements of this section.

**45-4-14. Powers of successor tax collectors.** In case of the death, resignation or removal of any collector of taxes, the collector who shall be appointed to complete the collection thereof shall have the same power to collect the same as is by law given to the collector first appointed.

## CHAPTER 45-5 COUNCILS AND GOVERNING BODIES

**45-5-9. Election of town auditors.** In addition to the other officers which the town council of any town is authorized to elect, the town council of any town may elect one or more town auditors, prescribe their duties by ordinance, and fix their compensation.

**45-5-20.1. Power of city and town councils and regional school districts to jointly establish an insurance corporation, to obtain insurance, and to enter into a cooperative risk management program.** – (a) Cities and town councils, school committees, water and fire districts may, through passage of a resolution, establish agreements between two (2) or more cities, town councils, school committees, and water and fire districts for obtaining for obtaining or effecting insurance by self insurance, for obtaining or effecting insurance from any insurer authorized to transact insurance in the state, or for obtaining and effecting insurance secured in accordance with any other method provided by law, or by combination and of the provisions of this section for obtaining and effecting insurance. Agreements made pursuant to this section may provide for pooling of self insurance reserves, risks, claims and losses, and of administrative expenses associated with the same, among local government units.

(b) For purposes of this section the term "Eligible Entities" shall mean any city, town, school committee, water or fire district, or other public or quasi-municipal authority, agency or entity, or organization that is an instrumentality of such cities or towns, or any group of such cities or towns, authorities, agencies or entities which is a member of the corporations created pursuant to the provisions of this section.

(c) To accomplish the purposes of this section any two (2) or more cities, towns, school committees, or water and fire districts, may authorize the creation of separate corporations (the "corporation") for the purpose of: (1) issuing to the eligible entities policies of insurance and reinsurance of all types and categories, including, without being limited to, the following types and categories: property, casualty, and life, accident, and health insurance, and (2) developing and administering an interlocal risk management program. The corporations, in addition, may have as their purposes reducing the risk of its members; safety engineering; distributing, sharing, and pooling risks; acquiring excess loss insurance; and processing and defending claims against the members of the corporations. Any contributions made to the corporations for the purpose of distributing, sharing, or pooling risks shall be made on actuarially sound basis, and the corporations shall have an audit performed annually, copies of which shall be provided to the members of the corporations, and the auditor general; discrete accounts shall be kept for each risk management program developed and administered by the corporations.

(d) The corporations shall not be considered an insurance company and shall not be subject to the provisions of the laws of the state of Rhode Island regulating insurance companies and therefore shall in no way be regulated by the Rhode Island department of business regulation.

(e) The corporations created pursuant to the provisions of this section will be created by filing articles of incorporation pursuant to chapter 6 of title 7 entitled Rhode Island Nonprofit Corporation Act and the articles of incorporation will be filed by an incorporator/incorporators designated by the city, town councils, school committees, or water or fire districts, authorizing the creation of the corporation. The articles of incorporation creating the corporations pursuant to the provisions of this section may contain provisions, not inconsistent with this section, that the incorporators determine to be desirable or useful in fulfilling the purposes set forth in this section. The corporations created pursuant to the provisions of this section will have the powers of a nonprofit corporation created under chapter 6 of title 7 entitled Rhode Island Nonprofit Corporation Act including, without being limited to, the power to issue bonds, notes, and other obligations in any amounts and upon any terms that the corporation's governing board determines.

(f) The corporations created pursuant to the provisions of this section, notwithstanding the filing of its articles of incorporation pursuant to chapter 6 of title 7 entitled Rhode Island Nonprofit Corporation Act, (1) will be deemed to be public corporations, instrumentality, and agency of the state of Rhode Island acting for the benefit of the municipalities which are members of the corporations and its eligible entities but will not constitute a department of the government of the state of Rhode Island, and (2) will be deemed to be exercising public and essential governmental functions of the state of Rhode Island. No part of the net earnings of the corporations created pursuant to the provisions of this section will be distributable to, or inure to the benefit of, any private person. The members of the governing board of the corporations created pursuant to the provisions of this section will consist solely of chief executives, chief elected officials, finance directors, or treasurers of municipalities, or any other municipal officials that may be provided for in the bylaws of the corporations, and the members shall receive no compensation for the performance of their duties but each member may be reimbursed for his or her reasonable expenses incurred in carrying out their duties.

(g) The bonds, notes, or other obligations issued by the corporations created pursuant to the provisions of this section will not be deemed to constitute a debt or liability or obligation of the state of Rhode Island or of any political subdivision of the state or of any municipality which is a member of the corporation but will be payable solely from the revenues or assets of the corporations.

(h) Notwithstanding any provision of this chapter or special or general law to the contrary, each eligible entity which is a member of the corporations created pursuant to the provisions of this section will be authorized to enter into contracts with the corporations with respect to, among other matters, the payment of premiums and other payments, for terms not exceeding twenty-five (25) years in duration. To the extent that the obligation to pay premiums or make other payments under any contract is deemed to constitute the incurring of indebtedness by an eligible entity the contract may nevertheless be entered into without obtaining the approval of the electors of the city or town notwithstanding the provisions of §§ 45-12-19 and 45-12-20 and notwithstanding any provisions of the city's or town's charter or any special or general law to the contrary. Any contract may be entered into by an eligible entity either prior to or subsequent to the



making of any appropriations which may be needed to carry out the obligations of the eligible entity under the contract.

(i) The property and assets of the corporations created pursuant to the provisions of this section, the income of the corporations, and any bonds, notes, or other obligations issued by the corporation, their transfer, and the income from these (including any profits made on the sale thereof) will at all times be free from taxation by the state of Rhode Island or any political subdivision or other instrumentality of the state of Rhode Island, excepting inheritance, estate, and gift taxes with respect to the bonds, notes, or other obligations issued by the corporations.

(j) Whenever the governing board of the corporations created pursuant to the provisions of this section determines that the purposes for which the corporations were created have been substantially fulfilled and all bonds, notes, or other obligations of the corporations have been fully paid or adequate provision has been made for their payment, the corporations may be dissolved in the manner provided for nonprofit corporations pursuant to chapter 6 of title 7 entitled Rhode Island Nonprofit Corporation Act and, upon the corporations' dissolution, title to all funds and assets of the corporation shall vest in and become the property of the members of the corporation in proportions that are provided for in the corporation's articles of incorporation.

(k) No corporations created pursuant to the provisions of this section shall be required to pay any recording or filing fee or any transfer tax of any kind on account of papers or instruments recorded or filed by it or on its behalf.

(l) No corporations created pursuant to the provisions of this section and no agent or broker acting on behalf of the corporations shall be required to pay a surplus line premium tax of any kind on premiums for any policies of insurance and reinsurance to or from the corporations.

**45-5-20.2. Power of city and town councils and regional school districts to jointly establish a corporation to manage and operate OPEB trusts.** – (a) **Notwithstanding the provisions of any general or special law to the contrary, corporations established pursuant to section 45-5-20.1 also shall have power to manage and operate such other post-employment benefit (OPEB) trusts as are established pursuant to section 45-21-65 and section 16-2-9.5. Such corporations shall have the powers set forth in section 45-5-20.1, and shall have such additional powers as are necessary to effectuate the purposes of this section.**

**(b) For the purpose of OPEB trusts managed and operated pursuant to this section, the corporation shall maintain discrete sub-trust accounts for each of the participating entities setting forth the contributions made by each participating entity, the allocated income assigned to each participating entity as it may be derived from investments and other revenue sources, the funds distributed to each participating entity for use in meeting its OPEB obligations, each entity's allocated share of the administrative costs, including investment management fees for operating the OPEB trust, and such other items as the directors of the corporation hereby established shall deem proper and necessary. Agreements made pursuant to**

**this section may provide for pooling of administrative expenses, including investment management and advisory services associated with the operation of the OPEB trust and sub-trusts.**

**(c) The corporation shall ensure that a separate audit of OPEB trusts and sub-trusts is performed annually, copies of which shall be provided to the participating entities of the OPEB trust and the auditor general. (2012)**

**45-5-22. Collective bargaining fiscal impact statements. – (a) Prior to executing any collective bargaining agreement between a city or town and representatives of police personnel, firefighters, and/or other municipal employees, (other than teachers and/or other school employees), the city or town council shall prepare or cause to be prepared a collective bargaining fiscal impact statement. These statements shall set forth, in dollar amounts, estimates of the fiscal impact, during the term of the proposed agreement. No comment or opinion relative to the merits of the terms of the contract shall be included, except that technical or mechanical errors or defects may be noted.**

**(b) The fiscal impact statement and the awarded contract shall be publicized and shall be made immediately available upon ratification of the contract. (2008)**

## CHAPTER 45-8 TOWN TREASURER

**45-8-1. Bond of treasurer.** Every town treasurer, before he shall proceed to discharge the duties of his office, shall give bond to the town for which he is appointed, in such sum and with such surety as shall be satisfactory to the town council thereof, conditioned for the faithful discharge of the duties of said office.

**45-8-2. Annual statement of accounts.** Town treasurers shall, at the annual town meeting, make a statement of their accounts in writing, showing the several sums received and paid by them during the previous year, and showing in account details, the purpose for which the payments were made.

**45-8-3. Settlement of accounts.** Such accounts shall be settled annually by the town council, or in such other way as the towns may severally direct; and when settled, the treasurer shall retain all his vouchers or receipts for the payments charged in such account, to be kept on file with the other papers of his office.

**45-8-4. Certified copies of statements of accounts.** Every person paying taxes on real or personal estate in the town shall be entitled to certified copies of such statement of accounts, and of any of such vouchers, from the town treasurer, upon payment to him therefor of the fees for copying and certifying allowed to town clerks for like services.

**45-8-5. Forfeiture for neglect to make statement.** Every town treasurer who shall neglect to make the annual statement as above required shall forfeit and pay to the town the sum of one hundred dollars (\$100) for every such neglect.

**45-8-6. Appointment and powers of deputy.** Town treasurers may, by and with the approval of the town council, appoint a deputy, whenever such appointment shall be necessary, and such deputy so appointed shall have all the powers and perform all the duties which are incumbent on the town treasurer, being thereunto qualified by taking the oath of office; provided, however, that in no case shall said deputy have the power to sign the bonds, notes, or other evidences of indebtedness of the town, except with the approval of the town council.

**45-8-7. Liability for default of deputy - Bond - Revocation of appointment - Tenure.** Every town treasurer appointing a deputy as aforesaid shall be liable for any misconduct, neglect, or default of such deputy, and shall take bond with surety satisfactory to the town council in such penalty as he may require for the benefit of the town, conditioned upon the faithful performance of the duties of the office for the time during which said deputy shall exercise the same; and such treasurer may revoke such appointment and cancel such bond, at his discretion. In no event shall such deputy hold office beyond the tenure of office of the town treasurer who appointed him.

## **CHAPTER 45-9 BUDGET COMMISSIONS**

**45-9-1. Declaration of Policy and Legal Standard.** -- It shall be the policy of the state to provide a mechanism for the state to work with cities and towns undergoing financial distress that threatens the fiscal well-being, public safety and welfare of such cities and towns, or other cities and towns or the state, with the state providing varying levels of support and control depending on the circumstances. The powers delegated by the General Assembly in this chapter shall be carried out having due regard for the needs of the citizens of the state and of the city or town, and in such a manner as will best preserve the safety and welfare of citizens of the state and their property, and the access of the state and its municipalities to capital markets, all to the public benefit and good.

**45-9-2. Definitions.** -- As used in this chapter the following words shall, unless the context clearly requires otherwise, have the following meanings:

(1) “Budget commission”, means the budget and review commission established under sections 45-9-5 and 45-9-6.

(2) “Charter”, means the home rule charter or the legislative charter of any city or town.

(3) “Division of municipal finance”, means the division of municipal finance in the department of revenue or any successor department or agency.

(4) “Director of revenue”, means the director of the department of revenue.

(5) “Elected chief executive officer”, means in cities and towns having a popularly elected chief executive officer, the popularly elected chief executive officer, and in cities and towns where there is no popularly elected chief executive officer, the president of the city or town council.

(6) “Fiscal overseer”, means the financial overseer appointed under section 45-9-3.

(7) “General Treasurer”, means the general treasurer of the state.

(8) “Municipal budget”, means the fiscal year operating budget of the city or town, inclusive of the school department budget and all other departments.

(9) “Officer”, means the chief administrative and financial officer appointed under section 45-9-10 after abolition of a fiscal overseer or a budget commission or a receiver in a city or town.

(10) “Receiver”, means the receiver appointed pursuant to sections 45-9-7 or 45-9-8.

(11) “School committee”, means the school committee of the city or town, but shall not mean or include a regional school district committee.

(12) “State Aid”, means the funds made available to cities and towns:

(i) As state aid pursuant to chapter 45-13 of the general laws, but specifically excluding reimbursements to cities and towns for the cost of state mandates pursuant to section 45-13-9;

(ii) As school operations aid provided for in sections 16-7-5 through 16-7-34.3 of the general laws and as school housing aid pursuant to sections 16-7-35 through 16-7-47 of the general laws, but subject to any pledge to bonds issued to finance school projects by the Rhode Island health and educational building corporation;

(iii) In replacement of motor vehicle and trailer excise taxes pursuant to chapter 44-34.1 of the general laws;

(iv) From the public service corporation tax pursuant to chapter 44-13 of the general laws;

(v) From the local meal and beverage tax pursuant to section 44-18-18.1 of the general laws and the hotel tax pursuant to section 44-18-36.1 of the general laws; and

(vi) Pursuant to all acts supplementing such chapters listed in subdivisions (i) through (v) above or pursuant to any other law hereafter enacted providing for funds to municipalities in lieu of, or in substitution for, or in addition to the funds provided pursuant to acts supplementing such chapters listed in subdivisions (i) through (v);

**45-9-3. Appointment and duties of fiscal overseer.** – (a) Upon joint request by a city’s or town’s elected chief executive officer and city or town council, which request is approved by the division of municipal finance and the auditor general, or in absence of such a request, in the event that the director of revenue, in consultation with the auditor general, makes any two (2) or more of the findings set forth in subsection (b), the director of revenue may appoint a fiscal overseer for the city or town to assess the ability of the city or town government to manage the city’s or town’s fiscal challenges.

(b) The director of revenue may appoint a fiscal overseer if the director finds in his or her sole discretion that any two (2) of the following events have occurred which are of such a magnitude that they threaten the fiscal well-being of the city or town, diminishing the city or town’s ability to provide for the public safety or welfare of the citizens of the city or town:

(1) The city or town projects a deficit in the municipal budget in the current fiscal year and again in the upcoming fiscal year;

(2) The city or town has not filed its audits with the auditor general by the deadlines

required by law for two (2) successive fiscal years (not including extensions authorized by the auditor general);

(3) The city or town has been downgraded by one of the nationally recognized statistical rating organizations;

(4) The city or town is otherwise unable to obtain access to credit markets on reasonable terms in the sole judgment of the director of revenue.

(5) The city or town does not promptly respond to requests made by the director of revenue, or the auditor general, or the chairpersons of the house and/or senate finance committees for financial information and operating data necessary to assess the fiscal condition of the city or town in the sole judgment of the director of revenue.

(c) The director of revenue may also appoint a fiscal overseer if a city or town fails to comply with the requirements of sections 45-12-22.1– 45-12-22.5 of the general laws.

(d) The fiscal overseer shall without limitation:

(1) Recommend to the elected chief executive officer, city or town council and school committee sound fiscal policies for implementation;

(2) Supervise all financial services and activities;

(3) Advise the assessors, director of finance, city or town treasurer, purchasing agent and employees performing similar duties but with different titles;

(4) Provide assistance in all matters related to municipal financial affairs;

(5) Assist in development and preparation of the municipal budget, all department budgets and spending plans;

(6) Review all proposed contracts and obligations;

(7) Monitor the expenditures of all funds;

(8) Approve the annual or supplemental municipal budgets of the city or town and all of its departments; and

(9) Report monthly to the director of revenue, the auditor general, the governor and the chairpersons of the house finance and senate finance committees on the progress made towards reducing the municipality's deficit and otherwise attaining fiscal stability.

(e) All department budgets and requests for municipal budget transfers shall be submitted to the fiscal overseer for review and approval.

(f) The city or town shall annually appropriate amounts sufficient for the proper administration of the fiscal overseer and staff, as determined in writing by the division of municipal finance. If the city or town fails to appropriate such amounts, the division of municipal finance shall direct the general treasurer to deduct the necessary funds from the city's or town's distribution of state aid and shall expend those funds directly for the benefit of the fiscal overseer and staff.

(g) Within one hundred twenty (120) days of being appointed by the director of revenue, the fiscal overseer shall develop a three (3)-year operating and capital financial plan to achieve fiscal stability in the city or town. The plan shall include a preliminary analysis of the city's or town's financial situation and the fiscal overseer's initial recommendations to immediately begin to address the city's or town's operating and structural deficits. The fiscal overseer shall have the power to compel operational, performance or forensic audits, or any other similar assessments. The fiscal overseer shall have the power, at the expense of the city or town, to employ, retain, supervise such managerial, professional and clerical staff as are necessary to carry out the responsibility of fiscal overseer, subject to the approval of the division of municipal finance; provided, however, that the fiscal overseer shall not be subject to chapter 37-2 or chapter 45-55 of the general laws in employing such staff.

**45-9-4. Approval of tax levy.** – A city or town which is subject to the jurisdiction of a fiscal overseer, or a budget commission may not levy property taxes or motor vehicle excise taxes without prior approval of the division of municipal finance. Before the city or town which is subject to the jurisdiction of a fiscal overseer, or a budget commission shall send out tax bills, the city or town shall submit to the division of municipal finance a copy of its adopted municipal budget and such supporting revenue and expenditure information as the division of municipal finance shall prescribe for the succeeding fiscal year. The adopted municipal budget and such supporting revenue and expenditure information as the division of municipal finance may prescribe, shall be submitted to the division of municipal finance no later than ten (10) days after the adoption of the budget. The division of municipal finance shall ascertain whether the budget for that fiscal year contains reasonable revenues from taxation and other sources to meet the appropriations and other amounts required by law to be raised, and the division of municipal finance shall report its conclusion to the director of revenue. If the director of revenue determines that the municipal budget as presented does not contain reasonable revenues from taxation and other sources to meet appropriations and other amounts required by law to be raised, the director of revenue shall certify this determination in writing and provide notice of the determination with a copy of the certificate to the auditor general, the governor and the chairpersons of the house and senate finance committees; and notify the city or town that its tax levy has not been approved and that the city or town is not authorized to mail or otherwise transmit tax bills to city or town taxpayers. If the director of revenue has made the foregoing determination, the city or town shall prepare a revised budget for review and approval by the director of revenue.

The city or town shall submit the reports required by section 45-12-22.2 to the director of revenue, the division of municipal finance, the auditor general, the governor and the chairpersons of the house and senate finance committees.

The director of revenue may waive any reporting or filing requirements contained in this section.

**45-9-5. Reports of fiscal overseer and appointment of budget and review commission.** – (a) The fiscal overseer shall report in writing to the division of municipal finance if the fiscal overseer concludes that the city or town: (1) Is unable to present a balanced municipal budget; (2) Faces a fiscal crisis that poses an imminent danger to the safety of the citizens of the city or town or their property; (3) Will not achieve fiscal stability without the assistance of a budget commission; or (4) That the tax levy of the fiscal year should not be approved.

(b) If the fiscal overseer believes, at any time, that a budget commission should be appointed, the fiscal overseer may report that belief to the division of municipal finance.

(c) If the fiscal overseer reports to the division of municipal finance under subsections (a) or (b), the director of revenue may immediately abolish the fiscal overseer and appoint a budget commission.

(d) A budget commission shall have all of the powers and duties set forth in sections 45-9-3 and 45-9-6.

(e) If a budget commission has not been appointed and if the division of municipal finance determines that the city or town has taken steps necessary to achieve long-term fiscal sustainability and no longer requires active state oversight, the director of revenue may abolish the fiscal overseer.

(f) If the division of municipal finance notifies the director of revenue in writing that the city or town is unable to achieve a balanced municipal budget, then the director of revenue shall establish a budget commission.

(g) Upon joint request by a city's or town's elected chief executive officer and city or town council, which request is approved by the division of municipal finance, the director of revenue, in consultation with the auditor general, may establish a budget commission for such city or town.



**45-9-6. Composition of budget commission.** – (a) If a budget commission is established under section 45-9-5 or section 45-12-22.7, it shall consist of five (5) members: three(3) of whom shall be designees of the director of revenue, one of whom shall be the elected chief executive officer of the city and one of whom shall be the president of the city or town council. In cities or towns in which the elected chief executive officer for purposes of this chapter is the president of the city or town council, one member shall be the appointed city or town manager or town administrator (or, if none, the city or town chief financial officer) as the fifth (5th) member. The budget commission shall act by a majority vote of all its members. The budget commission shall initiate and assure the implementation of appropriate measures to secure the financial stability of the city or town. The budget commission shall continue in existence until the director of revenue abolishes it.

The budget commission shall be subject to chapter 36-2 of the general laws, “Access to Public Records,” and chapter 36-14 of the general laws, “Code of Ethics”. The budget commission shall be subject to chapter 42-46 of the general laws “Open Meetings” when meeting to take action on the following matters:

- (1) Levy and assessment of taxes;
- (2) Rulemaking or suspension of rules;
- (3) Adoption of a municipal budget;
- (4) Approval of collective bargaining agreements and amendments to collective bargaining agreements; and
- (5) Making a determination under section 45-9-7 that the powers of the budget commission are insufficient to restore fiscal stability to the city or town.

(b) Action by the budget commission under this chapter shall constitute action by the city or town for all purposes under the general laws, under any special law and under the city or town charter.

(c) Until the budget commission ceases to exist, no appropriation, borrowing authorization, transfer, or other municipal spending authority shall take effect until approved by the budget commission. The budget commission shall approve all appropriations, borrowing authorizations, transfers and other municipal spending authorizations, in whole or part

(d) In addition to the authority and powers conferred elsewhere in this chapter, and notwithstanding any city or town charter provision or local ordinance to the contrary, the budget commission shall have the power to:

(1) Amend, formulate and execute the annual municipal budget and supplemental municipal budgets of the city or town, including the establishment, increase or decrease of any appropriations and spending authority for all departments, budget commissions, committees, agencies or other units of the city or town; provided, however, that notwithstanding sections 16-2-9 and 16-2-18 of the general laws, this clause shall fully apply to the school department and all school spending purposes;

(2) Implement and maintain uniform budget guidelines and procedures for all departments;

(3) Amend, formulate and execute capital budgets, including to amend any borrowing authorization, or finance or refinance any debt in accordance with the law;

(4) Amortize operational deficits in an amount as the director of revenue approves and for a term not longer than five (5) years;

(5) Develop and maintain a uniform system for all financial planning and operations in all departments, offices, boards, commissions, committees, agencies or other units of the city's or town's government;

(6) Review and approve or disapprove all proposed contracts for goods or services;

(7) Notwithstanding any general or special law to the contrary, establish, increase or decrease any fee, rate or charge, for any service, license, permit or other municipal activity, otherwise within the authority of the city or town;

(8) Appoint, remove, supervise and control all city and town employees and have control over all personnel matters other than disciplinary matters; provided, that the budget commission shall hold all existing powers to hire and fire and set the terms and conditions of employment held by other employees or officers of the city or town; provided, further, that the budget commission shall have the authority to exercise all powers otherwise available to a municipality regarding contractual obligations during a fiscal emergency; provided, further, that no city or town employee or officer shall hire, fire, transfer or alter the compensation or benefits of a city or town employee except with the written approval of the budget commission; and provided, further, that the budget commission may delegate or otherwise assign these powers with the approval of the director of revenue;

(9) Alter or eliminate the compensation and/or benefits of elected officials of the city or town to reflect the fiscal emergency and changes in the responsibilities of the officials as provided by this chapter;

(10) Employ, retain and supervise such managerial, professional and clerical staff as are necessary to carry out its responsibilities; provided, however, that such employment, retention and supervisory decisions are subject to the approval of the director of revenue; provided, further, that the budget commission shall not be subject to chapter 37-2 or

chapter 45-55 of the general laws in employing such staff; provided, further, that the budget commission, with the approval of the director of revenue, shall have authority to set the compensation, terms and conditions of employment of its own staff; provided, further, that the city or town shall annually appropriate amounts sufficient for the compensation of personnel hired under this clause as determined and fixed by the budget commission; provided, further, that if the city or town fails to appropriate such amounts, the director of revenue shall direct the general treasurer to deduct the necessary funds from the city's or town's distribution of state aid and shall expend those funds directly for the benefit of the budget commission;

(11) Reorganize, consolidate or abolish departments, commissions, authorities, boards, offices or functions of the city or town, in whole or in part, and to establish such new departments, commissions, authorities, boards, offices or functions as it deems necessary, and to transfer the duties, powers, functions and appropriations of one department, commission, board, office or other unit to another department, commission, authority, board or office and in connection therewith remove and appoint new members for any such commission, authority, board or department which appointees shall serve the remainder of any unexpired term of their predecessor;

(12) Appoint, in consultation with the director of revenue, persons to fill vacancies on any authority, board, committee, department or office;

(13) Sell, lease or otherwise transfer real property and other assets of the city or town with the approval of the director of revenue;

(14) Purchase, lease or otherwise acquire property or other assets on behalf of the city or town with the approval of the director of revenue;

(15) Enter into contracts, including, but not limited to, contracts with other governmental entities, and such other governmental entities are hereby authorized to enter into such contracts;

(16) Adopt rules and regulations governing the operation and administration of the city or town which permit the budget commission to effectively carry out this chapter under subsection 42-35-3(b) of the general laws;

(17) Alter or rescind any action or decision of any municipal officer, employee, board, authority or commission within fourteen (14) days after receipt of notice of such action or decision;

(18) Suspend, in consultation with the director of revenue any rules and regulations of the city or town;

(19) Notwithstanding any other general law, special act, charter provision or ordinance, and in conformity with the reserved powers of the general assembly pursuant to Article XIII, section 5 of the Constitution of the state, a budget commission is authorized to issue bonds, notes or certificates of indebtedness to fund the deficit of a city or town without regard to section 45-12-22.4 of the general laws, to fund cash flow and to finance capital projects. Bonds, notes or certificates of indebtedness issued under authority of this chapter shall be general obligation bonds backed by the full faith and credit and taxing power of the city or town; provided, however, that the budget commission may pledge future distributions of state aid for the purpose of retiring such bonds, notes or certificates of indebtedness. If any state aid is so pledged, the budget commission shall execute on behalf of the city or town a trust agreement with corporate trustee, which may be any bank or trust company having the powers of a trust company within the state, and any state aid so pledged shall be paid by the general treasurer directly to the trustee to be held in trust and applied to the payment of principal and interest on such bonds, notes or certificates of indebtedness; any earnings derived from the investment of such pledged aid shall be applied as needed to the payment of that principal and interest and for trustee's fees and related expenses, with any excess to be paid to the city or town. Bonds, notes or certificates of indebtedness authorized under authority of this chapter shall be executed on behalf of the city or town by a member of the commission and, except as provided for in this chapter, may be subject to the provisions of chapter 45-12 of the general laws so far as apt, or may be subject to the provisions of any special bond act enacted authorizing the issuance of bonds of a city or town so far as apt, provided, however that any bonds or notes issued for school purposes must be approved by the general assembly in order to qualify for school housing aid as set forth in chapter 16-7 of the general laws; and

(20) Exercise all powers under the general laws and this chapter or any special act, any charter provision or ordinance that any elected official of the city or town may exercise, acting separately or jointly; provided, however, that with respect to any such exercise of powers by the budget commission, the elected officials shall not rescind or take any action contrary to such action by the budget commission so long as the budget commission continues to exist.

**(21) Certify to the Rhode Island department of revenue the need to advance payments of the state's basic education program under chapter 7 of title 16 of the Rhode Island general laws in the amount determined by the budget commission. Said amount shall be advanced, subject to approval of the director of the department of revenue, notwithstanding any general or public law to the contrary. The director of the department of revenue shall provide notice of any advance payments to the fiscal advisors of the house and senate finance committees. The state general treasurer shall deduct the estimated cost to the state's general fund resulting from any advance payments.** (2012)

**45-9-7. Appointment of Receiver.** – (a) If the budget commission established by section 45-9-5 concludes that its powers are insufficient to restore fiscal stability to the city or town, it shall so notify the director of revenue, and shall forward to the director of revenue a statement of the reasons why it has been unable to restore fiscal stability to the city or town. Upon receipt of such statement, the director of revenue shall terminate the existence of the budget commission, notwithstanding section 45-9-5, and the director of revenue shall appoint a receiver for the city or town for a period as the director of revenue may determine. The director of revenue may, at any time, and without cause, remove the receiver and appoint a successor, or terminate the receivership.

(b) The receiver shall have the following powers:

(1) All powers of the fiscal overseer and budget commission under sections 45-9-2 and 45-9-6. Such powers shall remain through the period of any receivership;

(2) The power to exercise any function or power of any municipal officer or employee, board, authority or commission, whether elected or otherwise relating to or impacting the fiscal stability of the city or town including, without limitation, school and zoning matters; and

(3) The power to file a petition in the name of the city or town under Chapter 9 of Title 11 of the United States Code, and to act on the city's or town's behalf in any such proceeding.

(c) Upon the appointment of a receiver, the receiver shall have the right to exercise the powers of the elected officials under the general laws, special laws and the city or town charter and ordinances relating to or impacting the fiscal stability of the city or town including, without limitation, school and zoning matters; provided, further, that the powers of the receiver shall be superior to and supersede the powers of the elected officials of the city or town shall continue to be elected in accordance with the city or town charter, and shall serve in an advisory capacity to the receiver. **The receiver shall allow the city's or town's elected officials to serve their constituents by providing advice to the receiver on matters relating to the operation of the city or town. In the event a conflict arises between the chief elected official or city or town council and the receiver, the receiver's decision shall prevail.** (2011)

The director of revenue shall determine the salary of the receiver, which salary shall be payable by the city or town.

**45-9-8. Appointment of receiver in a fiscal emergency.** – In the event the director of revenue determines, in consultation with the auditor general, that a city or town is facing a fiscal emergency and that circumstances do not allow for appointment of a fiscal overseer or a budget commission prior to the appointment of a receiver, the director of revenue may appoint a receiver without having first appointed a fiscal overseer or a budget commission.

**45-9-9. Collective bargaining agreements.** – Notwithstanding chapter 28-7 of the general laws or any other general or special law or any charter or local ordinance to the contrary, new collective bargaining agreements and any amendments to new or existing collective bargaining agreements (collectively, “collective bargaining agreements”) entered into by the city or town or the school department shall be subject to the approval of the fiscal overseer, budget commission or receiver if the fiscal overseer, budget commission or receiver is in effect at the time. No collective bargaining agreement shall be approved under this section unless the fiscal overseer, budget commission or receiver has participated in the negotiation of the collective bargaining agreement and provides written certification to the director of revenue that after an evaluation of all pertinent financial information reasonably available, the city’s or town’s financial resources and revenues are, and will continue to be, adequate to support such collective bargaining agreement without a detrimental impact on the provision of municipal services. A decision, by the fiscal overseer, budget commission or receiver, to disapprove of a collective bargaining agreement under this section shall be made in a report to the parties; provided, however, that the report shall specify the disapproved portions of the agreement and the supporting reasons for the disapproval. This section shall not be construed to authorize a fiscal overseer, a budget commission or a receiver under this chapter to reject or alter any existing collective bargaining agreement, unless by agreement, during the term of such collective bargaining agreement.

