

THE CITY OF PROVIDENCE
STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

RESOLUTION OF THE CITY COUNCIL

No. 204

Effective: ~~Approved~~ April 12, 1982

WHEREAS, House Bill 82 H-7093 would remove certain property from automatic exempt status and would further establish a new system of specific permissive exemptions for Ten (10) Year periods upon approval by the Council and Electors of the towns and cities,

NOW, THEREFORE, BE IT RESOLVED, That the Members of the City Council hereby endorse House Bill 82 H-7093, presently pending before the House Corporations Committee, relating to Taxation.

IN CITY COUNCIL

APR 1 1982
READ AND PASSED

Lawrence J. Monte PRES.
Rose M. Mendonca CLERK

Effective without the Mayor's
signature April 12, 1982

Rose M. Mendonca

RECEIVED
CITY OF SEATTLE
MAR 10 1982

IN CITY COUNCIL
MAR 4 1982
FIRST READING
REFERRED TO COMMITTEE ON FINANCE

Rose M. Mendonca CLERK

THE COMMITTEE ON
FINANCE
Recommends Be Continued
Rose M. Mendonca
Clerk
March 15, 1982

THE COMMITTEE ON
FINANCE
The within Resolution
Rose M. Mendonca
Clerk Chairman
March 22, 1982

Councilman Moise

*Permissive
exemptions*

8 2 --

8-7092

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 1982

A N A C T

RELATING TO TAXATION

Introduced By:

Date Introduced:

Referred To:

It is enacted by the General Assembly as follows:

- 1 SECTION 1. Section 44-3-3 of the General Laws in Chapter
2 44-3 entitled "Property Subject to Taxation" is hereby amended to
3 read as follows:
- 4 44-3-3. Property exempt. -- The following property shall be
5 exempt from taxation:
- 6 (1) property belonging to the state;
- 7 ~~(2)-lands-ceded-or-belonging-to-the-United-States;~~
- 8 (3) the bonds and other securities issued and exempted from
9 taxation by the government of the United States, or of this
10 state;
- 11 (4) real estate, used exclusively for military purposes,
12 owned by chartered or incorporated organizations approved by the
13 adjutant general, and composed of members of the national guard,
14 the naval militia or the independent chartered military organiza-
15 tions;

1 (5) buildings for free public schools, buildings for reli-
2 gious worship and the land upon which they stand and immediately
3 surrounding the same, to an extent not exceeding five (5) acres
4 so far as said buildings and land are occupied and used exclu-
5 sively for religious or educational purposes;

6 (6) dwelling houses and the land on which they stand, not
7 exceeding one (1) acre in size, or the minimum lot size for zone
8 in which the dwelling house is located, which ever is the
9 greater, owned by or held in trust for any religious organization
10 and actually used by its officiating clergymen, to an amount not
11 exceeding seventy-five thousand dollars (\$75,000) for each such
12 house and land so owned and used.

13 (7) the intangible personal property owned by, or held in
14 trust for, any religious or charitable organization, if the prin-
15 cipal or income shall be used or appropriated for religious or
16 charitable purposes;

17 ~~(8)-the--buildings-and-personal-estate-owned-by-any-corpora-~~
18 ~~tion-used-for-a-school;-academy-or-seminary-of-learning;--and--of~~
19 ~~any--incorporated--public--charitable--institutions;--and-the-land~~
20 ~~upon-which-said-buildings-stand-and-immediately--surrounding--the~~
21 ~~same--to-an-extent-not-exceeding-one-(1)-acre;--so-far-as-the-same~~
22 ~~is-used-exclusively-for-educational-purposes;--but-no-property--or~~
23 ~~estate--whatever--shall--hereafter-be-exempt-from-taxation-in-any~~
24 ~~case-where-any-part-of-the-income-or-profits-thereof--or--of--the~~
25 ~~business-carried-on-thereon-is-divided-among-its-owners-or-stock-~~
26 ~~holder;~~

27 ~~(9)-the--estates;--persons-and-families-of-the-president-and~~
28 ~~professors-for-the-time-being-of-Brown-University--for--not--more~~
29 ~~than--ten--thousand--dollars-(\$10,000)-for-each-such-officer;-his~~
30 ~~estate;-person;-and-family-included;~~

