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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2007

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A N A C T

RELATING TO HEALTH AND SAFETY -- FIRE SAFETY CODE

Introduced By: Representatives Ginaitt, Walsh, Jackson, Story, and Brien

Date Introduced: June 15, 2007

Referred To: House Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. [Legislative background.](#) – WHEREAS, In the aftermath of the tragic
2 Station nightclub fire of February 20, 2003, the Rhode Island General Assembly had launched a
3 concerted effort to review, appraise, and ultimately reform how the state regulates and assures all
4 aspects of fire safety;

5 WHEREAS, That effort soon resulted in comprehensive legislation to upgrade Rhode
6 Island’s fire safety codes with the enactment of “The Comprehensive Fire Safety Act of 2003”;

7 WHEREAS, That legislation also strengthened fire safety enforcement through better
8 regulation and education thereby enhancing our public culture of compliance with fire safety
9 standards;

10 WHEREAS, The broad scope and complexity of the changes, which the legislation made
11 to the fire safety codes, created concerns about several issues regarding their implementation
12 under tight deadlines, the degree of public cooperation in making mandated investments in fire
13 safety systems, the conduct of the fire safety industry in delivering their products and services,
14 and the performance of fire safety authorities responsible for enforcing the new law;

15 WHEREAS, In the course of its three (3) extensive hearings, the House Oversight
16 Commission to Monitor Ramifications of the Fire Safety Code heard the testimony of many
17 public witnesses and state fire safety officials regarding the many successes in implementing the
18 new fire safety code but also highlighted some serious remaining issues that need addressing; and

19 WHEREAS, The Commission also sought recommendations by the public and fire safety

1 officials about possible next steps needed in order to overcome these remaining issues;

2 THEREFORE, Based on the extensive record of these hearings and incorporating many
3 of the ideas heard, the General Assembly hereby modifies "The Comprehensive Fire Safety Act
4 of 2003" by making needed adjustments to the code as it applies to certain property types, the
5 adoption of a realistic and feasible new schedule for code adherence, and some improvements in
6 the methods used by fire safety officials in implementing them.

7 SECTION 2. Sections 23-28.01-2, 23-28.01-3, and 23-28.01-6 of the General Laws in
8 Chapter 23-28.01 "Comprehensive Fire Safety Act" are hereby amended to read as follows:

9 **23-28.01-2 Legislative findings.** – The general assembly finds and declares that:

10 (a) Fires are a significant and preventable cause of the loss of life in the state;

11 (b) Catastrophic fires, while rare, have happened in the state with tragic loss of life;

12 (c) Fire safety and building codes can provide standards that substantially reduce the
13 risk of death, injury, and property damage caused by fires;

14 (d) Compliance with codes is critical to their being an effective means for achieving the
15 reduction of both risks and losses;

16 (e) Codes are more effective when they are comprehensive in their application, up-to-
17 date, and integrated;

18 (f) Rhode Island has a long history of developing, adopting, and implementing codes as
19 conditions in the state have changed and the means and practice of fire safety have evolved; ~~and~~

20 (g) Rhode Island, in 2003, ~~wishes~~ wished in response to the tragic fire at "The Station"
21 nightclub, in West Warwick, to improve fire safety throughout the state: ~~and, accordingly,~~
22 enacted "The Comprehensive Fire Safety Act of 2003";

23 (h) The broad scope and complexity of the changes, which that act required be made to
24 fire safety codes, creates concerns about several issues regarding their implementation under tight
25 deadlines, the degree of public cooperation in making mandated investments in fire safety
26 systems, the conduct of the fire safety industry in delivering their products and services, and the
27 performance of fire safety authorities responsible for enforcement of these changes.

28 **23-28.01-3. Legislative purpose and intent.** – The purposes of this act are to make
29 further improvements in the fire safety code, beyond those changes that were required by "The
30 Comprehensive Fire Safety Act of 2003", and thereby assure timely, effective, and efficient
31 implementation of the new fire safety code. To this end, this act amends existing fire safety codes
32 as they apply to certain property types and certain safety systems; imposes realistic and feasible
33 new scheduled deadlines for code compliance; and improves the methods by which fire safety
34 officials implement the new codes. The changes made by this act will bolster the original intent of

1 [the 2003 act to make](#) Rhode Island the safest state in the nation in terms of fire safety, to provide
2 for the adoption and implementation of an up-to-date comprehensive system of codes for fire
3 safety and to foster a culture of compliance with standards for fire safety. This act amends ~~and to~~
4 ~~provide for amendments to~~ title 23, chapters 23-28.1, 23-28.2, 23-28.3, 23-28.6, ~~23-28.11~~, and
5 23-28.25; [title 45, chapter 25-39; and title 44, chapters 44-3, 44-18, and 44-30](#), ~~which are made~~
6 as provided in the subsequent sections of the public law establishing [and amending](#) this chapter.

7 **23-28.01-6. Coordinated administration of Fire Safety and Building Codes.** – (a)
8 The fire marshal and the state building commissioner shall jointly advise by July 1, 2004, the
9 joint committee on the rehabilitation building code for existing buildings and structures,
10 established by chapter 29.1 of this title, with regard to any conflicts between fire safety codes and
11 building codes and the enforcement thereof. The joint committee shall develop comprehensive
12 recommendations by October 1, 2004, for resolving such conflicts, which recommendations shall
13 be submitted to the Fire Safety Code Board of Appeal and Review and the State Building Code
14 Standards Committee, as appropriate, for consideration and for implementation by rule or
15 agreement by July 1, ~~2006~~ [2009](#). The Fire Safety Code Board of Appeal and Review and the
16 State Building Code Standards Committee, shall hold a joint hearing or hearings, consistent with
17 the provisions of chapter 35 of title 42 for the purposes of consideration and adoption of such
18 rules, regulations, and agreements as may be necessary to implement the purposes of this
19 paragraph.

20 (b) The Fire Safety Code Board of Appeal and Review shall report by February 1,
21 2004, to the general assembly with regard to all provisions of the general and public laws that will
22 be either superseded or made obsolete by the adoption of changes to the Fire Safety Code.

23 SECTION 3. Section 23-28.1-2 in Chapter 23-28.1 entitled "Fire Safety Code-General
24 Provisions" is hereby amended to read as follows:

25 **23-28.1-2. Purposes.** – (a) Effective January 1, 2004, the Uniform Fire Code (NFPA 1)
26 and the Life Safety Code (NFPA 101) of the National Fire Protection Association, Inc., 2003
27 editions, with annexes, except as updated, amended, altered or deleted and by the addition of
28 certain provisions, as indicated in the rules and regulations adopted by the fire safety code board,
29 is hereby adopted as the "Rhode Island Fire Safety Code". [Effective July 1, 2008, the National](#)
30 [Fire Alarm Code \(NFPA 72\) of the National Fire Protection Association, Inc., 2007 Edition, with](#)
31 [annexes, except as updated, amended, altered or deleted and by the addition of certain provisions,](#)
32 [as indicated in the rules and regulations adopted by the fire safety code board, is hereby adopted](#)
33 [as the "Rhode Island Fire Alarm Code". The fire safety code board shall, from time to time,](#)
34 [update the "Rhode Island Fire Safety Code" and the "Rhode Island Fire Alarm Code" through](#)

1 [the adoption, by rule and regulation, of later editions of NFPA 1, NFPA 101 and NFPA 72, with](#)
2 [any amendments deemed appropriate by the board.](#) ~~This~~ [These](#) codes shall be liberally construed
3 and applied to promote ~~its~~ [their](#) underlying purposes and policies.

4 (b) The underlying purposes and policies of these chapters are:

5 (1) To simplify, clarify and modernize the law governing fires and fire prevention;

6 (2) To specify reasonable minimum requirements for fire safety in new and existing
7 buildings and facilities, except in private dwellings occupied by one (1), two (2) or three (3)
8 families, in the various cities or towns in this state; provided, however, this code shall provide
9 reasonable standards for the installation of smoke and carbon monoxide detectors in private
10 dwellings occupied by one (1), two (2), and three (3) families; provided, further, that after July 1,
11 ~~2008~~ [2010](#) three (3) family dwellings shall be equipped with hard wired or supervised
12 interconnected UL approved wireless smoke and carbon monoxide detectors, in accordance with
13 standards established by the Fire Safety Code Board of Appeal and Review; and

14 (3) Except as provided in subdivision (b)(5) of this section, to permit the cities and
15 towns to enact ordinances and orders relating to fire safety provided those ordinances and orders
16 impose requirements equal to, additional to, or more stringent than those contained in this code
17 which ordinances and orders shall be effective only upon the approval by rule of the Fire Safety
18 Code Board of Appeal and Review. Any ordinance or order relating to fire safety enacted by any
19 city or town shall be prospective in its application and shall be enacted after public hearing. The
20 city or town shall cause printed notices of the time, place, and subject matter of the hearing to be
21 posted in three (3) public places in the city or town, for three (3) weeks next preceding the time of
22 the hearing, and shall advertise in a newspaper circulated in the city or town, if any there be, at
23 least once a week for the same period of time;

24 (4) Jurisdiction for the interpretation of any city or town ordinance or order relating to
25 fire safety shall be vested in the Fire Safety Code Board of Appeal and Review; provided,
26 however, that the responsibility for the enforcement of the ordinance or order shall be with the
27 local authorities and petitions for variations from the ordinance or order shall be heard by the
28 state fire safety board of appeal and review in the manner prescribed in chapter 28.3 of this title;
29 and

30 (5) Notwithstanding anything to the contrary contained herein, no city or town may
31 enact any ordinance or order relating to the requirement for the handling of explosives pursuant to
32 chapter 28.28 of this title or for the installation of, or specifications for, the fire alarm sections of
33 this code, the fire protection systems as prescribed by chapter 28.25 of this title, or for the
34 possession and display of commercial fireworks or pyrotechnics pursuant to chapter 28.11 of this

1 title, which chapter shall exclusively govern the requirements for the installation of, and
2 specification for, fire protection systems, the handling of explosives and possession and display
3 of commercial fireworks or pyrotechnics. All such ordinances or orders relating to the
4 requirements for the installation of and specifications for such fire protection systems, the
5 handling of explosives, or possession and display of commercial fireworks or pyrotechnics
6 heretofore enacted by any city or town are of no force and effect.

7 (c) In ~~this code~~, [these codes](#) unless the context otherwise requires:

8 (1) Words in the singular number include the plural, and in the plural include the
9 singular; and

10 (2) Words of the masculine gender include the feminine and the neuter and, when the
11 sense so indicates words of the neuter gender may refer to any gender.