**45-9-10. Appointment of administration and finance officer upon abolition of fiscal overseer, budget commission or receiver. Appointment of administration and finance officer upon abolition of receiver where petition filed under Chapter 9 of Title 11 of the United States Code.** – (a) Notwithstanding any general or special law or city or town ordinance to the contrary, this section shall apply upon abolition of ~~the fiscal overseer or a budget commission or a receiver~~ established under this chapter, **where petition was filed under Chapter 9 of Title 11 of the United States Code**, upon a determination, in writing, by the director of revenue that the financial condition of the city or town has improved to a level such that ~~a fiscal overseer, a budget commission or a receiver~~ is no longer needed. (2013)

(b) For a period of five (5) years after the abolition of ~~a fiscal overseer, or a budget commission or a receiver~~ in any **such** city or town, there shall be in the city or town a department of administration and finance which shall be responsible for the overall budgetary and financial administration of the city or town. The department shall be under the direction and control of the officer appointed pursuant to subsection (c) below. The officer shall report to and be under the charge and direction of the elected chief executive officer, **or in the case of a municipality without an elected chief executive officer,**

**then the city or town council.** Nothing in this section shall abrogate the powers and duties of the school committee under any general or special law, except as specifically provided in this section. **(2013)**

Whenever the term “department of finance” or “finance department” appears in a general or special law or an ordinance, regulation, contract or other document with reference to the city or town, it shall mean the department of administration and finance of the city or town. Whenever the term “chief financial officer”, “director of finance”, “financial director” or “treasurer” appears in a general or special law or an ordinance, regulation, contract or other document with reference to the city or town, it shall mean the officer of the city or town.

(c) The elected chief executive officer, **or in the case of a municipality without an elected chief executive officer, then the city or town council** shall appoint the officer from a list of three (3) names submitted by the division of municipal finance, for a term of not more than five (5) years, as provided in this subsection. The officer shall be **an employee of the city or town who shall be** appointed solely on the basis of administrative and executive qualifications and shall be a person especially fitted by education, training and experience to perform the duties of the office. The officer need not be a resident of the city or town or the state. In the event of a vacancy in the office of officer the same process will be used. **(2013)**

(d) While the process of appointing an officer under subsection (c) is proceeding, the elected chief executive officer, **or in the case of a municipality without an elected chief executive officer, then the city or town council** may appoint an acting officer. **(2013)**

(e) The appointment, including an acting appointment, or removal of the officer shall not take effect until it has been approved in writing by the division of municipal finance.

(f) The powers and duties of the officer shall include the following:

(1) Coordinating, administering and supervising all financial services and activities;

(2) Assisting in all matters related to municipal financial affairs;

(3) Implementing and maintaining uniform systems, controls and procedures for all financial activities in all departments, boards, commissions, agencies, offices or other units of city or town government the operations of which have a financial impact upon the general fund and enterprise funds of the city or town, and including, but not limited to, maintaining all financial and accounting data and records;

(4) Implementing and maintaining uniform financial data processing capabilities for all departments, boards, commissions, agencies and offices;

(5) Supervising all financial data processing activities;

(6) Implementing and maintaining uniform budget guidelines and procedures within all departments, boards, commissions, agencies, offices and other units of city or town government;

(7) Assisting in the development and preparation of all department, board, commission, agency and office budgets and spending plans;

(8) Reviewing all proposed contracts to which the city or town is party;

(9) Monitoring the expenditure of all city or town funds, including periodic reporting by and to appropriate agencies of the status of accounts;

(10) Reviewing the spending plan for each department, board, commission, agency and office; and

(11) Providing for the allotment of funds on a periodic basis as provided for in this chapter.

In all cases where the duty is not expressly charged to any other department, board, commission, agency or office, it shall be the duty of the officer to promote, secure and preserve the financial interests of the city or town.

(g) All department, board, commission, agency and office budgets and requests for budget transfers shall be submitted to the officer for review and recommendation before submission to the elected chief executive officer, city or town council or school committee, as appropriate. For each proposed appropriation order, lease or contract arrangement for a term, including more than one fiscal year, collective bargaining agreement and with respect to any proposed city or town council vote necessary to effectuate a financial transfer, ordinance revision or special legislation which may require the expenditure of funds or otherwise financially obligate the city or town for a period in excess of one year, or with respect to a vote to authorize a borrowing under a law other than sections 45-12-4.1, 45-12-4.2 or 45-12-4.3 of the general laws, the officer shall, if it be the case, submit in writing to the elected chief executive officer, city or town council or school committee, as appropriate, a certification that it is the officer's professional opinion, after an evaluation of all pertinent financial information reasonably available, that the city's or town's financial resources and revenues are, and will continue to be, adequate to support such proposed expenditures or obligations without a detrimental impact on the provision of municipal services. If the officer fails to provide this certification within seven (7) days after a request for such certification from the elected chief executive officer, city or town council or school committee, the appropriation order, financial transfer, ordinance revision, special legislation or borrowing authorization may



nonetheless be approved, but the absence of the certification of the officer shall be expressly noted in that order or vote.

(h) All departments, officers, boards, commissions, agencies and other units of the city or town, shall submit budget requests to the elected chief executive officer, **or appropriate authority under applicable charter and ordinance provisions**, upon the schedule and in the form established by the officer. **(2013)**

(i) Annually, not later than ~~March 30~~, **ninety (90) days prior to the beginning of the municipality's fiscal year**, the officer shall submit a four (4)-year financial plan and a five (5)-year capital plan to the city or town council that includes all capital needs of the city or town. **(2013)**

(j) The assessor, treasurer, finance director, controller, director of information technology, purchasing agent, director of human resources, labor relations director and employees performing similar duties but with different titles shall report to and be under the direction of the officer. The officer, with the approval of the elected chief executive officer, **or appropriate authority under applicable charter and ordinance provisions**, shall appoint all such officers and employees. The elected chief executive officer, **or in the case of a municipality without an elected chief executive officer, then the city or town council** may also place other positions and departments under the direction of the officer. **(2013)**

(k) The officer shall not assume the duties or responsibilities of the treasurer or the finance director and shall not hold an elective office and shall devote the officer's full-time and attention to the officer's duties.

(l) The city or town shall annually appropriate amounts sufficient for the proper administration of the department. ~~as determined in writing by the division of municipal finance~~. If the city or town fails to appropriate such amounts, the division of municipal finance shall direct the general treasurer to deduct the necessary funds from the city's or town's distribution of the city's or town's state aid and shall expend those funds directly for the benefit of the department. **The city or town shall annually appropriate amounts sufficient to cover the costs of the administration and finance officer. The state shall annually reimburse the city or town for fifty percent (50%) share of such costs. The city or town at its expense shall provide office space and adequate resources needed by the administration and finance officer in the performance of his/her duties.** **(2013)**

(m) The officer shall comply with all requests of the school department to provide any information relating to the operation of the school department held within the authority or control of the officer as the result of the consolidation of school and city or town business and financial functions under sections 45-9-3 or 45-9-6. If the officer, or any employee under the control of the officer, refuses to provide such information or engages in unreasonable delay, the school department shall notify the division of municipal finance. The division of municipal finance shall, within a reasonable time, make a determination

whether any such information shall be provided to the school department which shall be binding upon the officer and the school department. The division of municipal finance's determination shall not be an adjudicatory proceeding reviewable under chapter 42-35 of the general laws. Nothing in this subsection shall abrogate any of the other powers or duties of the school committee under the general laws.

**45-9-10.1. Appointment of administration and finance officer upon abolition of a fiscal overseer, or a budget commission or a receiver where no Chapter 9, Title 11 petition filed.** – (a) Notwithstanding any general or special law or city or town ordinance to the contrary, this section shall apply upon the abolition of the fiscal overseer, budget commission or receiver where the receiver has not filed a petition for Chapter 9, Title 11 of the United States Code, upon a determination, in writing, by the director of revenue that the financial condition of the city or town has improved to a level such that a fiscal overseer, budget commission or receiver is no longer needed.

(b) For a period of five (5) years after the abolition of a fiscal overseer, or a budget commission or a receiver where the receiver has not filed a petition for Chapter 9, Title 11 of the United States Code, a finance advisor shall be appointed for the city or town by the director of revenue. The finance advisor shall be an employee of the city or town. The finance advisor shall be responsible for monitoring the overall budgetary and financial administration and fiscal health of the city or town. The finance advisor shall report to the director of revenue.

(c) The finance advisor shall be appointed solely on the basis of his or her qualifications and shall be a person especially fitted by education, training or experience to perform the functions of the position.

(d) The finance advisor shall have complete access to the financial books and records of all offices, departments and other agencies of the municipal government and, without limitations:

(1) Recommend to the elected chief executive officer, city or town council and school committee sound fiscal policies for implementation and monitor implementation;

(2) Monitor and oversee all financial operations and activities including the city's or town's operating and capital financial plans to maintain fiscal stability;

(3) Review operational results of various city or town funds and evaluate the structural soundness of each;

(4) Advise the assessor, director of finance, city or town treasurer, purchasing agent and employees performing similar duties but with different titles;

(5) Provide assistance in all matters related to municipal financial affairs;

**(6) Review and approve the development and preparation of the annual municipal budget, all department operating and capital budgets and spending plans;**

**(7) Review and approve all proposed labor contracts and obligations to determine if consistent with a structurally balanced five (5) year plan;**

**(8) Monitor the receipt of revenues and expenditures of all funds with the assistance of city/town staff.**

**(9) Participate in rating agency calls pertaining to the city or town;**

**(10) Determine compliance with the various ordinances, laws (federal and state) and rules and regulations related to receipt and expenditure of city funds;**

**(11) Provide comment to the local governing body on the annual or supplemental municipal budgets of the city or town and all of its departments;**

**(12) Report quarterly to the chief elected officer, city or town council, director of revenue, the auditor general, the governor and the chairpersons of the house finance and senate finance committees on the progress made towards maintaining fiscal stability and all financial operations of the city or town;**

**(13) Make recommendations to the elected chief executive officer, city or town council, school committee, and the director of revenue, as appropriate, to begin to address any operational and/or structural deficit;**

**(14) Make recommendations to the elected chief executive officer, city or town council, and school committee, as appropriate, to have operational, performance, or forensic audits, or similar assessments conducted;**

**(15) Report any: (i) Inappropriate expenditure; (ii) Any improper accounting procedure; (iii) All failures to properly record financial transactions; and (iv) Other inaccuracies, irregularities, and shortages, as soon as practical to the elected chief executive officer, or in the case of a municipality without an elected chief executive officer, the city or town council; and**

**(16) Notify in writing, as soon as practical, the elected chief executive officer or the city or town council if the finance advisor discovers any errors, unusual practices, or any other discrepancies in connection with his or her work.**

**(f) The city or town, including the school department, shall provide the finance advisor with any and all information requested in a timely fashion.**

(g) The city or town shall annually appropriate amounts sufficient to cover the costs of the administration and finance officer. The state shall annually reimburse the city or town for fifty percent (50%) share of such costs.

(h) The city or town at its expense shall provide office space and adequate resources needed by the administration and finance officer in the performance of his/her duties.

(i) Nothing contained herein removes duties from existing positions in the city or town.

(2013)

**45-9-11. Expenditures in excess of appropriations prohibited.** – (a) No official of a city or town which is subject to the jurisdiction of a fiscal overseer, budget commission or receiver, except in the case of an emergency involving the health and safety of the people or the people’s property declared by the city or town council, shall knowingly expend or cause to be expended in any fiscal year any sum in excess of that official’s departmental or other governmental unit’s appropriation duly made in accordance with the law, nor commit the city or town, nor cause it to be committed, to any obligation for the future payment of money in excess of that appropriation, with the exception of court judgments.

(b) An official who intentionally violates this section shall be personally liable to the city or town for any amounts expended in excess of an appropriation to the extent that the city or town does not recover such amounts from the person or persons to whom such amounts were paid and shall not be indemnified by the city or town for any such amounts. The superior court shall have jurisdiction to adjudicate claims brought by the city or town, or on the city’s or town’s behalf by a budget commission established under this chapter, and to order relief that the court finds appropriate to prevent further violations of this section. A violation of this section shall be sufficient cause for removal.

(c) For the purposes of this section, the word “official” shall mean a city or town department head, permanent, temporary or acting, including the superintendent of schools, and all members of municipal boards, committees, including the school committee, and commissions which recommend, authorize or approve the expenditure of funds, and the word “emergency” shall mean a major disaster, including, but not limited to, flood, drought, fire, hurricane, earthquake, storm or other catastrophe, whether natural or otherwise, which poses an unexpected and immediate threat to the health and safety of persons or property.

**45-9-12. Conflicts with other laws.** – Notwithstanding any general or special law to the contrary, unless otherwise specified, the provisions of this chapter shall supersede any conflicting provisions of the city’s or town’s charter or local ordinance.

**45-9-13. Other state receivership laws inapplicable.** – No city or town shall be placed into, or made subject to, either voluntarily, or involuntarily, a state judicial receivership proceeding, **and nothing in this act shall in any way preempt or restrict the powers and remedies available to a state-appointed receiver under Chapter 9 of Title 11 of the United States Code and the receiver’s ability to exercise such powers and remedies on a city’s or town’s behalf in a federal proceeding filed under Chapter 9 of Title 11 of the United States Code.** (2011)

**45-9-14. No state guarantee.** – Nothing in this chapter shall be construed to pledge the credit and assets of the state to pay the obligations or indebtedness, including, bonded indebtedness, of any municipality.

**45-9-18. Additional powers of receiver.** – The receiver shall be entitled to exercise all powers under the general laws, this chapter, the state constitution, any special act, any charter provision or ordinance that any elected official or any body of the city or town may exercise, acting separately or jointly; provided, however, that with respect to any such exercise of powers by the receiver, the elected officials or the body shall not rescind or take any action contrary to such action by the receiver so long as the receivership continues to exist. (2011)

**45-9-19. Expenditures by elected officials in excess of appropriations prohibited.**  
– (a) No elected official of a city or town which is subject to the jurisdiction of a fiscal overseer, budget commission or receiver, except in the case of an emergency involving the health and safety of the people or the people’s property declared by the city or town council, shall knowingly expend or cause to be expended in any fiscal year any sum in excess of that official’s departmental or governmental unit’s appropriation duly made in accordance with the law, nor commit the city or town, nor cause it to be committed, to any obligation for the future payment of money in excess of that appropriation, with the exception of court judgments.

(b) An elected official who intentionally violates this section shall be personally liable to the city or town for any amounts expended in excess of an appropriation to the extent that the city or town does not recover such amounts from the person or persons to whom such amounts were paid and shall not be indemnified by the city or town for any such amounts. The superior court shall have jurisdiction to adjudicate claims brought by the city or town, or on the city’s or town’s behalf by a budget commission established under this chapter, and to order relief that the court finds appropriate to prevent further violations of this section. (2011)

**45-9-20. Orders of the receiver.** – In the event a receiver is appointed pursuant to the provisions of this chapter, powers of the city or town council exercisable by resolution or ordinance shall be exercised by order of the receiver. (2011)

**45-9-21. Exemption from liability and prosecution.** – (a) Notwithstanding any general or special law to the contrary, neither the director of the department of revenue, nor any fiscal overseer, budget commission member, receiver or administration and finance officer or any managerial, professional or clerical staff hired, retained or employed by the director of the department of revenue or any fiscal overseer, budget and review commission, receiver, or administration and finance officer under chapter 45-9 of the general laws shall have any civil liability for any actions taken or omitted in the course of performing their official duties.

(b) Notwithstanding any general or special law to the contrary, neither the director of the department of revenue nor any fiscal overseer, budget commission member, receiver or administration and finance officer, nor any managerial, professional or clerical staff employed by the director of the department of revenue or any fiscal overseer, budget and review commission, receiver or administration and finance officer under chapter 45-9 of the general laws shall be subject to prosecution or have any liability for misdemeanor violations of criminal laws for actions taken or omitted in the course of performing their official duties under chapter 45-9 of the general laws. (2011)

**45-9-22. Indemnification.** – Notwithstanding any general or special law to the contrary, the state shall indemnify, exonerate, defend and hold harmless the director of the department of revenue and any fiscal overseer, budget commission member, receiver or administration and finance officer and any managerial, professional or clerical staff hired, retained or employed by the director of the department of revenue or any fiscal overseer, budget and review commission, receiver or administration and finance officer under chapter 45-9 of the general laws, from all loss, cost, expense, and damage, including legal fees and court costs, if any, arising out of any contract, claim, action, compromise, settlement, or judgment by reason of any intentional tort or by reason of any alleged error or misstatement or action or omission, or neglect or violation of the rights of any person under any federal or state law, arising out of or relating to actions taken or omitted by such person under this chapter 45-9, except in the case of intentional malfeasance, malicious conduct or gross negligence. The costs of such indemnity and defense shall be paid for solely from amounts available in the city's or town's general fund, from amounts appropriated by the general assembly for such purposes, or from other available funds to the extent permitted by law. (2011)

**45-9-23. Litigation costs.** – Unless such person shall be the prevailing party in a final non-appealable judgment, any person who violates this chapter or ignores a written demand made by a fiscal overseer, budget commission member, receiver or administration and finance officer acting within the scope of his or her duties, shall be required to pay the reasonable attorney fees incurred by the fiscal overseer, budget commission member, receiver or administration and finance officer and/or his or her counsel to seek enforcement of this chapter or compliance with such written demand. (2011)

**CHAPTER 45-10**  
**AUDIT OF ACCOUNTS AND INSTALLATION OF SYSTEMS**

**45-10-1. Power to petition for installation of system.** The electors of any town qualified to vote on a proposition to impose a tax, or the town council of any town, or the city council of any city, when legally assembled, may by vote petition the state director of **revenue** for the installation of an accounting system for such town or city.

**45-10-2. Certification of vote to install system - Installation.** Upon the passage of the vote petitioning the state director of **revenue** for an installation of a system of accounting as provided in Section 45-10-1, the town or city clerk or such other person so authorized in said vote shall forthwith forward by registered or certified mail to the said director of **revenue** and to the town or city treasurer or such other person having custody of said accounts, a certified copy of said vote, and the director of **revenue** shall cause an accounting system to be installed in such town or city.

**45-10-3. Assistance in operation of system.** Whenever a system of accounting has been installed under the provisions of this chapter, the town or city council of the municipality in which said system is installed may request the assistance of the state director of **revenue** in the operation of said system, and said state director of **revenue** shall furnish such temporary clerical assistance and other such assistance as in his judgment may be necessary.

**45-10-4. Annual post audit required.** Each municipality and regional school district in the state, prior to the close of the fiscal year, shall retain the services of one or more independent certified public accountants holding a certificate from the state of Rhode Island, or from any other state with whom the state board of accountancy has reciprocal relationship, to make a detailed post audit of the financial records of the municipality or regional school district for the preceding fiscal year in accordance with generally accepted auditing standards and government auditing standards. School districts which are part of the primary government of a municipality shall be included in the municipality's post audit and shall not be required to obtain a separate post audit. The selection of auditors hereunder shall be subject to the final approval of the state auditor general. The municipality or school district shall not engage said auditors or enter into a contract for such services until the auditor general gives his/her written authorization. The term school district shall include regional school districts. At the request of the auditor general, the audit firm for each municipality or school district shall release any and all information obtained in the course of the engagement to the Rhode Island state auditor general (or his/her designee). This information includes, but is not limited to, financial data, analysis, work papers and memorandum. Audit work papers of the independent auditors shall be made available to the auditor general (or his/her designee) upon request. The request for such information by the auditor general shall be responded to promptly. Failure to provide this information shall constitute a breach of contract by the audit firm. The auditor general shall have standing to bring an action in the superior court to compel the audit firm to provide the information listed in this section. (2005)

**45-10-5. Filing of audit report.** The accountants making such post audit shall submit a report on their examination of the financial statements to the city or town audited and the town or city clerk of said city or town shall file duplicate copies of the same with the state director of **revenue**, and the state auditor general not later than six (6) months after the close of said fiscal year. The copy of the report filed with the director of **revenue** shall be a public record. The auditor general may, in his/her discretion, grant

extensions in the filing of the audit report only upon reasonable cause for such extension being demonstrated by the municipality. In such cases, the determination of the auditor general as to the existence of reasonable cause shall be deemed conclusive.

(2002)

**45-10-5.1. Uniform accounting procedures.** The office of the auditor general of the state of Rhode Island shall prescribe and supervise the application of uniform accounting principles and financial reporting to follow the guidelines established by the Governmental Accounting Standards Board and the American Institute of Certified Public Accountants. The auditor general shall supervise compliance with generally accepted auditing standards.

**45-10-5.2. Failure to file audit report.** – (a) If the municipality fails to comply with the provisions of this chapter by filing the audit report as required under this chapter, the auditor general, in his or her discretion, is authorized to provide for the completion of the audit. In that event, the auditors and/or the municipality shall transmit the audit workpapers to the auditor general within ten (10) days of his or her request. The workpapers shall include, but not be limited to, the work product customarily generated in the course of an audit under generally accepted auditing standards and practices, as well as any papers, schedules, or documents created or provided by or to the auditors in the conduct of audit field work. The municipality shall bear the cost of the audit to be completed by the auditor general or an independent audit firm engaged by the auditor general to complete the audit. The payment of this cost shall be deducted from state aide funds otherwise due to the municipality.

(b) If the auditor and/or the municipality refuses to transmit the workpapers as provided in this section, the auditor general shall have standing to petition the presiding justice of the Rhode Island superior court for an order compelling the immediate transmission of the workpapers to the auditor general. Upon the filing of that petition, the court shall schedule a hearing on an expedited basis, no more than ten (10) days after the filing of the petition. The court shall order the transmission of the workpapers and the draft of the audit report, if any, to the auditor general upon the auditor general's certification to the court that:

(1) The audit report was not completed and filed as required under the law;

(2) Requests for extension to file were denied by the auditor general; and

(3) The auditors and/or the municipality have failed or refused to transmit the workpapers and/or preliminary draft of the report.

(c) Failure to transmit the workpapers and/or draft audit report after the issuance of a court order will constitute criminal contempt of court, and will empower the court to impose any and all criminal sanctions including imprisonment and/or monetary penalties consistent with the existing power and authority of the superior court to impose those sanctions under law. Any monetary penalty imposed shall be paid into the restricted receipts account established pursuant to section 45-10-5.3 for the payment of late penalties. (2002)

**45-10-5.3. Failure to file audit report – Enforcement and penalty.** (a) Failure to file the duplicate audit report as prescribed in section 45-10-4 shall result in a sanction being imposed equal to ten thousand dollars (\$10,000) per month or a monthly sanction equal to one-twelfth (1/12) of the product of one percent (1%) of the general revenue sharing funds received by the municipality from the state in the prior fiscal year,



whichever is greater. This penalty shall be calculated from the due date of the audit or any approved extension date until the date the report is filed as required. The penalty funds shall be paid by the municipality to the general treasurer who shall deposit said funds into a restricted receipts account. If the municipality fails to promptly pay said penalty, the general treasurer is authorized to withhold said amounts from state aid otherwise due to the municipality upon certification by the auditor general of the amount of the penalty. Both the auditor general and the general treasurer shall have standing to bring an action in the Providence county superior court to enforce payment of the penalty provided for under this section.

(b) In addition to the penalty for late filing, if the municipality fails to comply with the provisions of this section by filing the audit report as required hereunder, the auditor general, in his/her discretion, is authorized to provide for the completion of said audit. In such event, the auditors and/or the municipality shall transmit the audit workpapers to the auditor general within ten (10) days of his/her request. The workpapers shall include, but not be limited to, the work product customarily generated in the course of an audit under generally accepted auditing standards and practices, as well as any papers, schedules, or documents created or provided by or to the auditors in the conduct of audit field work. The municipality shall bear the cost of the audit to be completed by the auditor general or an independent audit firm engaged by the auditor general to complete the audit. The payment of this cost shall be deducted from state aid funds otherwise due to the municipality.

(c) If the auditor and/or the municipality refuses to transmit said workpapers as provided herein, the auditor general shall have standing to petition the presiding justice of the Rhode Island superior court for an order compelling the immediate transmission of the workpapers to the auditor general. Upon the filing of said petition, the court shall schedule a hearing on an expedited basis, no more than ten (10) days after the filing of the petition. The court shall order the transmission of the workpapers and the draft of the audit report – if any – to the auditor general upon the auditor general's certification to the court that:

- (1) the audit report was not completed and filed as required under the law;
- (2) requests for extension to file were denied by the auditor general; and
- (3) the auditors and/or the municipality have failed or refused to transmit the workpapers and/or preliminary draft of the report.

(d) Failure to transmit the workpapers and/or draft audit report after the issuance of a court order will constitute criminal contempt of court, and will empower the court to impose any and all criminal sanctions including imprisonment and/or monetary penalties consistent with the existing power and authority of the superior court to impose such sanctions under law. Any monetary penalty imposed shall be paid into the restricted receipts account established hereunder for the payment of late penalties.

(e) The state controller shall establish the restricted receipts account for the deposit of penalties and costs under this section, and the disbursement of funds from this account shall be for the purpose of training government finance personnel, and to reimburse and/or pay audit costs and the cost of monitoring and enforcing compliance with this chapter. Disbursements from said account shall require the authorization of the auditor general.

(2002)

**45-10-6. Contents of audit report.** The audit report hereinbefore mentioned shall include for each fund of the city or town and for each public industry maintained or operated by such city or town: (a) Financial statements for the fiscal year prepared in accordance with the reporting requirements prescribed in section 45-10-5.1, together with the auditor's report thereon; (b) a statement as to uncollected taxes outstanding at the close of the last fiscal year according to the years for which said taxes were assessed; (c) a statement as to debts incurred during the last fiscal year which were unpaid at the end of said year; (d) statements as to each public industry maintained or operated by such city or town of expenditures for construction and for equipment for said year; (e) a statement to the public debt evidenced by notes, bonds or other evidences of indebtedness, issued and outstanding of said city or town showing as to each item thereof the authorization date thereof, the purpose for which authorized, the amount authorized, the date of issue and amount issued, the interest rate, the amount owing on account of same at the close of the fiscal year, and the amount, if any, at that time of the sinking fund established for the retirement of such debt; (f) a statement of the sinking funds for the payment of the public debt of such city or town, showing how such funds are constituted and invested at the close of said fiscal year; and (g) such suggestions as were developed during the course of the audit for improvements in procedures and controls.

**45-10-6.1. Corrective action plan.** If the auditor conducting the post audit expresses an opinion on the financial statements of a municipality or school district that is other than unqualified, the chief finance officer of the municipality or school district shall submit a detailed corrective action plan and timetable, which addresses the issue(s) which caused the auditor's qualified opinion on the financial statements. Such plan and timetable shall be submitted to the city or town council, the school committee, state auditor general and director of **revenue** within forty-five (45) days of receipt of the final audit. The chief finance officer of each municipality and each school district shall also submit all findings and recommendations reported by the auditors making the post audit, including those reported in a separate management letter, to the city or town council, to the state auditor general, the school committee and director of **revenue**. The chief finance officer of the municipality and each school district shall prepare a plan of corrective action and timetable for all findings and recommendations and shall submit such plan to the city or town council, the school committee, state auditor general and director of **revenue** within forty-five (45) days of receipt of a written report or letter of findings and recommendations from the auditors. All management letters shall be public records. The term school district shall include regional school districts. (2005)

**45-10-7. Expenses of post audit.** The cost and expenses of said post audit shall be borne by each city and town.

**45-10-8. Notice of engagement of accountants - Failure to provide notice of engagement to director of administration.** Notice of the engagement of said certified public accountant or accountants shall be mailed by the city or town clerk to the director of **revenue** and the auditor general by registered or certified mail during the period preceding the 60th day prior to the close of the fiscal year. If such notice is not received by the said director of **revenue** during said period he shall notify the city or town by registered or certified mail of their failure so to notify, and failure to receive such notice of the engagement of said certified public accountant or accountants within thirty (30) days following said registered or certified mailing shall permit said director to file notice for the withholding of state funds pursuant to section 45-10-12.

**45-10-9. Access of auditors to records.** In order to carry out the purpose of this chapter, the certified public accountant or accountants, shall have access to all books of account, tax warrant books, tax bills, receipts, vouchers, check books, canceled checks,

correspondence, bank books, documents, records, and all other information directly or otherwise pertaining to said accounts.

**45-10-10. Delivery of records to auditors.** The town or city treasurer or such other person or persons as may have custody of any accounts or other records described in section 45-10-9, shall, on demand of the person or persons authorized by section 45-10-4 to make post audit, deliver to him or them for examination all such accounts or other records. Failure or neglect to comply with the provisions of this section by said town or city treasurer, or by such other person or persons, shall be punishable by a fine not exceeding five thousand dollars (\$5,000) nor less than five hundred dollars (\$500).

**45-10-11. Compelling attendance of witnesses and production of records.** The director of **revenue**, at the request of the person or persons authorized by section 45-10-4 to make a post audit may summon and compel the attendance of witnesses for examination under oath, and may compel the production of accounts and records described in section 45-10-9.

**45-10-12. Withholding of funds due towns failing to file reports.** Whenever any town or city shall fail to file a duplicate copy of the audit report as required in section 45-10-5 within the time required by said section, or files a report that does not fully comply with the requirements of sections 45-10-5 and 45-10-6, or fails to provide the notice of engagement of accountant or accountants as required by section 45-10-8 within the time required by said section, said state director of **revenue** shall immediately, with the concurrence of the auditor general, notify the treasurer and the town or city clerk of such town or city and the general treasurer of such fact, and the general treasurer shall withhold any and all payments of money due or that may become due to said town or city during the period that said town or city fails to comply with the provisions of sections 45-10-4 to 45-10-8, inclusive. (2000)

**45-10-13. Costs of audits, installation of accounting systems, or other assistance.** Each town or city for which an audit has been made, a system of accounting installed, or clerical or other assistance furnished, under the provisions of this chapter, shall pay to the general treasurer a sum equal to the actual cost to the state of the same as shown by the records of the state director of **revenue** and certified to by him to the town or city treasurer and the general treasurer. Said payments shall be made within thirty (30) days after the receipt by the treasurer of such town or city of said certificate of the state director of **revenue**.

**45-10-14. Appropriations and disbursements.** The general assembly shall annually appropriate such sums as it deems necessary for the purpose of carrying out the provisions of this chapter, and the state director of **revenue** is hereby authorized and directed to draw his orders upon the general treasurer for the payment of such sums or so much thereof as may from time to time be required.

