



# State Fiscal Note for Bill Number: 2015-H-5556

**Date of State Budget Office Approval:**

**Date Requested:** Wednesday, May 20, 2015

**Date Due:** Saturday, May 30, 2015

**Impact on Expenditures**

|         |     |
|---------|-----|
| FY 2015 | N/A |
| FY 2016 | \$0 |
| FY 2017 | \$0 |

**Impact on Revenues**

|         |     |
|---------|-----|
| FY 2015 | N/A |
| FY 2016 | \$0 |
| FY 2017 | \$0 |

*Explanation by State Budget Office:*

This bill would amend RIGL section 44-34.1-1 in Chapter 44-34.1 entitled "Motor Vehicle and Trailer Excise Tax Elimination Act of 1998" and would provide a six thousand dollar (\$6,000) exemption to the motor vehicle excise tax for residents of distressed communities beginning in fiscal year 2016.

*Comments on Sources of Funds:*

The Motor Vehicle Tax Exemption state aid program is funded entirely with general revenue.

*Summary of Facts and Assumptions:*

This bill would take effect upon passage, which assumes July 1, 2015. It assumes it would be in effect for municipalities beginning in FY 2016. However, the earliest this law could be applicable is FY 2017 as the earliest assessment data available would be as of December 31, 2015. The only exemption would be the City of East Providence which would be in FY 2016 as of December 31, 2015.

Passage of this act would have a positive fiscal impact on the distressed communities that receive funding through the Motor Vehicle Tax Exemption state aid program, which was funded with \$10.0 million in the FY 2015 enacted budget. These increased distributions would be offset with decreased distributions to the "non-distressed" communities which receive aid through the program. This assumes that the state aid program is kept funded at \$10.0 million.

The distressed communities include Central Falls, North Providence, Pawtucket, Providence, West Warwick, and Woonsocket as defined in RIGL 45-13-12 and the Distressed Communities State aid program. Beginning in FY 2016, East Providence falls into this category.

According to the Division of Municipal Finance, this bill would shift approximately \$3.3 million towards "distressed communities" if the overall Motor Vehicle Tax Exemption state aid program is kept level funded at \$10.0 million.

*Summary of Fiscal Impact:*

FY 2015: Not applicable. This bill would take effect upon passage, which assumes July 1, 2015.

FY 2016: None. The earliest this law could be applicable is FY 2017 as the earliest assessment data available would be as of December 31, 2015. The only exemption would be the City of East Providence which would be in FY 2016 as of December 31, 2015 (fiscal year runs November 1 to October 31).

Prepared by:

Adam Brusseau / 4012221153 / adam.brusseau@budget.ri.gov



State of Rhode Island

**Budget  
Office**

Department of Administration

## State Fiscal Note for Bill Number: 2015-H-5556

FY 2017: None, assuming the appropriation for the Motor Vehicle Tax Exemption state aid program remains level-funded at \$10.0 million (FY 2015 Enacted Budget). If the appropriation for this program is not increased, then this bill would shift distributions away from non-distressed communities to the distressed communities.

Budget Office Signature:

Fiscal Advisor Signature:

Prepared by:

Adam Brusseau / 4012221153 / adam.brusseau@budget.ri.gov

Tuesday, May 26, 2015

Page 2 of 2

Companion bill



## Municipal Fiscal Note for Bill Number: 2015-S-0043

| City / Town         | 2015   | 2016   | 2017           |
|---------------------|--------|--------|----------------|
| 1 Barrington        | \$0.00 | \$0.00 | (\$96,732.00)  |
| 2 Bristol           | \$0.00 | \$0.00 | (\$56,320.00)  |
| 3 Burrillville      | \$0.00 | \$0.00 | (\$92,630.00)  |
| 4 Central Falls     | \$0.00 | \$0.00 | \$89,258.00    |
| 5 Charlestown       | \$0.00 | \$0.00 | (\$14,311.00)  |
| 6 Coventry          | \$0.00 | \$0.00 | (\$80,895.00)  |
| 7 Cranston          | \$0.00 | \$0.00 | (\$739,714.00) |
| 8 Cumberland        | \$0.00 | \$0.00 | (\$69,307.00)  |
| 9 East Greenwich    | \$0.00 | \$0.00 | (\$67,524.00)  |
| 10 East Providence  | \$0.00 |        | (\$84,104.00)  |
| 11 Exeter           | \$0.00 | \$0.00 | (\$31,199.00)  |
| 12 Foster           | \$0.00 | \$0.00 | (\$34,709.00)  |
| 13 Gloucester       | \$0.00 | \$0.00 | (\$34,015.00)  |
| 14 Hopkinton        | \$0.00 | \$0.00 | (\$22,701.00)  |
| 15 Jamestown        | \$0.00 | \$0.00 | (\$21,772.00)  |
| 16 Johnston         | \$0.00 | \$0.00 | (\$138,154.00) |
| 17 Lincoln          | \$0.00 | \$0.00 | (\$108,552.00) |
| 18 Little Compton   | \$0.00 | \$0.00 | (\$14,061.00)  |
| 19 Middletown       | \$0.00 | \$0.00 | (\$40,101.00)  |
| 20 Narragansett     | \$0.00 | \$0.00 | (\$57,238.00)  |
| 21 Newport          | \$0.00 | \$0.00 | (\$81,945.00)  |
| 22 New Shoreham     | \$0.00 | \$0.00 | (\$3,682.00)   |
| 23 North Kingstown  | \$0.00 | \$0.00 | (\$106,927.00) |
| 24 North Providence | \$0.00 | \$0.00 | \$368,579.00   |
| 25 North Smithfield | \$0.00 | \$0.00 | (\$60,327.00)  |
| 26 Pawtucket        | \$0.00 | \$0.00 | \$766,223.00   |
| 27 Portsmouth       | \$0.00 | \$0.00 | (\$55,019.00)  |
| 28 Providence       | \$0.00 | \$0.00 | \$1,467,937.00 |
| 29 Richmond         | \$0.00 | \$0.00 | (\$20,525.00)  |
| 30 Scituate         | \$0.00 | \$0.00 | (\$77,385.00)  |



*Municipal Fiscal Note for Bill  
Number: 2015-S-0043*

|                    |        |        |                |
|--------------------|--------|--------|----------------|
| 31 Smithfield      | \$0.00 | \$0.00 | (\$112,611.00) |
| 32 South Kingstown | \$0.00 | \$0.00 | (\$80,079.00)  |
| 33 Tiverton        | \$0.00 | \$0.00 | (\$67,763.00)  |
| 34 Warren          | \$0.00 | \$0.00 | (\$29,158.00)  |
| 35 Warwick         | \$0.00 | \$0.00 | (\$701,639.00) |
| 36 Westerly        | \$0.00 | \$0.00 | (\$87,538.00)  |
| 37 West Greenwich  | \$0.00 | \$0.00 | (\$11,937.00)  |
| 38 West Warwick    | \$0.00 | \$0.00 | \$213,492.00   |
| 39 Woonsocket      | \$0.00 | \$0.00 | \$395,084.00   |
| Total:             | \$0.00 | \$0.00 | (\$1.00)       |

*Municipal Finance Signature:*

*Fiscal Advisor Signature:*

See Attachments

A handwritten signature in black ink, written over a horizontal line. The signature is cursive and appears to read "James J. ...".