12 SECTION 4. Sections 23-28.2-9 and 23-28.2-21 in Chapter 23-28.2 entitled "Division of
13 Fire Safety" are hereby amended to read as follows:

14 **23-28.2-9. Nonsalaried assistant deputy state fire marshals** – (a) The fire marshal
15 may appoint as many nonsalaried assistant deputy state fire marshals as he or she may deem
16 necessary to carry out the purposes of chapters 28.1 - 28.39 of this title; the assistant deputy fire
17 marshals shall serve at the pleasure of the state fire marshal.

18 (b) The chief of the fire department of the several cities, towns, and fire districts may be
19 an assistant deputy fire marshal subject to the approval of the state fire marshal, and may continue
20 to serve as an assistant deputy fire marshal as long as he or she is fire chief.

21 (c) Enforcement powers of assistant deputy state fire marshals- [shall be exercised in such](#)
22 [a manner as to avoid duplication of effort by the building owner. The assistant deputy state fire](#)
23 [marshal shall provide the building owner with a single written comprehensive analysis of the fire](#)
24 [safety requirements necessary to bring the building into full compliance with the Comprehensive](#)
25 [Fire Safety Act of 2003. If a building owner receives an initial written comprehensive inspection](#)
26 [report listing all of the cited fire safety deficiencies in the building, and new non-hazardous and](#)
27 [non-life-threatening deficiencies are subsequently detected within the subsequent twelve \(12\)](#)
28 [months, upon written notification, the building owner shall have an additional twelve \(12\) month](#)
29 [period to correct the newly detected non-hazardous, non-life-threatening deficiencies.](#)

30 (d) [Effective January 1, 2008, the state fire marshal shall make quarterly continuing](#)
31 [educational programs available to all assistant deputy state fire marshals who shall be required to](#)
32 [annually attend a minimum of two \(2\) such continuing educational programs in order to maintain](#)
33 [their assistant deputy state fire marshal status. The above quarterly continuing educational](#)
34 [programs shall be in addition to any training sessions deemed mandatory by the state fire marshal.](#)

1 The quarterly continuing educational programs may be conducted by outside groups with the
2 approval of the state fire marshal.

3 (e) Effective January 1, 2008, the state fire marshal shall provide all assistant deputy
4 state fire marshals with sufficient copies of a brochure explaining the inspection process and
5 outlining the obligations and rights, including all appeal rights, of building owners under the state
6 fire code. The assistant deputy state fire marshal shall provide the building owner, or onsite
7 representative, with a copy of this brochure during the initial inspection of the building. A second
8 copy of the brochure shall accompany the initial written inspection report generated as a result of
9 the above building inspection.

10 **23-28.2-21. National Fire Code.** -- Except wherever herein specifically defined or
11 covered in this code, the provisions of the N.F.P.A. Standards included in the National Fire Code,
12 2003 edition, shall be used by the authority having jurisdiction as the accepted standard with
13 regard to fire safety regarding any unforeseen condition. Upon the effective date that the fire
14 safety code board adopts any updated versions of NFPA 1 and NFPA 101, the N.F.P.A. Standards
15 included in the National Fire Code, having the same year of edition as the newly adopted NFPA 1
16 and NFPA 101 standards, shall be used by the authority having jurisdiction as the accepted
17 standard with regard to fire safety regarding any unforeseen condition.

18 SECTION 5. Sections 23-28.3-4 and 23-28.3-5 in Chapter 23-28.3 entitled "Fire Safety
19 Code Board of Appeal and Review" are hereby amended to read as follows:

20 **23-28.3-4. Compensation of board members.** -- (a) The members of the board shall
21 ~~not be compensated, as of July 1, 2008, at a rate of fifty dollars (\$50.00) per meeting for their~~
22 ~~service on the board, but shall be reimbursed for~~ plus their reasonable expenses; and the
23 chairperson of the board shall be compensated at the rate of seventy-five dollars (\$75.00) per
24 meeting.

25 (b) Effective July 1, 2008, and through July 1, 2014, board members shall be
26 compensated from funds deposited in the application filing fee restricted receipt account
27 established pursuant to subsection 23-28.3-5(c) of this title. If the restricted receipt funds, in any
28 year, do not equal or exceed fifty-seven thousand five hundred dollars (\$57,500), the fire safety
29 code board is hereby appropriated the funding necessary, in addition to its annual budget, to pay
30 the board members the balance of the fifty-seven thousand five hundred dollars (\$57,500). In no
31 event shall the fire safety code board expend more than fifty-seven thousand five hundred dollars
32 (\$57,500) for the payment and expenses of board members.

33 **23-28.3-5. Assistance to building owners - Petition for variations.** -- (a) Any building
34 owner, and/or the operator of any regulated process or hazardous activity, may consult with the

1 authority having jurisdiction for advice and assistance in complying with the provisions of the fire
2 safety code adopted pursuant to chapters 28.1 - 28.39 and chapter 29.1 of this title, or any
3 amendments to those codes or any codes adopted under them. In case of practical difficulties, the
4 authority having jurisdiction shall refer all requests for variations from particular provisions of
5 the fire safety code adopted pursuant to chapters 28.1 - 28.39 of this title or any code adopted
6 under them to the fire safety code board. All requests for variations from the particular provisions
7 of the fire safety code adopted pursuant to chapter 29.1 of this title shall be referred to the joint
8 committee pursuant to the provisions of § 23-29.1-4. The petitioner shall set forth in his or her
9 petition to the board the grounds or reasons for requesting the variations.

10 (b) The board shall fix a day for hearing on the petition and shall give reasonable
11 notice of the hearing to the petitioner and the property owners within two hundred feet (200') of
12 the petitioner's building or structure when, in the board's discretion, it may have an adverse effect
13 on neighboring properties. A properly indexed record of all variations made shall be kept in the
14 office of the state fire marshal and shall be open to public inspection. Any building owner may
15 file a petition for a variance to the board by registered mail, and a hearing date shall be set by the
16 board within thirty (30) days of filing a completed application including a filing fee, established
17 in accordance with the following fee schedule:

18 (1) Petitions related to existing covered occupancies, not involving construction,
19 alteration, and/or renovation . . . \$100 filing fee.

20 (2) Petitions related to construction, alteration, renovation, and/or conversion or other
21 buildings and structures:

22 (i) not more than 8,000 square feet . . . \$100 filing fee

23 (ii) more than 8,000 square feet but not more than 25,000 square feet . . . \$300 filing
24 fee

25 (iii) more than 25,000 square feet but not more than 50,000 square feet . . . \$500 filing
26 fee

27 (iv) more than 50,000 square feet . . . \$1,000 filing fee

28 (3) Petitions related to maintenance or use of buildings or materials and any petition not
29 otherwise provided for above . . . \$100 filing fee.

30 (4) The term "square feet", as used in this chapter, is the total floor space and/or storage
31 capacity of the subject building or structure, as determined and certified by the state fire marshal
32 or his or her designee, subject to review by the board. The board chairperson may delegate a
33 subcommittee of the board to conduct a hearing and take testimony from the petitioner. The
34 subcommittee shall make recommendations to the board as to their findings, and a decision shall

1 be rendered within ten (10) days of the subcommittee's report. If the petitioner is aggrieved by the
2 subcommittee's recommendations, the petitioner has the right of hearing before the entire board
3 within thirty (30) days of the rendered decision.

4 (c) Effective July 1, 2008, and through July 1, 2014, the ~~The~~ first fifty seven thousand
5 five hundred dollars (\$57,500) of the application filing fee income shall be deposited into a
6 restricted receipt account to cover the expenses and payment of the eleven (11) board members,
7 who directly review and rule upon the applications, as outlined in this chapter. All remaining
8 application fee income shall be deposited as general revenue.

9 (d) (1) The fire safety code board may grant a blanket variance when, in the opinion of
10 the fire safety code board, any specific provision of the fire safety code has been rendered
11 obsolete and/or imposes an unanticipated, unreasonable hardship upon the general public, and the
12 board finds that the decision to grant a blanket variance will not conflict with the general
13 objectives of the code. All blanket variances shall only be effective until the next code adoption
14 process by the board.

15 (2) In order to provide for the reasonable and orderly implementation of the fire safety
16 code effective on January 1, 2004, the fire safety code board of appeal and review may, by
17 variance and/or blanket variance, affirm and reestablish any variances, blanket variances, and
18 timetables for compliance as were in effect on December 31, 2003.

19 (3) Effective January 1, 2008, and within forty-eight (48) hours of the chairman's
20 execution of every blanket variance issued thereafter, copies of the blanket variance shall be
21 placed on the fire safety code board's web site and the state fire marshal shall take all steps
22 necessary to immediately disseminate the blanket variance to all assistant deputy state fire
23 marshals.

24 (e) Any person who violates a final order of the Board, upon proper written notification,
25 is deemed guilty of a misdemeanor, and, upon conviction, is imprisoned for a term not exceeding
26 one year, or fined not more than one thousand dollars (\$1000) for each offense. The district court
27 shall have full equity power to hear and address these matters.

28 SECTION 6. Section 23-28.6-21 in Chapter 23-28.6 entitled "Places of Assembly" is
29 hereby amended to read as follows:

30 **23-28.6-21. Sprinklers required.** -- (a) All new and existing places of assembly shall be
31 completely protected by an approved system of automatic sprinklers installed and maintained in
32 accordance with N.F.P.A. Standard 13, 2002 Edition and its related standards pursuant to the
33 schedule outlined in subsection (d) of this section.

34 (b) The requirements of subsection (a) of this section shall not apply to:

- 1 (i) Any place of assembly with an occupancy load of fifty (50) to three hundred (300)
2 people of less concentrated use, exclusively calculated at fifteen (15) square feet per person;
- 3 (ii) Any place of assembly with an occupancy load of fifty (50) to three hundred (300)
4 people of concentrated use not classified as a "nightclub";
- 5 (iii) Any place of assembly with an occupancy load of fifty (50) to three hundred (300)
6 people of concentrated use, classified as a "nightclub" with a posted maximum occupancy of less
7 than one hundred fifty (150) people;
- 8 (iv) Any existing building used primarily as a place of worship that is in compliance with
9 the requirements for places of worship established pursuant to § 23-28.6-24.
- 10 (v) The open assembly areas in existing unheated buildings used on a seasonal basis
11 provided the building is protected by a properly maintained total (complete) fire alarm system
12 during all periods of occupancy.
- 13 (vi) Student occupied assembly areas, such as auditorium(s), library(s), cafeteria(s) and
14 gymnasium(s), within any existing building, classified as either an educational occupancy, or an
15 institution of higher education such as a community college, a college and/or university, that is
16 protected by a properly maintained total (complete) fire alarm system. In the event the owner or
17 management of such a building plans to use one or more of the above assembly areas, in a
18 manner inconsistent with the traditional educational use, for example a community meeting, a
19 dance or a play, the owner or responsible management must first consult with the state fire
20 marshal's designee, in the local fire department, and develop a plan of action for such use. The
21 proposed event shall only be conducted pursuant to the above plan of action. This exception shall
22 not apply to any such existing higher education assembly area(s) used generally for commercial
23 purposes such as an arena, restaurant, bar or lounge.
- 24 (vii) Existing fully alarmed performance theaters, with occupancies of less than eight
25 hundred (800) patrons, equipped with operational stages, as defined in section 3.3.210 of NFPA
26 101, 2003 edition; provided, that the theater maintains double the required remotely-located
27 egress calculated for the theater's maximum occupancy, and further provided that the theater's
28 patrons discharge, through code compliant exit doors, directly to grade. Such theaters shall not
29 serve alcohol, except during special events, pursuant to a plan of action developed with, and
30 approved by, the state fire marshal's designee in the local fire department.
- 31 (c) Alternatively engineered sprinkler systems, such as the system described in the
32 former BOCA Standard 100 "Life Safety Fire Sprinkler Code", approved by the Fire Safety Code
33 Board of Appeal and Review, shall be allowed in the retrofitting of an existing place of assembly
34 with sprinklers.