**45-10-15. Compliance with requirements of "Governmental Accounting Standards Board (GASB)" pension funding.** For any audit year in which a municipality contributes materially less than 100% of the annual required contribution to its pension plan(s) as reported in accordance with GASB statement 27 or any successor statement, such municipality shall submit to the Auditor General and the Director of **Revenue**, within three months of completion of the financial statement, the municipality's most recent actuarial study of the plan(s) and management's recommendations for assuring future payments equal to the annual pension cost (APC). (2000)

**45-10-16. Advisory council on municipal finances. – (a) In order to strengthen the fiscal accountability of cities, towns and municipalities in Rhode Island an advisory council on municipal finances is hereby formed.**

**The council is composed of five (5) members as follows:**

- (1) The auditor general of the state of Rhode Island or his or her designee;**
- (2) The executive director of the Rhode Island league of cities and towns or his or her designee;**
- (3) The executive director of the Rhode Island league of cities and towns shall appoint a representative of the Government Finance Officers Association;**
- (4) The director of the department of revenue or his or her designee;**
- (5) The state controller or his or her designee.**

**The auditor general or his or her designee shall serve as chair of the council.**

**(b) The council shall develop recommendations for a uniform system of accounting, including a chart of accounts for all cities, towns and municipalities. These recommendations shall take into consideration the work of the advisory council on school finances pursuant to the requirements of section 16-2-9.3. The council shall recommend changes in accounting procedures to be adopted by cities, towns and municipalities. In addition, the council shall apprise municipal business officials, city and town councils, and other municipal leaders about sound fiscal practices and current state and federal rules and regulations regarding municipal finance. All recommendations of the council shall be advisory in nature.**

**(c) The council shall meet at least one time each year. The council shall report its activities and recommendations to the chairs of the house and senate committees on finance, the senate committee on housing and municipal government, the house committee on municipal government, and the office of the governor. The council's initial recommendations shall be submitted by July 1, 2009. (2008)**

**CHAPTER 45-11  
RESERVE FUNDS**

**45-11-1. Establishment and use of funds.** The city council of any city and the voters of any town in this state in a financial town meeting, or such other municipal body legally empowered to appropriate funds of a city or town, if they shall see fit to do so, may vote:

(a) to establish a fund to be designated as a reserve fund, this fund to be available to said city or said town as necessary for temporary borrowings in anticipation of taxes but otherwise available only for capital expenditures;

(b) to vote from time to time to transfer thereto the whole or any portion of such surplus funds as said city or town may have at the end of the current or any succeeding year, to add thereto by direct appropriation or to augment said fund by either or both methods;

(c) to permit the investment by the city or town treasurer, with the advice and consent of the city council or the town council, as the case may be, of said fund in savings accounts or certificates of deposit of commercial or savings banks or trust companies or in obligations of the United States or its agencies or in any other short-term investment, as would be made by prudent men of discretion and intelligence,

(d) to provide that transfers or appropriations shall not be voted to said fund which shall cause the fund to exceed five percent (5%) of the total assessed valuation of real estate and tangible personal property in said city or town; and

(e) to provide that no city council and no financial town meeting, either annual or special, shall appropriate any moneys out of said fund unless notice of the proposal to do so, reasonably detailed as to purpose and extent, shall appear in the call for such meeting.

**CHAPTER 45-12  
INDEBTEDNESS OF TOWNS AND CITIES**

**45-12-1. Payment of indebtedness.** (a) The outstanding notes, bonds and contracts of cities and towns shall be paid and be fulfilled according to the tenor thereof, and all public works now authorized to be prosecuted shall be prosecuted, and all indebtedness now authorized to be incurred on account thereof may be incurred, according to the tenor of the authority therefore. The power and obligation of each city and town to pay its general obligation bonds and notes, whether or not issued pursuant to this chapter, shall be unlimited and each city and town shall levy ad valorem taxes upon all the taxable property within the city or town for the payment of such bonds or notes and interest thereon, without limitation of rate or amount, except as otherwise provided by or pursuant to law. The faith and credit, **ad valorem taxes, and general fund revenues** of each city, town **and district** shall be pledged for the payment of the principal of, premium and the interest on all general obligation bonds and notes of the city or town whether or not such pledge is stated in the bonds or notes, or in the proceedings authorizing their issue **and shall constitute a first lien on such ad valorem taxes and general fund revenues.** Each city, town **and district** shall annually appropriate a sum sufficient to pay the principal, premium and interest coming due within the year on all its general obligation bonds and notes to the extent that moneys for the general obligation bonds and notes are not otherwise provided. If that sum is not appropriated, it shall nevertheless be added to the annual tax levy. **Annual appropriations for payment of financing leases and obligations securing bonds, notes or certificates (“other financing obligations”), shall also have a first lien on ad valorem taxes and general fund revenues commencing on the date of each annual appropriation. Amounts appropriated or added to the tax levy to pay principal of, premium and interest on, general obligation bonds or notes and payments of other financing obligations shall be applied to the payment of such obligations. Any municipal or district employee or official who intentionally violates the provisions of this section shall be personally liable to the city, town or district for any amounts not expended in accordance with such appropriations. The superior court shall have jurisdiction to adjudicate claims brought by any city, town or district hereunder and to order such relief as the court may find appropriate to prevent further violations of this section. Any municipal or district employee or official who violates the provisions of this section shall be subject to removal.** (2011)

(b) Notwithstanding any provision of any other law, including the uniform commercial code, title 6A of the Rhode Island general laws:

(1) The pledge of ad valorem taxes and general fund revenues to the payment of the principal, premium and interest on general obligation bonds and notes and payment of other financing obligations, whether or not issued pursuant to this chapter, is valid and binding, and deemed continuously perfected from the time the bonds or notes or other financing obligations are issued;

(2) No filing need be made under the uniform commercial code or otherwise to perfect the first lien on ad valorem taxes or general fund revenues;

(3) The pledge of ad valorem taxes and general fund revenues is subject to the lien of the pledge without delivery or segregation, and the first lien on ad valorem taxes and general fund revenues is valid and binding against all parties having claims of contract or tort or otherwise against the city or town, whether or not the parties have notice thereof;

**(4) The pledge shall be a statutory lien effective by operation of law and shall apply to all general obligation bonds and notes and other financing obligations of cities, towns and districts heretofore or hereafter issued, and shall not require a security agreement to be effective. Such pledge shall not constitute a security agreement under Rhode Island law.**

**(c) The pledge of ad valorem taxes and general fund revenues to the payment of principal, premium and interest on general obligation bonds and notes, under this section constitutes a sufficient appropriation for the purposes of any provision for appropriation, and the ad valorem taxes and general fund revenues may be applied as required by the pledge without further appropriation; provided, however, that this subsection (c) shall not apply to other financing obligations which are subject to annual appropriation.**

**(d) As used in this section, the following words shall have the following meanings:**

**(1) “Ad valorem taxes” shall mean all ad valorem taxes levied by cities, towns and districts on property, including motor vehicle excise taxes, except for “project revenues” as defined in subdivision 45-33.2-3(5) of the general laws.**

**(2) “Pledge” shall mean the first lien on, and a grant of a security interest in, ad valorem taxes and general fund revenues.**

**(3) “General fund revenues” shall mean all taxes, fees, assessments, charges, receipts and other monies ( including unrestricted fund balance ) derived from any source, to the extent that such monies are deposited or required to be deposited to the general fund of the city, town, or district, and all accounts and rights to receive the ad valorem taxes and general fund revenues and the proceeds thereof.**

**(e) If any provision of this section or the application thereof shall for any reason be judged invalid, that judgment shall not affect, impair or invalidate the remainder of the law, but shall be confined in its effect to the provisions or application directly involved in the controversy giving rise to the judgment. (2011)**

**45-12-2. Maximum aggregate indebtedness. Except as provided in section 45-12-11, no city or town shall, without special statutory authority, or ministerial approval as provided for in section 45-12-2.1, incur any debt for money borrowed which would increase its aggregate **outstanding principal** indebtedness not excepted by law from the provisions of this section to an amount greater than three percent (3%) of the **full assessed value of the** taxable property **within** the city or town, but the amount of any borrowing in anticipation of taxes which is authorized or validated by section 45-12-4, and the amount of any **fund held on account to pay such outstanding indebtedness** shall be deducted in computing that indebtedness. **In computing the value of taxable property for purposes of this section motor vehicles and trailers shall be valued at full value and without regard to the assessed value reductions provided for in section 44-34.1-1.** Any city or town may, without special statutory authority, **incur debt** to an aggregate amount, as with the other **outstanding** indebtedness of the city or town not deductible under the foregoing provisions, which shall not exceed the limitation contained in this section. (2007)**

**45-12-2.1. Ministerial approval.** Effective January 1, 2008, a city or town shall have authority to incur debt for money borrowed, through the issuance of bonds, if such application for approval of bonds is approved by the auditor general as described below, as meeting all of the following standards:

- (1) The city or town has a long-term unenhanced credit rating from one nationally recognized credit rating agency in at least the “A” rating category without regard to gradations within such category;
- (2) The city or town has represented in the application that the proposed bonds will finance a capital asset or assets and the average useful life of the capital asset or assets to be financed will be greater than or equal to the average maturity of the proposed borrowing as determined by an appropriate official of the city or town at the time of the issuance of the bonds therefore under this section or notes therefore under section 45-12-18;
- (3) The city or town is in compliance with financial reporting requirements as set forth in section 45-10-5 and is not subject to enforcement proceedings or remedies as provided for in 45-12-22.7; and
- (4) The authorization for the issuance of such bonds has been approved by local referendum at a general or special election or financial town meeting.

The auditor general shall establish standards and rules for the submission of applications for approval of bonds by cities and towns in accordance with this section. Upon submission of a complete application from a city or town, the auditor general shall within thirty (30) days determine whether the standards set forth in this section have been met. If the standards have been met, then the auditor general shall give approval to the application and the city or town shall have the power under law to issue bonds, provided it is otherwise lawful; if the auditor general finds that the borrowing does not meet said standards, the city or town shall be notified that the certification standards have not been met, which notification shall state the standards that were and were not met, and if otherwise required, the city or town shall seek specific statutory authority as provided in section 45-12-2. No ministerial approval pursuant to this section shall be given by the auditor general for tax year synchronization bonds, pension obligation bonds or bonds to fund other post employment benefits. The auditor general shall submit a copy of each approval and each notification that approval has been denied within five (5) business days after issuance to the director of administration and the chairpersons of the house committees on corporations and finance and the chairpersons of the senate committees on housing and municipal government and finance. (2007)

**45-12-3. Statements to accompany bills to general assembly to authorize indebtedness.** Whenever any bill shall be presented to either house of the general assembly to authorize any city or town to issue bonds or **other** indebtedness, **every such** bill shall be accompanied by a **resolution or ordinance of the city or town council** to the general assembly stating the purpose for which the proceeds from the sale of the bonds or **other** indebtedness are to be used. (2007)

**45-12-4. Borrowing in anticipation of taxes.** Any city or town by resolution of its city or town council may borrow money in each financial year in anticipation of the receipt of the proceeds of the annual tax due or to become due in that financial year upon the **taxable** property within the city or town, an amount which, together with any money borrowed in anticipation of taxes in any prior year which may remain unpaid, shall not



exceed in the aggregate the total tax levy of the then current financial year, or which if no tax levy was made, shall not exceed the tax levy of the next preceding financial year, the money **borrowed** to be used and expended for the payment of the current liabilities and expenses of the city or town, and may issue its negotiable notes therefore. Notes issued under authority of this section shall bear upon their face the notation "issued in anticipation of taxes assessed as of December 31, 19...." and shall be made payable not later than one (1) year from their date, but may be **refunded** or paid by the issue of new notes bearing the notation and payable not later than one (1) year from the date of the original notes **so refunded or paid. The failure of a city or town to comply with any time requirement or deadline imposed by general law, special law or charter in relation to the levy or assessment of taxes shall not affect the validity of notes issued pursuant to this section.** Every city and town **borrowing** money under the provisions of this section shall assess and levy a tax in each financial year sufficient to provide funds for the payment of all outstanding notes previously issued in anticipation of taxes of the preceding financial year. (2007)

**45-12-4.1. Borrowing where collection of taxes delayed or taxes refunded.**

Notwithstanding any provision of section 45-12-4 to the contrary, **a city or town by resolution of its city council or town council, may authorize the issue of** notes of the city or town in order to pay any outstanding tax anticipation notes or other obligations of the city or town which, in the judgment of the treasurer or finance director, cannot be paid when due from property tax revenues as a result of a court order or decision which directly or indirectly delays the collection of taxes by the city or town or which provides for the refunding of taxes previously collected, or for any other reason. Notes issued under this section shall be payable within such period of time, not exceeding one (1) year as shall be necessary, in the judgment of the treasurer, or finance director for the city or town to receive sufficient property tax revenue to pay them.

Notes issued under this section may be **refunded** or paid by the issue of other similar notes. Notes issued under this section shall be excepted from the operation of section 45-12-4 and shall not be taken into account for the purpose of determining the borrowing capacity of the city or town under that section. (2007)

**45-12-4.2. Borrowing in anticipation of federal or state grants.** A city or town may contract for and accept grants of federal or state aid for any purpose for which it is authorized to appropriate money. A city or town, by resolution of its city council or town council, may authorize the issue of notes in anticipation of the receipt of federal or state aid; provided however, that such aid has been previously approved by the appropriate federal or state agency. The proceeds of the notes may be used only for the purpose for which the aid is granted. The amount of original notes issued hereunder may not exceed the amount of available federal or state aid as estimated by the director of finance or treasurer and shall be payable within three (3) years from their respective dates, but the principal of and interest on notes issued for a shorter period may be **refunded** or paid from time to time by the issue of other notes under the provisions of this section; provided, that the period from the date of an original note to the maturity of any note issued to **refund** or pay the same debt or the interest on that debt does not exceed three (3) years. To the extent that the state or federal aid actually received is insufficient to pay the principal and interest on those notes, the city or town shall appropriate a sum sufficient to make the payments. (2007)

**45-12-4.3. Borrowing in anticipation of water and sewer tax and user charge revenue.** Any city or town, by resolution of its city or town council, may **authorize the issuance of notes** in any fiscal year, in anticipation of the receipt of water and sewer tax and user charge revenues, **in a principal** amount which, together with any money

borrowed in anticipation of these revenues in any prior fiscal year that remains unpaid, shall not exceed in the aggregate eighty percent (80%) of the total amount of such revenues due or expected to be received during the fiscal year, as estimated by the director of finance or treasurer. Notes issued under this section are payable within one (1) year from their dates and may be **refunded**; provided, that the period from the date of an original note to the maturity of any note issued to **refund** the same debt does not exceed one (1) year. (2007)

**45-12-4.4. Borrowing in payment of certain judgments.** - (a) A city or town may authorize the issuance of bonds, notes, or other evidences of indebtedness to pay the uninsured portion of any court judgment or settlement; except any court judgment or settlement arising out of any pension obligation of a city or town, provided however, that the outstanding principal amount, in aggregate, shall not exceed five percent (5%) of the total amount of the city or town's most recently adopted municipal budget, **except in the following communities: Coventry and Middletown.** (2013)

(b) These bonds, notes, or other evidences of indebtedness are subject to the maximum aggregate indebtedness permitted to be issued by any city or town under section 45-12-2.

(c) The bonds, notes, or other evidences of indebtedness may be issued to pay a judgment or settlement or may be issued to pay or refund notes issued under section 45-12-4.1.

(d) The denominations, maturities, interest rates, methods of sale, and other terms, conditions, and details of any bonds or notes issued under the provisions of this section may be fixed by the vote or resolution of the city or town council authorizing them, or, if no provision is made in the vote or resolution, by the treasurer or other officer authorized to issue the bonds or notes or to hire the money; provided, that the payment of principal of bonds shall be by sufficient annual payments that will extinguish the debt at maturity, the first of these annual payments to be made not later than one year, and the last payment not later than fifteen (15) years after the date of the bonds.

(e) The bonds, notes, or other evidences of indebtedness may be issued under this section by any political subdivision without obtaining the approval of its electors, notwithstanding the provisions of sections 45-12-19 and 45-12-20 and notwithstanding any provision of its charter to the contrary, unless the electors when assembled in a meeting are the local legislative body for the purpose of authorizing indebtedness of the political subdivision. (2000)

**45-12-4.5. Relationship to charters.** Any city or town is authorized to issue debt by resolution under and in accordance with the procedures of sections 45-12-4, 45-12-4.1, 45-12-4.2, 45-12-4.3, 45-12-4.4 and 45-12-5.2 notwithstanding any provision of its charter to the contrary. (2007)

**45-12-5. Sale of evidences of indebtedness - Annual Payments - Terms.** (a) A city or town which has authorized the **borrowing** of money under the provisions of this chapter may sell the bonds, notes or other evidence of the indebtedness authorized at public or private sale, or may use these in payment of its debts. **The bonds of each issue may be issued in the form of serial bonds or term bonds or a combination thereof and shall be payable either by maturity of principal in the case of serial bonds or by mandatory serial redemption in the case of term bonds, in annual installments of principal, the first installment to be not later than five (5) years and the last installment not later than thirty (30) years, after the dated date of the bonds. All such**

bonds of a particular issue may be issued in the form of zero coupon bonds, capital appreciation bonds, serial bonds or term bonds or a combination thereof. Annual installments of principal may be provided for by maturity of principal in the case of serial bonds or by mandatory serial redemption in the case of term bonds. The amount of principal appreciation each year on any bonds, after the date of original issuance, shall not be considered to be principal indebtedness for the purposes of any constitutional or statutory debt limit or any other limitation. The appreciation of principal after the date of original issue shall be considered interest. Only the original principal amount shall be counted in determining the principal amount so issued and any interest component shall be disregarded.

(b) The manner of sale, denominations, maturities, interest rates and the uses of the proceeds thereof (including, but not limited to, the costs of issuance and capitalized interest) and other terms, conditions, and details of any bonds, notes or other evidence of indebtedness issued under this section may be fixed by ordinance or resolution of the city or town council authorizing the issue or by separate resolution of the city or town council or, to the extent provisions for these matters are not so made, they may be fixed by the officers authorized to sign the bonds, notes or other evidence of indebtedness. The officers authorized to sign the bonds, notes or other evidence of indebtedness on behalf of the city or town are authorized to execute such instruments, documents or other papers as they deem necessary or desirable to effectuate the issuance of the bonds, notes or other evidence of indebtedness and are also authorized to take all actions and execute all documents or agreements necessary to comply with federal tax and securities laws, including rule 15c2-12 of the securities and exchange commission or any similar rule or regulation now or hereafter adopted by the securities and exchange commission, which documents or agreements may have a term coextensive with the maturity of the bonds, notes or other evidence of indebtedness authorized hereby and to execute and deliver a continuing disclosure agreement or certificate in connection with the bonds, notes or other evidence of indebtedness.

(c) Pending any authorization or issue of bonds hereunder or pending or in lieu of any authorization or issue of notes hereunder, the city or town council, to the extent that bonds or notes may be issued hereunder, may, by resolution apply funds in the treasury of the city or town to the purposes for which bonds or notes will be issued, such advances to be repaid without interest from the proceeds of bonds or notes subsequently issued or from the proceeds of applicable federal or state assistance or from other available funds.

(d) Any accrued interest received upon the sale of bonds or notes hereunder shall be applied to the payment of the first interest due thereon. Any premium arising from the sale of bonds or notes hereunder shall, in the discretion of the finance director or treasurer, be applied to the cost of preparing, issuing and marketing bonds or notes hereunder to the extent not otherwise provided, to the payment of project costs, to the payment of principal of or interest on bonds or notes issued hereunder or to any one or more of the foregoing. The cost of preparing, issuing and marketing bonds or notes hereunder may also, in the discretion of the finance director or treasurer, be met from bond or note proceeds exclusive of premium and accrued interest or from other moneys available therefore. Any balance of bond or note proceeds remaining after payment of the cost of the project and the cost of preparing, issuing and marketing bonds or notes hereunder shall be applied to the payment of the principal of or interest on bonds or notes issued hereunder. To the extent permitted by applicable federal laws, any earnings or net profit realized from the deposit or investment of funds may, upon

receipt, be added to and dealt with as part of the revenues of the city or town from property taxes. In exercising any discretion under this section, the finance director or treasurer shall be governed by any instructions adopted by resolution of the city or town council. (2007)

**45-12-5.1. Callable bonds.** (a) Bonds issued by any **cities, towns or other political subdivisions** of this state may be issued subject to call and prepayment prior to their stated maturities at the option of the issuer. All, or less than all, of the bonds comprising an issue may be subject to call simultaneously or from time to time.

(b) Every bond issued subject to prepayment shall indicate (1) that the bond is subject to call and prepayment; (2) the time or times at which the bond may be prepaid; (3) the schedule of premiums, if any, which are payable; **and** (4) the time and type of notice which must be given by the issuer before the bond can be prepaid.

(c) The coupons, if any, attached to such bonds shall, as appropriate, indicate that they may become void as a result of the bond being called for prepayment. Unless otherwise provided in the proceedings authorizing the issue of bonds, the officers of the **city, town or other** political subdivision authorized to sell the bonds shall determine whether the bonds shall be issued subject to call and prepayment, and if so issued, such officers shall decide the details of these bonds. No bond shall be called for prepayment, unless the issuer has deposited with the paying agent or agents for such bond for prepayment a sufficient amount of cash, or securities issued by the United States of America, the state of Rhode Island or its political subdivisions with maturities and interest rates adequate to provide a sufficient amount of cash, to pay the bond in full on the date on which it is prepayable. **The notice may state: (1) that it is conditioned on the deposit of moneys, in an amount necessary to effect the redemption with the paying agent or agents no later than the redemption date; and/or (2) that the city, town or political subdivision retains the right to rescind such notice on or prior to the scheduled redemption date, and such notice and optional redemption shall be of no effect if such moneys are not so deposited or if the notice is rescinded.** Bonds may be prepaid with the proceeds of refunding bonds as provided in the following section, or with other funds available for that purpose; and **cities, towns and other** political subdivisions may raise money by taxation for the purpose of prepaying bonds. For the purposes of this section the word "bond" shall include note. The powers conferred by this section may be used with regard to bonds authorized for any purpose by any general, special or other law, including section 45-12-5.2. (2007)

**45-12-5.2. Issuance of refunding bonds to pay bonds outstanding.** (a) Any **city, town or** political subdivision **of this state** may issue refunding bonds in order to pay all or any designated part of an issue of bonds then outstanding, including principal, redemption premium, if any, interest on the outstanding bonds coming due on or prior to the date on which those bonds are to be redeemed, and the costs of issuing the refunding bonds.

(b) No bonds shall be issued under this section, however, more than six (6) months prior to the date on which the outstanding bonds are to be redeemed, unless the proceedings authorizing the refunding bonds include or incorporate specific findings to the political subdivision.

(c) **Refunding bonds shall be authorized by ordinance or resolution of the town council or city council.** The proceedings authorizing the issue of refunding bonds shall contain a general description of the bonds which are to be refunded.

(d) Notwithstanding any provision of any municipal charter to the contrary, refunding bonds may be sold at public or private sale and may provide for annual or more frequent equal, diminishing or increasing installments of principal and deferral of the first installment of principal. In all other respects, refunding bonds shall be payable **not later than the last date that could have been the final maturity date** of the bonds being refunded.

(e) The proceeds of refunding bonds, exclusive of **costs of issuance** of any premium and accrued interest shall, upon their receipt, be paid immediately to the paying agent for the bonds which are to be refunded, and such paying agent shall hold such proceeds in trust until they are applied to refund bonds. While such proceeds are held in trust they may be invested for the benefit of the issuer in obligations of the United States of America, the state of Rhode Island or its political subdivisions.

(f) Between the authorization of refunding bonds and the use of their proceeds to refund bonds, such refunding bonds shall not be deemed debts of the issuer in determining its borrowing capacity for any purpose. Upon the use of proceeds of refunding bonds, the refunding bonds shall be treated as debt of the issuer for the purposes and to the same extent as the refunded bonds were so treated.

(g) As used in this section, the word "bonds" shall include notes, including notes in anticipation of bonds.

(h) The powers conferred by this section and the preceding section are in addition to and not in substitution for, or diminution of, any other powers conferred on **cities, towns and other** political subdivisions of this state.

(i) Refunding bonds may be issued under this section by any **city, town or other** political subdivision without obtaining the approval of the electors thereof, notwithstanding the provisions of sections 45-12-19 and 45-12-20 of this chapter and notwithstanding any provision of its charter to the contrary. Notwithstanding any provisions to the contrary of any special law authorizing the issuance of bonds by a **city, town or other** political subdivision, any notes in anticipation of bonds issued or to be issued under any such law may be refunded prior to the maturity of the notes by the issuance, in accordance with this section, of additional notes; provided that no such refunding shall result in an aggregate amount of notes outstanding under a special law at any one time in excess of two hundred percent (200%) of the amount of bonds authorized but not yet issued under the special law. The officers authorized to issue the original notes being refunded are authorized, without any additional proceedings by the local legislative body, to issue such refunding notes in accordance with this section. **(2007)**

**45-12-5.3. Debt maturity for United States Department of Agriculture/Rural Development bonds.** Notwithstanding any contrary provisions of this chapter, or any other general or special law or provision of any municipal charter, bonds issued by a city or town which are purchased by the United States of America, acting through the **United States Department of Agriculture/Rural Development, or any successor agency or department**, shall be payable either by maturity of principal in the case of serial bonds or by mandatory serial redemption in the case of term bonds, in annual installments of principal, the first installment to be not later than **five (5)** years and the last installment not later than forty (40) years after the date of the bonds. **(2007)**

**45-12-5.4. Variable rate obligations and interest rate exchange agreements.** In connection with the issuance of duly authorized bonds, notes or other obligations of a city or town with a population greater than one hundred twenty-five thousand (125,000)

inhabitants, notwithstanding any other authority to the contrary, such bonds, notes or other obligations may be issued in the form of variable rate obligations, so called. In connection therewith, any such city or town, acting through its finance director or treasurer, may enter into agreements with banks, trust companies or other financial institutions within or without the state, whether in the form of letters or lines of credit, liquidity facilities, insurance or other support arrangements. Any bonds, notes or other obligations issued as variable rate obligations shall bear such terms as may be fixed by the vote or resolution of the city or town authorizing the bonds, notes or other obligations, or in absence of foregoing such terms as the finance director or treasurer shall determine, including provisions for prepayment at any time with or without premium at the option of the city or town, may be sold at a premium or discount, and may bear interest or not and if interest bearing, may bear interest at such rate or rates variable from time to time as determined by such index, banking loan rate or other method specified in any such agreement. Any such agreement may also include such other covenants and provisions for protecting the rights, security and remedy of the lenders as may, in the discretion of the finance director or treasurer, be reasonable and proper and not in violation of law. The finance director or treasurer of the city or town may also enter into agreements with brokers for the placement or marketing of any such bonds, notes or other obligations issued as variable rate obligations.

In addition, the finance director or treasurer of a city of town with a population greater than one hundred twenty-five thousand (125,000) inhabitants, with the approval of the city or town council, may from time to time, enter into and amend interest rate exchange agreements, including, but not limited to, interest rate “caps,” “floors,” “collars,” or “swaps” that the finance director or treasurer determines to be necessary or desirable for the purpose of generating savings, managing an interest rate, or similar risk that arises in connection with, or subsequent to or is incidental to the issuance, carrying or securing of variable rate obligations, fixed rate bonds or fixed rate obligations. Such interest rate exchange agreements shall contain such provisions, including payment, term, security, default and remedy provisions, and shall be with such parties, as the finance director or treasurer shall determine to be necessary or desirable after due consideration to the creditworthiness of those parties. Any municipal public buildings authority established pursuant to title 45, chapter 50 of the general laws and any redevelopment agency operating pursuant to title 45, chapter 31 of the general laws, which public buildings authority or redevelopment agency has been established by a city or town with a population greater than one hundred twenty-five thousand (125,000) inhabitants, shall also have the authority to enter into interest rate exchange agreements as set forth in this paragraph.

(2004)

**45-12-6. Statutory bond authorizations construed as additional authority.** All acts heretofore or hereafter enacted authorizing cities or towns to issue bonds shall be construed as granting authority in addition to and not in substitution for authority previously granted.

**45-12-7. Sinking fund provisions construed as additions to general sinking fund.** Whenever in any general law, public law, act or resolution of the general assembly authority has been given to a city or town for the issuance of bonds and provision has been made for the establishment of a sinking fund to extinguish the debt at its maturity, such provision shall be construed to mean an addition to the general sinking fund of the city or town for the redemption of the bonds of the respective city or town at their maturities as hereinafter provided.

**45-12-8. Establishment of general sinking fund - Computation of payments to sinking fund.** In lieu of establishing a separate sinking fund for each bond issue, a city or town may by vote of the town council or city council provide for the establishment of a general sinking fund, and thereafter the town treasurer or city treasurer shall annually, on the anniversary of the date of each issue of all outstanding sinking fund bonds of the respective city or town, pay to the sinking fund commission or deposit to the sinking fund for the redemption of such bonds, an amount sufficient to meet the sinking fund requirements of such bonds computed upon the basis that the moneys and investments of the general sinking fund earn an anticipated income of not exceeding four percent (4%) per annum compounded semi-annually.

**45-12-9. Retirement of bonds in sinking fund.** Whenever a city or town has purchased any of its own outstanding bonds for investment in its sinking fund, said city or town may at the option of the sinking fund commission, if any, or by vote of the town council or city council, retire and permanently cancel the said bonds and thereupon all interest payments on the canceled bonds shall cease.

**[45-12-10. Substitution of legal coin or currency for payment in gold.] Repealed**  
**(2007)**

**45-12-11. Authority for issuance of indebtedness excess.** The state director of revenue may, upon petition by the city or town council, authorize such city or town to incur indebtedness in excess of the limit of three percent (3%) of the **full assessed value of the taxable property within the city or town** imposed by section 45-12-2 whenever said director shall determine that the sum appropriated by any city or town or the funds available are insufficient to pay the necessary expenses thereof. For this purpose said state director of revenue may require such information concerning the financial condition of the city or town, as he may deem necessary for the proper exercise of that authority.  
**(2007)**

**45-12-12. City and town boards to authorize duplicate bonds.** The mayor, city clerk and city treasurer of every city and the president of the town council, the town clerk and the town treasurer of every town are hereby severally constituted boards, each referred to in sections 45-12-13 and 45-12-14 as "said board", to carry out the provisions of said sections.

**45-12-13. Repair or replacement of damaged bond or note.** Whenever said board is satisfied that any instrument or printed or written paper presented to it is in fact a valid bond or note of the city or town, as the case may be, but it is so damaged that its condition is such as to hinder and prevent the owner or holder thereof from making good delivery of the same, said board may upon payment to it by the owner or holder thereof of such sum as it deems necessary to cover the actual expense involved, cause said damage to be repaired or remedied by requiring the proper officers of the city or town, as the case may be, to sign the same in place of their damaged or destroyed signatures or those of their predecessors in office, to issue a duplicate bond or note or to do whatever else said board may require of them to repair or remedy said damage. But no such duplicate bond or note shall be so issued except upon the surrender of the original thereof which shall thereupon be canceled forthwith and said repaired or duplicate bond or note shall be treated in all respects as a valid obligation of the city or town, as the case may be. On every such repaired or duplicate bond or note the city treasurer or town treasurer, as the case may be, shall certify on the back thereof that said bond or note has been repaired or issued under the provisions of this section and said certification shall be conclusive proof that said bond or note has been repaired or issued in accordance with the

requirements of said board and that it is a valid obligation of the city or town, as the case may be, in accordance with its terms.