31 (10) property especially exempt by charter unless such ex-
32 emption shall have been waived in whole or in part;

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

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

9 (13) the real or personal estate belonging to or held in
10 trust for the benefit of incorporated organizations of veterans
11 of any war in which the United States has been engaged, the
12 parent body of which has been incorporated by act of Congress, to
13 the extent of one hundred thousand dollars (\$100,000), if actual-
14 ly used and only occupied by such association;

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

29 (15) the real estate and personal property of any incorpo-
30 rated volunteer fire engine company in active service;

31 (16) the estate of any person who in the judgment of the
32 assessors is unable from infirmity or poverty to pay the tax; any

1 person claiming such exemption aggrieved by an adverse decision
2 of an assessor shall appeal said decision to the local board of
3 tax review, and thereafter according to the provisions of
4 44-5-26.

5 (17) the household furniture and family stores of a
6 housekeeper in the whole, including clothing, bedding and other
7 white goods, books and all other such tangible personal property
8 items which are common to the normal household not exceeding
9 twenty thousand dollars (\$20,000) with the approval of the munic-
10 ipal governing body,

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

22 (20) aircraft for which the fee required by 1-4-2 of the
23 general laws has been paid to the tax administrator.

24 (21) Manufacturer's inventory. (a) For the purposes of this
25 section, sections 44-4-10, 44-5-3, 44-5-20 and 44-5-38, a person
26 is deemed to be a manufacturer within a city or town within this
27 state if he uses any premises, room or place therein primarily
28 for the purpose of transforming raw materials into a finished
29 product for trade through any or all of the following operations:
30 adapting, altering, finishing, making and ornamenting; provided,
31 however, that public utilities, building and construction con-
32 tractors, warehousing operations including distribution bases or

1 outlets of out-of-state manufacturers, fabricating processes
2 incidental to warehousing or distribution of raw materials such
3 as alteration of stock for the convenience of a customer, shall
4 be excluded from this definition.

5 (b) For the purpose of 44-3-3, 44-4-10, 44-5-38, and
6 section 8 of chapter 245, public laws of Rhode Island, 1966, as
7 amended, the term "manufacturer's inventory" or any such similar
8 term shall mean and include his raw materials, his work in pro-
9 cess and finished products which have been manufactured by him in
10 this state, and not sold, leased or traded by him or the title or
11 right to possession thereof otherwise divested, provided, how-
12 ever, that said term shall not include any such finished products
13 which are held by him in any retail store or other similar
14 selling place operated by him whether or not such retail estab-
15 lishment is located in the same building in which he operates his
16 manufacturing plant.

17 (c) For the purpose of 44-11-2 in chapter 11 of this title
18 entitled "Business corporation tax," a manufacturer is a person
19 whose principal business in this state consists of transforming
20 raw materials into a finished product for trade through any or
21 all of the operations described in paragraph (a) of this subsec-
22 tion. A person will be deemed to be thus principally engaged if
23 the gross receipts which he derived from such manufacturing oper-
24 ations in this state during the calendar year or fiscal year men-
25 tioned in 44-11-1 amounted to more than fifty per cent (50%) of
26 the total gross receipts which he derived from all his business
27 activities in which he engaged in this state during such taxable
28 year. For the purpose of computing such percentage, gross
29 receipts derived by a manufacturer from the sale, lease or rental
30 of finished products manufactured by him in this state, even
31 though his store or other selling place therein may be at a dif-
32 ferent location from the location of his manufacturing plant in

1 this state, shall be deemed to have been derived from manufac-
2 turing.

3 (d) Within the meaning of the preceding paragraphs of this
4 subsection, the term "manufacturer" shall also include persons
5 who are principally engaged in any of the general activities
6 respectively coded and listed as establishments engaged in manu-
7 facturing in the standard industrial classification manual pre-
8 pared by the technical committee on industrial classification,
9 office of statistical standards, executive office of the presi-
10 dent, United States bureau of the budget, as revised from time to
11 time, but eliminating as manufacturers those persons, who,
12 because of their limited type of manufacturing activities, are
13 classified in said manual as falling within a trade rather than
14 an industrial classification of manufacturers. Among those thus
15 eliminated, and accordingly also excluded as manufacturers within
16 the meaning of this subsection, are persons primarily engaged in
17 selling, to the general public, products produced on the same
18 premises from which they are sold, such as neighborhood bakeries,
19 candy stores, ice cream parlors, shade shops and custom tailors,
20 except, however, that a person who manufactures bakery products
21 for sale primarily for home delivery, or through one or more
22 non-baking retail outlets, and whether or not such retail outlets
23 are operated by such person, shall be a manufacturer within the
24 meaning of this subsection.