1 (d) All places of assembly with a maximum occupancy of more than three hundred (300)
2 people shall be fully sprinkled in accordance with the above standards on or before July 1, 2005.
3 All "nightclubs" with a posted maximum occupancy of one hundred fifty (150) or more people,
4 and up to three hundred (300) people shall be fully sprinkled in accordance with the above
5 standards on or before July 1, 2006. For good cause shown, the above deadlines may be extended
6 by the Fire Safety Code Board of Appeal & Review. However, in no event shall the deadlines be
7 extended beyond July 1, ~~2008~~ [2012](#).

8 (e) The occupancy of any place of assembly without a fire alarm system and/or sprinkler
9 system after July 1, 2004, shall have its maximum occupancy adjusted by minus ten percent
10 (10%) for the absence of a fire alarm system and minus twenty percent (20%) for the absence for
11 the sprinklers, when fire alarm systems and/or sprinklers are required by law or regulation. Such
12 downward adjustment in occupancy shall be cumulative and shall cease to apply when the
13 premises are in compliance with requirements for fire alarms systems and sprinklers, and shall
14 not affect any other requirements of the Fire Safety Code Board of Appeal and Review applicable
15 to the premises. The ten percent (10%) and twenty percent (20%) reductions in maximum
16 occupancy, herein set forth, may be waived, in writing, by the state fire marshal, assistant state
17 fire marshal, deputy state fire marshals, the local fire chief of the jurisdiction in which the place
18 of assembly is located, or an assistant deputy state fire marshal as designated by the local fire
19 chief. Provided, however, that the owner or management responsible for the operation of the
20 facility shall be required to operate said facility under an alternative plan of action for fire safety,
21 which plan shall require the approval of the state fire marshal, the assistant state fire marshal,
22 deputy state fire marshals, the local fire chief of the jurisdiction in which the place of assembly is
23 located, or an assistant deputy state fire marshal as designated by the local fire chief, in order to
24 qualify for the waiver provided for herein.

25 (f) A place of assembly with an occupancy of one hundred fifty (150) or greater and up
26 to three hundred (300) may avoid the above occupancy adjustment by requiring a fire fighter to
27 be on duty during all hours of occupancy. In no event shall the occupancy adjustment to the
28 firefighter requirement alter the July 1, 2006 deadline for the installation of sprinklers.

29 (g) All places of assembly with an occupancy of less than one hundred fifty (150) shall
30 use fire retardant paints or other coverings, to a standard acceptable to the Fire Safety Code Board
31 of Appeal and Review, unless the building has sprinklers by July 1, 2006.

32 (h) The provisions of this section, in its entirety, shall not apply to places of worship
33 except as may be required by the Fire Safety Code Board of Appeal and Review pursuant to § 23-
34 28.6-24.

1 (i) The division of professional regulation in the department of labor and training is
2 hereby authorized to create and regulate, by rules and regulations to be promulgated by it as soon
3 as practicable, a new limited license for qualified pipefitters and plumbers to install properly
4 engineered retrofit sprinkler systems in all structures comprising an area not to exceed ten
5 thousand (10,000) square feet and which are two (2) stories or less in height in order to facilitate
6 compliance with The Fire Safety Code as amended by the Comprehensive Fire Safety Act of
7 2003, chapter 23-28.01 of title 23 of the general laws.

8 SECTION 7. Section 23-28.25-1 in Chapter 23-28.25 entitled "Fire Alarm Systems" is
9 hereby amended to read as follows:

10 **23-28.25-1. Applicability.** – (a) All buildings and facilities covered under the Fire Safety
11 Code and all codes adopted pursuant to the Fire Safety Code, shall be equipped with an approved
12 fire alarm system installed and maintained in accordance with this chapter and any updated fire
13 alarm regulations adopted by the Fire Safety Code Board of Appeal & Review. Except as
14 provided herein, any ~~Any~~ building that is not a place of assembly, that is required to be equipped
15 with a fire alarm system pursuant to the Rhode Island Fire Safety Code, shall be so equipped on
16 or before July 1, 2005.

17 (b) The deadline of subsection (a) shall be extended, as indicated, in the following
18 business occupancies:

19 (i) Existing business buildings, having a total floor area greater than one thousand (1,000)
20 square feet, but not more than ten thousand (10,000) square feet on any one floor and/or not
21 extending three (3) or more stories above grade, that are currently protected by an existing
22 previously approved and properly maintained fire alarm system, shall not be required to upgrade
23 that fire alarm system until July 1, 2012.

24 (ii) Existing business buildings, having a total floor area greater than one thousand
25 (1,000) square feet, but not more than ten thousand (10,000) square feet on any one floor and/or
26 not extending three (3) or more stories above grade, that maintain no residential occupancy, shall
27 not be required to install an approved fire alarm system until July 1, 2009.

28 (iii) Existing business buildings, having a total floor area greater than one thousand
29 (1,000) square feet, but not more than ten thousand (10,000) square feet on any one floor and/or
30 not extending three (3) or more stories above grade, that maintain one, two (2) or three (3) family
31 dwelling units, shall not be required to install an approved fire alarm system until July 1, 2008.

32 (c) Any building, that is not a place of assembly, that installed the required fire alarm
33 system pursuant to the Rhode Island Fire Safety Code, as amended by the Comprehensive Fire
34 Safety Act of 2003, and secured the approval of said system, by the authority having jurisdiction,
35 on or before July 1, 2005, shall be exempt having to upgrade that fire alarm system until July 1,

1 2015. Any place of assembly that installed the required fire alarm system pursuant to the Rhode
2 Island Fire Safety Code, and secured the approval of said system, by the authority having
3 jurisdiction, on or before the applicable deadline outlined in section 23-28.6-21, shall likewise be
4 exempt from having to upgrade that fire alarm system until July 1, 2015.

5 SECTION 8. Chapter 23-28.25 entitled "Fire Alarm Systems" is hereby amended by
6 adding thereto the following section:

7 **23-28.25-1.2 Connection to Fire Department and Municipal Authority.** -- (a) If a
8 supervised fire alarm system required by the Fire Safety Code is to be installed in a building in a
9 city, town, or fire district having a municipal alarm system, the system within the building shall
10 be connected into the municipal system via a local energy master box, auxiliary transmitter, radio
11 master box, or other approved method so that any alarm within the building will be automatically
12 relayed to the municipal fire department. Systems installed in buildings in a city, town, or fire
13 district not having a municipal alarm system shall be connected to a remote station via a
14 supervised leased telephone line (or other line).

15 (b) In either event, the authority having jurisdiction shall be consulted as to the type and
16 location of the master box or auxiliary transmitter or the location of the remote station.

17 (c) The Fire Safety Code Board shall develop an alternative alarm option for third party
18 supervision of fire alarm systems no later than July 1, 2008. The alternative option to municipal
19 alarm monitoring, which shall conform to the most recent fire alarm code updated pursuant to
20 section 23-28.01-2, shall apply to alarms, prospectively installed in existing buildings, on a
21 voluntary basis, pursuant to mandates of the Comprehensive Fire Safety Act of 2003. The board
22 shall develop a thirty-six (36) month pilot program consistent with board-established protocols in
23 this development program. The state fire marshal shall monitor the efficiencies of both systems
24 and report findings back to the general assembly in a final report due on or before January 31,
25 2011.

26 SECTION 9. Chapter 45-39 of the General Laws entitled "Sale of Water" is hereby
27 amended by adding thereto the following section:

28 **45-39-4. Water sprinkler tie into water distribution piping.** – No city, town, quasi-
29 municipal corporation, water district, authority or any other agency of the state created by any
30 special or general law to supply water to residential or commercial users may prevent such user
31 from tying fire protection sprinkler systems or heads onto water distribution piping in an existing
32 structure owned or occupied by the user provided that:

33 (a) The water supplier shall not be held liable for any incidents of inadequate fire
34 protection resulting from system failure, including incidents of equipment failure (such as meter
35 clogs or pressure issues) or system failure due to shut offs for nonpayment of service. The water

1 supplier shall give prior notice of water supply shut offs, which are made to any building in a fire
2 department's jurisdiction, to said fire department. This liability exemption shall apply only to
3 sprinkler systems installed pursuant to the Comprehensive Fire Safety Act of 2003, as amended.
4 The water supplier should not be held liable for any incidents of backflow contamination
5 resulting from the fire protection equipment, if an approved anti-backflow device has been
6 installed and passed inspection.

7 (b) The customer will be responsible for the installation, maintenance and annual testing
8 of a backflow device located between the domestic system and the fire protection system.

9 (c) The customer will be responsible for any required water service and meter upgrades
10 necessary for the installation of the fire protection system as mandated by the state fire marshal,
11 in accordance with an engineering design approved by the fire safety code board of appeal and
12 review.

13 (d) Use of this type of fire protection system should be limited to residential structures or
14 commercial structures in accordance with engineering design approved by the fire safety code
15 board of appeal and review and installed to the satisfaction of the state fire marshal's office.

16 SECTION 10. Section 44-18-30 of the General Laws in Chapter 44-18 entitled " Sales
17 and Use Taxes – Liability and Computation " is hereby amended to read as follows:

18 **44-18-30. Gross receipts exempt from sales and use taxes. [Effective January 1,**
19 **2007.].** – There are exempted from the taxes imposed by this chapter the following gross receipts:

20 (1) *Sales and uses beyond constitutional power of state.* From the sale and from the
21 storage, use, or other consumption in this state of tangible personal property the gross receipts
22 from the sale of which, or the storage, use, or other consumption of which, this state is prohibited
23 from taxing under the Constitution of the United States or under the constitution of this state.

24 (i) From the sale and from the storage, use, or other consumption in this state of any
25 newspaper.

26 (ii) "Newspaper" means an unbound publication printed on newsprint, which contains
27 news, editorial comment, opinions, features, advertising matter, and other matters of public
28 interest.