**45-12-14. Replacement of lost or destroyed bond or note - Bond to indemnify city or town.** Whenever said board is satisfied that any bond or note of the city or town, as the case may be, has been lost or destroyed, said board may upon payment to it by the owner or holder thereof, of such sum as it deems necessary to cover the actual expense involved and under such regulations and with such restrictions as it may prescribe, order the city treasurer or town treasurer, as the case may be, and/or such other officers of the city or town, as the case may be, as said board may designate to issue a duplicate of such bond or note, payable at the same time, bearing the same rate of interest as the bond or note so lost or destroyed, and so marked as to show the number if known and date of the original bond or note. But no such duplicate shall be issued until the owner of such lost or destroyed bond or note shall give the city treasurer or town treasurer, as the case may be, a bond in double the amount of said lost or destroyed bond or note and of the interest which would accrue until the principal is due and payable, with two (2) sufficient sureties, both residents of the state, or with a surety company authorized to do business in this state, approved by said board, conditioned to indemnify and save harmless the city or town, as the case may be, from any claim or demand on account of said lost or destroyed bond or note.

**45-12-15. Contractual debts unimpaired.** Nothing in this chapter shall exempt a city or town from its liability to pay debts contracted for purposes for which it may lawfully expend money.

**45-12-16. Interest rate.** Any provisions of general or special law enacted prior to February 21, 1970 which limit the rate of interest to be paid on any bonds or other evidences of indebtedness of a city, town or other political subdivision are hereby repealed.

**45-12-17. Debt previously approved.** Whenever the provisions of section 45-12-16 operate to repeal a limitation on the interest rate which may be paid on any issue of bonds or other evidences of indebtedness heretofore approved by the qualified voters of any city, town or other political subdivision, no further approval of such issue of bonds or other evidences of indebtedness by such qualified voters shall be required, notwithstanding any provision of general or special law or charter.

**45-12-18. Bond anticipation notes.** A city or town, acting by resolution of its city council or town council, after approval of the issue of bonds by vote of the qualified electors of said city or town if such approval is required, may authorize the issue from time to time of notes in anticipation of the issue of bonds authorized under section 45-12-2 or section 45-12-2.1. Notes issued hereunder shall be payable within **five (5)** years from their respective dates, but the principal of and interest on notes issued for a shorter period may be renewed or paid from time to time by the issue of other notes hereunder, provided the period from the date of an original note to the maturity of any note issued to renew or pay the same debt or the interest thereon shall not exceed **five (5)** years. When debt is incurred hereunder, the period within which the annual payments of principal of bonds must be made under section 45-12-5 shall be measured from the date of the original note or notes representing such debt, but the annual payments need not commence earlier than one year after the date of the bonds. **The town or city may pay the principal of and interest on notes in full from other than the issuance of refunding notes prior to the issuance of bonds. In such case, the town's or city's authority to issue bonds or notes in anticipation of bonds under this act shall continue, provided that:**



(1) the town council or city council passes a resolution evidencing the town's or city's intent to pay off the notes without extinguishing the authority to issue bonds or notes; and

(2) that the period from the date of an original note to other note shall not exceed five (5) years. (2007)

**45-12-19. Charter provisions as to referendum.** The charter of any city or town may provide that the issuance of bonds, **notes** or other evidences of indebtedness of the city or town shall be by ordinance or by resolution after the issuance of the bonds, **notes** or other evidences of indebtedness of the city or town shall have been authorized by general or special law. Such charter may provide that such ordinance or such resolution shall become effective only upon approval by a majority of electors voting thereon; provided, however, such charter provision shall be inoperative and ineffective, and such ordinance or resolution shall become effective without approval by the electors of the city or town, whenever the general or special law which authorizes the issuance of the bonds, **notes** or other evidences of indebtedness provides substantially that such general or special law shall become effective upon acceptance or approval by the electors of the city or town; and provided further, however, such charter provision shall be operative and effective as to any such ordinance or resolution only whenever the general or special law which authorizes the issuance of the bonds, **notes** or other evidences of indebtedness has become effective without acceptance or approval by the electors of the city or town and contains no provision requiring the acceptance or approval of the electors of the city or town as a prerequisite to the issuance of the bonds, **notes** or other evidences of indebtedness of the city or town. (2007)

**45-12-20. Issuance of bonds authorized by law approved by electors.**

Whenever a general or special law which authorizes the issuance of bonds, **notes** or other evidences of indebtedness has become effective upon acceptance or approval by the electors of a city or town, **such law shall be effective notwithstanding any failure or defect in the posting or notice of the election therefore as required by law, including the city or town charter, and** the city or town may immediately issue bonds, **notes** or other evidences of indebtedness without further approval by the electors of the city or town, by ordinance or by resolution if so required by the charters of the city or town, which ordinances or resolution shall become effective without approval by the electors of the city or town as ordinances or resolutions generally become effective under the charter of the city or town. (2007)

**45-12-21. Powers of financial town meeting not affected.** Sections 45-12-19 and 45-12-20 shall not apply in any way to the powers or authorities of any town exercised or exercisable in financial town meeting.

**[45-12-22. Accumulated deficits]**

**Repealed  
(2003)**

**45-12-22.1. Municipal deficits – Purpose.** The purpose of sections 45-12-22.1 through 45-12-22.5 are to ensure that municipalities and school districts monitor financial operations on an ongoing basis, execute a rapid response to budget problems, and maintain a balanced budget in compliance with section 44-35-10. It is the intent of the legislature to require that municipalities and school districts:

- (1) prevent year-end deficits;
- (2) immediately address potential deficits;

(3) immediately address actual year-end deficits; and

(4) stabilize municipal and school district finances. (2003)

**45-12-22.2. Monitoring of financial operations – Corrective action.**

(a) The chief financial officer of each municipality and each school district within the state shall continuously monitor their financial operations by tracking actual versus budgeted revenue and expense.

(b) The chief financial officer of the municipality shall submit a report on a monthly basis to the municipality's chief executive officer, each member of the city or town council, and school district committee certifying the status of the municipal budget **from all fund sources**, including the school department budget **from all fund sources**, or regional school district budget **from all fund sources**. The chief financial officer of the municipality shall also submit a quarterly report on or before the 25<sup>th</sup> day of the month succeeding the end of each fiscal quarter to the division of municipal finance, **the commissioner of education**, and the auditor general certifying the status of the municipal budget, **including the school budget that has been certified by the school department**. Each quarterly report submitted must be signed by the chief executive officer, chief financial officer, as well as the superintendent of the school district and chief financial officer for the school district. The report has to be submitted to the city/town council president and the school committee chair. It is encouraged, but not required, to have the council president/school committee chair sign the report. The chief financial officer of the school department or school district shall certify the status of the school district's budget and shall assist in the preparation of these reports. The monthly and quarterly reports shall be in a format prescribed by the division of municipal finance, **the commissioner of education**, and the state auditor general. The reports shall contain a statement as to whether any actual or projected shortfalls in budget line items are expected to result in a year-end deficit, the projected impact on year-end financial results including all accruals and encumbrances, and how the municipality and school district plans to address any such shortfalls. **In the event that the school reporting is not provided, then state education aid may be withheld pursuant to the provisions of section 16-2-9.4(d).** (2012)

(c) If any of the quarterly reports required under subsection b above project a year-end deficit, the chief financial officer of the municipality shall submit to the state division of municipal finance, **the commissioner of education**, and the auditor general a corrective action plan signed by the chief executive officer and chief financial officer on or before the last day of the month succeeding the close of the fiscal quarter, which provides for the avoidance of a year-end deficit **or structural deficit that could impact future years, and the school superintendent shall also comply with the provisions of section 16-2-11(c) to assist in this effort**. The plan may include recommendations as to whether an increase in property taxes and/or spending cuts should be adopted to eliminate the deficit. The plan shall include a legal opinion by municipal counsel that the proposed actions under the plan are permissible under federal, state, and local law. The state division of municipal finance may rely on the written representations made by the municipality in the plan and will not be required to perform an audit. (2012)

(d) If the **division of municipal finance** concludes the plan required hereunder is insufficient and/or fails to adequately address the financial condition of the municipality, the **division of municipal finance** can elect to pursue the remedies identified in section 45-12-22.7. (2011)

(e) The reports required shall include the financial operations of any departments or funds of municipal government including the school department or the regional school district, notwithstanding the status of the entity as a separate legal body. This provision does not eliminate the additional requirements placed on local and regional school districts by section 16-2-9 subsection (f) and section 16-3-11 subsection (e) (3).

**45-12-22.3. Year-end deficits.** (a) If, at the end of any fiscal year, the chief financial official determines, based on available data, that it is likely the city or town's general fund or combined general fund and unrestricted school special revenue fund will incur a deficit, the municipality must **notify the auditor general and the division of municipal finance within thirty (30) days and** immediately develop a plan to eliminate the deficit. The plan shall provide for the elimination of the accumulated year-end deficit by annual appropriation, over no more than five (5) years, in equal or diminishing amounts. The plan shall indicate the necessary governmental approvals and procedures required, and shall include a legal opinion by municipal counsel that the proposed action is permissible under federal, state, and local law. (2011)

(b) The plan to eliminate the year-end deficit shall be submitted to the state auditor general for approval. The state auditor general shall determine whether the plan reasonably insures elimination of the accumulated deficit in accordance with the law in a fiscally responsible manner. The state auditor general may rely on the written representations made by the municipality in the plan and will not be required to perform an audit. The judgment of the state auditor general in applying this standard shall be conclusive.

(c) If the state auditor general determines the plan is insufficient and/or fails to adequately address the financial condition of the municipality, or if a plan is not submitted, then in such event, the state auditor general can petition the superior court for mandatory injunctive relief seeking to compel the municipality to submit a plan as required hereunder. The state auditor general shall also have standing to pursue the appropriate remedies identified in section 45-12-22.7.

**45-12-22.4. Deficit financing – Approval required. Deficit, pension and other post-employment benefit financing – Approval required.** (a) **Except as provided in chapter 45-9 of the general laws, no municipality shall sell a long-term bond in order to fund a deficit or to fund pension obligation bonds or other post-employment benefits** without prior approval by the state auditor general and director of the state department of revenue.

**(b) If any provision of this section or the application thereof shall for any reason be judged invalid, that judgment shall not affect, impair or invalidate the remainder of the law, but shall be confined in its effect to the provisions or application directly involved in the controversy giving rise to the judgment.** (2011)

**45-12-22.5. Unbudgeted expenditures.** A municipality shall not incur expenditures nor obligate the municipality to expend unbudgeted amounts in excess of one hundred thousand dollars (\$100,000) without first notifying the city or town council of such proposed expenditure and identifying the source of funding. Further, a school committee or school department shall not incur accumulated unbudgeted expenditures or obligations in excess of one hundred thousand dollars (\$100,000) without first notifying the chief financial officer of the municipality as to the proposed expenditure and identifying the source of funding. The financial officer shall include any such proposed expenditure in the monthly report required in section 45-12-22.2. (2003)

**45-12-22.6. Cooperation of school committees.** School committees, boards, or regional school districts that are independent governmental entities within a municipality shall cooperate in providing to the chief financial officer all information needed to formulate the reports and the deficit elimination plan required under this chapter. The auditor general or the state director of **revenue** may petition the superior court to order the school committee or board to cooperate with the municipality and provide all information requested by the chief financial officer needed to formulate a plan hereunder. The director of **revenue** may also direct the state controller and general treasurer to withhold state aid to the school committee until the school committee or board cooperates in the formulation of a plan. (2003)

**45-12-22.7. Enforcement and remedies.** In the event that a municipality does not comply with the requirements of this law the state auditor general or the division of **municipal finance** through the director of revenue may elect any or all of the following remedies: (2010)

(1) Petition the superior court for mandatory injunctive relief seeking compliance with the provisions of this section. The superior court shall make a finding of fact as to whether there has been compliance with the provisions of this section. As hereinbefore stated, the approval or disapproval of a plan shall be conclusive upon the court in making its finding as to compliance.

(2) In the event a municipality fails to provide a year-end deficit elimination plan under section 45-12-22.3, such noncompliance shall allow for the implementation of a ~~financial~~ **budget** review commission pursuant to section ~~45-9-3~~ **45-9-5**. (2010)

(3) Withholding of state aid. In the event that the state director of revenue with the concurrence of the auditor general elect to withhold state aid, said amounts shall be placed in a special account within the general fund. At such time as the municipality comes into compliance with the reporting requirements of this section, said funds shall be released to the municipality by order of the state director of revenue and state auditor general.

**45-12-23. Tax exemption.** The income from any bonds, notes, certificates, or other evidences of indebtedness issued by any city or town or other political subdivision, under the provisions of this chapter or any other general or special law shall at all times be free from taxation by the state or any political subdivision or other instrumentality of the state.

*[45-12-24. Debt maturity.]*

**Repealed  
(2007)**

**45-12-25. Sale of bonds or notes at a discount.** Notwithstanding any provisions of general or special law enacted prior to January 1, 1982 which require bonds or notes of cities, towns or other political subdivisions to be sold at not less than par or par and accrued interest, such bonds or notes may be sold at a discount. In case of a sale at discount, the discount shall be treated as interest in advance.

**45-12-26. Commercial agreements relating to registered bonds and notes.** In connection with the issuance by a city, town or other political subdivision of **this state of** original or replacement bonds or notes in registered form, the treasurer of the city, town or other political subdivision, with the approval of any other officers authorized to sign such bonds or notes is authorized to contract for and engage the services of any bank, trust company, or other banking or financial institution within or without the state to

perform authentication, registration, transfer, exchange, records and paying agent functions, and for the preparation, signing and issuance of checks in payment of those bonds or notes, the preparation and maintenance of reports and accounts and the performance of related duties. The treasurer, with such approval, may also enter into agreements with custodian banks, trust companies or other financial institutions and financial intermediaries and nominees of any of them in connection with the establishment and maintenance by others of a central depository system for the transfer or pledge of such bonds and notes. Any such agreements may provide for limitation of liabilities of the parties, indemnification or payment of liquidated damages, and shall include such provision as the treasurer may deem necessary or desirable to protect the city, town or other political subdivision, including provisions indemnifying it for losses sustained by it as the result of negligence of the other party or parties or any breach of the duties imposed upon them under the agreement. (2007)

**45-12-27. Conflict between bond referendum provisions and bond expenditure provisions.** Notwithstanding the provisions of any general or special law with respect to the issuance of bonds or the expenditure of money by a city or town which provided that it became effective only upon approval by the majority of electors voting thereon, wherever the provision relating to the expenditure of the proceeds derived from the sale of the bonds is in conflict with the provision relating to the submission of the general or special law to the electors of the city or town, the provision relating to the submission of the general or special law to the electors of the city or town shall prevail, and the proceeds derived from the sale of the bonds may be expended for the purposes set forth in the provision relating to the submission of the general or special law to the electors of the city or town.

**45-12-28. Permitted temporary investments for bond proceeds.** Notwithstanding any contrary provision of general or special law, towns and cities may invest proceeds of any bond or note available during the period before those proceeds are needed for the purpose for which the bonds or notes were issued, in **investments described in section 35-10-11. A city council or town council may adopt an ordinance or resolution limiting** the permitted investments under section 35-10-11 to investments meeting specified standards of creditworthiness. (2007)

**45-12-29. Agreements relating to tax compliance rebate to federal government.** Notwithstanding any contrary provision of general or special law, cities, towns and other political subdivisions of this state may enter into agreements to comply with federal tax laws and may rebate to the United States Treasury, from available sources, any income from investments (including gains from the disposition of investments) of proceeds of bonds or notes to the extent deemed necessary to exempt (in whole or in part) the interest paid on such bonds or notes from federal income taxation. **The term of any such agreement may extend to a date six (6) years after the final maturity of the bonds or notes to which the agreement relates.** (2007)

**45-12-30. Securing of bonds or notes - Trust agreements.** Bonds or notes issued by a city or town may be secured in whole or in part by insurance or by letters or lines of credit or other credit facilities. This insurance, letter or line of credit or credit facility may provide for reimbursement to be made over such period of time, not to exceed two years beyond the maturity date of the bonds or notes so secured, as the treasurer or director of finance shall deem proper and may provide for reimbursement to be made and any such notes or bonds to be issued at such rate or rates of interest as the treasurer or director of finance shall deem proper, including rates variable from time to time as determined by such index, banker's loan rate or other method as may be specified in such agreement or such bond or note. Notwithstanding any contrary provision of law,

bonds or notes secured as described in this section may, in the discretion of the treasurer or director of finance, be subject to prepayment at the option of the holder thereof at such times and prices and such circumstances as the treasurer or director of finance shall specify. For the purpose of securing bonds and notes a city or town, acting by its treasurer or director of finance, may enter into a trust agreement between the city or town and a corporate trustee which shall be a bank or trust company doing business in the state. Any such trust agreement, and any remarketing or other agreements necessary or incidental to the issuance of such bonds or notes, shall be in such form as may be deemed proper by the treasurer or director of finance of such city or town and shall be executed by its treasurer or director of finance and countersigned by its mayor or president of the town council. It shall be lawful for any bank or trust company doing business in the state to act as a depository or trustee under any such trust agreement and to furnish such indemnification and pledge such securities as may be required by any such city or town. Any trustee under a trust agreement established pursuant to this section may bring suit upon the bonds or notes and may, either at law or equity, by suit, action, mandamus or other proceedings for legal or equitable relief, enforce all rights under the laws of the state or granted hereunder or under such trust agreement, and may enforce and compel the performance of all duties required under such trust agreement to be performed by the city or town or by any officer thereof. All expenses incurred in carrying out the provisions of this section may be treated by the city or town as a cost of issuance.

The powers granted herein are in addition to and not in substitution for authority previously granted or hereinafter granted to cities and towns or officers on behalf of cities and towns to set the terms, conditions or details of any bonds or notes, including without limitation, the provision of bond insurance. (2007)

**45-12-31. Extinguishment of authorizations. All or any portion of the authority to issue bonds pursuant to a resolution or ordinance passed by a city or town council or pursuant to a special act passed by the general assembly may be extinguished by ordinance of the city or town council, without further action by the general assembly, after seven (7) years have passed from the date the resolution, ordinance or special act was passed. (2007)**

**45-12-32. Inability to pay interest or principal of bonds, notes or certificates of indebtedness; notice; certification to general treasurer; payment by general treasurer. (a) If it appears to the treasurer or finance director of a city, town or district, including a regional school district, that the city, town or district is, or is likely to be, unable to pay in whole or in part the principal or interest, or both, on any of its bonds, notes or certificates of indebtedness when due, the treasurer or finance director shall forthwith notify the city manager, town manager, town administrator or mayor, the city council or town council, the regional district school committee in a regional school district, or the board of any other type of district, of the inability or likely inability. If the city manager, town manager, town administrator, mayor, town council or city council, committee or board, whether or not so notified, finds upon investigation that the payment cannot or is not likely to be made when due, he, she or they shall certify the inability or likely inability to the director of revenue. Upon receipt of the certificate, the director of revenue shall immediately investigate the circumstances and, if the director finds that the city, town or district is, or in the director's opinion will be, unable to make the payment when due, the director shall forthwith certify the inability, the amount of the due or overdue payment and the name of the paying agent for the bonds, notes or certificates of indebtedness to the general treasurer.**

**(b) Notwithstanding any provision of general or special law or any rules or regulations with respect to the timing of payment of state aid payments, not later than three (3) days after receipt of the certification from the director of revenue or one business day prior to the date on which the principal or interest, or both, becomes due, whichever is later, the general treasurer shall pay to the paying agent the amount of the due or overdue payment certified to him/her to the extent of the sums otherwise then payable and the sums estimated to become payable during the remainder of the fiscal year, from the treasury, to the city, town or district.**

**(c) The amounts so paid to the paying agent shall be in trust and shall be exempt from being levied upon, taken, sequestered or applied for any purpose other than paying principal or interest, or both, on bonds, notes or certificates of indebtedness of the city, town or district.**

**(d) Any amounts paid by the general treasurer under the provisions of this section, together with all costs accruing to the state as a result of actions undertaken pursuant to this section, including administrative costs as well as loss of interest income, shall be charged against the amounts otherwise payable or becoming payable from the treasury to the city, town or district.**

**(e) For purposes of this section, the sums otherwise payable from the treasury to a city or town shall be funds made available to cities and towns:**

**(1) As state aid pursuant to chapter 45-13 of the general laws, but specifically excluding reimbursements to cities and towns for the cost of state mandates pursuant to section 45-13-9;**

**(2) As school housing aid pursuant to sections 16-7-35 through 16-7-47 of the general laws, but subject to any pledge to bonds issued to finance school projects by the Rhode Island health and educational building corporation, and specifically excluding school operations aid provided for in sections 16-7-15 through 16-7-34.3 of the general laws;**

**(3) In replacement of motor vehicle and trailer excise taxes pursuant to chapter 44-34.1 of the general laws;**

**(4) From the public service corporation tax pursuant to chapter 44-13 of the general laws; and**

**(5) From the local meal and beverage tax pursuant to section 44-18-18.1 and the hotel tax pursuant to section 44-18-36.1; and**

**(6) Pursuant to all acts supplementing such chapters listed in subdivisions (1) through (5) above or pursuant to any other law hereafter enacted providing for funds to municipalities in lieu of or in substitution for the funds provided pursuant to acts supplementing such chapters listed in (1) through (5).**

**(2010)**

**CHAPTER 45-13  
STATE AID**

**45-13-1. Apportionment of annual appropriation for state aid.** (a) As used in this chapter, the following words and terms shall have the following meanings:

(1) "Population" shall mean the most recent estimates of population for each city and town as reported by the United States department of commerce, bureau of the census.

(2) "Income" shall mean the most recent estimate of per capita income, for a city, town or county as reported by the United States department of commerce, bureau of the census.

(3) "Tax Effort" shall mean the total taxes imposed by a city or town for public purposes or the totals of those taxes for the cities or towns within a county (except employee and employer assessments and contributions to finance retirement and social insurance systems and other special assessments for capital outlay) determined by the United States secretary of commerce for general statistical purposes and adjusted to exclude amounts properly allocated to education expenses.

(4) "Reference year" shall be the second fiscal year preceding the beginning of the fiscal year in which the distribution of state aid to cities and towns is made provided however that the reference year for distributions made in fiscal year 2007-2008 shall be the third fiscal year preceding the beginning of the fiscal year 2007-2008 **and provided further that the reference year for distributions made in fiscal year 2008-2009 shall be the fourth fiscal year preceding the beginning of the fiscal year 2008-2009.**  
(2008)

(b) Aid to cities and towns shall be apportioned as follows: For each county, city or town, let R be the tax effort divided by the square of per capita income, i.e.,  $R = (\text{tax effort})/(\text{income} \times \text{income})$ .

The amount to be allocated to the counties shall be apportioned in the ratio of the value of R for each county divided by the sum of the values of R for all five (5) counties.

The amount to be allocated for all cities and for all towns within a county shall be the allocation for that county apportioned proportionally to the total tax effort of the cities in that county and the total tax effort of the towns in that county.

The amount to be allocated to any city (or town) is the amount allocated to all cities (or all towns) within the county apportioned in the ratio of the value of R for that city (or town) divided by the sum of the values of R for all cities (or all towns) in that county. Provided further that no city or town shall receive an entitlement in excess of one hundred forty-five (145%) of that city or town's population multiplied by the average per capita statewide amount of the annual appropriation for state aid to cities and towns. Any excess entitlement shall be allocated to the remainder of the cities and towns in the respective county in accordance with the provisions of this section.

For fiscal year 2004, notwithstanding the provisions of subsection (a), aid calculations shall be based on a blended rate of ninety percent (90%) of the data from the 1990 census and ten percent (10%) of the data from the 2000 census. In each of the succeeding nine (9) fiscal years, the calculations shall be based on a blended rate that increases the percentage of data utilized from the 2000 census by ten percent (10%) from



the previous year and decreases the percentage of the data utilized from the 1990 census by ten percent (10%) from the previous year.

(c) The total amount of aid to be apportioned pursuant to subsection (b) above shall be specified in the annual appropriation act of the state and shall be equal to the following: (1998)

(i) For fiscal years ending June 30, 1994 through June 30, 1998, the total amount of such aid shall be based upon one percent (1%) of total state tax revenues in the reference year. (1998)

(ii) For the fiscal year ending June 30, 1999, the total amount of such aid shall be based upon one and three-tenths percent (1.3%) of total state tax revenues in the reference year. (1998)

(iii) For the fiscal year ending June 30, 2000, the total amount of such aid shall be based upon one and seven-tenths percent (1.7%) of total state tax revenues in the reference year. (1998)

(iv) For the fiscal year ending June 30, 2001, the total amount of such aid shall be based upon two percent (2.0%) of total state tax revenues in the reference year. (1998)

(v) For the fiscal year ending June 30, 2002, the total amount of such aid shall be based upon two and four-tenths percent (2.4%) of total state tax revenues in the reference year. (1998)

(vi) For the fiscal year ending June 30, 2003, the total amount of such aid shall be based upon two and four-tenths percent (2.4%) of total state tax revenues in the reference year. (2002)

(vii) For the fiscal year ending June 30, 2004, the total amount of such aid shall be based upon two and seven-tenths percent (2.7%) of total state tax revenues in the reference year. (2002)

(viii) For the fiscal year ending June 30, 2005, the total amount of such aid shall be fifty-two million four hundred thirty-eight thousand five hundred thirty-two dollars (\$52,438,532). (2004)

(ix) For the fiscal year ending June 30, 2006, the total amount of such aid shall be based upon three percent (3.0%) of total state tax revenues in the reference year. (2004)

(x) For the fiscal year ending June 30, 2007, the total amount of such aid shall be **sixty-four million six hundred ninety-nine thousand three dollars (\$64,699,003)**. (2006)

(xi) For the fiscal year ending June 30, 2008, the total amount of such aid shall be **sixty-four million six hundred ninety-nine thousand three dollars (\$64,699,003)**. (2007)

(xii) ~~For the fiscal year ending June 30, 2010, and each year thereafter, the total amount of such aid shall be based upon three percent (3.0%) of total state tax revenues in the reference year.~~ [Deleted by P.L. 2009, ch. 68, art. 6, section 3.] (2009)

~~(d) The assent of two-thirds (2/3) of the members elected to each house of the general assembly shall be required to repeal or amend this section.~~  
[Deleted by P.L. 2009, ch. 68, art. 6, section 3.] (2009)

**(e) For the fiscal year ending June 30, 2008, the apportionments of state aid as derived through the calculations as required by subsections a through c of this section shall be adjusted downward statewide by \$10,000,000. (2008)**

**(f) For the fiscal year ending June 30, 2009, the total amount of aid shall be twenty-five million dollars (\$25,000,000) with such distribution allocated proportionately on the same basis as the original enactment of general revenue sharing for FY 2009. (2009)**

**(g) For the fiscal year ending June 30, 2009 and thereafter, funding shall be determined by appropriation. (2009)**

**45-13-1.1. Aid reduced by amounts owed state entities.** If any city or town fails to pay any assessment, bill, or charge levied, presented, or imposed by any public or quasi-public board, commission, corporation, council, authority, agency, department, committee or other similar body organized under the laws of this state within one hundred eighty (180) days of the presentment for payment of the assessment, bill, or charge to their city or town, then there shall be deducted from any state aid, determined to be due under the provisions of this chapter, an amount equal to that due and owing any or all of those commissions; provided, however, that the amount of any such deduction shall be reduced by the amount of any bill or charge presented for payment by such city or town to the state, which bill or charge has not been paid by the state within one hundred eighty (180) days of presentment.

**45-13-1.2. Aid withheld for failure to comply with state statutes.** If any city or town fails to furnish information as defined in chapter 21 of title 39 within seventy-five (75) days of [June 22, 1987], then there shall be withheld from any state aid determined to be due under the provisions of this chapter an amount equal to twenty-five percent (25%) until such time as the information is furnished.

**45-13-2. "Tax levy" defined.** For the purposes of this chapter, the words "tax levy" shall mean the total amount of taxes annually certified by the assessors of taxes of the respective cities and towns, as shown on the respective annual reports certified by said assessors to the director of **revenue**, pursuant to the provisions of section 42-44-26; provided, however, that whenever a city or town, incidental to changing its fiscal year, shall order a tax levy to pay its expenses for a fiscal period other than twelve (12) months, the words "tax levy" shall mean the tax levy of such city or town of the calendar year in which such change of fiscal year takes place.

**45-13-3. Apportionment based on levy for preceding year.** The annual apportionment and payment of such sums during the state's fiscal year shall be based on the annual tax levy of the respective cities and towns as of December 31st of the calendar year preceding the calendar year in which the current state fiscal year begins.

**45-13-5.1. General assembly appropriations in lieu of property tax from certain exempt private and state properties.** (a) In lieu of the amount of local real property tax on real property owned by any private nonprofit institution of higher education, or any nonprofit hospital facility, or any state owned and operated hospital, veterans' residential facility, or correctional facility occupied by more than 100 residents which may have been or will be exempted from taxation by applicable state law, exclusive of any such facility operated by the federal government, the state of Rhode Island, or any subdivision thereof, the general assembly shall annually appropriate for payment to the several cities and towns in which the property lies a sum equal to twenty-seven percent (27%) of all tax that would have been collected had the property been taxable.

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

(c) The grant payable to any municipality under the provision of this section shall be equal to twenty-seven percent (27%) of the property taxes which, except for any exemption to any institution of higher education or general hospital facility, would have been paid with respect to that exempt real property on the assessment list in that municipality for the assessment date of December 31, 1986 and with respect to such exempt real property appearing on an assessment list in the municipality on succeeding assessment dates. **Provided however that the grant paid for the fiscal year ending June 30, 2008 shall be based upon the assessment list in the municipality as of December 31, 2004.** (2007)

(d) The state budget offices shall include the amount of the annual grant in the state budget for the fiscal year commencing July 1, 1988 and each fiscal year thereafter. The amount of the annual grant payable to each municipality in any year in accordance with this section shall be reduced proportionately in the event that the total of the annual grants in any year exceeds the amount appropriated that year for the purposes of this section.

(e) Distribution of such appropriations shall be made by the state on or before July 31 of 1988 and each July 31 thereafter, and the payments may be counted as a receivable by any city or town for a fiscal year ending the preceding June 30.

(f) Any act or omission by the state with respect to this chapter shall in no way diminish the duty of any town or municipality to provide public safety or other ordinary services to the properties or facilities of the type listed in subsection (a).

(g) Provided, however, that payments authorized pursuant to this section shall be reduced pro rata, for such period of time that the municipality suspends or reduces essential services to eligible facilities. For the purposes of this section "essential services" shall include, but not be limited to, police, fire and rescue.

**45-13-5.2. Valuation of tax exempt property for purposes of computing state grants.** Not later than August first (1st) in any year, any town or municipality to which a grant may be payable under the provisions of 45-13-5.1, shall provide the director of **revenue** with the assessed valuation of the tax exempt real property which is required for the computation of such grant. Said director of **revenue** may on or before April 30 next succeeding the receipt of such statement reevaluate any such property when, in his judgment the valuation made by the local assessor or assessors is inaccurate and shall notify such municipality of such reevaluation. Any municipality aggrieved by the action of the director of **revenue** under the provisions of this section may, within two (2) weeks of such notice, file an appeal consistent with the provisions of chapter 35 title 42.

**45-13-6. Purpose.** It is the purpose of sections 45-13-7 through 45-13-10 inclusive to control state mandates on towns and cities, to identify and report on all state mandates, and to establish a system for the reimbursement to towns and cities for the cost of state mandates.