25 (e) The term "person" shall mean and include, as appropri-
26 ate, a person, partnership or corporation.

27 (f) The division of local and metropolitan government shall
28 provide to the local assessors such assistance as is necessary in
29 determining the proper application of the foregoing definitions.

30 (22) Real and tangible personal property acquired to provide
31 a treatment facility used primarily to control the pollution or
32 contamination of the waters or the air of the state, as defined

1 in chapter 12 of title 46 and chapter 25 of title 23, respec
2 tively, said facility having been constructed, reconstructed,
3 erected, installed or acquired in furtherance of federal or state
4 requirements or standards for the control of water or air pollu-
5 tion or contamination, and certified as approved in an order
6 entered by the director of environmental management. Such prop-
7 erty shall be exempt as long as it is operated properly in com-
8 pliance with such order of approval of the director of environ-
9 mental management, provided further, that any grant of such ex-
10 emption by the director of environmental management in excess of
11 ten (10) years shall be approved by the city or town in which
12 such property is situated. This provision shall apply only to
13 such water and air pollution control properties and facilities as
14 are installed for the treatment of waste waters and air contami-
15 nants resulting from industrial processing; furthermore, it shall
16 apply only to water or air pollution control properties and
17 facilities placed in operation for the first time after April 13,
18 1970.

19 (23) New machinery and equipment acquired or used by a manu-
20 facturer and purchased ~~after~~ before December 31, ~~1974~~ 1982.

21 (24) Precious metal bullion, meaning thereby any elementary
22 metal which has been put through a process of smelting or refin-
23 ing, and which is in such state or condition that its value
24 depends upon its content and not upon its form. The term does not
25 include fabricated precious metal which has been processed or
26 manufactured for some one or more specific and customary indus-
27 trial, professional or artistic uses.

28 (25) Hydroelectric power generation equipment, which
29 includes but is not limited to, turbines, generators, switchgear,
30 controls, monitoring equipment, circuit breakers, transformers,
31 protective relaying, bus bars, cables, connections, trash racks,
32 headgates, and conduits. The hydroelectric power generation

1 equipment must have been purchased after July 1, 1979 and ac-
2 quired or used by a person or corporation who owns or leases a
3 dam and utilizes the equipment to generate hydroelectric power.
4 This subsection shall not apply to any property subject to the
5 provisions of chapter 1779 of the public laws of 1931.

6 SECTION 2. Chapter 44-3 of the General Laws entitled "Prop-
7 erty Subject to Taxation" is hereby amended by adding thereto the
8 following section:

9 44-3-3.1. Permissive property exemptions. -- The following
10 property within a city or town may be exempted from taxation by a
11 city or town for a period, not to exceed ten (10) years for each
12 such exemption provided, upon a majority vote of the city or town
13 council, and upon approval by a majority of the city or town
14 electors at the next general election held to elect council mem-
15 bers of that city or town:

16 (1) lands ceded or belonging to the United States;

17 (2) the land, buildings and personal property used exclu-
18 sively for a school, academy or seminary of learning for students
19 at the elementary and secondary level as certified by the commis-
20 sioner of elementary and secondary education;

21 (3) the land, buildings and personal property used exclu-
22 sively for a college or university or other institution of higher
23 education as certified by the commissioner of post-secondary edu-
24 cation;

25 (4) the land, buildings and personal property used exclu-
26 sively for a non-profit hospital, neighborhood health center,
27 mental health center or similar facility as licensed by the
28 director of health;

29 (5) new machinery and equipment acquired or used by a manu-
30 facturer and purchased after December 31, 1982.

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

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JP075
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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
AN ACT
RELATING TO TAXATION

- 1 This act would remove certain property from automatic exempt
2 status, and would further establish a new system of specific
3 permissive exemptions for 10 year periods upon approval by the
4 council and electors of the towns and cities.
5 This act would take effect upon passage.

JP075