29 (iii) "Newspaper" does not include a magazine, handbill, circular, flyer, sales catalog,
30 or similar item unless the item is printed for and distributed as a part of a newspaper.

31 (3) *School meals.* From the sale and from the storage, use, or other consumption in this
32 state of meals served by public, private, or parochial schools, school districts, colleges,
33 universities, student organizations, and parent teacher associations to the students or teachers of a
34 school, college, or university whether the meals are served by the educational institutions or by a

1 food service or management entity under contract to the educational institutions.

2 (i) From the sale and from the storage, use, or other consumption in this state of:

3 (A) Non-returnable containers, including boxes, paper bags, and wrapping materials
4 which are biodegradable and all bags and wrapping materials utilized in the medical and healing
5 arts, when sold without the contents to persons who place the contents in the container and sell
6 the contents with the container.

7 (B) Containers when sold with the contents if the sale price of the contents is not
8 required to be included in the measure of the taxes imposed by this chapter.

9 (C) Returnable containers when sold with the contents in connection with a retail sale
10 of the contents or when resold for refilling.

11 (ii) As used in this subdivision, the term "returnable containers" means containers of a
12 kind customarily returned by the buyer of the contents for reuse. All other containers are "non-
13 returnable containers."

14 (5) *Charitable, educational, and religious organizations.* From the sale to as in defined
15 in this section, and from the storage, use, and other consumption in this state or any other state of
16 the United States of America of tangible personal property by hospitals not operated for a profit,
17 "educational institutions" as defined in subdivision (18) not operated for a profit, churches,
18 orphanages, and other institutions or organizations operated exclusively for religious or charitable
19 purposes, interest free loan associations not operated for profit, nonprofit organized sporting
20 leagues and associations and bands for boys and girls under the age of nineteen (19) years, the
21 following vocational student organizations that are state chapters of national vocational students
22 organizations: Distributive Education Clubs of America, (DECA); Future Business Leaders of
23 America, phi beta lambda (FBLA/PBL); Future Farmers of America (FFA); Future Homemakers
24 of America/Home Economics Related Occupations (FHA/HERD); and Vocational Industrial
25 Clubs of America (VICA), organized nonprofit golden age and senior citizens clubs for men and
26 women, and parent teacher associations.

27 (ii) In the case of contracts entered into with the federal government, its agencies or
28 instrumentalities, this state or any other state of the United States of America, its agencies, any
29 city, town, district, or other political subdivision of the states, hospitals not operated for profit,
30 educational institutions not operated for profit, churches, orphanages, and other institutions or
31 organizations operated exclusively for religious or charitable purposes, the contractor may
32 purchase such materials and supplies (materials and/or supplies are defined as those which are
33 essential to the project) that are to be utilized in the construction of the projects being performed
34 under the contracts without payment of the tax.

1 (iii) The contractor shall not charge any sales or use tax to any exempt agency,
2 institution, or organization but shall in that instance provide his or her suppliers with certificates
3 in the form as determined by the division of taxation showing the reason for exemption; and the
4 contractor's records must substantiate the claim for exemption by showing the disposition of all
5 property so purchased. If any property is then used for a nonexempt purpose, the contractor must
6 pay the tax on the property used.

7 (6) *Gasoline*. From the sale and from the storage, use, or other consumption in this state
8 of: (i) gasoline and other products taxed under chapter 36 of title 31, and (ii) fuels used for the
9 propulsion of airplanes.

10 (i) From the sale and from the storage, use, or other consumption in this state of
11 computer software, tangible personal property, electricity, natural gas, artificial gas, steam,
12 refrigeration, and water, when the property or service is purchased for the purpose of being
13 manufactured into a finished product for resale, and becomes an ingredient, component, or
14 integral part of the manufactured, compounded, processed, assembled, or prepared product, or if
15 the property or service is consumed in the process of manufacturing for resale computer software,
16 tangible personal property, electricity, natural gas, artificial gas, steam, refrigeration, or water.

17 (ii) "Consumed" means destroyed, used up, or worn out to the degree or extent that the
18 property cannot be repaired, reconditioned, or rendered fit for further manufacturing use.

19 (iii) "Consumed" includes mere obsolescence.

20 (iv) "Manufacturing" means and includes manufacturing, compounding, processing,
21 assembling, preparing, or producing.

22 (v) "Process of manufacturing" means and includes all production operations performed
23 in the producing or processing room, shop, or plant, insofar as the operations are a part of and
24 connected with the manufacturing for resale of tangible personal property, electricity, natural gas,
25 artificial gas, steam, refrigeration, or water and all production operations performed insofar as the
26 operations are a part of and connected with the manufacturing for resale of computer software.

27 (vi) "Process of manufacturing" does not mean or include administration operations
28 such as general office operations, accounting, collection, sales promotion, nor does it mean or
29 include distribution operations which occur subsequent to production operations, such as
30 handling, storing, selling, and transporting the manufactured products, even though the
31 administration and distribution operations are performed by or in connection with a
32 manufacturing business.

33 (8) *State and political subdivisions*. From the sale to, and from the storage, use, or other
34 consumption by, this state, any city, town, district, or other political subdivision of this state.

1 Every redevelopment agency created pursuant to chapter 31 of title 45 is deemed to be a
2 subdivision of the municipality where it is located.

3 (9) *Food and food ingredients.* From the sale and storage, use, or other consumption in
4 this state of food and food ingredients as defined in § 44-18-7.1(l).

5 For the purposes of this exemption "food and food ingredients" shall not include candy,
6 soft drinks, dietary supplements, alcoholic beverages, tobacco, food sold through vending
7 machines or prepared food (as those terms are defined in § 44-18-7.1, unless the prepared food is:

8 (i) Sold by a seller whose primary NAICS classification is manufacturing in sector 311,
9 except sub-sector 3118 (bakeries);

10 (ii) Sold in an unheated state by weight or volume as a single item;

11 (iii) Bakery items, including bread, rolls, buns, biscuits, bagels, croissants, pastries,
12 donuts, danish, cakes, tortes, pies, tarts, muffins, bars, cookies, tortillas; and

13 is not sold with utensils provided by the seller, including plates, knives, forks, spoons,
14 glasses, cups, napkins, or straws.

15 (10) *Medicines, drugs and durable medical equipment.* From the sale and from the
16 storage, use, or other consumption in this state, of;

17 (i) "Drugs" as defined in § 44-18-7.1(h)(i), sold on prescriptions, blood, medical
18 oxygen, and insulin whether or not sold on prescription, and over-the-counter drugs as defined in
19 § 44-18-7.1(h)(ii). For purposes of this exemption over-the-counter drugs shall not include
20 grooming and hygiene products as defined in § 44-18-7.1(h)(iii).

21 (ii) Durable medical equipment as defined in section 44-18-7.1(k) for home use only,
22 including, but not limited to, syringe infusers, ambulatory drug delivery pumps, hospital beds,
23 convalescent chairs, and chair lifts. Supplies used in connection with syringe infusers and
24 ambulatory drug delivery pumps which are sold on prescription to individuals to be used by them
25 to dispense or administer prescription drugs, and related ancillary dressings and supplies used to
26 dispense or administer prescription drugs shall also be exempt from tax.

27 (11) *Prosthetic devices and mobility enhancing equipment.* From the sale and from the
28 storage, use, or other consumption in this state, of prosthetic devices as defined in § 44-18-7.1(t),
29 sold on prescription, including but not limited to, artificial limbs, dentures, spectacles and
30 eyeglasses, and artificial eyes; artificial hearing devices and hearing aids, whether or not sold on
31 prescription and mobility enhancing equipment as defined in § 44-18-7.1(p) including
32 wheelchairs, crutches and canes.

33 (12) *Coffins, caskets, and burial garments.* From the sale and from the storage, use, or
34 other consumption in this state of coffins or caskets, and shrouds or other burial garments which

1 are ordinarily sold by a funeral director as part of the business of funeral directing.

2 (i) From the sale, subsequent to June 30, 1958, of a motor vehicle to a bona fide
3 nonresident of this state who does not register the motor vehicle in this state, whether the sale or
4 delivery of the motor vehicle is made in this state or at the place of residence of the nonresident.
5 A motor vehicle sold to a bona fide nonresident whose state of residence does not allow a like
6 exemption to its nonresidents is not exempt from the tax imposed under § 44-18-20. In that event
7 the bona fide nonresident pays a tax to Rhode Island on the sale at a rate equal to the rate that
8 would be imposed in his or her state of residence not to exceed the rate that would have been
9 imposed under § 44-18-20. Notwithstanding any other provisions of law, a licensed motor vehicle
10 dealer shall add and collect the tax required under this subdivision and remit the tax to the tax
11 administrator under the provisions of chapters 18 and 19 of this title. When a Rhode Island
12 licensed motor vehicle dealer is required to add and collect the sales and use tax on the sale of a
13 motor vehicle to a bona fide nonresident as provided in this section, the dealer in computing the
14 tax takes into consideration the law of the state of the nonresident as it relates to the trade-in of
15 motor vehicles.

16 (ii) The tax administrator, in addition to the provisions of §§ 44-19-27 and 44-19-28,
17 may require any licensed motor vehicle dealer to keep records of sales to bona fide nonresidents
18 as the tax administrator deems reasonably necessary to substantiate the exemption provided in
19 this subdivision, including the affidavit of a licensed motor vehicle dealer that the purchaser of
20 the motor vehicle was the holder of, and had in his or her possession a valid out of state motor
21 vehicle registration or a valid out of state driver's license.

22 (iii) Any nonresident who registers a motor vehicle in this state within ninety (90) days
23 of the date of its sale to him or her is deemed to have purchased the motor vehicle for use,
24 storage, or other consumption in this state, and is subject to, and liable for the use tax imposed
25 under the provisions of § 44-18-20.

26 (14) *Sales in public buildings by blind people.* From the sale and from the storage, use,
27 or other consumption in all public buildings in this state of all products or wares by any person
28 licensed under § 40-9-11.1.

29 (15) *Air and water pollution control facilities.* From the sale, storage, use, or other
30 consumption in this state of tangible personal property or supplies acquired for incorporation into
31 or used and consumed in the operation of a facility, the primary purpose of which is to aid in the
32 control of the pollution or contamination of the waters or air of the state, as defined in chapter 12
33 of title 46 and chapter 25 of title 23, respectively, and which has been certified as approved for
34 that purpose by the director of environmental management. The director of environmental

1 management may certify to a portion of the tangible personal property or supplies acquired for
2 incorporation into those facilities or used and consumed in the operation of those facilities to the
3 extent that that portion has as its primary purpose the control of the pollution or contamination of
4 the waters or air of this state. As used in this subdivision, "facility" means any land, facility,
5 device, building, machinery, or equipment.