**45-13-7. State mandated costs defined.** State mandate means any state initiated statutory or executive action **or rule, regulation or policy adopted by a state department or agency or a quasi-public department or agency** that requires a local government to establish, expand or modify its activities in such a way as to necessitate additional expenditures from local **government** revenues sources where such expenditures are not otherwise reimbursed in whole. **For the purpose of this chapter, a “state mandate” shall also mean any requirement, rule, or dictate by a regulator of a state agency.** When state statutory, executive **or regulator** actions **or rules, regulations or policies** are intended to achieve compliance with federal statutes or regulations or court orders, state mandates shall be determined as follows:

(2006)

(a) Where the federal statute or regulations or court order is discretionary, the state statutory, executive, **or regulator** action shall be considered a state mandate for the purposes of sections 45-13-7 through 45-13-10. (2006)

(b) Where the state statutory, executive, **or regulator** action **or rule, regulation or policy** exceeds what is required by the federal statute or regulation or court order, only the provisions of the state action which exceed the federal requirements shall be considered a state mandate for the purposes of sections 45-13-7 through 45-13-10. (2006)

(c) Where the state statutory, executive, **or regulator** action **or rule, regulation or policy** does not exceed what is required by the federal statute or regulation or court order, the state action shall not be considered a state mandate for the purposes of sections 45-13-7 through 45-13-10. (2006)

(d) Where the cost of a single state mandate does not exceed the sum of five hundred dollars (\$500) the state mandate shall not be reimbursable.

**45-13-8. Reports.** (a) The department of **revenue** in consultation and cooperation with towns and cities shall maintain:

(1) an identification of state mandates created by statute since January 1, 1970;

(2) specific identification of all state mandates established since July 1, 1979 which are subject to reimbursement in accordance with section 45-13-9 and the cost of each of these mandates to each city and town;

(b) The department of **revenue** shall annually by January 1 issue a report identifying the state's mandates established during the preceding July 1 - June 30 period and stating the cost by city and town of all state mandates established after January 1, 1979, for the next preceding July 1 - June 30 period. The department of **revenue** shall annually issue to cities and towns a comprehensive listing of all state mandates established after January 1, 1979.

(c) (1) Statutes and regulations containing state mandates shall include items eligible for reimbursement; however, failure to include such items shall not exempt any state mandates not otherwise exempted from the provisions of sections 45-13-7 through 45-13-10 inclusive.

(2) Cities and towns shall submit to the department of **revenue** in such form as may be established by the department, a report of the cost of each state mandate established after January 1, 1979, to said city or town. Such reports shall be submitted by April 1, 1980 and by April 1 each year thereafter and shall state costs incurred by the city or town during the preceding July 1 - June 30 period.

(3) The reports of cities and towns requesting reimbursement for state mandates shall be subject to audit procedures established under 45-10-5.1.

(d) The department of **revenue** shall issue by January 1, 1988, and by January 1 of each fourth (4th) year thereafter, a report to the governor and the general assembly recommending the modification or repeal of existing state mandates which are deemed to be inappropriate or obsolete and citing the reason for such recommendation on the fourth (4th) year anniversary of said state mandates. This report shall be prepared by the Rhode Island **division of property valuation and municipal finance** within the department of **revenue** in consultation and cooperation with the affected state agencies and the Rhode Island league of cities and towns **and the Rhode Island association of school committees.** (2006)

(e) All reports issued by the department of **revenue** in accordance with this subsection shall be adopted by rule as provided for in chapter 42-35 of the general laws.

**45-13-9. Reimbursement to cities and towns and school districts for the costs of state mandates.** (a) (1) The Department of **Revenue** shall submit to the budget office by **October** 1 of each year thereafter, a report by city and town of the cost of state mandates established after January 1, 1979, to be reimbursed for the next preceding July 1 - June 30 period. (2006)

(2) The budget office shall annually include the statewide total of said statement of costs of state mandates to be reimbursed in the state budget for the next fiscal year **for consideration by the governor in preparing a final budget proposal for submission to the general assembly in accordance with section 35-3-7 of the General Laws;** provided, however, that any costs resulting from the rules and regulations of state departments or agencies shall be allocated to the budgets of such departments or agencies. (2008)

(b) The state treasurer shall in July of each year distribute to cities and towns the reimbursements for state mandated costs **as may be appropriated by the general assembly.** (2008)

IN 1995 SUBSECTIONS (3) AND (4) OF 45-13-9 WERE TRANSFERRED TO THE ADMINISTRATIVE PROCEDURES ACT [42-35-4 OF THE GENERAL LAWS OF RHODE ISLAND]

**45-13-9.1. Future mandates.** No mandate shall be enacted or promulgated after July 1, 2006, unless the body enacting or promulgating the same shall first, after public hearing, determine the cost of the proposed mandate to the city, town or school districts of the state. Any rule, regulation or policy adopted by state departments, agencies or quasi-state departments or agencies which require any new expenditure of money or increased expenditure of money by a city, town or school district shall take effect on July 1 of the calendar year following the year of adoption. Provided, however, should funding be provided for the said expenditure, then such rule, regulation or policy shall take effect upon adoption. (2006)

**45-13-9.2. Postponement of effective date.** Whenever it shall be determined by the governor that the postponement of the effective date of rules, regulations or policies of state departments, agencies or quasi-state departments or agencies shall cause an emergency situation which imperils the public's safety or public's health, the governor may by executive order suspend the operation of, in whole or in part, section 45-13-9.1 and such order shall remain in effect until it is rescinded by a subsequent executive order. (2006)

**45-13-10. Exemptions from reimbursement.** (a) State mandates not subject to reimbursement shall include:

1. The holding of elections.
2. The assurance of due process.
3. The notification and conduct of public meetings.
4. The procedures for administrative and judicial review of actions taken by cities and towns.
5. The protection of the public from malfeasance, misfeasance, or nonfeasance by local government officials.
6. Financial administration, including the levy, assessment and collection of taxes.
7. The preparation and submission of reports necessary for the efficient administration of state laws.

(b) All statutes having a fiscal impact on cities and towns shall include a provision stating whether said statutes conform to the definition and exemptions prescribed by 45-13-7 through 45-13-10 inclusive.

(c) Provided further that none of the provisions of 45-13-7 through 45-13-10 inclusive shall be applied in a manner inconsistent with state law.

**45-13-11.1. Excuse, avoidance or suspension of reimbursement requirements.** The provisions of sections 45-13-6 through 45-13-10 of this chapter may be excused, avoided or suspended only by law enacted by the affirmative vote of three-fifths (3/5) of the full membership of each house of the general assembly. (2006)

**45-13-12. Distressed communities relief fund.** (a) There is hereby established a fund to provide state assistance to those Rhode Island cities and towns which have the highest property tax burdens relative to the wealth of taxpayers:

(b) Establishment of Indices: Four indices of distress shall be established to determine the eligibility for the program. Each community shall be ranked by each distress index and any community which falls into the lowest twenty percent (20%) of at least three of the four indices shall be eligible to receive assistance.

The four indices are established as follows:

(1) Percent of tax levy to full value of property. This shall be computed by dividing the tax levy of each municipality by the full value of property for each municipality. For the 1990-91 fiscal year, tax levy and full value shall be as of the assessment date December 31, 1986.

(2) Per capita income. This shall be the most recent estimate reported by the U.S. Department of Commerce, Bureau of the Census.

(3) Percent of personal income to full value of property. This shall be computed by multiplying the per capita income above by the most recent population estimate as reported by the U.S. Department of Commerce, Bureau of the Census and dividing the result by the full value of property.

(4) Per capita full value of property. This shall be the full value of property divided by the most recent estimate of population by the U.S. Department of Commerce, Bureau of the Census.

(c) Distribution of funds: Funds shall be distributed to each eligible community on the basis of the community's tax levy relative to the total tax levy of all eligible communities. For the fiscal year 1990-91, the reference year for the tax levy shall be the assessment date of December 31, 1988. For each fiscal year thereafter, **except for fiscal year 2007-2008**, the reference year and the fiscal year shall bear the same relationship. **For the fiscal year 2007-2008 the reference year shall be the same as for the distributions made in fiscal year 2006-2007.** (2007)

Any newly qualifying community shall be paid fifty percent (50%) of current law requirements the first year it qualifies. The remaining fifty percent (50%) shall be distributed to the other distressed communities proportionately. When any community falls out of the distressed community program, it shall receive a one-time payment of fifty percent (50%) of the prior year requirement exclusive of any reduction for first year qualification. The community shall be considered a distressed community in the fall-out year.

(d) Appropriation of funds: The State of Rhode Island shall appropriate funds in the annual appropriations act to support this program. For each of the fiscal years ending June 30, 2011, June 30, 2012, **and June 30, 2013**, seven hundred eighty-four thousand four hundred fifty-eight dollars (\$784,458) of the total appropriation shall be distributed equally to each qualifying distressed community. (2012)

(e) Payments: Payments shall be made to eligible communities each ~~March equal to one half of the appropriated amount and each August equal to one half of the appropriated amount.~~ (2012)

[45-13-13. Adjustments to tax levy, assessed value, and full value when computing state aid.]

Repealed  
(2005)

**45-13-14. Adjustment to tax levy, assessed value, and full value when computing state aid.** (a) Whenever the director of **revenue** computes the relative wealth of municipalities for the purpose of distributing state aid in accordance with title 16 and the provisions of section 45-13-12, he or she shall base it on the full value of all property except:

(1) that exempted from taxation by acts of the general assembly and reimbursed under section 45-13-5.1 of the general laws, which shall have its value calculated as if the payment in lieu of tax revenues received pursuant to section 45-13-5.1 of the general laws, has resulted from a tax levy;

(2) that whose tax levy or assessed value is based on a tax treaty agreement authorized by a special public law or by reason of agreements between a municipality and the economic development corporation in accordance with section 42-64-20 prior to May 15, 2005, which shall not have its value included;

(3) that whose tax levy or assessed value is based on tax treaty agreements or tax stabilization agreements in force prior to May 15, 2005, which shall not have its value included;

(4) that which is subject to a payment in lieu of tax agreement in force prior to May 15, 2005;

(5) any other property exempt from taxation under state law; or

(6) any property subject to chapter 44-27, taxation of Farm, Forest, and Open Space Land.

(b) The tax levy of each municipality and fire district shall be adjusted for any real estate and personal property exempt from taxation by act of the general assembly by the amount of payment in lieu of property tax revenue anticipated to be received pursuant to section 45-13-5.1 of the general laws relating to property tax from certain exempt private and state properties, and for any property subject to any payment in lieu of tax agreements, any tax treaty agreements or tax stabilization agreements in force after May 15, 2005, by the amount of the payment in lieu of taxes pursuant to such agreements.

(c) Fire district tax levies within a city or town shall be included as part of the total levy attributable to that city or town.

(d) The changes as required by subdivisions (a) through (c) shall be incorporated into the computation of entitlements effective for distribution in fiscal year 2007-2008 and thereafter.

(2005)



**CHAPTER 45-13.2  
MUNICIPAL INCENTIVE AID**

**45-13.2-1. Short title.** – This chapter shall be known as the “Municipal Incentive Aid Act”.

**45-13.2-2. Legislative findings.** – It is hereby found and declared as follows:

(a) The fiscal health of its municipalities is of paramount importance to the state of Rhode Island;

(b) Local municipalities in Rhode Island are facing ever-increasing costs for retirement related expenses;

(c) Retirement plans represent significant cost drivers for municipal budgets;

(d) Many municipalities currently have significantly under-funded retirement plans;

(e) These unfunded liabilities either jeopardize or threaten to jeopardize the fiscal stability of municipalities;

(f) Fiscal instability in a municipality adversely affects the state’s financial interests; and

(g) Local municipalities should be encouraged to improve the sustainability of their retirement plans by reducing the unfunded liabilities thereunder and by funding the plans in a fiscally responsible manner.

**45-13.2-3. Definitions.** – For purposes of this chapter “municipality” means any city or town of the state.

**45-13.2-4. State aid incentive program appropriated.** – There are hereby appropriated funds for a state aid program entitled “Municipal Incentive Aid Program”. For fiscal year 2014 the amount of five million dollars (\$5,000,000) shall be appropriated, and an amount of ten million dollars (\$10,000,000) will be requested for appropriation for fiscal year 2015 and for fiscal year 2016. Municipal Incentive Aid shall be administered and managed by the division of municipal finance within the department of revenue.

**45-13.2-5. Purpose of the municipal incentive aid program.** – The purpose of this Municipal Incentive Aid program shall be to encourage municipalities to improve the sustainability of their retirement plans, and to reduce unfunded liabilities thereunder, by providing additional state aid to those municipalities that comply with the requirements and provisions of this chapter.

**45-13.2-6. Distributions.** – (a) Municipal incentive aid described in this chapter shall be distributed to eligible municipalities on the basis of the most recent population estimate for each municipality as a share of the total state population reported by the U.S. Department of Commerce, Bureau of the Census. Such payments shall be made to eligible communities in March 2014, March 2015 and March 2016.

**(b) For fiscal year 2014, municipalities shall be eligible to receive aid under this chapter if: (1) the municipality has no locally-administered pension; or (2) the municipality notified plan participants, beneficiaries and others pursuant to chapter 45-65, and submitted to the state's department of revenue a Funding Improvement Plan ("FIP") pursuant to section 45-65-6, for every locally-administered pension plan in that municipality, and each FIP had been approved by the plan sponsor and the local governing body no later than June 1, 2013; or (3) there existed a locally-administered pension plan(s) in that municipality, but either: (i) no FIP was required pursuant to chapter 45-65; or (ii) a FIP is required pursuant to chapter 45-65, but the due date for the FIP submission is after the March payment of state aid.**

**(c) For fiscal years 2015 and 2016, municipalities shall be eligible to receive aid under this chapter, if: (1) the municipality has no locally-administered pension; or (2) the municipality has transitioned all locally-administered pension plans into MERS by June 30, 2014; or (3) the municipality had notified plan participants, beneficiaries and others pursuant to chapter 45-65 and had submitted to the state's department of revenue a FIP, pursuant to chapter 45-65, for every locally-administered pension plan, and each submitted FIP meets the guidelines of the Study Commission on Locally-Administered Pension Plans created pursuant to section 45-65-8 or otherwise applicable guidelines or regulations and each FIP has been approved by the plan sponsor and the local governing body; or (4) the municipality has implemented the original recommended FIP or an amended FIP pursuant to chapter 45-65 within eighteen (18) months after an actuary has certified that a locally-administered plan is in critical status for a plan year, and the FIP's are approved by the plan sponsor and the local governing body; or (5) there existed a locally-administered pension plan in that municipality, but either: (i) no FIP was required pursuant to chapter 45-65 and the municipality is funding one hundred percent (100%) of its Annually Required Contribution (ARC); or (ii) FIP is required pursuant to chapter 45-65, however, the due date for the FIP submission or implementation is after the March payment of this municipal incentive aid.**

**(d) In any fiscal year that a municipality does not receive an appropriation under this chapter, the amount that would have been allocated to the municipality will be distributed in the month of May among the other eligible municipalities for that fiscal year, on the basis of the most recent population estimate for each municipality as a share of the total state population reported by the U.S. Department of Commerce, Bureau of the Census.**

**(2013)**

## CHAPTER 45-14 SEWAGE CHARGES

**45-14-1. Power to assess charges against users.** In addition to the powers, privileges, prerogatives and authority that are now granted to each city and town, or any agency of a city or town, in connection with the sewers or sewer systems of these municipalities, each city and town is authorized and empowered to enact ordinances assessing users of the sewers or sewer systems of the cities and towns a charge for the use of the sewers or sewer systems in an amount that bears a reasonable relation to the cost to the city or town of the service rendered to the users. **All unpaid charges shall be a lien upon the real estate of the users, and the lien created hereby shall be a lien upon the house, building, tenement, lands, and estate of the user in the same way and manner as taxes assessed on real estate are liens, and if not paid as required by each city and town shall be collected in the same manner that taxes assessed upon real estate are by law collected.** (2009)

**45-14-1.1. Recording of sewer system.** Starting on January 1, 2012, all cities and towns that own, operate, manage or control a sewer system shall require as-built drawings and plans on any new sewer main extension to be submitted to the sewer authority. In addition, an as-built record drawing and plans shall be submitted to the sewer authority for any sewer main upgrade or repair that deviates in horizontal or vertical alignment from the existing sewer main horizontal or vertical alignment. The preparation and submission of such as-built drawings and plans shall be the responsibility of the person that each city and town has designated either by ordinance or by contract. All cities and towns shall determine the form in which such drawings and plans shall be submitted. (2009)

**45-14-2. Adoption of implementing provisions.** Each city and town may by ordinance define the person or persons, firm, corporation, partnership, individual, assignee, trustee or other person upon whom such charges shall be assessed, and may adopt such other ordinances, rules or regulations as may be necessary to carry out the provisions of this chapter, and may impose a penalty for any violation of such ordinance, rule or regulation.

**45-14-3. Use charges supplemental.** This chapter is not to be construed as revoking, altering or amending any provisions of law for sewer assessment now lawfully assessed by any city or town, but it is to be construed as authorizing a charge for the use of said sewers or sewer systems for disposal purposes, and in addition to all other sewer assessments now lawfully imposed by such city or town, under the provisions of any general, public or special law, charter, act, or resolve, and any ordinance now in effect.

**45-14-4. Providence school appropriation law inapplicable.** The provisions of 9 of chapter 680 of the public laws of 1925 entitled, "An act relating to the management and support of the public schools of the city of Providence", shall not apply to any revenue collected under the terms of this chapter.

**45-14-5. Disposition of proceeds.** All revenue derived from the assessment of charges authorized by the provisions of this chapter, or by the provisions of chapter 1734 of the public laws, 1946, shall be expended only for the maintenance, repair, replacement, expansion or operation of the sewer system and sewage disposal or treatment works of the respective cities and towns, and/or for the payment of charges made against the respective cities and towns for the disposal and/or treatment of their sewage.

**45-14-6. Agreements as to sewage disposal.** This chapter shall not impair any existing or future agreements between any city or town, with reference to sewage disposal.

**45-14-7. Severability.** If any part, subdivision or section of this chapter shall be declared unconstitutional, the validity of the remaining parts hereof shall not be affected thereby.

**45-14-8. City of Woonsocket - Interest on delinquent payments.**

**CHAPTER 45-15**  
**ACTIONS BY AND AGAINST TOWNS**

**45-15-1. Corporate capacity of towns.** The inhabitants of every town shall continue to be a body corporate, and may, in their corporate name, sue and be sued, prosecute and defend, in any court and elsewhere.

**45-15-2. Suits in name of town.** Every civil action brought by a town shall be brought in the name of the town unless otherwise directed specially by law.

**45-15-5. Presentment to council of claim or demand against town.** Every person who shall have any money due him from any town or city, or any claim or demand against any town or city, for any matter, cause or thing whatsoever, shall take the following method to obtain the same, to wit: Such person shall present to the town council of the town, or to the city council of the city, a particular account of his claim, debt, damages, or demand, and how incurred or contracted; which being done in case just and due satisfaction is not made him by the town or city treasurer of such town or city within forty (40) days after the presentment of such claim, debt, damages or demand aforesaid, such person may commence his action against such treasurer for the recovery of the same.

**45-15-6. Town or council meeting to levy tax to pay judgment against town.** On judgment being obtained for such debt, damages or demand, in case said treasurer shall not have sufficient of the money of such town or city in his hand to satisfy and pay the judgment obtained and the charges expended in defending such suit, the said treasurer shall make application to any justice of the peace in such town or city, and thereupon the justice shall grant a warrant to the town sergeant of such town, requiring him to warn the electors of the town to hold a town meeting, at such time and place as shall be appointed, or the mayor of such city requiring for the speedy ordering and making a tax, to be collected for the reimbursement of said treasurer.

**45-15-7. Judicial order assessing tax to pay judgment.** In case said electors or said city council, as the case may be, upon due warning given them, shall not take due and effectual care to reimburse, pay or satisfy said treasurer the money, costs and charges by him expended, or recovered against him, upon complaint filed with the superior court at any time thereafter, by him or by the person recovering the judgment named in section 45-15-6, setting forth the facts, the court may order the assessors of said town or city to assess upon the ratable property thereof, and the collector to collect, a tax sufficient for the payment of said judgment, with all incidental costs and charges, and the expense of assessing and collecting such tax.

**45-15-8. Recovery against town for damages from neglect to maintain highway or bridge.** If any person shall receive or suffer bodily injury or damage to his property by reason of defect, want of repair, or insufficient railing, in or upon a public highway, causeway or bridge, in any town which is by law obliged to repair and keep the same in a condition safe and convenient for travelers with their teams, carts and carriages, which injury or damage might have been prevented by reasonable care and diligence on the part of such town, he may recover, in the manner hereinafter provided, of such town the amount of damages, sustained thereby, if such town had reasonable notice of the defect, or might have had notice thereof by the exercise of proper care and diligence on its part.

**45-15-9. Notice of injury on highway or bridge - Commencement of action.** A person so injured or damaged shall, within sixty (60) days thereafter, give to the town by law obliged to keep such highway, causeway, or bridge in repair, notice of the time, place, and cause of such injury or damage; and if the said town shall not make just and due satisfaction therefore, within the time prescribed by section 45-15-5, he shall, within three (3) years after the date of such injury or damage, commence his action against the town treasurer for the recovery of the same, and not thereafter.

The provisions of this section shall take effect (May 21, 1982) and shall be given retroactive effect as well as prospective effect and shall apply to all causes of actions arising within three (3) years prior to (September 1, 1982).

**45-15-10. Form of notice of injury - Time allowed incapacitated persons and estate administrators for notice.** The notice required by section 45-15-9 shall be in writing, signed by the person injured or damaged, or by some one in his behalf, and shall be presented to the town council of the town or to the city council of the city; but if from physical or mental incapacity, it is impossible for the person injured to give the notice within the time prescribed in said section, he may give the same within ten (10) days after such incapacity is removed; and in case of his death without having given the notice, and without having been for ten (10) days at any time after his injury of sufficient capacity to give notice, his executor or administrator may give notice within thirty (30) days after his appointment.

**45-15-11. Effect of mending of highway by town.** No work done by any city or town, upon any way or street, in mending or repairing the same, shall constitute or be any evidence of an acceptance of such way or street by the said city or town, nor shall it in any way change the status of such way or street; and such mending or repairing of such way or street shall in no way render the said city or town liable to pay compensation or damages by reason of injuries suffered by any person or persons traveling upon such way or street.

**45-15-12. Maximum recovery for personal injuries.** No person shall recover from any town in any action mentioned in 45-15-8 and 45-15-9 a greater sum for personal injuries than one hundred thousand dollars (\$100,000).

This section shall be given retroactive effect and apply to all causes of action arising on or after May 4, 1984.

**45-15-13. Liability for damage by riotous assemblies.** Whenever any property of the value of fifty dollars (\$50.00) or more shall be destroyed or be injured to that amount by any persons to the number of six (6) or more unlawfully, riotously, or tumultuously assembled, the town or city within which said property was situated shall be liable to indemnify the owner thereof to the amount of three-fourths (3/4) of the value of the property so destroyed or three-fourths (3/4) of the amount of such injury thereto, to be recovered in a civil action in any court proper to try the same, provided the owner of such property shall use all reasonable diligence to prevent its destruction or injury by such unlawful assembly and to procure the conviction of the offenders.

**45-15-14. Recovery by town from members of riotous assembly.** Any town or city which shall pay any sum under the provisions of section 45-15-13, may recover the same against any or all of the persons who shall have destroyed or injured such property.

**45-15-15. Prosecution of claims for damage by riotous assembly.** All claims arising under the provisions of sections 45-15-13 and 45-15-14 shall be proceeded with as provided in section 45-15-5.

**45-15-16. Indemnity of public officials, employees, or elected officials.** ~~Any~~ All town or city council or any fire district ~~may shall~~, by ordinance or otherwise, indemnify any and all **police officers, firefighters**, elected or appointed fire district officials, public employees, fire district employees, officials, members of boards, agencies and commissions appointed by town councils or any fire district or by any other person exercising appointing authority delegated to them by the town council; whether or not the **police officers, firefighters**, elected or appointed fire district officials, employees, officials, members are paid, from all loss, cost, expense, and damage, including legal fees and court costs, if any, arising out of any claim, action, compromise, settlement, or judgment by reason of any intentional tort or by reason of any alleged error or misstatement or action or omission, or neglect or violation of the rights of any person under any federal or state law, including misfeasance, malfeasance, or nonfeasance or any act, omission, or neglect contrary to any federal or state law which imposes personal liability on any **police officers, firefighters**, elected or appointed fire district official, employee, official, or member if the elected or appointed fire district official, employee, official, or member, at the time of the intentional tort or act, omission or neglect, was acting within the scope of his or her official duties or employment. ~~The town council~~ **municipality** or any fire district may decline to indemnify any elected or appointed fire district official, employee, official, or member for any misstatement, error, act, omission, or neglect if the same resulted from willful, wanton or malicious conduct on the part of the **police officers, firefighters**, elected or appointed fire district official, employee, official, or member. The indemnity ~~may shall~~ be provided by the city or town council or any fire district on a case by case basis or by ordinance of general application. ~~Any~~ **The** ordinance or agreement to indemnify ~~may shall~~ include, among other things, the provision of legal counsel at the expense of the city or town and/or the reimbursement for attorney's fees and other expenses incurred in connection with the conduct of the defense, including payment of the judgment thereon. Any city or town council or any fire district may establish a fund into which it may deposit monies appropriated, from time to time, and the fund may be used to defer the costs incurred by any city or town in carrying out the purposes of this section. The amounts contained in that fund at the end of any fiscal year may be carried forward to subsequent fiscal years without any reappropriation except as otherwise ~~may shall~~ be specifically provided by the ordinance creating that fund or funds. City or town councils ~~are specifically authorized to~~ **shall** extend the indemnity contained herein to members of the school committee and any other person employed by the school department of any city or town and any person appointed to any board, agency, or commission by the school committee, whether or not the person is compensated for his or her services.

(2009)

**45-15-17. Appeals from boards and commissions.** In any case where an appeal is allowed from the decision of any board or commission of any city or town, it shall be sufficient to name the board or commission itself as a party respondent or as a defendant without the necessity of naming individual members of the board or commission as parties respondent or as defendants, and the chairperson, or in his or her absence, the vice chairperson of the board or commission shall be the attorney for purposes of service of process for all such appeals.

**CHAPTER 45-21  
RETIREMENT OF MUNICIPAL EMPLOYEES**

**45-21-42.2. Fiscal impact of proposed legislation impacting the retirement system. – Proposed legislation which directly impacts the retirement system can potentially affect the benefits of all plan participants and beneficiaries. Since it is in the best interests of plan participants and beneficiaries to determine the financial consequences of any proposed legislation which would directly impact the liability to the retirement system of participating municipalities, such legislation shall not be approved by the general assembly unless an explanatory statement or note, prepared and paid for by the retirement system, is appended to the proposed legislation which actuarially calculates, based on approved retirement board assumptions, the projected twenty (20) year cost of the proposed legislation. These statements or notes shall be known as “pension impact notes”, and they shall accompany each such bill or resolution prior to consideration by the chamber in which the bill or resolution originated. The reasonable cost of preparing pension impact notes shall be charged as an administrative expense and paid from the retirement system’s restricted receipts account established pursuant to section 36-8-10.1. Only the chair of the senate committee on finance with the approval of the president of the senate can request a pension impact note on proposed legislation that originates in the senate. Only the chair of the house committee on finance with the approval of the speaker of the house can request a pension impact note on proposed legislation that originates in the house. The governor can request a pension impact note on proposed legislation recommended in the appropriation acts required by sections 35-3-7 or 35-3-8. This section shall be in addition to the requirements of chapter 12 of title 22. If one or more participating municipalities requests an actuarial study or other study that impacts only the liability of the participating municipality making the request, the participating municipality making the request shall pay any and all costs associated with the preparation of the study or report. (2008)**

**45-21-65. Other post-employment benefits – OPEB trusts. – (a)**  
Notwithstanding the provisions of any general or special law, or the provisions of any municipality’s home rule charter, to the contrary, for purposes of funding any unfunded liability for other post-employment benefits including, but not limited to, health care and dental care benefits hereinafter referred to as (“OPEB”) in accordance with government accounting standards board statements 43 and 45, a municipality, acting by its treasurer or director of finance, upon an approving resolution of the city or town council or agency board as applicable, may enter into a trust agreement between the municipality and a corporate trustee which shall be a bank or trust company doing business in the state, **or a corporation established pursuant to chapter 5 of title 45 of the general laws.** This trust agreement shall be in any form deemed proper by the treasurer or director of finance of the municipality, and shall be executed by its treasurer or director of finance and countersigned by its mayor or president of the town council. It shall be lawful for any bank, trust company, **or entity organized pursuant to section 45-5-20.1** doing business



in the state to act as a depository or trustee under this trust agreement, and to furnish indemnification and pledge securities that may be required by any municipality. (2012)

(b) OPEB trust funds shall be credited with all amounts appropriated or otherwise made available by the municipality for the purposes of meeting the current and future OPEB costs payable by the municipality. OPEB trust funds shall also be credited with all amounts contributed or otherwise made available by employees of the municipality for the purpose of meeting future OPEB costs payable by the municipality. Amounts in an OPEB trust fund, including any earnings or interest accruing from the investment of these amounts, shall be expended only for the payment of the costs payable by the municipality for OPEB or as otherwise permitted by the terms of the trust and applicable law. The director of finance or treasurer, as applicable, shall invest and reinvest the amounts in the OPEB trust fund not needed for current disbursement in any investment permitted for the municipality's pension funds consistent with the prudent person rule and investment policies of the municipality, if any.

(c) Municipalities are hereby authorized to enter agreements, trusts, contracts, and other arrangements with the state and any of its departments, agencies, boards or commissions relating to the execution, management or operation of the OPEB trust funds, including, but not limited to, investments, and the state and its departments, agencies, boards and commissions are hereby authorized to enter into such agreements, contracts and other arrangements with municipalities. Notwithstanding any provisions of any general or special law or principle of equity to the contrary, the state shall have no liability to a municipality for entering into such agreements. ~~A municipality may employ any qualified bank, trust company, corporation, firm or person to advise it on the investment of the OPEB trust fund and may pay from the OPEB trust fund for this advice and other services. Procurement for these services shall be subject to the procurement procedures and rules governing municipalities in the state.~~ (2012)

**(d) A municipality may employ any qualified bank, trust company, corporation, firm or person to advise it on the investment of the OPEB trust fund and may pay from the OPEB trust fund for this advice and other services. Procurement for these services shall be subject to the procurement procedures and rules governing municipalities in the state. (2012)**

**(e) Municipalities are also hereby authorized to enter agreements, trusts, contracts, and other arrangements with any corporation established pursuant to chapter 5 of title 45 of the general laws relating to the execution, management or operations of OPEB trust funds including, but not limited to, investments, and the corporations established pursuant to section 45-5-20.1 of the general laws are hereby authorized to enter into such agreements, trusts, contracts or other arrangements with municipalities. (2012)**

(f) Any OPEB trusts that have been created by municipalities and are in effect on the date hereof are hereby ratified and confirmed.

