

# RESOLUTION OF THE CITY COUNCIL

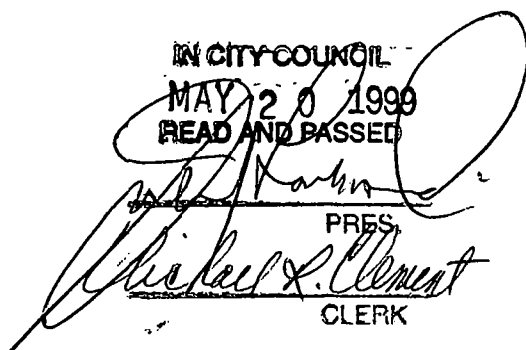
No. 309

Effective

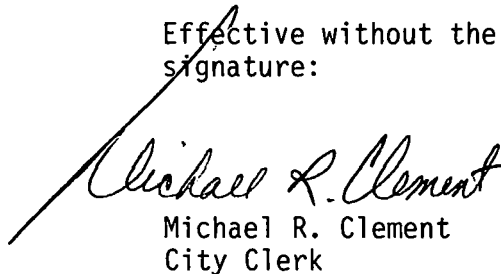
~~Approved~~  
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May 31, 1999

RESOLVED, That the Providence City Council hereby  
Endorses and Urges Passage by the General Assembly of House Bill H-5089  
Relating to Non-Profit Organizations, in substantially the form attached.

IN CITY COUNCIL  
MAY 20 1999  
READ AND PASSED  
  
PRES.  
Michael R. Clement  
CLERK

Effective without the Mayor's  
signature:

  
Michael R. Clement  
City Clerk

IN CITY COUNCIL  
MAR 4 1999  
FIRST READING  
REFERRED TO COMMITTEE ON  
STATE LEGISLATION

*Michael P. Clement* CLERK  
*Don*

THE COMMITTEE ON  
*State Legislation*  
Recommends *Passage*  
*Lowell Hagen*  
MAY 17 1999

*Councilman De Luca and Councilman Hassett*

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LC00242  
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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

**99-H 5089**

JANUARY SESSION, A.D. 1999

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A N A C T

RELATING TO NONPROFIT ORGANIZATIONS

Introduced By: 99-H 5089  
Date Introduced: Introduced By: Reps. Giannini, SanBento, Fox, Jacquard  
and McCauley  
Referred To: Date Introduced: January 13, 1999  
Referred To: Committee on Corporations

It is enacted by the General Assembly as follows:

1 SECTION 1. Title 44 of the General Laws entitled "Taxation " is hereby amended by  
2 adding thereto the following chapter:

3 CHAPTER 3.1

4 NONPROFIT ORGANIZATIONS

5 44-3.1-1. Short title. -- This chapter shall be known and may be cited as "The Local  
6 P.L.L.O.T. Act of 1998".

7 44-3.1-2. Legislative findings. -- (a) The general assembly hereby finds and declares  
8 that nonprofit organizations play a vital role in the state's economy by providing high quality  
9 health care, education, human services, arts, culture, and religious expression to the citizens and  
10 visitors of this state. The general assembly further finds and declares that the nonprofit sector is  
11 the single fastest growing segment of the U.S. economy; that nonprofit institutions own a  
12 considerable portion of the state's total property assessment; that the assessed value of nonprofit  
13 property in the state has risen substantially in recent years; that nongovernmental nonprofit  
14 institutions are currently afforded tax exempt status resulting in exemption from the payment of  
15 millions of dollars in property taxes that would otherwise be due to the local municipalities of  
16 this state; that a considerable portion of the general fund is used to support essential public  
17 services which are provided to nonprofit institutions to the same extent as to tax paying entities.

18 Whereas, it is the policy of the general assembly that nonprofit, nongovernmental

1 institutions in this state should contribute their fair share for the public services and benefits they  
2 receive.

3 **44-3.1-3. Definitions.** -- For purposes of this chapter

4 (a) The term "nonprofit organization" shall mean any private nonprofit institution of  
5 higher education, any nonprofit hospital facility, or any state owned and operated hospital,  
6 veterans' residential facility, or correctional facility occupied by more than one hundred (100)  
7 residents. This definition shall not include any of the aforementioned facilities which are  
8 operated by the federal government, the state of Rhode Island or any subdivision thereof.

9 (b) For purposes of this chapter the terms "private nonprofit institution of higher  
10 education" and "nonprofit hospital facility" shall have the same meaning prescribed in section  
11 45-13-5.1(b).

12 **44-3.1-4. Levy of payment.** -- (a) A city or town may levy, assess and collect payments  
13 and/or services in lieu of taxes based on standards and criteria developed by the city or town  
14 upon adoption of an ordinance or resolution authorizing such payments on real property within  
15 the city or town which has been determined to be exempt from taxation based on ownership by a  
16 nonprofit organization.

17 **44-3.1-5. Certification.** -- (a) Local tax assessors in the various cities and towns shall,  
18 not less frequently than every five (5) years, certify the tax exempt status of each parcel of real  
19 property for which such status is claimed based on its use by a nonprofit organization. The  
20 burden of proving that the property should remain tax exempt shall be on the property owner.

21 **44-3.1-6. Appeal.** -- A person aggrieved by a city or town's determination of  
22 certification of tax exempt status of any real property shall have the same right of appeal as any  
23 person aggrieved by an assessment of a city or town pursuant to section 44-5-26.

24 **44-3.1-7. No effect on existing contracts.** -- This act shall not supersede any contracts  
25 or agreements in effect on the date of passage of this act which authorize or require a payment to  
26 a city or town in lieu of tax.

27 SECTION 2. This act shall take effect upon passage.

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# 99-H 5089

EXPLANATION

BY THE LEGISLATIVE COUNCIL

OF

A N A C T

RELATING TO NONPROFIT ORGANIZATIONS

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- 1           This act would permit municipalities to collect payments and/or services in lieu of taxes
- 2   from certain nonprofit organizations.
- 3           This act would take effect upon passage.

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