6 (16) *Camps*. From the rental charged for living quarters, or sleeping or housekeeping
7 accommodations at camps or retreat houses operated by religious, charitable, educational, or
8 other organizations and associations mentioned in subdivision (5), or by privately owned and
9 operated summer camps for children.

10 (17) *Certain institutions*. From the rental charged for living or sleeping quarters in an
11 institution licensed by the state for the hospitalization, custodial, or nursing care of human beings.

12 (18) *Educational institutions*. From the rental charged by any educational institution for
13 living quarters, or sleeping or housekeeping accommodations or other rooms or accommodations
14 to any student or teacher necessitated by attendance at an educational institution. "Educational
15 institution" as used in this section means an institution of learning not operated for profit which is
16 empowered to confer diplomas, educational, literary, or academic degrees, which has a regular
17 faculty, curriculum, and organized body of pupils or students in attendance throughout the usual
18 school year, which keeps and furnishes to students and others records required and accepted for
19 entrance to schools of secondary, collegiate, or graduate rank, no part of the net earnings of which
20 inures to the benefit of any individual.

21 (i) From the sale of: (A) special adaptations, (B) the component parts of the special
22 adaptations, or (C) a specially adapted motor vehicle; provided, that the owner furnishes to the
23 tax administrator an affidavit of a licensed physician to the effect that the specially adapted motor
24 vehicle is necessary to transport a family member with a disability or where the vehicle has been
25 specially adapted to meet the specific needs of the person with a disability. This exemption
26 applies to not more than one motor vehicle owned and registered for personal, noncommercial
27 use.

28 (ii) For the purpose of this subsection the term "special adaptations" includes, but is not
29 limited to: wheelchair lifts; wheelchair carriers; wheelchair ramps; wheelchair securements; hand
30 controls; steering devices; extensions, relocations, and crossovers of operator controls; power-
31 assisted controls; raised tops or dropped floors; raised entry doors; or alternative signaling
32 devices to auditory signals.

33 (iii) For the purpose of this subdivision the exemption for a "specially adapted motor
34 vehicle" means a use tax credit not to exceed the amount of use tax that would otherwise be due

1 on the motor vehicle, exclusive of any adaptations. The use tax credit is equal to the cost of the
2 special adaptations, including installation.

3 (20) *Heating fuels.* From the sale and from the storage, use, or other consumption in
4 this state of every type of fuel used in the heating of homes and residential premises.

5 (21) *Electricity and gas.* From the sale and from the storage, use, or other consumption
6 in this state of electricity and gas furnished for domestic use by occupants of residential premises.

7 (i) From the sale and from the storage, use, or other consumption in this state of tools,
8 dies, and molds, and machinery and equipment (including replacement parts), and related items to
9 the extent used in an industrial plant in connection with the actual manufacture, conversion, or
10 processing of tangible personal property, or to the extent used in connection with the actual
11 manufacture, conversion or processing of computer software as that term is utilized in industry
12 numbers 7371, 7372, and 7373 in the standard industrial classification manual prepared by the
13 technical committee on industrial classification, office of statistical standards, executive office of
14 the president, United States bureau of the budget, as revised from time to time, to be sold, or that
15 machinery and equipment used in the furnishing of power to an industrial manufacturing plant.
16 For the purposes of this subdivision, "industrial plant" means a factory at a fixed location
17 primarily engaged in the manufacture, conversion, or processing of tangible personal property to
18 be sold in the regular course of business;

19 (ii) Machinery and equipment and related items are not deemed to be used in
20 connection with the actual manufacture, conversion, or processing of tangible personal property,
21 or in connection with the actual manufacture, conversion or processing of computer software as
22 that term is utilized in industry numbers 7371, 7372, and 7373 in the standard industrial
23 classification manual prepared by the technical committee on industrial classification, office of
24 statistical standards, executive office of the president, United States bureau of the budget, as
25 revised from time to time, to be sold to the extent the property is used in administration or
26 distribution operations;

27 (iii) Machinery and equipment and related items used in connection with the actual
28 manufacture, conversion, or processing of any computer software or any tangible personal
29 property which is not to be sold and which would be exempt under subdivision (7) or this
30 subdivision if purchased from a vendor or machinery and equipment and related items used
31 during any manufacturing, converting or processing function is exempt under this subdivision
32 even if that operation, function, or purpose is not an integral or essential part of a continuous
33 production flow or manufacturing process;

34 (iv) Where a portion of a group of portable or mobile machinery is used in connection

1 with the actual manufacture, conversion, or processing of computer software or tangible personal
2 property to be sold, as previously defined, that portion, if otherwise qualifying, is exempt under
3 this subdivision even though the machinery in that group is used interchangeably and not
4 otherwise identifiable as to use.

5 (23) *Trade-in value of motor vehicles.* From the sale and from the storage, use, or other
6 consumption in this state of so much of the purchase price paid for a new or used automobile as is
7 allocated for a trade-in allowance on the automobile of the buyer given in trade to the seller or of
8 the proceeds applicable only to the motor vehicle as are received from an insurance claim as a
9 result of a stolen or damaged motor vehicle, or of the proceeds applicable only to the automobile
10 as are received from the manufacturer of automobiles for the repurchase of the automobile
11 whether the repurchase was voluntary or not towards the purchase of a new or used automobile
12 by the buyer; provided, that the proceeds from an insurance claim or repurchase is in lieu of the
13 benefit prescribed in § 44-18-21 for the total loss or destruction of the automobile; and provided,
14 further, that the tax has not been reimbursed as part of the insurance claim or repurchase. For the
15 purpose of this subdivision, the word "automobile" means a private passenger automobile not
16 used for hire and does not refer to any other type of motor vehicle.

17 (i) From the sale and from the storage, use, or other consumption in this state of
18 precious metal bullion, substantially equivalent to a transaction in securities or commodities.

19 (ii) For purposes of this subdivision, "precious metal bullion" means any elementary
20 precious metal which has been put through a process of smelting or refining, including, but not
21 limited to, gold, silver, platinum, rhodium, and chromium, and which is in a state or condition
22 that its value depends upon its content and not upon its form.

23 (iii) The term does not include fabricated precious metal which has been processed or
24 manufactured for some one or more specific and customary industrial, professional, or artistic
25 uses.

26 (25) *Commercial vessels.* From sales made to a commercial ship, barge, or other vessel
27 of fifty (50) tons burden or over, primarily engaged in interstate or foreign commerce, and from
28 the repair, alteration, or conversion of the vessels, and from the sale of property purchased for the
29 use of the vessels including provisions, supplies, and material for the maintenance and/or repair
30 of the vessels.

31 (26) *Commercial fishing vessels.* From the sale and from the storage, use, or other
32 consumption in this state of vessels and other water craft which are in excess of five (5) net tons
33 and which are used exclusively for "commercial fishing", as defined in this subdivision, and from
34 the repair, alteration, or conversion of those vessels and other watercraft, and from the sale of

1 property purchased for the use of those vessels and other watercraft including provisions,
2 supplies, and material for the maintenance and/or repair of the vessels and other watercraft and
3 the boats nets, cables, tackle, and other fishing equipment appurtenant to or used in connection
4 with the commercial fishing of the vessels and other watercraft. "Commercial fishing" means the
5 taking or the attempting to take any fish, shellfish, crustacea, or bait species with the intent of
6 disposing of them for profit or by sale, barter, trade, or in commercial channels. The term does
7 not include subsistence fishing, i.e., the taking for personal use and not for sale or barter; or sport
8 fishing; but shall include vessels and other watercraft with a Rhode Island party and charter boat
9 license issued by the department of environmental management pursuant to § 20-2-27.1 which
10 meet the following criteria: (i) the operator must have a current U.S.C.G. license to carry
11 passengers for hire; (ii) U.S.C.G. vessel documentation in the coast wide fishery trade; (iii)
12 U.S.C.G. vessel documentation as to proof of Rhode Island home port status or a Rhode Island
13 boat registration to prove Rhode Island home port status; (iv) the vessel must be used as a
14 commercial passenger carrying fishing vessel to carry passengers for fishing. The vessel must be
15 able to demonstrate that at least fifty percent (50%) of its annual gross income derives from
16 charters or provides documentation of a minimum of one hundred (100) charter trips annually; (v)
17 the vessel must have a valid Rhode Island party and charter boat license. The tax administrator
18 shall implement the provisions of this subdivision by promulgating rules and regulations relating
19 thereto.

20 (27) *Clothing and footwear.* From the sales of articles of clothing, including footwear,
21 intended to be worn or carried on or about the human body. For the purposes of this section,
22 "clothing or footwear" does not include clothing accessories or equipment or special clothing or
23 footwear primarily designed for athletic activity or protective use as these terms are defined in
24 section 44-18-7.1(f).

25 (28) *Water for residential use.* From the sale and from the storage, use, or other
26 consumption in this state of water furnished for domestic use by occupants of residential
27 premises.

28 (29) *Bibles.* [Unconstitutional; see *Ahlburn v. Clark*, 728 A.2d 449 (R.I. 1999); see
29 Notes to Decisions.] From the sale and from the storage, use, or other consumption in the state of
30 any canonized scriptures of any tax-exempt nonprofit religious organization including, but not
31 limited to, the Old Testament and the New Testament versions.

32 (i) From the sale of a boat or vessel to a bona fide nonresident of this state who does not
33 register the boat or vessel in this state, or document the boat or vessel with the United States
34 government at a home port within the state, whether the sale or delivery of the boat or vessel is

1 made in this state or elsewhere; provided, that the nonresident transports the boat within thirty
2 (30) days after delivery by the seller outside the state for use thereafter solely outside the state.

3 (ii) The tax administrator, in addition to the provisions of §§ 44-19-17 and 44-19-28,
4 may require the seller of the boat or vessel to keep records of the sales to bona fide nonresidents
5 as the tax administrator deems reasonably necessary to substantiate the exemption provided in
6 this subdivision, including the affidavit of the seller that the buyer represented himself or herself
7 to be a bona fide nonresident of this state and of the buyer that he or she is a nonresident of this
8 state.

9 (31) *Youth activities equipment.* From the sale, storage, use, or other consumption in
10 this state of items for not more than twenty dollars (\$20.00) each by nonprofit Rhode Island
11 eleemosynary organizations, for the purposes of youth activities which the organization is formed
12 to sponsor and support; and by accredited elementary and secondary schools for the purposes of
13 the schools or of organized activities of the enrolled students.