(g) Nothing herein shall be construed to exempt OPEB trusts from the Rhode Island Access to Public Records Act, RIGL 38-2-1 et seq.

**CHAPTER 45-22.4**  
**RHODE ISLAND DEVELOPMENT IMPACT FEE ACT**

**45-22.4-2. Legislative findings and intent.**-- (a) Whereas, the General Assembly finds that an equitable program is needed for the planning and financing of public facilities to serve new growth and development in the cities and towns in order to protect the public health, safety and general welfare of the citizens of this state.

(b) Whereas, it is therefore the public policy of the state and in the public interest that cities and towns are authorized to assess, impose, levy and collect fees defined herein as impact fees for all new development within their jurisdictional limits.

(c) Whereas, it is the intent of the General Assembly by enactment of this act to:

(1) ensure that adequate public facilities are available to serve new growth and development;

(2) ensure that new growth and development does not place an undue financial burden upon existing taxpayers;

(3) promote orderly growth and development by establishing uniform standards for local governments to require that those who benefit from new growth and development pay a proportionate fair share of the cost of new and/or upgraded public facilities needed to serve that new growth and development;

(4) establish standards for the adoption of development impact fee ordinances by governmental entities;

(5) empower governmental entities which are authorized to adopt ordinances to impose development impact fees.

(2000)

**45-22.4-3. Definitions.** – As used in this chapter, the following words shall have the meanings stated herein.

(1) “Capital improvements” shall mean improvements with a useful life of ten (10) years or more, which increases or improves the service capacity of a public facility.

(2) “Capital improvement program” shall mean that component of a municipal budget that sets out the need for public facility capital improvements, the costs of such improvements, and proposed funding sources. A capital improvement program must cover at least a five (5) year period and should be reviewed at least every five (5) years.

(3) “Developer” shall mean a person or legal entity undertaking development.

(4) “Governmental entity” shall mean a unit of local government.

(5) “Impact fee” shall mean the charge imposed upon new development by a governmental entity to fund all or a portion of the public facility’s capital improvements affected by the new development from which it is collected.

(6) “Proportionate share” shall mean that portion of the cost of system improvements which reasonably relates to the service demands and needs of the project.

(7) “Public facilities” shall mean:

(a) water supply production, treatment, storage, and distribution facilities;

(b) wastewater and solid waste collection, treatment and disposal facilities;

(c) roads, streets and bridges, including rights- of- way, traffic signals, landscaping and local components of state and federal highways;

(d) storm water collection, retention, detention, treatment, and disposal facilities, flood control facilities, bank and shore projections, and enhancement improvements;

(e) parks, open space areas and recreation facilities;

(f) police, emergency medical, rescue and fire protection facilities;

(g) public schools and libraries; and

(h) other public facilities consistent with a community’s capital improvement program.

**45-22.4-4. Calculation of impact fees.** – (a) The governmental entity considering the adoption of impact fees shall conduct a needs assessment for the type of public facility or public facilities for which impact fees are to be levied. The needs assessment shall identify levels of service standards, projected public facilities capital improvements needs, and distinguish existing needs and deficiencies from future needs. The findings of this document shall be adopted by the local governmental entity.

(b) The data sources and methodology upon which needs assessments and impact fees are based shall be made available to the public upon request.

(c) The amount of each impact fee imposed shall be based upon actual cost of public facility expansion, or improvements or reasonable estimates thereof, to be incurred by the governmental entity as a result of new development. The calculation of each impact fee shall be in accordance with generally accepted accounting principles.

(d) An impact fee shall meet the following requirements:

(1) The amount of the fee must be reasonably related to or reasonably attributable to the development's share of the cost of infrastructure improvements made necessary by the development.

(2) The impact fees imposed must not exceed a proportionate share of the costs incurred or to be incurred by the governmental entity in accommodating the development. The following factors shall be considered in determining a proportionate share of public facilities capital improvement costs:

(i) The need for public facilities' capital improvements required to serve new development, based on a capital improvements program that shows deficiencies in capital facilities serving existing development, and the means, other than impact fees, by which any existing deficiencies will be eliminated within a reasonable period of time, and that shows additional demands anticipated to be placed on specified capital facilities by new development.

(ii) The extent to which new development is required to contribute to the cost of system improvements in the future.

**45-22.4-5. Collection and expenditure of impact fees.** -- (a) The collection and expenditure of impact fees must be reasonably related to the benefits accruing to the development paying the fees. The ordinance may consider the following requirements:

(1) Upon collection, impact fees must be deposited in a special proprietary fund, which shall be invested with all interest accruing to the trust fund.

(2) Within eight (8) years of the date of collection, impact fees shall be expended or encumbered for the construction of public facilities' capital improvements of reasonable benefit to the development paying the fees and that are consistent with the capital improvement program.

(3) Where the expenditure or encumbrance of fees is not feasible within eight (8) years, the governmental entity may retain impact fees for a longer period of time if there are compelling reasons for such longer period. In no case shall impact fees be retained longer than twelve (12) years.

(b) All impact fees imposed pursuant to the authority granted herein shall be assessed upon the issuance of a building permit or other appropriate permission to proceed with development, and **shall be collected in full upon the issuance of the certificate of occupancy** or other final action authorizing the intended use of a structure. (2007)

(c) A governmental entity may recoup costs of excess capacity in existing capital facilities, where such excess capacity has been provided in anticipation of the needs of new development, by requiring impact fees for that portion of the facilities constructed for future users. The need to recoup costs for excess capacity must have been

documented by a preconstruction assessment that demonstrated the need for such excess capacity. Nothing contained herein shall prevent a municipality from continuing to assess an impact fee that recoups costs for excess capacity in an existing facility without such preconstruction assessment so long as such impact fee was enacted at least ninety (90) days prior to the effective date of this chapter and is in compliance with this chapter in all other respects pursuant to section 7 of this chapter. The fees imposed to recoup such costs to provide such excess capacity must be based on the governmental entity's actual cost of acquiring, constructing, or upgrading the facility and must be no more than a proportionate share of such costs to provide such excess capacity. That portion of an impact fee deemed recoupment is exempted from provisions of section 45-22.4-5(a)(2).

(d) Governmental entities may accept the dedication of land or the construction of public facilities in lieu of payment of impact fees provided that:

(1) the need for the dedication or construction is clearly documented in the community's capital improvement program or comprehensive plan;

(2) the land proposed for dedication for the facilities to be constructed is determined to be appropriate for the proposed use by the local governmental entity;

(3) formulas and/or procedures for determining the worth of proposed dedications or constructions are established.

(e) Exemptions:

Impact fees shall not be imposed for remodeling, rehabilitation, or other improvements to an existing structure, or rebuilding a damaged structure, unless there is an increase in the number of dwelling units or any other measurable unit for which an impact fee is collected. Impact fees may be imposed when property which is owned or controlled by federal or state government is converted to private ownership or control.

Nothing herein shall prevent a municipality from granting any exemption(s) which it deems appropriate.

**45-22.4-6. Refund of impact fees.** – (a) If impact fees are not expended or encumbered within the period established in section 5 of this act, the governmental entity shall refund to the fee payer or his/her successors the amount of the fee paid and accrued interest. The governmental entity shall send the refund to the fee payer at the last known address by certified mail within one (1) year of the date on which the right to claim refund arises. All refunds due and not claimed within one (1) year shall be retained by the municipality.

(b) When a governmental entity seeks to terminate any or all impact fee requirements, all unexpended or unencumbered funds shall be refunded as provided above. Upon the finding that any or all fee requirements are to be terminated, the governmental entity shall place a notice of termination and availability of refunds in a newspaper of general

circulation in the community at least two (2) times. All funds available for refund shall be retained for a period of one (1) year. At the end of one (1) year, any remaining funds may be transferred to the general fund and used for any public purpose. A governmental entity is released from this notice requirement if there are no unexpended or unencumbered balances within a fund or funds being terminated.

**45-22.4-7. Compliance.** -- No later than two (2) years after the effective date of this chapter, governmental entities shall conform all impact fee ordinances existing on the effective date of this act to the provisions of this chapter.

**45-22.4-8. Adoption of impact fees.** – Impact fees shall be adopted by ordinance and the adoption of an impact fee ordinance or amendment thereto shall be by affirmative vote of not less than a majority of the total membership of the governing body in attendance at said meeting, in the manner prescribed by law.

## CHAPTER 45-33 REDEVELOPMENT FINANCING

**45-33-1. Establishment of revolving fund.** The legislative body of any community, at any time after it has adopted a resolution declaring that there is a need for an agency to function in the community, may establish a redevelopment revolving fund. For the purpose of raising moneys to be deposited in that fund, the community may appropriate tax money or other funds, and/or issue and sell its general obligation or revenue bonds, and the moneys shall be used to effectuate the purposes and the provisions of chapters 31 - 33, inclusive, of this title, upon resolution of the legislative body.

**45-33-2. Bonds of city or town.** (a) The legislative body may also authorize the issuance of general obligation or revenue bonds to provide moneys to be used by the agency to carry out a redevelopment plan for a specific project area or for code enforcement projects carried on pursuant to the provision of appropriate federal legislation, and shall provide that any portion of the proceeds of the sale of the bonds, not required to carry out the redevelopment plan or code enforcement projects, shall be returned to the community and shall be used to pay the principal and interest on any bonds of that issue outstanding, and any surplus then remaining shall be transferred to the bond redemption fund of the community.

(b) The bonds shall be issued and sold at such times, in such amounts, with such maturities and other terms, and in such forms as the legislative body shall determine. Irrespective of any limitation, by general or special law, as to the amount of the bonds which may be issued, a community may issue the bonds, for the purposes defined by this section, in excess of the limitation in the amount as may be approved by the voters of the community at any general or special election, and all bonds issued under this section shall be exempted from the operation of 45-12-2. The community shall annually appropriate a sum sufficient to pay the interest upon its general obligation bonds issued and outstanding under the authority of this section, and also to pay the principal of the bonds maturing in that year, until the bonds are paid in full. This section shall constitute statutory approval for the incurring of debt for the purposes of chapters 31 - 33, inclusive, of this title, wherever that approval is required by any general or special law.

**45-33-3. Abolition of revolving fund.** The legislative body of any community may abolish the redevelopment revolving fund whenever it shall find that the purposes for which the fund was established have been accomplished. At the time of abolishing the fund, the legislative body shall transfer all moneys therein to the general obligation bond redemption fund, and shall provide that all moneys thereafter to be deposited or redeposited in the redevelopment revolving fund shall be deposited in the general obligation or revenue bond redemption fund. Any surplus existing in such general obligation or revenue bond redemption fund after payment of principal and interest shall be transferred to the general fund of the community.

**45-33-4. Appropriations, borrowing, and loans by cities and towns.** Any community in this state is authorized to appropriate moneys raised by taxes or other funds, including, but not limited to, funds in the redevelopment revolving fund, and to borrow money as provided in chapters 31 - 33, inclusive, of this title, and may lend or give the same to any redevelopment agency established by it for the purpose of



acquiring property in any project area or for the clearance and preparation of any project area for redevelopment or for financing, or otherwise assisting in the carrying out of any redevelopment plan or to effectuate the purposes and provisions of chapters 31 - 33, inclusive, of this title.

**45-33-5. Power to issue bonds - Revenue and mortgage bonds.** Any agency shall have power to issue bonds from time to time in its discretion, for any of its corporate purposes. The term "bonds" shall mean and include the notes, bonds, and other evidences of indebtedness which an agency is authorized to issue pursuant to chapters 31-33, inclusive, of this title. An agency shall also have power to issue refunding bonds for the purpose of paying or retiring bonds previously issued by it. An agency may issue such types of bonds as it may determine, including bonds on which the principal and interest are payable: (1999)

(a) Exclusively from the income and revenues of the development project or projects financed with the proceeds of those bonds, or with the proceeds together with financial assistance from the city, state, or federal governments in aid of the projects;

(b) Exclusively from the income and revenues of certain designated redevelopment projects whether or not they were financed in whole or in part with the proceeds of the bonds;

(c) From its revenues generally;

(d) From any contributions or other financial assistance from the city, state, or federal governments; or

(e) By any combination of these methods. Any of the bonds may be additionally secured by a pledge of any revenues or by an encumbrance (whether by mortgage, deed of trust, or otherwise) of any redevelopment project, projects, or other property of the agency.

**45-33-6. Restrictions on liability on bonds.** Neither the members of an agency nor any person executing the bonds shall be liable personally on the bonds by reason of the issuance thereof. The bonds and other obligations of any agency (and those bonds and other obligations shall so state on their face) shall not be a debt of the community, the state or any political subdivision thereof other than the agency and neither the community nor the state, or any political subdivision thereof other than the agency, shall be liable thereon, nor in any event shall those bonds or obligations be payable out of any funds or properties other than those of the agency. The bonds shall not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction.

**45-33-7. Terms and form of bonds.** Bonds of an agency shall be authorized by its resolution, and may be issued in one or more series, and shall bear such date or dates, mature at such time or times, bear interest at such rate or rates, be in such denomination or denominations, be in such form, either coupon or registered, carry such conversion or registration privileges, have such rank or priority, be executed in such manner, be payable in such medium of payment, at such place or places, and be subject to such terms of redemption (with or without premium) as the resolution, its trust indenture, or mortgage may provide. Bonds of an agency may be sold at public or private sale at such prices or prices as shall be determined by the agency. (1999)

**45-33-8. Terms and covenants permissible in bonds.** In connection with the issuance of bonds, an agency, in addition to its other powers, shall have power:

(a) To pledge all or any part of its net rents, fees, or revenues to which its rights then exists or may thereafter come into existence.

(b) To encumber (by mortgage, deed of trust, or otherwise) all or any part of its real or personal property, then owned or thereafter acquired.

(c) To covenant against pledging all or any part of its rents, fees, and revenues, or against encumbering all or any part of its real or personal property, to which its right or title then exists or may thereafter come into existence, or against permitting or suffering any lien on such revenues or property; to covenant with respect to limitations on its right to sell, lease, or otherwise dispose of any redevelopment project or any part thereof; and to covenant as to what other or additional debts or obligations may be incurred by it.

(d) To covenant as to the bonds to be issued and as to the issuance of those bonds in escrow or otherwise, and as to the use and disposition of the proceeds thereof; to provide for the replacement of lost, destroyed, or mutilated bonds, to covenant against extending the time for payment of its bonds or interest thereon; and to redeem the bonds, and to covenant for their redemption and to provide the terms and conditions thereof.

(e) To covenant, as to the consideration of rents and fees to be charged in the sale or lease of a redevelopment project or projects, or any part thereof, the amount to be raised each year or other period of time by rents, fees, and other revenues, and as to the use and disposition to be made thereof; and to create or to authorize the creation of special funds for moneys held for redevelopment or other costs, debt service, reserves, or other purposes, and to covenant as to the use and disposition of the moneys held in those funds.

(f) To prescribe the procedure, if any, by which the terms of any contract with bondholders may be amended or abrogated, the amount of bonds the holders of which must consent thereto, and the manner in which the consent may be given.

(g) To covenant as to the use of any or all of its real or personal property; and to covenant as to the maintenance of its real and personal property, the replacement thereof, the insurance to be carried thereon, and the use and disposition of insurance moneys.

(h) To covenant as to the rights, liabilities, powers, and duties arising upon the breach by it of any covenant, condition, or obligation; and to covenant and prescribe as to events of default and terms and conditions upon which any or all of its bonds or obligations shall become or may be declared due before maturity, and as to the terms and conditions upon which the declaration and its consequences may be waived.

(i) To vest in a trustee or trustees or the holders of bonds or any proportion of them, the right to enforce the payment of the bonds or any covenants securing or relating to the bonds; to vest in a trustee or trustees the right, in the event of a default by the agency, to take possession of any redevelopment project or part thereof, and to collect the rents and revenues arising therefrom, and to dispose of the moneys in accordance with the agreement of the agency with the trustee or trustees; to provide for the powers and duties of a trustee or trustees, and to limit the liabilities thereof; and to provide the terms and conditions upon which the trustee or trustees or the holders of the bonds or any proportion of them may enforce any covenant or rights securing or relating to the bonds.

(j) To exercise or any part or combination of the powers herein granted; and to make covenants and to do any and all such acts and things as may be necessary or convenient or desirable in order to secure its bonds, or, in the discretion of the agency, except as otherwise provided in chapters 31 - 33, inclusive, of this title, as will tend to make the bonds more marketable, notwithstanding that the covenants, acts, or things may not be enumerated herein.

**45-33-10. Continuing validity of signatures - Negotiability of bonds.** In case any of the members or officers of the agency whose signatures appear on any bonds or coupons shall cease to be members or officers before the delivery of the bonds, their signatures shall, nevertheless, be valid and sufficient for all purposes, the same as if they had remained in office until delivery. Any provision of any law to the contrary notwithstanding, any bonds issued pursuant to chapters 31 - 33, inclusive, of this title shall be fully negotiable.

**45-33-11. Recitals as to purpose of bonds.** In any suit, action, or proceedings involving the validity or enforceability of any bonds of an agency or the security thereof, any bond reciting in substance that it has been issued by the agency to aid in financing a redevelopment project or for code enforcement projects, shall be conclusively deemed to have been issued for a redevelopment project of such character, and the project shall be conclusively deemed to have been planned, located, and constructed in accordance with the purposes and provisions of chapters 31 - 33, inclusive, of this title, or if issued for a code enforcement project or projects, shall be conclusively deemed to have been issued for a code enforcement project or projects of such character, and the project or projects shall be conclusively deemed to have been planned, located, and carried out in accordance with the purposes and provisions of appropriate federal legislation.

**45-33-12. Remedies of obligees.** An obligee of an agency shall have the right, in addition to all other rights which may be conferred on the obligee, subject only to any contractual restrictions binding upon the obligee:

(a) By mandamus, suit, action, or proceeding at law or in equity, to compel the agency and the members, officers, agents, or employees thereof to perform each and every term, provision, and covenant contained in any contract of the agency with or for the benefit of the obligee, and to require the carrying out of any or all covenants and agreements of the agency and the fulfillment of all duties imposed upon the agency by chapters 31 - 33, inclusive, of this title.

(b) By suit, action, or proceeding in equity, to enjoin any acts or things which may be unlawful, or the violation of any of the rights of an obligee of the agency.

**45-33-13. Additional remedies conferrable on obligees.** An agency shall have power, by its resolution, trust indenture, mortgage, lease, or other contract, to confer upon any obligee holding or representing a specified amount in bonds, the right (in addition to all rights that may otherwise be conferred), upon the happening of an event or default as defined in the resolution or instrument, by suit, action, or proceeding in any court of competent jurisdiction.

(a) To cause possession of any redevelopment project or any part thereof to be surrendered to the obligee.

(b) To obtain the appointment of a receiver of any redevelopment project of the agency or any part thereof and of the rents and profits therefrom. If a receiver be appointed, he or she may enter and take possession of the redevelopment project or any part thereof, and operate and maintain the redevelopment project, and collect and receive

all fees, rents, revenues, or other charges thereafter arising therefrom, and shall keep those moneys in a separate account or accounts and apply the moneys in accordance with the obligation of the agency as the court shall direct.

(c) To require the agency and the members and employees thereof to account as if it and they were the trustees of an express trust.

**45-33-14. Tax exemption of bonds.** The bonds of an agency are declared to be issued for an essential public and governmental purpose, and, together with interest thereon and income therefrom, shall be exempt from all taxes.

**45-33-15. Bonds as legal investments.** Notwithstanding any restrictions on investments contained in any laws of this state, the state and all public officers, municipal corporations, political subdivisions, and the public bodies, all banks, bankers, trust companies, savings banks and institutions, building and loan associations, savings and loan associations, investment companies, and other persons carrying on a banking business, and all insurance companies, insurance associations, and other persons carrying on an insurance business, may legally invest any sinking funds, moneys, or other funds, belonging to them or within their control, in any bonds or other obligations issued by an agency, as herein defined, and those bonds and other obligations shall be authorized security for all public deposits; it being one of the purposes of chapters 31 - 33, inclusive, of this title, to authorize all persons, firms, corporations, associations, political subdivisions, bodies, and officers, public or private, to use any funds owned or controlled by them including (but not limited to) sinking, insurance, investment, retirement, compensation, pension, and trust fund, and any funds held on deposit, for the purchase of any such bonds or other obligations; provided, however, that nothing contained in chapters 31 - 33, inclusive, of this title, shall be construed as relieving any person, firm, or corporation from any duty of exercising reasonable care in selecting securities.

**45-33-16. Financial assistance by other public agencies.** In addition to the powers conferred upon an agency by other provisions of chapters 31 - 33, inclusive, of this title, an agency is empowered to borrow money or accept financial or other assistance, from the federal or state government or any state public body, for or in aid of any redevelopment project, and to those ends the agency is empowered to comply with any conditions attached thereto, not inconsistent with the purposes of these chapters.

**45-33-17. Previously issued bonds ratified.** All proceedings taken before April 2, 1956, by a legislative body of a community authorizing the issuance of bonds of a community to provide funds for a redevelopment revolving fund under 46 of chapter 1802 of the Public Laws of 1946, as amended, or for a redevelopment revolving fund under 49 of chapter 2574 of the Public laws of 1950, where the issuance of bonds has been approved by the voters of the community, are hereby ratified, confirmed, and declared legal in all respects, and the issuance of any bonds so authorized is hereby approved and reauthorized, notwithstanding the repeal of chapter 1802 of the Public Laws of 1946, as amended, or of chapter 2574 of the Public Laws of 1950, and notwithstanding the provisions of the charter of any community or of any general or special law.

## **CHAPTER 45-33.1 REHABILITATION LOANS**

**45-33.1-1. Rehabilitation loans.** The various cities and towns and their respective redevelopment agencies are hereby severally authorized to make secured and unsecured loans with or without interest to any one or more persons, partnerships, or corporations for the purpose of making repairs, rehabilitation, or alterations to structures located within their respective communities. These loans may be made to bring those structures into compliance with their respective housing standards, or into compliance with rehabilitation standards contained in any redevelopment plan approved pursuant to chapters 31 - 33 of this title, or to improve the respective structures, real estate, or neighborhoods. These loans may also be made to state-chartered limited equity housing cooperatives.

**45-33.1-2. Acceptance of security interests and mortgages.** The various cities and towns and their respective redevelopment agencies are severally authorized to accept security interests and mortgages in personal property and real estate to secure loans made under this chapter, and are severally empowered to exercise all of the rights of a secured party or mortgagee with respect to those secured loans.

**45-33.1-3. Powers additional.** The authorization and empowerments provided by this chapter are in addition to all other powers already granted and existing in the cities and towns and their respective redevelopment agencies.

**CHAPTER 45-33.2**  
**TAX INCREMENT FINANCING**

**45-33.2-1. Short title.** This chapter may be referred to and cited as the "Tax Increment Financing Act."

**45-33.2-2. Legislative findings.** It is found and declared that for the public health, safety, morals and welfare of the people of the State generally, the increase of their commerce, welfare and prosperity and the improvement of their housing, employment and educational opportunities and general living conditions, as well as in order to remedy the conditions found to exist in the State as declared in Section 45-31-3 of the general laws, it is essential to provide new employment opportunities to prevent, arrest, and alleviate blighted, decayed and substandard areas in cities and towns, to increase the supply of housing available to homeowners and to tenants at low rentals, to increase the tax base, to encourage the development of undeveloped land in the town of **West Greenwich**, and to improve the general economy of the State; and that it is the purpose of this chapter to provide an additional and alternative means to cities and towns to fund and/or finance municipal and other public facilities and residential, commercial and industrial development and revitalization, home ownership; and programs to combat poverty, improve municipal and neighborhood living conditions and provide improved employment and educational opportunities, all to the public benefit and good, in the manner provided herein. (1999)

**45-33.2-3. Definitions.** As used in this chapter, unless a different meaning clearly appears from the context, the following words shall have the following meanings:

(1) "Base date", means the last assessment date next preceding the adoption of the project plan.

(2) "Project", means the undertaking of one (1) or more of the following activities in accordance with a project plan: (i) the acquisition of land and improvements thereon, if any, within the project area and the assembly and clearance of the land so acquired, (ii) the development, redevelopment, revitalization or conservation of the project area through the construction or rehabilitation of buildings or other improvements or through acquisition by gift, purchase or eminent domain of land and any improvements thereon and demolition, removal or rehabilitation of those improvements, whenever the foregoing activities are necessary to provide land for and the development of needed municipal and other public facilities or industrial or commercial development or revitalization, or to eliminate unhealthful, unsanitary or unsafe conditions or lessen density, mitigate or eliminate traffic congestion, reduce traffic hazards, eliminate obsolete or other uses detrimental to the public welfare or otherwise remove or prevent the spread of blight or deterioration. (iii) The provision of grants, loans, security or other assistance from project revenues and other funds in connection with (a) home and neighborhood improvement programs, (b) programs to acquire, renovate or transfer abandoned or fully or partially vacated houses and (c) programs to acquire land, demolish buildings and other structures and clear and rehabilitate sites for the purpose of reducing building density or promoting new housing construction thereon, or (iv) The provision of grants, loans, security or other assistance from project revenues and other funds to combat poverty, improve municipal and neighborhood living conditions and enhance educational and employment opportunities, including, without limiting the generality of the foregoing, by means of job training and retraining programs, literacy programs, apprenticeship programs, programs to provide post-secondary school educational grants or other assistance to students meeting eligibility criteria established in the project plan,

programs to improve the performance of public schools, pilot projects to provide special enhanced municipal services and commercial and industrial revitalization and development. A project may involve a combination of the foregoing activities. A project may include the provision of financial and other assistance in the relocation of persons and organizations displaced thereby, and the planning and construction, reconstruction or rehabilitation of public facilities.

(3) "Project area" except as set forth below, means all or any portion of a "redevelopment area," as that term is defined in Section 45-31-8(16) of the general laws, in which the project is to be carried out; provided, however, that the following projects are not required to be in such a "redevelopment area": (a) the acquisition and clearance of land and the construction thereon of a municipal or other public facility under (i) or (ii) of the definition of "project" under section 45-33.2-3(2) above or (b) a project described in (iii) or (iv) of the definition of "project" under section 45-33.2-3(2) above. The project area may consist of one or more parcels or lots of land, whether or not contiguous, or one or more buildings or structures, whether or not adjacent, on one or more parcels of land. The project area may, but need not, be within the tax increment area. All or any portion of a project area may be amended as provided in section 45-33.2-4. A project for which a designated beneficiary class or classes is established on the basis of income and/or some other generally applicable criteria in the project plan may have, but is not required to have, a project area.

(4) "Project plan", means a plan, which, except as set forth below, is part of a "redevelopment plan," as that term is defined in section 45-31-8(17) of the general law, adopted by a city or town in the manner provided in section 45-33.2-4, for a project, provided, however that a project plan for the following projects is not required to be a part of a "redevelopment plan": (a) the acquisition and clearance of land and the construction thereon of a municipal or other public facility under (i) or (ii) of the definition of "project" under section 45-33.2-3(2) above or (b) a project under 45-33.2-3(2) above.

The project plan shall set forth an estimate of project costs and the amounts and sources of funds to be used to defray such costs and shall include provisions for tax increment funding and/or financing of project costs in whole or in part. The tax increment financing provisions of the project plan shall set forth the estimated amount of indebtedness to be incurred pursuant to this chapter, shall set forth an estimate of the tax increment to be generated as a result of the project, shall set forth the method of calculating the tax increment, together with any provisions for adjustment of the method of calculation, and shall designate the board or officer of the city or town responsible for calculating the tax increment. Funds may be provided to carry out the plan from any lawful source including the direct use of all or any portion of the tax increment therefore or the issuance of bonds under this chapter, but may not be provided by the issuance of general obligation bonds for any purpose for which general obligation bonds could not be issued in the absence of this chapter. The plan may include such other provisions as may be deemed necessary in order to carry out the tax increment funding and/or financing of the project. The project plan shall not be inconsistent with such comprehensive plan for the city or town as is then applicable, shall be sufficiently complete to indicate the nature of any designated beneficiary class, as described below, the location and boundaries of any project area and of the tax increment area and such land acquisition, demolition, removal and rehabilitation of structures and such development, redevelopment and general public improvements as are proposed to be carried out within the project area and to the extent applicable to the plan shall indicate the proposed method for relocation of such persons or organizations as may be displaced as a result of carrying out the project.

Once adopted by the legislative body of a city or town, a project plan may be amended to add additional projects thereto, to increase the estimated amount of indebtedness to be incurred pursuant to this chapter or to amend all or any portion of a project area or the designation of a beneficiary class relating to any project contained therein, in the manner provided in section 45-33.2-4. Each project contained in a project plan shall either have a project area therefor set forth in the project plan or there shall be established therefor in the project plan a designated beneficiary class or classes (from whose members the actual beneficiaries shall be chosen) on the basis of income (with provision for revision of income limits due to inflation and other external economic factors) or some other generally applicable criteria; provided, however, that a project may have both a project area and a designated beneficiary class or classes.

(5) "Project revenues", means any receipts of a city or town with respect to a project or the tax increment area relating thereto including, without limiting the generality of the foregoing, tax increments, repayments of loans including loans made under section 45-33.2-5(m), investment earnings, proceeds of insurance or disposition of property and proceeds of borrowing under this chapter.

(6) "Tax increment", means the tax levied on the real and personal property situated in or otherwise assignable for the purposes of property taxation to a tax increment area, to the extent that such tax is attributable to an excess of the aggregate taxable valuation of the property over its aggregate taxable valuation as of the base date. The portion of the tax levy attributable to the increased valuation after the base date shall be calculated using the same classification factors as were used as of the base date, or without classification factors if property was not classified for tax purposes as of the base date. In calculating the tax increment there shall be excluded from the tax the portion levied for the purpose of paying the principal of or interest on bonds, notes and other evidences of indebtedness which are general obligations of the city or town. Prior to the actual use of any portion of a tax increment to support or secure a project or portion thereof, such unused tax increment may be deposited upon receipt into the general fund of the city or town, to be used in accordance with generally applicable law. Once the city or town has used any portion of the tax increment to support or secure one (1) or more projects or portions thereof, only the excess of such tax increment may be deposited into the general fund of the city or town, to be used in accordance with generally applicable law, after satisfaction of (a) the payment of the principal of or interest on any special obligation bonds issued under the provisions of section 45-33.2-6, as such principal and interest shall then be due and owing, (b) any requirement to fund any reserve or other account or satisfy any other financial requirement which must be satisfied in connection with the issuance of such bonds or any other indebtedness or obligation incurred in connection with any project or portion thereof, and (c) any payments made to directly fund any project or portion thereof as provided in the project plan therefor.

(7) "Tax increment area", means a tax increment area designated in a project plan adopted pursuant to Section 45-33.2-4. The tax increment area may consist of one or more parcels or lots of land, whether or not contiguous, on one or more buildings or structures, whether or not adjacent, on one or more parcels of land; provided, however that upon adoption of the project plan the aggregate taxable valuation of the property within all tax increment areas within the city or town does not exceed, twenty-five percent of the taxable valuation of all property subject to taxation within the city or town.