14 (32) *Farm equipment.* From the sale and from the storage or use of machinery and
15 equipment used directly for commercial farming and agricultural production; including, but not
16 limited to, tractors, ploughs, harrows, spreaders, seeders, milking machines, silage conveyors,
17 balers, bulk milk storage tanks, trucks with farm plates, mowers, combines, irrigation equipment,
18 greenhouses and greenhouse coverings, graders and packaging machines, tools and supplies and
19 other farming equipment, including replacement parts, appurtenant to or used in connection with
20 commercial farming and tools and supplies used in the repair and maintenance of farming
21 equipment. "Commercial farming" means the keeping or boarding of five (5) or more horses or
22 the production within this state of agricultural products, including, but not limited to, field or
23 orchard crops, livestock, dairy, and poultry, or their products, where the keeping, boarding, or
24 production provides at least two thousand five hundred dollars (\$2,500) in annual gross sales to
25 the operator, whether an individual, a group, a partnership, or a corporation for exemptions issued
26 prior to July 1, 2002; for exemptions issued or renewed after July 1, 2002, there shall be two (2)
27 levels. Level I shall be based on proof of annual gross sales from commercial farming of at least
28 twenty-five hundred dollars (\$2,500) and shall be valid for purchases subject to the exemption
29 provided in this subdivision except for motor vehicles with an excise tax value of five thousand
30 dollars (\$5,000) or greater; Level II shall be based on proof of annual gross sales from
31 commercial farming of at least ten thousand dollars (\$10,000) or greater and shall be valid for
32 purchases subject to the exemption provided in this subdivision including motor vehicles with an
33 excise tax value of five thousand dollars (\$5,000) or greater. For the initial issuance of the
34 exemptions, proof of the requisite amount of annual gross sales from commercial farming shall be

1 required for the prior year; for any renewal of an exemption granted in accordance with this
2 subdivision at either Level I or Level II, proof of gross annual sales from commercial farming at
3 the requisite amount shall be required for each of the prior two (2) years. Certificates of
4 exemption issued or renewed after July 1, 2002, shall clearly indicate the level of the exemption
5 and be valid for four (4) years after the date of issue. This exemption applies even if the same
6 equipment is used for ancillary uses, or is temporarily used for a non-farming or a non-
7 agricultural purpose, but shall not apply to motor vehicles acquired after July 1, 2002, unless the
8 vehicle is a farm vehicle as defined pursuant to § 31-1-8 and is eligible for registration displaying
9 farm plates as provided for in § 31-3-31.

10 (33) *Compressed air.* From the sale and from the storage, use, or other consumption in
11 the state of compressed air.

12 (34) *Flags.* From the sale and from the storage, consumption, or other use in this state
13 of United States, Rhode Island or POW-MIA flags.

14 (35) *Motor vehicle and adaptive equipment to certain veterans.* From the sale of a
15 motor vehicle and adaptive equipment to and for the use of a veteran with a service-connected
16 loss of or the loss of use of a leg, foot, hand, or arm, or any veteran who is a double amputee,
17 whether service connected or not. The motor vehicle must be purchased by and especially
18 equipped for use by the qualifying veteran. Certificate of exemption or refunds of taxes paid is
19 granted under rules or regulations that the tax administrator may prescribe.

20 (36) *Textbooks.* From the sale and from the storage, use, or other consumption in this
21 state of textbooks by an "educational institution" as defined in subdivision (18) of this section and
22 as well as any educational institution within the purview of § 16-63-9(4) and used textbooks by
23 any purveyor.

24 (37) *Tangible personal property and supplies used in on-site hazardous waste*
25 *recycling, reuse, or treatment.* From the sale, storage, use, or other consumption in this state of
26 tangible personal property or supplies used or consumed in the operation of equipment, the
27 exclusive function of which is the recycling, reuse, or recovery of materials (other than precious
28 metals, as defined in subdivision (24)(ii) of this section) from the treatment of "hazardous
29 wastes", as defined in § 23-19.1-4, where the "hazardous wastes" are generated in Rhode Island
30 solely by the same taxpayer and where the personal property is located at, in, or adjacent to a
31 generating facility of the taxpayer in Rhode Island. The taxpayer shall procure an order from the
32 director of the department of environmental management certifying that the equipment and/or
33 supplies as used, or consumed, qualify for the exemption under this subdivision. If any
34 information relating to secret processes or methods of manufacture, production, or treatment is

1 disclosed to the department of environmental management only to procure an order, and is a
2 "trade secret" as defined in § 28-21-10(b), it is not open to public inspection or publicly disclosed
3 unless disclosure is required under chapter 21 of title 28 or chapter 24.4 of title 23.

4 (38) *Promotional and product literature of boat manufacturers.* From the sale and from
5 the storage, use, or other consumption of promotional and product literature of boat
6 manufacturers shipped to points outside of Rhode Island which either: (i) accompany the product
7 which is sold, (ii) are shipped in bulk to out of state dealers for use in the sale of the product, or
8 (iii) are mailed to customers at no charge.

9 (39) *Food items paid for by food stamps.* From the sale and from the storage, use, or
10 other consumption in this state of eligible food items payment for which is properly made to the
11 retailer in the form of U.S. government food stamps issued in accordance with the Food Stamp
12 Act of 1977, 7 U.S.C. § 2011 et seq.

13 (40) *Transportation charges.* From the sale or hiring of motor carriers as defined in §
14 39-12-2(1) to haul goods, when the contract or hiring cost is charged by a motor freight tariff filed
15 with the Rhode Island public utilities commission on the number of miles driven or by the
16 number of hours spent on the job.

17 (41) *Trade-in value of boats.* From the sale and from the storage, use, or other
18 consumption in this state of so much of the purchase price paid for a new or used boat as is
19 allocated for a trade-in allowance on the boat of the buyer given in trade to the seller or of the
20 proceeds applicable only to the boat as are received from an insurance claim as a result of a stolen
21 or damaged boat, towards the purchase of a new or used boat by the buyer.

22 (42) *Equipment used for research and development.* From the sale and from the storage,
23 use, or other consumption of equipment to the extent used for research and development purposes
24 by a qualifying firm. For the purposes of this subdivision, "qualifying firm" means a business for
25 which the use of research and development equipment is an integral part of its operation, and
26 "equipment" means scientific equipment, computers, software, and related items.

27 (43) *Coins.* From the sale and from the other consumption in this state of coins having
28 numismatic or investment value.

29 (44) *Farm structure construction materials.* Lumber, hardware and other materials used
30 in the new construction of farm structures, including production facilities such as, but not limited
31 to, farrowing sheds, free stall and stanchion barns, milking parlors, silos, poultry barns, laying
32 houses, fruit and vegetable storages, rooting cellars, propagation rooms, greenhouses, packing
33 rooms, machinery storage, seasonal farm worker housing, certified farm markets, bunker and
34 trench silos, feed storage sheds, and any other structures used in connection with commercial

1 farming.

2 (45) *Telecommunications carrier access service.* Carrier access service or
3 telecommunications service when purchased by a telecommunications company from another
4 telecommunications company to facilitate the provision of telecommunications service.

5 (46) *Boats or vessels brought into the state exclusively for winter storage, maintenance,*
6 *repair or sale.* Notwithstanding the provisions of §§ 44-18-10, 44-18-11, 44-18-20, the tax
7 imposed by § 44-18-20 is not applicable for the period commencing on the first day of October in
8 any year to and including the 30th day of April next succeeding with respect to the use of any
9 boat or vessel within this state exclusively for purposes of: (i) delivery of the vessel to a facility in
10 this state for storage, including dry storage and storage in water by means of apparatus preventing
11 ice damage to the hull, maintenance, or repair; (ii) the actual process of storage, maintenance, or
12 repair of the boat or vessel; or (iii) storage for the purpose of selling the boat or vessel.

13 (47) *Jewelry display product.* From the sale and from the storage, use, or other
14 consumption in this state of tangible personal property used to display any jewelry product;
15 provided, that title to the jewelry display product is transferred by the jewelry manufacturer or
16 seller and that the jewelry display product is shipped out of state for use solely outside the state
17 and is not returned to the jewelry manufacturer or seller.

18 (48) *Boats or vessels generally.* Notwithstanding the provisions of this chapter, the tax
19 imposed by §§ 44-18-20 and 44-18-18 shall not apply with respect to the sale and to the storage,
20 use, or other consumption in this state of any new or used boat. The exemption provided for in
21 this subdivision does not apply after October 1, 1993, unless prior to October 1, 1993, the federal
22 ten percent (10%) surcharge on luxury boats is repealed.

23 (49) *Banks and Regulated investment companies interstate toll-free calls.*
24 Notwithstanding the provisions of this chapter, the tax imposed by this chapter does not apply to
25 the furnishing of interstate and international, toll-free terminating telecommunication service that
26 is used directly and exclusively by or for the benefit of an eligible company as defined in this
27 subdivision; provided, that an eligible company employs on average during the calendar year no
28 less than five hundred (500) "full-time equivalent employees", as that term is defined in § 42-
29 64.5-2. For purposes of this section, an "eligible company" means a "regulated investment
30 company" as that term is defined in the Internal Revenue Code of 1986, 26 U.S.C. § 1 et seq., or a
31 corporation to the extent the service is provided, directly or indirectly, to or on behalf of a
32 regulated investment company, an employee benefit plan, a retirement plan or a pension plan or a
33 state chartered bank.

34 (50) *Mobile and manufactured homes generally.* From the sale and from the storage,

1 use, or other consumption in this state of mobile and/or manufactured homes as defined and
2 subject to taxation pursuant to the provisions of chapter 44 of title 31.

3 (i) From the sale and from the storage, use or other consumption in this state of lumber,
4 hardware, and other building materials used in the reconstruction of a manufacturing business
5 facility which suffers a disaster, as defined in this subdivision, in this state. "Disaster" means any
6 occurrence, natural or otherwise, which results in the destruction of sixty percent (60%) or more
7 of an operating manufacturing business facility within this state. "Disaster" does not include any
8 damage resulting from the willful act of the owner of the manufacturing business facility.

9 (ii) Manufacturing business facility includes, but is not limited to, the structures
10 housing the production and administrative facilities.

11 (iii) In the event a manufacturer has more than one manufacturing site in this state, the
12 sixty percent (60%) provision applies to the damages suffered at that one site.

13 (iv) To the extent that the costs of the reconstruction materials are reimbursed by
14 insurance, this exemption does not apply.

15 (52) *Tangible personal property and supplies used in the processing or preparation of*
16 *floral products and floral arrangements.* From the sale, storage, use, or other consumption in this
17 state of tangible personal property or supplies purchased by florists, garden centers, or other like
18 producers or vendors of flowers, plants, floral products, and natural and artificial floral
19 arrangements which are ultimately sold with flowers, plants, floral products, and natural and
20 artificial floral arrangements or are otherwise used in the decoration, fabrication, creation,
21 processing, or preparation of flowers, plants, floral products, or natural and artificial floral
22 arrangements, including descriptive labels, stickers, and cards affixed to the flower, plant, floral
23 product or arrangement, artificial flowers, spray materials, floral paint and tint, plant shine, flower
24 food, insecticide and fertilizers.