**45-33.2-4. Adoption of project plan.** The legislative body of any city or town may adopt a project plan if a finding is made to the effect that:

(a) With respect to any portion of the project (1) providing municipal or other public facilities or land therefore, under (i) or (ii) of the definition of "project" under section 45-33.2-3(2) above or (2) constituting a project under section 45-33.2-3(2) above, that the facilities, programs and other assistance are needed and that the financing of that portion of the project in accordance with the plan is in the public interest; or

(b) With respect to any portion of the project providing land for housing for persons or families of low income, that there is not within the city or town an adequate supply of low-rent housing for persons or families of low income generally, or for veterans, or for persons who are elderly or disabled, as the case may be, available for rents they can afford to pay, that the rents which such persons or families can afford to pay would not warrant private enterprise in providing housing for them and that the financing of such portion of the project in accordance with the plan is in the public interest; or (1999)

(c) With respect to any portion of the project providing financing under section 45-33.2-5(m) but only to the extent not described in section 45-33.2-4(a) above, that unemployment or the threat thereof exists in the city or town or that security against future unemployment is required, that the project is needed, that it will provide employment or security against loss of employment, including the approximate number of new jobs that should be created or preserved, construction and nonconstruction, their approximate wage rates, what types of fringe benefits such as healthcare or retirement benefits there will be, and the projected increase in personal income taxes to the state of Rhode Island, all having a reasonable relationship to the probable cost of acquiring, establishing, improving or rehabilitating the facilities in which the employment is to be provided or maintained, and that the financing of such portion of the project in accordance with the plan is in the public interest; or (2004)

(d) With respect to any portion of the project providing land for industrial or commercial development or revitalization, but only to the extent not described in section 45-33.2-4(a) above. (i) that the requirements of subsection (c) of this section are satisfied or (ii) that the requirements of subsection (e) of this section are satisfied; or

(e) With respect to any other portion of the project (i) that it is located in a "blighted and substandard area" as that term is defined in Section 45-31-8(2) or that the project is needed to arrest blight or decay in the city or town and to prevent the area from becoming a blighted and substandard area, (ii) that the project area would not by private enterprise alone and without either governmental subsidy or the exercise of governmental powers be developed or revitalized in a manner so as to prevent, arrest or alleviate the spread of blight or decay, (iii) that the plan will afford maximum opportunity to privately financed development or revitalization consistent with the sound needs of the city or town as a whole, and (iv) that the financing of such portion of the project in accordance with the plan is in the public interest; and (v) approximately how many new jobs, construction and nonconstruction, the plan will create, their approximate wage rates, whether the expected new jobs will provide fringe benefits such as healthcare and retirement benefits, and the projected impact of personal income taxes to the state of Rhode Island. No project shall be undertaken pursuant to this chapter until a project plan has been adopted as provided in this section. (2004)

A city or town may amend a project plan by submitting the full project plan, as so amended, to its legislative body, which must then make a finding with respect to such amended project plan which is identical to the required finding for the original adoption of such project plan; provided, however, that no such amendment shall be violative of or inconsistent with any prior security arrangement entered into pursuant to the original project plan.

**45-33.2-5. Authorization to undertake projects-Powers.** Cities and towns are hereby authorized to undertake projects pursuant to duly adopted project plans. In addition to powers granted hereunder or by any other law, for the purposes of carrying out a project as authorized by this chapter, a city or town shall have the following powers:

(a) To incur indebtedness as hereinafter provided and to pledge tax increments and other project revenues for repayment thereof;

(b) To designate a board or officer of the city or town to be responsible for administering the project plan;

(c) To make and enter into all contracts and agreements necessary in order to carry out the project;

(d) To receive from the federal government or the state loans or grants for or in aid of a project and to receive contributions from any other source to defray project costs;

(e) To purchase or otherwise acquire such property or interests therein within or without a project area as the city or town may deem necessary in order to carry out the project;

(f) To make relocation payments to such persons, businesses or organizations as may be displaced as a result of carrying out the project;

(g) To clear and improve property acquired by it pursuant to the project plan and construct public facilities thereon or contract for the construction, development, redevelopment, rehabilitation, remodeling, alteration or repair of such property;

(h) To cause parks, playgrounds or schools or water, sewer or drainage facilities or any other public improvements which it otherwise is authorized to undertake, to be laid out, constructed or furnished in connection with the project;

(i) To lay out and construct, alter, relocate, change the grade of, make specific repairs upon or discontinue public ways and construct sidewalks in or adjacent to the project area;

(j) To cause private ways, sidewalks, ways for vehicular travel, playgrounds, or water, sewer or drainage facilities and similar improvements to be constructed within the project area for the particular use of the project area of those dwelling or working therein;

(k) To adopt ordinances or repeal or modify such ordinances or establish exceptions to existing ordinances regulating the design, construction and use of buildings;

(l) To sell, mortgage, lease as lessor, transfer or dispose of any property or interest therein acquired by it pursuant to the project plan for development, redevelopment or rehabilitation in accordance with the plan;

(m) To grant or loan any project revenues, including the proceeds of any issue of bonds or notes issued pursuant to this chapter to individual or any private enterprise, nonprofit organization or governmental or quasi-governmental entity in order to finance the cost of any portion of a project authorized hereunder, including, without limiting the generality of the foregoing, the cost of acquiring land for, and constructing or rehabilitating and equipping industrial or commercial development facilities, within the project area in accordance with the plan or to loan bond or note proceeds in order to refinance any such loans;

(n) To invest project revenues as hereinafter provided;

(o) To do all things reasonably necessary or convenient to carry out the powers granted in this chapter.

**45-33.2-6. Issuance of special obligation bonds.** (a) A city or town may, in compliance with any applicable provisions of the General Laws (except as herein provided) borrow money by the issue of special obligation bonds for the purpose of carrying out a project pursuant to a duly adopted project plan. Without limiting the generality of the foregoing, the bonds may be issued for project costs which may include interest prior to and during the carrying out of a project and for a reasonable time thereafter, such reserves as may be required by any agreement securing the bonds and all other expenses including reimbursements of expenses previously paid from any other source, incidental to planning, carrying out and financing the project. Bonds issued hereunder shall be payable solely from project revenues and shall not be deemed to be a pledge of faith and credit of the city or town. Every bond issued hereunder shall recite on its face that it is a special obligation bond payable solely from project revenues pledged for its repayment.

(b) The bonds of each issue shall be dated and may be made redeemable before maturity with or without premium. Subject to the authorizing vote, the officers authorized to sell the bonds shall determine the date or dates of the bonds, their denomination or denominations, the place or places of payment of the principal and interest, which may be at any bank or trust company within or without the state, their interest rate or rates, maturity or maturities, redemption privileges, if any, and the form and other details of the bonds including interest coupons to be attached thereto. The bonds shall be signed by the city or town treasurer, shall be countersigned by the mayor of a city or by the president of the town council of a town either manually or by facsimile, and shall bear the seal of the city or town or a facsimile thereof. Any coupons attached thereto shall bear the facsimile signature of the city or town treasurer.

(c) In case any officer whose signature or a facsimile of whose signature shall appear on any bonds, coupons or notes issued under this chapter shall cease to be such officer before the delivery thereof, such signature or such facsimile shall nevertheless be valid and sufficient for all purposes the same as if he had remained in office until such delivery.

(d) The bonds may be issued in coupon or in registered form or both, and provision may be made for the registration of any coupon bonds as to principal alone and also as to principal and interest, for the reconversion into coupon bonds or bonds registered as to both principal and interest, and for the interchange of registered and coupon bonds. Subject to the authorizing vote, the officers authorized to sell the bonds may sell the bonds in such manner, either at public or private sale, and for such price, as they may determine will best effect the purposes of this chapter.

(e) Prior to the preparation of definitive bonds, the city or town may issue interim receipts or temporary bonds, with or without coupons, exchangeable for definitive bonds when such bonds have been executed and are available for delivery. Provision may be made for the replacement of any bonds which shall have become mutilated or shall have been destroyed or lost.

(f) Notwithstanding any provisions of any municipal charter or general or special law to the contrary, bonds issued hereunder may provide for annual or more frequent installments of principal in equal, diminishing or increasing amounts with the first installment of principal to be due at any time within five years from the date of the issuance of the bonds.

**45-33.2-7. Security for bonds.** (a) In the discretion of the officers authorized to sell the bonds, but subject to the provisions of the vote authorizing the bonds, bonds issued hereunder may be secured by one or more trust agreements between the city or town and a corporate trustee or trustees, which may be any trust company or bank having the powers of a trust company within or without the state. A trust agreement hereunder shall be in such form and executed in such manner as may be determined by such officers. A trust agreement may pledge or assign project revenues, in whole or in part. It may contain such provisions for protecting and enforcing the rights, security and remedies of the bondholders as may be reasonable and proper and not in violation of law, including without limiting the generality of the foregoing, provisions defining defaults and providing for remedies in the event thereof, which may include the acceleration of maturities, and covenants setting forth duties of, and limitations on, the city or town in relation to carrying out and otherwise administering the project or projects, the custody, safeguarding, investment and application of project revenues, the issue of additional bonds hereunder, the determination of tax increments, the fixing of fees and charges, if any, in relation to the project or projects, the collection of project revenues, the use of any surplus bond proceeds, the establishment of reserves, and the replacement of bonds or coupons which shall become mutilated or be destroyed or lost. Subject to the provisions of this chapter, moneys subject to the trust agreement shall be held, invested and applied as provided therein, provided that moneys not deposited in trust with a corporate trustee shall be in the custody of the city or town treasurer.

(b) It shall be lawful for any bank or trust company to act as a depository or trustee of the proceeds of bonds or of other moneys under any such trust agreement and to furnish such indemnifying bonds or to pledge such securities as may be required by the trust agreement. Any such trust agreement or resolution may set forth the rights and remedies of the bondholders and of the trustee, and may restrict the individual right of action by bondholders. All expenses incurred in carrying out the provisions of such trust agreement or resolution may be treated as current operating expense.

**45-33.2-8. Pledge of project revenues validated.** (a) Notwithstanding any provision of any other law, including the uniform commercial code: (i) any pledge hereunder shall be valid and binding and shall be deemed continuously perfected from the time it is made; (ii) no filing need be made under the uniform commercial code [sections 6A-1-101 - 6A-9-507] or otherwise, (iii) unless otherwise provided in the financing instruments, a pledge of project revenues shall be deemed to include a pledge of any accounts or general intangibles from which such revenues are derived, whether existing at the time of the pledge or thereafter coming into existence and whether held at the time of the pledge or thereafter acquired by the city or town and the proceeds of such accounts or general intangibles; and (iv) the pledge of project revenues, accounts and general intangibles shall be subject to the lien of the pledge without delivery or

segregation and the lien of the pledge shall be valid and binding against all parties having claims of contract or tort or otherwise against the city or town.

(b) A pledge of project revenues under this chapter shall constitute a sufficient appropriation thereof for the purposes of any provision for appropriation and such revenues may be applied as required by the pledge without further appropriation.

(c) For the purposes of this section the word "pledge" shall be construed to include the grant of a security interest under the uniform commercial code [sections 6A-1-101 - 6A-9-507].

**45-33.2-9. Temporary anticipation notes.** In anticipation of the issue of bonds under this chapter, and subject to any provisions of the vote authorizing the bonds, the officers authorized to sell the bonds may without further authorization issue temporary notes. The notes may be secured as in the case of bonds and, except as otherwise provided in this section, the provisions of other sections of this chapter referring to bonds shall also be deemed to refer to the notes. The notes need not bear the seal of the city or town or a facsimile thereof. The notes shall be payable within three (3) years from their respective dates, but the principal of and interest on notes issued for a shorter period may be refunded from time to time by the issue of other notes maturing within three (3) years from the original date of issue of the indebtedness being refunded.

**45-33.2-10. Refunding bonds.** A city or town may, subject to any applicable provisions of Section 45-12-5.2, issue refunding bonds for the purpose of paying any of its bonds issued hereunder at maturity or upon acceleration or redemption. The refunding bonds may be issued at such time prior to the maturity or redemption of the refunded bonds as the city or town deems to be in the public interest. The refunding bonds may be issued in sufficient amounts to pay or provide the principal of the bonds being refunded, together with any redemption premium thereon, any interest accrued or to accrue to the date of payment of such bonds, the expenses of issue of the refunding bonds, the expenses of redeeming the bonds being refunded, and such reserves for debt service or other purposes from the proceeds of such refunding bonds as may be required by any agreement securing bonds. The issue of refunding bonds, the maturities and other details thereof, the security therefore, the rights of holders thereof, and the rights, duties and obligations of the city or town with respect thereto shall be governed by the provisions of this chapter relating to the issue of bonds other than refunding bonds insofar as the same may be applicable.

**45-33.2-11. Credit of municipality not pledged.** The bonds and notes issued under this chapter shall be payable solely from project revenues. Such bonds and notes shall not at any time be included in the debt of the city or town for the purpose of ascertaining its legal borrowing capacity.

**45-33.2-12. Investment of funds.** Subject to any agreement securing bonds or notes issued under this chapter, the proceeds of such bonds or notes, pledged tax increments and other project revenues may be deposited or invested in (i) obligations of the State or the United States, (ii) obligations of the principal and interest of which are guaranteed by the State or the United States, (iii) obligations of agencies and instrumentalities of the State or the United States or (iv) certificates of deposits of, and repurchase agreements, so-called, issued with respect to obligations of the United States by, banks and trust companies organized under the laws of the State or doing business in the State.

**45-33.2-13. Trust funds.** All project revenues received pursuant to the provisions of this chapter which have been pledged as security, including, without limiting the generality of the foregoing, security for the repayment of bonds issued pursuant to section 45-33.2-6, shall be deemed to be trust funds to be held and applied solely as provided in this chapter. Project revenues received pursuant to the provisions of this chapter which have not been pledged as security may be used in any manner consistent with the project plan therefor, as well as, with respect to the tax increment portion thereof, section 45-33.2-3(6).

**45-33.2-14. Remedies of bondholders and noteholders.** Any holder of bonds or notes issued under this chapter, or of any of the coupons appertaining thereto, and the trustee under any trust agreement securing the same, except to the extent the rights herein given may be restricted by any agreement securing the same, may bring suit upon the bonds, notes or coupons and may, either at law or in equity, by suit, action, mandamus or other proceedings, protect and enforce any and all rights under the laws of the State or granted under this chapter or under any such agreement, and may enforce or compel the performance of all duties required by this chapter or by such agreement to be performed by the city or town or by any officer thereof.

**45-33.2-15. Bonds and notes as legal instruments.** Bonds and notes issued under the provisions of this chapter are hereby made securities in which all public officers and public bodies of the State and its political subdivisions, all insurance companies, trust companies in their commercial departments, savings banks, cooperative banks, banking associations, investment companies, executors, administrators, trustees and other fiduciaries may properly and legally invest funds, including capital in their control or belonging to them. Such bonds are hereby made securities which may properly and legally be deposited with and received by any state or municipal officer or any agency or political subdivision of the State for any purpose for which the deposit of bonds or obligations of the State is now or may hereinafter be authorized by law.

**45-33.2-16. Bonds and notes as investment securities.** Notwithstanding any of the provisions of this chapter or any recitals in any bond or notes issued under this chapter, all such bonds and notes shall be deemed to be investment securities under the uniform commercial code [sections 6A-1-101 - 6A-9-507].

**45-33.2-17. Exemption from taxation.** The bonds and notes issued under this chapter, their transfer and the income therefrom, including any profit made on the sale thereof, shall be at all times free from taxation within the State.

**45-33.2-18. Annual report.** No later than September 1 of each year a project plan pursuant to this chapter is in effect in a city or town, the city or town shall make a report to the Director of the Department of Economic Development. The annual report shall set forth for the preceding fiscal year the activities financed by tax increment financing, the taxable valuation of the city or town and for each tax increment area within the city or town, the taxable valuation of the property within the tax increment area, the amount of the tax increment and the amount used or set aside for the purposes of the plan. The report shall also include the approximate number of new jobs created or preserved from the activities financed by tax incremental financing, construction and nonconstruction, the approximate amount of the wages for the jobs created, what types of fringe benefits, such as healthcare insurance or retirement benefits were made available to the new jobs created, the amount of new personal income taxes generated for the state of Rhode Island, a description of any plan or process intended to stimulate hiring in the municipality where the project is located, training of employees or potential employees and outreach to

minority job applicants and minority businesses and any other relevant information requested by the Director. (2004)

**45-33.2-19. Provisions supplementary.** The foregoing provisions of this chapter shall be deemed to provide an additional and alternative means for the doing of things authorized thereby, and shall be regarded as supplemental and additional to, and not in derogation of, powers conferred upon cities and towns by other laws.

**45-33.2-20. Severability.** The provisions of this chapter are severable, and if any provision thereof shall be held invalid in any circumstances, such invalidity shall not affect any other provisions or circumstances. This chapter shall be construed in all respects so as to meet all constitutional requirements. In carrying on the purposes and provisions of this chapter, all steps shall be taken which are necessary to meet constitutional requirements whether or not such steps are required by statute.

**45-33.2-21. Tax limitations.** – (a) Except as provided below, a tax increment shall be included in the calculation of the maximum tax a city or town may levy pursuant to the provisions of section 44-5-2 of the general laws.

(b) To the extent that inclusion of a tax increment in a tax levy causes a municipality to exceed the maximum tax a city or town may levy pursuant to the provisions of section 44-5-2 of the general laws, such excess shall be excluded from such calculation for a period not to exceed twenty-five (25) years if:

(i) such excess tax increment is allocable to (A) the payment of the principal of or interest on any special obligation bonds issued under the provisions of section 45-33.2-6, to fund a project as described in subdivisions 45-33.2-3(2)(i), (ii) or (iii); (B) any requirement to fund any reserve or other account or satisfy any other financial requirement which must be satisfied in connection with the issuance of such bonds or any other indebtedness or obligation incurred in connection with any such project or portion of one; or (C) any payments made to directly fund any project described in subdivisions 45-33.2-3(2)(i), (ii) or (iii); and

(ii) the project is determined by the division of property valuation in the department of revenue to be (A) within or contiguous to the tax increment area; or (B) substantially related to the improvements giving rise to the tax increment; or (C) reasonably necessary to assure the private investment required to generate the tax increment.

(c) The tax assessor in each city and town shall include calculations reflecting any tax increment excluded from the tax cap provisions of section 44-5-2 of the general laws when submitting the municipality's adopted tax levy and rate to the division of property valuation in accordance with section 44-5-2 of the general laws.

(d) The division of property valuation in the department of revenue may issue such regulations as may be required to implement and enforce the provisions of this section. (2008)

## **CHAPTER 45-39 SALE OF WATER**

**45-39-1. Declaration of need and purpose.** It is declared that, due to the unpredictability of nature, various cities and towns in this state have been unable to supply sufficient water to meet the needs of their inhabitants, and that, from time to time, the lack of water has produced grave emergencies for which there has been no legal solution. It is further declared that it is the purpose of this chapter to alleviate this problem.

**45-39-2. Authorization to sell water.** Every city, town, quasi municipal corporation, water district, authority, or any other agency of the state created by any special or general law, is authorized to sell water to any other city, town, quasi municipal corporation, water district, authority, or any other agency of the state created by any special or general law, in times of emergency or when, for any reason, the water supply of any city, town, quasi municipal corporation, water district, authority, or any other agency of the state created by any special or general law is endangered or rendered unusable and declared so by the city or town council, notwithstanding anything in the general or special laws, city or town ordinances, or city or town charters or charters of any quasi municipal corporation, water district, authority, or any other agency of the state created by any special or general law.

**45-39-4. Payment for hydrant rentals.** Notwithstanding any general or special law relating to publicly owned water authorities, a municipality may provide by enactment of an ordinance and complying with the notice requirements of section 39-3-11.1, that the rental usage or fees for any fire hydrant within the municipality shall be the responsibility of the water ratepayers within the municipality which enacted the enabling ordinance, provided that this provision shall apply only where the municipality owns the water supplier and is the exclusive supplier of public water within the municipality (2011)



## **CHAPTER 45-41 SELF INSURING FUND**

**45-41-1. Establishment of fund.** A city or town treasurer, with the advice and consent of his or her city or town council, is hereby authorized and empowered to create and establish a fund for the purpose of self insuring the city or town upon approval and funding by the legally empowered authority of the respective cities and towns.

**45-41-2. Amount of fund.** Self insurance funds may be established to insure the assets and liabilities of a city or town, not otherwise insured, to the extent determined by the city or town councils; provided, that these funds not exceed five percent (5%) of the total assessed valuation of real estate and tangible personal property in the cities or towns.

**45-41-3. Payment to and from fund.** The self insurance funds shall be used by the cities or towns as nonlapsing, revolving funds for carrying out the provisions of this chapter. To these funds may be charged any and all expenses of a city or town relating to the insurance of its assets and liabilities not otherwise insured, the expenses having been adjudged against the city or town by due process of law or deemed valid claims by the city or town council sitting as a "claim board", and to this fund shall be credited all receipts of moneys as may have been adjudged in the favor of the city or town by due process of law.

**45-41-4. Investment of fund.** (a) Moneys in the funds currently not needed to meet expenses and obligations of self insurance shall be deposited in a depository bank as designated by the city or town councils to the credit of the funds or may be invested by the city or town treasurers, with the approval of the city or town councils, in savings accounts or certificates of commercial or savings banks or trust companies, or in obligations of the United State or its agencies, or in any other short term investments, as would be made by prudent men or women of discretion and intelligence.

(b) Investment earnings of the funds are deemed receipts and become assets of the funds subject to the nonlapsing, revolving provisions of section 45-41-3.

**45-41-5. Expenses of operation.** The city or town councils may, in their discretion, authorize the city or town treasurers to expend out of the funds moneys that may be necessary for any expenses of self insurance including administrative, legal, or other service expenses.

**45-41-6. Account – Annual audit.** The city or town treasurers shall keep proper records of accounts and make an annual report of the fund's condition to the city or town councils. In addition, the fund shall be audited annually in the same manner in which all other funds of the city or town are audited, and the results of the audit shall be included in an annual audited financial report.

**45-41-7. Additional appropriations.** If, following the initial appropriation which established a self insurance fund, from time to time, in the opinion of the city or town council, the addition of moneys to the fund is required to adequately insure the assets and liabilities of the city or town, not otherwise insured, the city or town council shall request, in accordance with the terms of the laws then applicable, an additional appropriation of moneys of the city or town not otherwise appropriated. Any unexpended balance of any or all of these appropriations shall be carried forward to succeeding fiscal years.

**CHAPTER 45-47**  
**MUNICIPAL LIENS ON FIRE INSURANCE PROCEEDS**

**45-47-1. Lien on insurance proceeds.** – There is created a lien in favor of any taxing jurisdiction in this state on the proceeds of any insurance policy based upon a claim made for damage or loss to a building or other structure caused by or arising out of any fire or explosion. The lien arises upon any unpaid tax, special ad valorem levy, special assessment, or other charge imposed upon real property by or on behalf of the state, a municipal corporation, or a special district which is an encumbrance on real property, whether or not evidenced by written instrument, that has remained undischarged for at least one year prior to the filing of the proof of loss. The lien also arises as a result of any costs incurred by a municipal corporation to secure, demolish, or render an unsafe building or structure or part of the structure safe, in accordance with chapter 27.3 of title 23.

**45-47-2. Certificate required for payment of claim.** – (a) No insurance company shall pay any claim for more than ten thousand dollars (\$10,000), as may be adjusted yearly for inflation by the insurance department, for damages arising out of a claim under an insurance policy caused by fire or explosion, without having first obtained from the insured a certificate stating:

(1) That no lien, as defined in section 45-47-1, in favor of the taxing jurisdiction exists, or

(2) The amount of any lien.

(b) The certificate shall be in the form and from the taxing jurisdiction official, as approved and designated by the insurance commissioner pursuant to regulations promulgated under this chapter.

**45-47-3. Placement of proceeds in escrow account.** – Upon certification by the designated taxing jurisdiction official that a lien has arisen, or upon failure of the insured to obtain a certificate within thirty (30) days of the filing of the insured's proof of loss, the loss proceeds of the policy equal to the amount of the lien or the entire loss proceeds of the policy, if the insured has not submitted the certificate pursuant to section 45-47-2, shall be placed in an interest-bearing escrow account, and the taxing jurisdiction and the insured shall be so notified. Provided, that if the insured demonstrates that he or she has requested by certified mail a certificate, and the designated taxing jurisdiction official has not provided the certificate within fifteen (15) days of the request, all proceeds shall, if otherwise appropriate, be released to the insured, as soon as practicable.

**45-47-4. Inclusion of provision in policies.** – All policies issued in this state after January 1, 1983, shall include a provision containing a summary of this chapter, the provision to be approved by the insurance commissioner prior to its inclusion in any policy in the state. By entering into a contract of insurance with this provision, the insured and the insurer are deemed to have agreed to all lawful procedures pursuant to this chapter.

**45-47-5. Certification in lieu of payment.** – Any taxing authority is authorized to certify that, in lieu of payment of all or part of the lien arising under this chapter, it has obtained satisfactory proof that the insured has or will repair or rebuild at the situs of the loss. This certification should be deemed adequate to permit payment of insurance proceeds to the insured.

**45-47-6. Applicability of chapter.** – This chapter applies to claims arising on all property, including residential, commercial, or industrial buildings or structures, regardless of the occupancy status at the time of the fire or explosion loss; provided, that this chapter does not apply to owner-occupied one-to-four-family dwellings.

**45-47-7. Parties to insurance contract.** – This chapter does not make any taxing jurisdiction a party to any insurance contract, nor is the insurer liable to any party for any amount in excess of the proceeds otherwise payable under its insurance policy.

**45-47-8. Priority of lien.** – Any lien arising under this chapter is superior to all liens, and interest, of any other party, including any insured owner, mortgagee, or assignee except mortgagees and assignees of bona fide mortgages. A bona fide mortgage is one granted for full and adequate value and consideration.

**45-47-9. Immunity from liability.** – Insurers complying with this chapter, or attempting in good faith to comply with this chapter, are immune from civil and criminal liability, including withholding payment of any insurance proceeds pursuant to this chapter or releasing or disclosing any information pursuant to this chapter.

**45-47-10. Insurance commissioner – Regulations.** – The insurance commissioner is authorized to issue regulations that are necessary or desirable to implement this chapter, including, but not limited to, the name, address, and telephone number of a designated official for each taxing jurisdiction from whom certifications may be obtained.

## CHAPTER 45-55 AWARD OF MUNICIPAL CONTRACTS

**45-55-1. Legislative findings.** It is hereby declared that a need exists to establish a uniform system for the award of contracts by municipalities, utilizing open cooperative bids.

**45-55-2. Method of source selection.** Except as otherwise authorized by law, all municipal contracts shall be awarded by:

(1) Competitive sealed bidding, pursuant to section 45-55-5; (2) Competitive negotiations, pursuant to section 45-55-6; (3) Noncompetitive negotiations, pursuant to sections 45-55-7 and 45-55-8; and (4) Small purchase procedures, pursuant to section 45-55-9; (5) Qualification based selection (QBS) process for architects/engineers pursuant to 45-55-8.1. (1998)

**45-55-3. Purchasing agent - Appointment - Duties.** Within each city or town or quasi public agency there shall be designated a person or persons to act as purchasing officer so as to exercise the powers and duties as set forth in this chapter.

**45-55-4. Definitions.** The words defined in this section shall have the meanings set forth below whenever they appear in this chapter, unless the context in which they are used clearly requires a different meaning or a different definition is prescribed for a particular section, group of sections or provision.

(1) "Business" shall mean any corporation, partnership, individual, sole proprietorship, joint stock company, joint venture, or any other legal entity through which business is conducted.

(2) "Change order" shall mean a written order signed by the purchasing agent, or contractor directing or allowing the contractor to make changes which the changes clause of the contract authorizes the purchasing agent or contractor to order without the consent of the contractor or purchasing agent.

(3) "Purchasing officer" shall mean the person designated in each municipal or quasi public agency pursuant to section 45-55-3.

(4) "construction" shall mean the process of building, altering, repairing, improving, or demolishing any public structures or building, or other public improvements of any kind to any public real property. It does not include the routine maintenance or repair of existing structures, buildings, or real property performed by salaried employees of the municipality in the usual course of their job.

(5) "Contract" shall mean all types of agreements, including grants and orders, for the purchase or disposal of supplies, services, construction, or any other item. It shall include awards; contracts of a fixed-price, cost, cost-plus-a-fixed-fee, or incentive type; contracts providing for the issuance of job or task orders; leases; letter contracts, purchase orders, and construction management contracts. It also includes supplemental agreements with respect to any of the foregoing. "Contract" does not include labor contracts with employees of the municipality.

(6) "Contract modification" shall mean any written alteration in the specifications, delivery point, rate of delivery, contract period, price, quantity, or other contract provisions of any existing contract, whether accomplished by unilateral action in accordance with a contract provision, or by mutual action of the parties to the contract. It shall include bilateral actions, such as supplemental agreements, and unilateral actions, such as change orders, administrative changes, notices of termination, and notices of the exercise of a contract option.

(7) "Contractor" shall mean any person having a contract with a municipality.

(8) "Data" shall mean recorded information, regardless of form or characteristic.

(9) "Designee" shall mean a duly authorized representative of a person holding a superior position.

(10) "Employee" shall mean an individual drawing a salary from a municipality, whether elected or not, and any nonsalaried individual performing personal services for any municipality.

(11) "Municipality" shall mean the individual cities and towns of the state of Rhode Island.

(12) "May" shall mean permissive.

(13) "Negotiations" shall mean contracting by either the method set forth in sections 45-55-6, 45-55-7, and 45-55-8 of this chapter.

(14) "Person" shall mean any business, individual, organization, or group of individuals.

(15) "Procurement" shall mean the purchasing, buying, renting, leasing, or otherwise obtaining of any supplies, services, or construction. It shall also include all functions that pertain to the obtaining of any supply, service, or construction item, including description of requirements, selection and solicitation of sources, preparation and award of contract, and all phases of contract administration.

(16) "Regulations" shall mean rules and regulations adopted by the individual cities or towns, concerning the implementation of the provisions of this chapter.

(17) "Services" shall mean the rendering, by a contractor, of its time and effort rather than the furnishing of a specific end product, other than reports which are merely incidental to the required performance of services. "Services" does not include labor contracts with employees of governmental agencies.

(18) "Shall" shall mean imperative.

(19) "Supplemental agreement" shall mean any contract modification which is accomplished by the mutual action of the parties.

(20) "Supplies" shall mean all property, including but not limited to leases of real property, printing and insurance, except land or permanent interest in land.

**45-55-5. Competitive sealed bidding.** (1) Contracts exceeding the amount provided by section 45-55-9 shall be awarded by competitive sealed bidding unless they are professional engineering/architectural services pursuant to section 45-55-8.1 and it is determined in writing that this method is not practicable. Factors to be considered in determining whether competitive sealed bidding is practicable shall include whether:  
(1998)

(a) Specifications can be prepared that permit award on the basis of either the lowest qualified bid price or the lowest qualified evaluated bid price; and

(b) The available sources, the time and place of performance, and other relevant circumstances as are appropriate for the use of competitive sealed bidding.

(2) The invitation for bids shall state whether award shall be made on the basis of the lowest bid price or the lowest evaluated or responsive bid price. If the latter basis is used, the objective measurable criteria to be utilized shall be set forth in the invitation for bids, if available.