25 (53) *Horse food products.* From the sale and from the storage, use, or other
26 consumption in this state of horse food products purchased by a person engaged in the business of
27 the boarding of horses.

28 (i) From the sale, subsequent to June 30, 2003, of a non-motorized recreational vehicle
29 to a bona fide nonresident of this state who does not register the non-motorized recreational
30 vehicle in this state, whether the sale or delivery of the non-motorized recreational vehicle is
31 made in this state or at the place of residence of the nonresident; provided, that a non-motorized
32 recreational vehicle sold to a bona fide nonresident whose state of residence does not allow a like
33 exemption to its nonresidents is not exempt from the tax imposed under § 44-18-20; provided,
34 further, that in that event the bona fide nonresident pays a tax to Rhode Island on the sale at a rate

1 equal to the rate that would be imposed in his or her state of residence not to exceed the rate that
2 would have been imposed under § 44-18-20. Notwithstanding any other provisions of law, a
3 licensed non-motorized recreational vehicle dealer shall add and collect the tax required under
4 this subdivision and remit the tax to the tax administrator under the provisions of chapters 18 and
5 19 of this title. Provided, that when a Rhode Island licensed non-motorized recreational vehicle
6 dealer is required to add and collect the sales and use tax on the sale of a non-motorized
7 recreational vehicle to a bona fide nonresident as provided in this section, the dealer in computing
8 the tax takes into consideration the law of the state of the nonresident as it relates to the trade-in
9 of motor vehicles.

10 (ii) The tax administrator, in addition to the provisions of §§ 44-19-27 and 44-19-28,
11 may require any licensed non-motorized recreational vehicle dealer to keep records of sales to
12 bona fide nonresidents as the tax administrator deems reasonably necessary to substantiate the
13 exemption provided in this subdivision, including the affidavit of a licensed non-motorized
14 recreational vehicle dealer that the purchaser of the non-motorized recreational vehicle was the
15 holder of, and had in his or her possession a valid out-of-state non-motorized recreational vehicle
16 registration or a valid out-of-state driver's license.

17 (iii) Any nonresident who registers a non-motorized recreational vehicle in this state
18 within ninety (90) days of the date of its sale to him or her is deemed to have purchased the non-
19 motorized recreational vehicle for use, storage, or other consumption in this state, and is subject
20 to, and liable for the use tax imposed under the provisions of § 44-18-20.

21 (iv) "Non-motorized recreational vehicle" means any portable dwelling designed and
22 constructed to be used as a temporary dwelling for travel, camping, recreational, and vacation use
23 which is eligible to be registered for highway use, including, but not limited to, "pick-up coaches"
24 or "pick-up campers," "travel trailers," and "tent trailers" as those terms are defined in chapter 1
25 of title 31.

26 (55) *Sprinkler and fire alarm systems in existing buildings.* From the sale in this state of
27 sprinkler and fire alarm systems, emergency lighting and alarm systems, and from the sale of the
28 materials necessary and attendant to the installation of those systems, that are required in
29 buildings and occupancies existing therein in July 2003, in order to comply with any additional
30 requirements for such buildings arising directly from the enactment of the Comprehensive Fire
31 Safety Act of 2003, [found at chapter 23-28.01 of title 23 of the general laws entitled "Health and](#)
32 [Safety"](#), and that are not required by any other provision of law or ordinance or regulation
33 adopted pursuant to that Act. The exemption provided in this subdivision shall expire on
34 December 31, ~~2008~~ [2012](#).

1 (56) *Aircraft*. Notwithstanding the provisions of this chapter, the tax imposed by §§ 44-
2 18-18 and 44-18-20 shall not apply with respect to the sale and to the storage, use, or other
3 consumption in this state of any new or used aircraft or aircraft parts.

4 (57) *Renewable energy products*. Notwithstanding any other provisions of Rhode Island
5 general laws the following products shall also be exempt from sales tax: solar photovoltaic
6 modules or panels, or any module or panel that generates electricity from light; solar thermal
7 collectors, including, but not limited to, those manufactured with flat glass plates, extruded
8 plastic, sheet metal, and/or evacuated tubes; geothermal heat pumps, including both water-to-
9 water and water-to-air type pumps; wind turbines; towers used to mount wind turbines if
10 specified by or sold by a wind turbine manufacturer; DC to AC inverters that interconnect with
11 utility power lines; manufactured mounting racks and ballast pans for solar collector, module or
12 panel installation. Not to include materials that could be fabricated into such racks; monitoring
13 and control equipment, if specified or supplied by a manufacturer of solar thermal, solar
14 photovoltaic, geothermal, or wind energy systems or if required by law or regulation for such
15 systems but not to include pumps, fans or plumbing or electrical fixtures unless shipped from the
16 manufacturer affixed to, or an integral part of, another item specified on this list; and solar storage
17 tanks that are part of a solar domestic hot water system or a solar space heating system. If the tank
18 comes with an external heat exchanger it shall also be tax exempt, but a standard hot water tank is
19 not exempt from state sales tax.

20 (58) *Returned property*. The amount charged for property returned by customers upon
21 rescission of the contract of sale when the entire amount exclusive of handling charges paid for
22 the property is refunded in either cash or credit, and where the property is returned within one
23 hundred twenty (120) days from the date of delivery.

24 (59) *Dietary Supplements*. From the sale and from the storage, use or other
25 consumption of dietary supplements as defined in § 44-18-7.1(l)(v), sold on prescriptions.

26 SECTION 11. Chapter 44-30 of the General Laws entitled “Personal Income Tax,” is
27 hereby amended by adding thereto the following section:

28 **44-30-27. Tax credit for equipment and installation costs of sprinkler and fire alarm**
29 **systems in existing buildings.** – [\(a\) For a resident person or corporation, an income tax credit](#)
30 [shall be allowed that is based on certain incurred expenditures mandated to comply with the](#)
31 [Comprehensive Fire Safety Act of 2003, found at chapter 23-28.01 of title 23 of the general laws](#)
32 [entitled "Health and Safety."](#)

33 [\(b\) For the purposes of this section, these expenditures, hereinafter “qualified sprinkler](#)
34 [and alarm expenditures,” include and are limited to the purchase price of mandated sprinkler and](#)

1 fire alarm systems and the associated direct costs for the design and installation thereof in
2 buildings or occupancies located in the state.

3 (c) To qualify for this tax credit, these qualified sprinkler and alarm expenditures are
4 limited to installations into buildings and occupancies existing as of July 2003, must be incurred
5 in order to comply with any additional requirements for such buildings and occupancies arising
6 directly from the enactment of the Comprehensive Fire Safety Act of 2003 that are not required
7 by any other provision of law or ordinance or regulation adopted pursuant to that act, and must be
8 made on or before December 31, 2012.

9 (d) For the purposes of this section, said tax credit shall be allowed as a non-refundable
10 state income tax credit in the amount of ten percent (10%) of said qualified sprinkler and alarm
11 expenditures. For any single building or occupancy, this credit shall apply to no more than one-
12 hundred thousand dollars (\$100,000) in qualified sprinkler and alarm expenditures, for a
13 maximum income tax credit of ten thousand dollars (\$10,000).

14 (e) Regardless of the tax year in which qualified sprinkler and alarm expenditures are
15 made, the corresponding tax credits may not be claimed on any tax filing prior to July 1, 2009.

16 (f) Any amount of said tax credit not deductible in the taxable year in which the qualified
17 sprinkler and alarm expenditures were made—because they occurred between July 1, 2003 to
18 June 30, 2008, or would have resulted in a tax refund, or both—may be carried over to the
19 following year; however, said credit may not be applied until all other credits available to the
20 taxpayer for that taxable year are applied.

21 (g) This income tax credit shall be allowed as either a personal or a corporate income tax
22 credit, depending on the income tax filing status of the filer on the last day of his or her income
23 tax filing period in the year of the qualified sprinkler and alarm expenditure; provided, that if the
24 installation costs were incurred by a corporation, then a non-refundable corporate income tax
25 credit shall be allowed, and if installation costs were not incurred by a corporation, then a non-
26 refundable personal income tax credit shall be allowed. In no event shall both a corporate and
27 personal non-refundable income tax credit be allowed for qualified sprinkler and alarm
28 expenditures at a single building.

29 (h) The tax administrator shall make appropriate changes or additions to personal and
30 corporate tax forms to allow taxpayers to claim this tax credit.

31 (i) Certification of compliance. The tax filing of any taxpayer claiming this tax credit
32 must include a written statement attesting to the validity of said qualified sprinkler and alarm
33 expenditures and giving proof of approval by the division of state fire marshal that the
34 expenditures claimed are according to the qualifications of subparagraph (c) above and certifying

1 [the installation of said qualified sprinkler and alarm system, and that it is in proper operation.](#)

2 SECTION 12. Section 43-3-3 in Chapter 44-3 of the general laws entitled "Property
3 Subject to Taxation" is hereby amended by adding thereto the following sub-section:

4 **44-3-3. Property exempt.** -- The following property is exempt from taxation:

5 (1) Property belonging to the state except as provided in section 44-4-4.1;

6 (2) Lands ceded or belonging to the United States;

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

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

12 (5) Buildings for free public schools, buildings for religious worship, and the land upon
13 which they stand and immediately surrounding them, to an extent not exceeding five (5) acres so
14 far as the buildings and land are occupied and used exclusively for religious or educational
15 purposes;

16 (6) Dwellings houses and the land on which they stand, not exceeding one acre in size,
17 or the minimum lot size for zone in which the dwelling house is located, whichever is the greater,
18 owned by or held in trust for any religious organization and actually used by its officiating clergy;
19 provided, further that in the town of Charlestown, where the property previously described in this
20 paragraph is exempt in total, along with dwelling houses and the land on which they stand in
21 Charlestown, not exceeding one acre in size, or the minimum lot size for zone in which the
22 dwelling house is located, whichever is the greater, owned by or held in trust for any religious
23 organization and actually used by its officiating clergy, or used as a convent, nunnery, or retreat
24 center by its religious order.