(3) Adequate public notice of the invitation for bids shall be given a sufficient time prior to the date set forth therein for the opening of bids. Such notice may include publication in a newspaper of general circulation in the state as determined by the purchasing officer for the municipality not less than seven (7) days nor more than twenty-one (21) days before the date set for the opening of the bids. The purchasing officer may make a written determination that the twenty-one (21) day limitation needs to be waived. The written determination shall state the reason why the twenty-one (21) day limitation is being waived and shall state the number of days, giving a minimum and maximum, before the date set for the opening of bids when public notice is to be given.

(4) Bids shall be opened publicly in full view of the public at the time and place designated in the invitation for bids. Each bid, together with the name of the bidder, shall be recorded and an abstract made available for public inspection. Subsequent to the awarding of the bid, all documents pertinent to the awarding of the bid shall be made available and open to public inspection and retained in the bid file.

(5) The contract shall be awarded with reasonable promptness by written notice to the responsive and responsible bidder whose bid is either the lowest bid price, or lowest evaluated or responsive bid price.

(6) Correction or withdrawal of bids may be allowed only to the extent permitted by regulations issued by the purchasing officer.

**45-55-5.1. Business exempt. North Kingstown and Scituate.**

**45-55-5.2. Town of North Smithfield - Exemption.** (2001)

**45-55-6. Competitive negotiation.** (1) When, under regulations adopted by the city or town council, the purchasing agent determines in writing that the use of competitive sealed bidding is not practicable, and except as provided in sections 45-55-8, 45-55-9 and 45-55-10, a contract may be awarded by competitive negotiation.  
(1998)

(2) Adequate public notice of the request for proposals shall be given in the same manner as provided in section 45-55-5(3).

(3) Contracts may be competitively negotiated when it is determined in writing by the purchasing agent that the bid prices received by competitive sealed bidding either are unreasonable as to all or part of the requirements, or were not independently reached in open competition, and for which:

(a) Each competitive bidder has been notified of the intention to negotiate and is given reasonable opportunity to negotiate; and

(b) The negotiated price is lower than the lowest rejected bid by any competitive bidder; and

(c) The negotiated price is the lowest negotiated price offered by a competitive offeror.

(4) The request for proposals shall indicate the relative importance of price and other evaluation factors.

(5) Award shall be made to the responsible offeror whose proposal is determined in writing to be the most advantageous to the municipality taking into consideration price and the evaluation factors set forth in the request for proposals.

(6) Written or oral discussions shall be conducted with all responsible offerors who submit proposals determined in writing to be reasonably susceptible of being selected for award. Discussions shall not disclose any information derived from proposals submitted by competing offerors. Discussions need not be conducted:

(a) With respect to prices, where such prices are fixed by law or regulation, except that consideration shall be given to competitive terms and conditions; or

(b) Where time of delivery or performance will not permit discussions; or

(c) Where it can be clearly demonstrated and documented from the existence of adequate competition or accurate prior cost experience with the particular supply, service, or construction item, that acceptance of an initial offer without discussion would result in fair and reasonable prices, and the request for proposals notifies all offerors of the possibility that award may be made on the basis of the initial offers.

**45-55-7. Negotiations after unsuccessful competitive sealed bidding.** (1) In the event that all bids submitted pursuant to competitive sealed bidding under section 45-55-5 result in bid prices in excess of the funds available for the purchase, and the purchasing officer determines in writing:

(a) That there are no additional funds available from any source so as to permit an award to the lowest responsive and responsible bidder, and

(b) The best interest of the municipality will not permit the delay attendant to a resolicitation under revised specifications, or for revised quantities, under competitive sealed bidding as provided in section 45-55-5, then a negotiated award may be made as set forth in subsection (2) or (3) of this section.

(2) Where there is more than one bidder, competitive negotiations pursuant to section 45-55-6, shall be conducted with the three (3) [two (2) if there are only two (2)] bidders determined in writing to be the lowest responsive and responsible bidders to the competitive sealed bid invitation. Such competitive negotiations shall be conducted under the following restrictions:

(a) If discussions pertaining to the revision of the specifications or quantities are held with any potential offeror, all other potential offerors shall be afforded an opportunity to take part in such discussions; and

(b) A request for proposals, based upon revised specifications or quantities, shall be issued as promptly as possible, shall provide for an expeditious response to the revised requirements, and shall be awarded upon the basis of the lowest bid price, or lowest evaluated bid price submitted by any responsive offeror.

(3) When after competitive sealed bidding, it is determined in writing that there is only one responsive and responsible bidder, a noncompetitive negotiated award may be made with such bidder in accordance with section 45-55-8.

**45-55-8. Sole source procurement and emergency procurements.** (a) A contract may be awarded for a supply, service, or construction item without competition when, under published regulations, the purchasing officer determines, in writing, that there is only one source for the required supply, service, or construction item.

(b) Notwithstanding any other provision of this chapter, the purchasing agent may make or authorize others to make emergency procurements when there exists a threat to public health, welfare, or safety under emergency conditions as defined in regulations or where the procurement will be in the best interest of the city as established by properly promulgated rules and regulations; provided, that such emergency procurements shall be made with such competition as is practicable under the circumstances. A written determination of the basis for the emergency, and for the selection of the particular contractor, shall be included in the contract file.

**45-55-8.1. Qualification based selection of architects and engineers.** When, the purchasing agent determines that the city or town needs the services of a professional architect or engineer, the purchasing agent shall follow the qualification based selection process for the procurement of architectural and engineering consulting services. (1998)

**45-55-9. Small purchases.** Procurements not to exceed an aggregate amount of ten thousand dollars (\$10,000) for construction and five thousand dollars (\$5,000) for all other purchases may be made in accordance with small purchase regulations promulgated by the municipality. These amounts shall be increased or decreased annually hereafter at the same rate as the Boston Regional Consumer Price Index. Procurement requirements shall not be artificially divided so as to constitute a small purchase under this section. A municipality may further reduce the aggregate purchase amount, as provided for in this section by ordinance.

**45-55-10. Cancellation of invitation for bids and requests for proposals.** An invitation for bids, a request for proposals, or other solicitation may be canceled, or all bids or proposals may be rejected, if it is determined, in writing, that such action taken is not in the best interest of the municipality and approved by the chief purchasing officer.



**45-55-11. Responsibilities of bidders and offerors.** (1) A written determination of responsibility of a bidder or offeror shall be made and it shall be made in accordance with regulations issued by the municipality.

A reasonable inquiry to determine the responsibility of a bidder or offeror may be conducted. The failure of a bidder or offeror to promptly supply information in connection with such an inquiry may be grounds for a determination of nonresponsibility with respect to such a bidder or offeror.

(2) Except as otherwise provided, by law, information furnished by a bidder or offeror pursuant to this section may not be disclosed outside of the purchasing department administering the contract without prior written consent of the bidder or offeror.

**45-55-12. Prequalification of contractors - General.** The municipality may provide for prequalification of suppliers as responsible prospective contractors for particular types of supplies, services, and construction. Municipalities which choose to provide for prequalification of suppliers shall adopt regulations for prequalification in the same manner provided for in the adoption of ordinances in the manner provided for in the legislative or home rule charter of the municipality. Solicitation mailing lists of potential contractors of such supplies, services, and construction shall include but need not be limited to such prequalified contractors. Prequalification shall not foreclose a written determination:

(1) Between the time of the bid opening or receipt of offers and the making of an award, that a prequalified supplier is not responsible; or

(2) That a supplier who is not prequalified at the time of bid opening or receipt of offers is responsible.

**45-55-13. Exclusion of state mandated costs.** The provisions of sections 45-13-7 through 45-13-10 inclusive shall not apply to this section.

**45-55-13.1. Exclusion of multi-cities or towns insurance corporations and cooperative risk management programs.** The provisions of chapter 45-55 shall not apply to entities organized pursuant to section 45-5-20.1 of the general laws. Said entities shall be exempt from all of the provisions of chapter 45-55.

**45-55-13.2. Exclusion of multi-cities or towns energy aggregation programs.** The provisions of this chapter shall not apply to entities organized for the purpose of negotiating the purchase of electric power pursuant to section 39-3-1.1, or energy or energy related services. Said entities shall be exempt from all provisions of this chapter. (1998)

**45-55-13.3. Exclusion of multi-school district combined purchasing consortia.** The provisions of this chapter do not apply to purchases and contracts entered into by those consortia established pursuant to section 16-2-9.2, and such entities shall be exempt from all provisions of this chapter. (2004)

**45-55-14. Staff consultants.** The procurement of the services of an attorney, physician or dentist by a municipality, shall be exempt from the provisions of this chapter.

**45-55-15. Severability.** If any one (1) or more sections, clauses, sentences or parts of this chapter shall for any reason be adjudged unconstitutional or otherwise invalid in any court, that judgment shall not affect, impair or invalidate the remaining provisions thereof but shall be confined in its operation to the specific provisions so held unconstitutional or invalid and the inapplicability or invalidity of any section, clause or provision of this chapter in any one (1) or more instances or circumstances shall not be taken to affect or prejudice in any way its applicability or validity in any other instance.

**45-55-16. Prohibition against the use of lead based paints.** When purchasing paint products or contracting or subcontracting for painting, construction, improvement, completion, or repair of any public buildings, any public road, any public bridge, or any public construction, all municipalities, as defined by 45-55-4(11), shall be prohibited from the use of lead based paint.

**45-55-17. Penalties.** – Any person who knowingly and intentionally violates any provision of this chapter shall be subject to a misdemeanor, punishable by a fine of not more than five hundred dollars (\$500), or by imprisonment for not more than one year, or both. (2012)

**CHAPTER 45-59**  
**DISTRICT MANAGEMENT AUTHORITIES**

**45-59-15. Special tax assessments.** Each district management authority will have the power to apportion the annual operating expenses of the district management authority among the owners of ratable real property, not otherwise exempt by law, located within the management district by a special tax assessment. The special tax assessment will be based on the factors set forth in the petition approved by the city or town council. The rate of the special tax assessment with respect to any subdistrict may vary in the amount from the rate of the special tax assessment generally applicable to the owners of ratable real property within the management district. The special tax assessments made by a district management authority will not be considered to be a tax of the municipality for purposes of section 44-5-2 of the general laws.

**45-59-16. Limit on assessments.** The total of the special tax assessments levied on the ratable real property within the management district will not exceed ten percent (10%) of the total of the real property taxes levied on the ratable real property within the management district, not exempt from taxation by law, for the fiscal year of the municipality that ends within or with the fiscal year of the district management authority.

**45-59-17. Collection of assessments.** The assessments made by any district management authority will be collected by the tax collector of the municipality within which the management district is located for the account of the district management authority. The assessments so collected will not be commingled with funds of the municipality and forthwith upon their collection, will be remitted to the district management authority. Assessments will be a lien on the real property of the persons against whom the assessments are made in the same manner as taxes assessed by a municipality under section 44-9-1 of the general laws. Tax collectors of municipalities within which management districts are created will have the same powers with respect to assessments and their collection as are granted to them by chapter 44-9 of the general laws with respect to municipal property taxes except that these powers will be exercised for and on behalf of the district management authority.

**45-59-18. Petition for relief from assessment.** (a) Any person aggrieved on any ground whatsoever by any assessment against him or her by a district management authority in any municipality may within three (3) months after the last day appointed for the payment without penalty of the assessment, or the first installment thereof, if the assessment is payable in installments, file a notice of appeal with the district management authority and within thirty (30) days thereafter, file a petition in the superior court for the county within which the municipality is located for relief from the assessment, to which petition the district management authority will be made a party respondent, and the clerk of the superior court will thereupon issue a citation substantially in the following form:

**THE STATE OF RHODE ISLAND AND  
PROVIDENCE PLANTATIONS**

To the sheriffs of our several counties, or to their deputies, Greetings:

We command you to summon the treasurer of (the district management authority):

\_\_\_\_\_ to wit \_\_\_\_\_  
of \_\_\_\_\_ (if to be found in your precinct) to answer the  
complaint of \_\_\_\_\_ of \_\_\_\_\_ on the return day hereof  
(said return day being the \_\_\_\_\_ day of \_\_\_\_\_  
A.D. 19\_\_\_\_) in the superior court to be holden at the county courthouse in  
\_\_\_\_\_ as by petition filed in court is fully set forth; and to show cause  
why said petition should not be granted.

Hereof fail not, and make true return of this writ with your doings thereon.

Witness, the seal of our superior court, at \_\_\_\_\_  
this \_\_\_\_\_ day of \_\_\_\_\_ in the year \_\_\_\_\_.  
\_\_\_\_\_, Clerk

(b) Said petition will be subject to the provisions of section 44-5-26 through section 44-5-31 of the general laws insofar as the same may be applicable.

**45-59-23. Exemption from taxation.** (a) Any notes or other obligations issued by any district management authority, their transfer and the income therefrom (including any profits made on the sale thereof), will at all times be free from taxation by the state or any political subdivision or other instrumentality of the state.

(b) The exercise of the powers granted by this chapter will be in all respects for the benefit of the people of this state and of the municipalities within which the district management authorities will undertake their activities, the increase of their commerce, welfare and prosperity and for the improvement of their health and living conditions and will constitute the performance of essential governmental functions and the district management authorities will not be required to pay any real or personal property taxes or assessments upon or in respect of any property owned by them levied by any municipality or other political subdivision of the state.

**45-59-24. Credit of municipality not pledged.** Notes and other obligations of a district management authority will not be deemed to constitute the debt or a pledge of the faith and credit of the municipality.

(2001)

**CHAPTER 45-64  
MASTER FIRE ALARM BOX CHARGES**

**45-64-1. Power to assess charges against users.** In addition to the powers, privileges, prerogatives, and authority that are now granted to each city and town and fire district, or any agency of a city or town and fire district, in connection with fire alarm master box systems of these municipalities, each city and town and fire district is authorized and empowered to enact ordinances assessing users of master alarm fire box systems of the fire departments of the cities and towns and fire district, a charge not to exceed five hundred dollars (\$500) for the use of said systems in an amount that recovers the cost to the city or town and fire district of the service rendered to the users. In enacting this ordinance, any city or town and fire district may also provide that all unpaid charges shall be a lien upon the real estate of the users.

**45-64-2. Adoption of implementing provisions.** Each city and town and fire district may, by ordinance, define the person or persons, firm, corporation, partnership, individual, assignee, trustee, or other person upon whom a charge is assessed, and may adopt any other ordinances, rules, or regulations that may be necessary to carry out the provisions of this chapter, and may impose a penalty or penalties for any violation of the ordinance, rule or regulation.

(2011)

**CHAPTER 45-65**  
**RETIREMENT SECURITY ACT FOR LOCALLY ADMINISTERED PENSION**  
**FUNDS**

**45-65-3. Legislative findings.** – It is the intention of the general assembly to begin the process of ensuring the sustainability of locally administered pension plans and to advance and maintain the long-term stability of such plans. The general assembly finds and declares that:

**(1) Rhode Island law authorizes and empowers municipalities to administer their own municipal pension plans; currently, there are thirty-six (36) such plans administered by twenty-four (24) municipalities.**

**(2) According to a report by the Office of the Auditor General entitled Pension and OPEB Plans Administered by Rhode Island Municipalities (September 2011): “ Many municipal pension plans are severely underfunded which presents the risk that sufficient funds will not be available to meet promised benefits to retirees. It also undermines the overall fiscal health of the plan’s sponsor”.**

**(3) It is in the best interests of individual employees, taxpayers, municipalities and the state itself to maintain viable and sustainable municipal public pension plans. These interest include:**

**Preserving a level of pension benefits that is, over the long term, reasonable for current and retired municipal employees and affordable to taxpayers;**

**Avoiding significant and unanticipated retirement benefit reductions, which could cause an increase in poverty among retired municipal employees and a resulting strain on state social services;**

**Maintaining investments in infrastructure and education on the state and local levels in lieu of diverting critical resources to satisfy pension obligations;**

**Preventing the financial downgrade of municipalities by rating agencies as a result of unfunded pension obligations, which would make it more difficult to access the capital markets and increase the costs of borrowing;**

**Encouraging rating agencies, in recognition of the state’s proactive approach toward financial discipline, to take positive credit actions on Rhode Island municipal bonds; and**

**Creating a more stable and well-managed environment in Rhode Island to attract new businesses and maintain and expand existing businesses, which will diminish the uncertainty and fiscal instability that accompany uncontrolled pension obligations.**

**(4) The first step in ensuring the viability and sustainability of local pension plans is to get an accurate analysis of the current condition and fiscal health of the individual plans.**

**45-65-4. Definitions.** -- As used in this chapter the following terms shall have the following meanings:

(1) “Actuarial experience study” means a report provided by an actuary that includes a recent discussion of plan experience, recommendations for actual assumptions and methods, and information about the actuarial impact of these recommendations on the liabilities and other key actuarial measures.

(2) “Annual actuarial valuation study” means a valuation of a locally administered plan completed by an actuary, and a certification based on that valuation indicating whether such plan is or is not in critical status, on an annual basis.

(3) “Critical status” means that, as determined by its actuary, as of the beginning of the plan year, a plan’s funded percentage for such plan year is less than sixty percent (60%).

(4) “Locally administered plan” or “plan” means any defined benefit pension plan established by a municipality for its employees, other than: (a) A plan that is part of the Employees’ Retirement System of Rhode Island as defined in chapter 36-8 or the Municipal Employees’ Retirement System of Rhode Island as defined in chapter 45-21; or (b) A plan established by a municipality that has filed for bankruptcy protection pursuant to chapter 9 of title 11 of the United States Code, a plan established by a municipality for which a receiver has been appointed pursuant to chapter 45-9 or a plan established by a municipality for which a fiscal overseer has been appointed pursuant to chapter 45-9.

(5) “Municipality” means any town or city in the State of Rhode Island, any city or town housing authority, fire, water, sewer district, regional school district or public building authority as established by chapter 14 of title 37.

**45-65-5. Actuarial valuation methodology.** – Actuarial methods used by the actuary in preparing an actuarial experience study or annual actuarial valuation shall be in compliance with accepted actuarial standards and applicable public pension accounting laws, rules and regulations. The actuary shall not, year to year, change actuarial methods for the sole purpose of achieving a more favorable funding or fiscal result. Any actuarial study shall be made by the actuary in good faith and in accordance with accepted actuarial standards.

**45-65-6. Certification and notice requirements.** – (1) Every municipality that maintains a locally administered plan shall submit its initial annual actuarial valuation study to the study commission created herein under section 45-64-8 on or before April 1, 2012, and for each plan year ending on or after December 31, 2012, within six (6) months of completing such plan year. The initial actuarial experience study shall be submitted to the study commission on or before April 1, 2012, and subsequent actuarial experience studies must be submitted to the study commission no less frequently than once every three (3) years.

(2) In any case in which an actuary certifies that a locally administered plan is in critical status for a plan year, the municipality administering such a plan shall, not later than thirty (30) business days following the certification, provide notification of the critical status to the participants and beneficiaries of the plan and to the general assembly, the governor, the general treasurer, the director of revenue, and the auditor general.

The notification shall also be posted electronically on the general treasurer's website. Within one hundred eighty (180) days of sending the critical status notice, the municipality shall submit to the study commission a reasonable alternative funding improvement plan to emerge from critical status.

(3) The state shall reimburse every municipality for fifty percent (50%) of the cost of undertaking its annual actuarial valuation study, **which is due on April 1, 2012.**

(4) Notwithstanding any other law to the contrary, the funding improvement plans and actuarial valuation studies submitted pursuant to this section shall be public records. (2012)

**45-65-7. Failure to comply. – (1) With respect to any municipality that fails to comply with the requirements of this chapter within the prescribed time, the general treasurer is authorized to withhold moneys due to the municipality from the state for any purpose other than education, including, but not limited to, municipal aid and other aid provided under sections 45-13-5.1, 45-13-12, 44-34.1-2, 44-13-13, 44-18-18.1, 44-18-36.1(b) and 42-63.1-3.**

**45-65-8. Study commission. – A study commission for locally administered plans shall be established to review existing legislation and pension plan administrative practices and to make recommendations for the improved security and funding of locally administered plans and other post-retirement benefit obligations of cities and towns. The commission shall consist of fourteen (14) members: the director of the department of revenue, or his or her designee; who shall be the chair, the auditor general, one member each representing the department of administration, the general treasurer, the League of Cities and Towns and the Rhode Island Public Expenditure Council, and three (3) members appointed by the governor representing municipal police, fire and non-public safety employees. In addition, the Speaker of the House and President of the State Senate shall each appoint one member to the commission and then shall jointly select and appoint one elected mayor from a city or town with a population greater than 50,000, one elected mayor from a city or town with a population less than 50,000 and one appointed town administrator. (2011)**



**CHAPTER 45-66  
CENTRAL COVENTRY FIRE DISTRICT ANNUAL APPROPRIATION**

**45-66-1. Availability of funds upon failure of the qualified voters of the Central Coventry fire district to authorize the assessment and collection of taxes. – Effective September 1, 2012, if the qualified voters of the Central Coventry fire district fail to authorize the assessment and collection of taxes on the fire district’s taxable inhabitants and property, the tax levy last authorized by the qualified voters to be assessed and collected shall be assessed and collected by the fire district.** (2013)

**CHAPTER 46-22  
REGULATION OF BOATS**

**46-22-18. Funds.** (a) All money collected under the provisions of this chapter shall be paid into a restricted receipt account of the Department of Environmental Management to be made available shall be allocated, distributed and used as follows: (1998)

(1) Amounts sufficient to fully fund: (1998)

(i) Expenses of the department of environmental management, incurred in the administration and enforcement of this chapter;

(ii) Expenses of boating safety, boating safety services and programs, boating education, marine patrols, enforcement training programs, and promotion and publicity relating to boating and boating safety and equipment related to boating safety;

(iii) Grants for the purpose set forth in subsection (a)(1)(ii) above;

(iv) Maintenance and improvement of recreational, commercial and navigational facilities relating to boating safety; including, but not limited to, the installation, financing, improvement, and maintenance of aids to navigation and support facilities; (1998)

(v) Expenses incurred in cooperation with the government of the United States in boating and boating safety matters; and

(vi) To the extent otherwise authorized by the general laws, funding services to mariners. (1998)

## APPENDIX

**APPENDIX A**

**INDIVIDUAL CITY AND TOWN REFERENCES IN  
THE GENERAL LAWS**

BARRINGTON	44-3-4 (a)	Veterans' Exemption
	44-3-5	Gold Star Parents' Exemption
	44-3-12	Exemption of Persons Visually Impaired
	44-5-11.6	Assessment of Valuations – Update Schedule Revision
	44-5-13.2.2	Assessment and Taxation of New Real Estate Construction
	44-5-13.3	Reduction in Assessed Value of Real Estate Upon Removal of Damaged Buildings
	44-5-63	Property Tax Classification – List of Ratable Property
	44-5-64	Property Tax Classification – Tax Levy Determination
	44-7-11	Motor Vehicle Excise Tax Certificate
	44-9-18.1	Assignments to the Barrington Land Conservation Trust, Inc.
	BRISTOL	44-3-4 (h)
44-3-13		Exemption of Persons Over the Age of 65 Years
44-3-15.2		Persons Who Are Totally Disabled – Exemption
44-3-16		Freeze of Tax Rate and Valuation for the Elderly
44-3-20.2		Deferment of Partial Payment of Tax for Low-Income Residents
44-3-25.1		Maximum Exemptions
44-3-27.1		Certain Tax Exemptions – Tax Rates Set
44-3-57		Deferment of Payment of Tax for the Elderly
44-5-13.33		Assessment and Taxation of New Real Estate Construction
44-5-13.34		Reduction in Assessed Value of Real Estate - Damaged Buildings
44-7-11		Motor Vehicle Excise Tax Certificate
44-33.5		Senior Resident Property Tax Services Credit Program
BURRILLVILLE		44-3-3 (16)
	44-3-4 (a)	Veterans' Exemption
	44-3-9.3	Exemption or Stabilizing of Taxes on Qualifying Property Used for Manufacturing or Commercial Purposes
	44-3-30	Property Taxation of Electricity Generating Facilities
	44-3-33	Tax Exemption for the Industrial Foundation of Burrillville
	44-3-35	Real Estate Exemption for Persons Who Are Disabled
	44-3-37	Exemption and/or Valuation Freeze of Retailer's Inventory
	44-3-48	Certain Tax Exemptions – Tax Rates
	44-3-49	Fixed Tax Rate for Exemptions
	44-3-56	Tax Credit in lieu of Tax Exemption
	44-3-59	Tax Exemption for the Columbus Club of Burrillville
	44-5-13.20	Assessment and Taxation of New Real Estate Construction
	44-5-13.21	Deferment of Taxes for Persons Claiming an Exemption
	<b>44-5-31.1</b>	<b>Judgment</b>
	<b>44-5-52</b>	<b>Property Tax Classification Authorized</b>
	<b>44-5-53</b>	<b>Property Tax Classification – List of Ratable Property</b>
	<b>44-5-54</b>	<b>Property Tax Classification – Duties of the Assessor</b>
	44-5-55	Property Tax Classification – Tax Levy Determination
	44-5-55.1	Tax Assessment Stabilization
45-4-1	Officers to Be Elected – Exceptions	

CENTRAL FALLS	16-7-24	Minimum Appropriation by a Community for Approved School Expenses
	44-3-4 (a)	Veterans' Exemption
	44-3-13	Exemption of Persons Over the Age of 65 Years
	44-3-34	Homeowner Exemption
	44-3-53	Tax Exemption for Club Sport Uniao Madeirense
	<b>44-5-12</b>	<b>Assessment at Full and Fair Cash Value – Improvements to Residential and Rental Property</b>
	44-5-20.01	Property Tax Classification Authorized
	44-5-20.02	Property Tax Classification – List of Ratable Property
	44-5-20.03	Property Tax Classification – Duties of the Assessor
	44-5-20.04	Property Tax Classification – Tax Levy Determination
	<b>44-5-61.1</b>	<b>Exemption or Stabilizing of Taxes on Qualifying Property</b>
CHARLESTOWN	44-3-3 (6)	Property Exempt – Dwelling and Land Actually Used as Convent/Nunnery by Religious Order
	45-2-3.1	Powers of Certain Towns – Appropriation of Money
COVENTRY	44-3-4 (j)	Veterans' Exemption – Active Members
	44-3-16	Exemption of Persons Over the Age of 65 Years or Totally Disabled
	44-3-20.1	Deferment of Payment of Tax for the Elderly and Certain Disabled Persons
	44-5-8.3	Tax Amnesty Period
	44-5-13.6	Assessment and Taxation of New Real Estate Construction
	44-5-13.7	Reduction in Assessed Value of Real Estate Upon Removal of Damaged Buildings
	44-5-61	Exemption or Stabilizing of Taxes on Qualifying Property Used for Manufacturing or Commercial Purposes
	<b>44-5.2-1</b>	<b>Tax Classification</b>
	<b>44-5.2-2</b>	<b>Audit of Accounts and Installation of Systems</b>
	<b>44-5.2-3</b>	<b>Availability of Funds Upon Failure of Fire District to Approve Annual Appropriation</b>
	<b>44-5.2-4</b>	<b>Compliance</b>
	<b>44-5.2-5</b>	<b>Application</b>
	45-12-4.4	Borrowing in Payment of Certain Judgments
	<b>45-66-1</b>	<b>Availability of Funds Upon Failure of the Qualified Voters of the Central Coventry Fire District to Authorize the Assessment and Collection of Taxes</b>

CRANSTON	44-3-3 (13)	Property Exempt – Organizations of Veterans of War
	44-3-3 (29)	Property Exempt – Tangible Personal Property of Religious Organizations
	44-3-4 (a,b)	Veterans’ Exemptions
	44-3-5	Gold Star Parents’ Exemption
	44-3-13	Exemption of Persons Over the Age of 65 Years
	44-3-16	Freeze of Tax Rate and Valuation for the Elderly
	44-3-22	Real Estate and Excise Tax Exemption for Disabled Persons
	44-3-47	Economic Development Tax Incentive Program Exemption
	44-5-8	Form of Option for Quarterly Payment
	44-5-9	Deductions and Penalties to Insure Prompt Payment
	44-5-20.22	Property Tax Classification – Authorized
	44-5-20.23	Property Tax Classification – List of Ratable Property
	44-5-20.24	Property Tax Classification – Duties of the Assessor
	44-5-20.25	Property Tax Classification – Tax Levy Determination
	44-5-37	Tax Collection Procedure
	44-5-62	Homestead Exemption
	44-5.1-3	Real Estate Nonutilization Tax – Power to Impose
	44-34-3	Excise Tax on Motor Vehicles–Penalty Upon Nonpayment
	CUMBERLAND	44-3-4 (a,b,c)
44-3-4 (e)		Veterans’ Exemption – Prisoners of War
44-3-5		Gold Star Parents’ Exemption
44-3-12		Exemption of Persons Visually Impaired
44-3-13.2		Exemption of Persons Over the Age of 65 Years
44-3-25		Maximum Exemptions
44-3-42		Fixed Tax Assessment for Farmland
44-3-52		Exemption for Persons Interned in a Concentration Camp
44-5-13.16		Assessment and Taxation of New Real Estate Construction
44-5-82		Homestead Exemption
44-33.4		Senior Resident Property Tax Services Credit Program
EAST GREENWICH	44-3-13	Exemption of Persons Over the Age of 65 Years
	44-3-16	Freeze of Tax Rate and Valuation for the Elderly
	44-3-58.1	Tax Deferment of Increase in Property Taxes of Persons 65 Years of Age or Older
	<del>44-5-8</del>	<del>Form of Option for Quarterly Payment</del>
	44-5-13.15	Assessment and Taxation of New Real Estate Construction
	44-5-65	Homestead Exemption
	44-5-76	Reduction in Assessed Value of Real Estate Upon Removal of Damaged Structure
	<b>44-5-84</b>	<b>Exemption for Elderly, Disabled, and Military Service</b>
	44-7-11	Motor Vehicle Excise Tax Certificate
45-4-1	Officers to Be Elected – Exception (Constables)	

EAST PROVIDENCE	16-7-17	Time of Payment of State's Share of the Basic Program And Approved Expenditures
	44-3-3 (32)	Property Exempt – Pomham Island Lighthouse
	<b>44-3-3 (34)</b>	<b>Property Exempt – St. Mary Academy - Bay View</b>
	<b>44-3-3 (35)</b>	<b>Property Exempt – East Bay Community Action Prog.</b>
	<b>44-3-3 (36)</b>	<b>Property Exempt – Columbus Club of East Providence</b>
	<b>44-3-3 (37)</b>	<b>Property Exempt – Columbus Club of Barrington</b>
	<b>44-3-3 (38)</b>	<b>Property Exempt – Lodge 2337 BPO Elks</b>
	<b>44-3-3 (39)</b>	<b>Property Exempt – St. Andrews Lodge No. 39</b>
	<b>44-3-3 (40)</b>	<b>Property Exempt – Trustees of Methodist Health and Welfare a/k/a United Methodist Elder Care</b>
	<b>44-3-3 (41)</b>	<b>Property Exempt – Zion Gospel Temple, Inc.</b>
	<b>44-3-3 (42)</b>	<b>Property Exempt – Cape Verdean Museum Exhibit</b>
	<b>44-3-3 (44)</b>	<b>Property Exempt – R.I. Philharmonic Orchestra and Music School</b>
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WOONSOCKET

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