25 (7) Intangible personal property owned by, or held in trust for, any religious or charitable
26 organization, if the principal or income is used or appropriated for religious or charitable
27 purposes;

28 (8) Buildings and personal estate owned by any corporation used for a school, academy,
29 or seminary of learning, and of any incorporated public charitable institution, and the land upon
30 which the buildings stand and immediately surrounding them to an extent not exceeding one acre,
31 so far as they are used exclusively for educational purposes, but no property or estate whatever is
32 hereafter exempt from taxation in any case where any part of its income or profits or of the
33 business carried on there is divided among its owners or stockholders;

34 (9) Estates, persons, and families of the president and professors for the time being of

1 Brown University for not more than ten thousand dollars (\$10,000) for each officer, the officer's
2 estate, person, and family included, but only to the extent that any person had claimed and
3 utilized the exemption prior to, and for a period ending either on or after December 31, 1996;

4 (10) Property especially exempt by charter unless the exemption has been waived in
5 whole or in part;

6 (11) Lots of land used exclusively for burial grounds;

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

11 (13) Real or personal estate belonging to or held in trust for the benefit of incorporated
12 organizations of veterans of any war in which the United States has been engaged, the parent
13 body of which has been incorporated by act of congress, to the extent of four hundred thousand
14 dollars (\$400,000) if actually used and occupied by the association; provided, that the city council
15 of the city of Cranston may by ordinance exempt the real or personal estate as previously
16 described in this subdivision located within the city of Cranston to the extent of five hundred
17 thousand dollars (\$500,000);

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

27 (15) Real estate and personal property of any incorporated volunteer fire engine
28 company or incorporated volunteer ambulance or rescue corps in active service;

29 (16) The estate of any person who in the judgment of the assessors is unable from
30 infirmity or poverty to pay the tax; providing, that in the town of Burrillville the tax shall
31 constitute a lien for five (5) years on the property where the owner is entitled to the exemption. At
32 the expiration of five (5) years, the lien shall be abated in full. Provided, if the property is sold or
33 conveyed or if debt secured by the property is refinanced during the five (5) year period, the lien
34 immediately becomes due and payable; any person claiming the exemption aggrieved by an

1 adverse decision of an assessor shall appeal the decision to the local board of tax review, and
2 thereafter according to the provisions of section 44-5-26;

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

6 (18) Improvements made to any real property to provide a shelter and fallout protection
7 from nuclear radiation, to the amount of one thousand five hundred dollars (\$1,500); provided,
8 that the improvements meet applicable standards for shelter construction established from time to
9 time by the Rhode Island emergency management agency. The improvements are deemed to
10 comply with the provisions of any building code or ordinance with respect to the materials or the
11 methods of construction used and any shelter or its establishment is deemed to comply with the
12 provisions of any zoning code or ordinance;

13 (19) Aircraft for which the fee required by section 1-4-6 has been paid to the tax
14 administrator;

15 (20) Manufacturer's inventory.

16 (i) For the purposes of sections 44-4-10, 44-5-3, 44-5-20, and 44-5-38, a person is
17 deemed to be a manufacturer within a city or town within this state if that person uses any
18 premises, room, or place in it primarily for the purpose of transforming raw materials into a
19 finished product for trade through any or all of the following operations: adapting, altering,
20 finishing, making, and ornamenting; provided, that public utilities, non-regulated power
21 producers commencing commercial operation by selling electricity at retail or taking title to
22 generating facilities on or after July 1, 1997, building and construction contractors, warehousing
23 operations including distribution bases or outlets of out-of-state manufacturers, and fabricating
24 processes incidental to warehousing or distribution of raw materials such as alteration of stock for
25 the convenience of a customer, are excluded from this definition.

26 (ii) For the purposes of sections 44-3-3, 44-4-10, and 44-5-38, the term "manufacturer's
27 inventory" or any similar term means and includes the manufacturer's raw materials, the
28 manufacturer's work in process, and finished products manufactured by the manufacturer in this
29 state, and not sold, leased, or traded by the manufacturer or its title or right to possession
30 divested; provided, that the term does not include any finished products held by the manufacturer
31 in any retail store or other similar selling place operated by the manufacturer whether or not the
32 retail establishment is located in the same building in which the manufacturer operates the
33 manufacturing plant.

34 (iii) For the purpose of section 44-11-2, a "manufacturer" is a person whose principal

1 business in this state consists of transforming raw materials into a finished product for trade
2 through any or all of the operations described in paragraph (i) of this subdivision. A person will
3 be deemed to be principally engaged if the gross receipts which that person derived from the
4 manufacturing operations in this state during the calendar year or fiscal year mentioned in section
5 44-11-1 amounted to more than fifty percent (50%) of the total gross receipts which that person
6 derived from all the business activities in which that person engaged in this state during the
7 taxable year. For the purpose of computing the percentage, gross receipts derived by a
8 manufacturer from the sale, lease, or rental of finished products manufactured by the
9 manufacturer in this state, even though the manufacturer's store or other selling place may be at a
10 different location from the location of the manufacturer's manufacturing plant in this state, are
11 deemed to have been derived from manufacturing.

12 (iv) Within the meaning of the preceding paragraphs of this subdivision, the term
13 "manufacturer" also includes persons who are principally engaged in any of the general activities
14 coded and listed as establishments engaged in manufacturing in the standard industrial
15 classification manual prepared by the technical committee on industrial classification, office of
16 statistical standards, executive office of the president, United States bureau of the budget, as
17 revised from time to time, but eliminating as manufacturers those persons, who, because of their
18 limited type of manufacturing activities, are classified in the manual as falling within the trade
19 rather than an industrial classification of manufacturers. Among those thus eliminated, and
20 accordingly also excluded as manufacturers within the meaning of this paragraph, are persons
21 primarily engaged in selling, to the general public, products produced on the premises from which
22 they are sold, such as neighborhood bakeries, candy stores, ice cream parlors, shade shops, and
23 custom tailors, except, that a person who manufactures bakery products for sale primarily for
24 home delivery, or through one or more non-baking retail outlets, and whether or not retail outlets
25 are operated by person, is a manufacturer within the meaning of this paragraph.

26 (v) The term "Person" means and includes, as appropriate, a person, partnership, or
27 corporation.

28 (vi) The department of administration shall provide to the local assessors any assistance
29 that is necessary in determining the proper application of the definitions in this subdivision.

30 (21) Real and tangible personal property acquired to provide a treatment facility used
31 primarily to control the pollution or contamination of the waters or the air of the state, as defined
32 in chapter 12 of title 46 and chapter 25 of title 23, respectively, the facility having been
33 constructed, reconstructed, erected, installed, or acquired in furtherance of federal or state
34 requirements or standards for the control of water or air pollution or contamination, and certified

1 as approved in an order entered by the director of environmental management. The property is
2 exempt as long as it is operated properly in compliance with the order of approval of the director
3 of environmental management; provided, that any grant of the exemption by the director of
4 environmental management in excess of ten (10) years is approved by the city or town in which
5 the property is situated. This provision applies only to water and air pollution control properties
6 and facilities installed for the treatment of waste waters and air contaminants resulting from
7 industrial processing; furthermore, it applies only to water or air pollution control properties and
8 facilities placed in operation for the first time after April 13, 1970;

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

11 (i) Machinery and equipment used exclusively in the actual manufacture or conversion
12 of raw materials or goods in the process of manufacture by a manufacturer as defined in
13 subdivision (20) of this section, and machinery, fixtures, and equipment used exclusively by a
14 manufacturer for research and development or for quality assurance of its manufactured products;

15 (ii) Machinery and equipment which is partially used in the actual manufacture or
16 conversion of raw materials or goods in process of manufacture by a manufacturer as defined in
17 subdivision (20) of this section, and machinery, fixtures, and equipment used by a manufacturer
18 for research and development or for quality assurance of its manufactured products, to the extent
19 to which the machinery and equipment is used for the manufacturing processes, research and
20 development or quality assurance. In the instances where machinery and equipment is used in
21 both manufacturing and/or research, and development, and/or quality assurance activities and
22 non-manufacturing activities, the assessment on machinery and equipment is prorated by
23 applying the percentage of usage of the equipment for the manufacturing, research, and
24 development and quality assurance activity to the value of the machinery and equipment for
25 purposes of taxation, and the portion of the value used for manufacturing, research, and
26 development, and quality assurance is exempt from taxation. The burden of demonstrating this
27 percentage usage of machinery and equipment for manufacturing and for research, and
28 development and/or quality assurance of its manufactured products rests with the manufacturer;
29 and

30 (iii) Machinery and equipment described in section 44-18-30(7) and (22) that was
31 purchased after July 1, 1997; provided that the city or town council of the city or town in which
32 the machinery and equipment is located adopts an ordinance exempting the machinery and
33 equipment from taxation. For purposes of this subsection, city councils and town councils of any
34 municipality may by ordinance wholly or partially exempt from taxation the machinery and

1 equipment discussed in this subsection for the period of time established in the ordinance and
2 may by ordinance establish the procedures for taxpayers to avail themselves of the benefit of any
3 exemption permitted under this section; provided, that the ordinance does not apply to any
4 machinery or equipment of a business, subsidiary or any affiliated business which locates or
5 relocates from a city or town in this state to another city or town in the state.

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

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

17 (25) Subject to authorization by formal action of the council of any city or town, any real
18 or personal property owned by, held in trust for, or leased to an organization incorporated under
19 chapter 6 of title 7, as amended, or an organization meeting the definition of "charitable trust" set
20 out in section 18-9-4, as amended, or an organization incorporated under the not for profits
21 statutes of another state or the District of Columbia, the purpose of which is the conserving of
22 open space, as that term is defined in chapter 36 of title 45, as amended, provided the property is
23 used exclusively for the purposes of the organization;

24 (26) Tangible personal property, the primary function of which is the recycling, reuse, or
25 recovery of materials (other than precious metals, as defined in section 44-18-30(24)(ii) and (iii)),
26 from or the treatment of "hazardous wastes", as defined in section 23-19.1-4, where the
27 "hazardous wastes" are generated primarily by the same taxpayer and where the personal property
28 is located at, in, or adjacent to a generating facility of the taxpayer. The taxpayer may, but need
29 not, procure an order from the director of the department of environmental management
30 certifying that the tangible personal property has this function, which order effects a conclusive
31 presumption that the tangible personal property qualifies for the exemption under this
32 subdivision. If any information relating to secret processes or methods of manufacture,
33 production, or treatment is disclosed to the department of environmental management only to
34 procure an order, and is a "trade secret" as defined in section 28-21-10(b), it shall not be open to

1 public inspection or publicly disclosed unless disclosure is otherwise required under chapter 21 of
2 title 28 or chapter 24.4 of title 23;

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

5 (28) Real and personal property of the Providence performing arts center, a non-business
6 corporation as of December 31, 1986;

7 (29) Tangible personal property owned by, and used exclusively for the purposes of, any
8 religious organization located in the city of Cranston;

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

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

18 (32) Improvements to real property, made during July 1, 2003 to June 30, 2012, to install
19 fire alarm or sprinkler systems or both as required by the fire safety code as amended by the
20 Comprehensive Fire Safety Act of 2003, chapter 23-28.01; provided, however, that the exemption
21 created hereby shall commence at the time of the first revaluation that occurs on or after July 1,
22 2012.

23 SECTION 13. This act shall take effect upon passage.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
A N A C T
RELATING TO HEALTH AND SAFETY -- FIRE SAFETY CODE

- 1 This act would amend provisions of "The Comprehensive Fire Safety Act of 2003." The
- 2 act would relax certain requirements and would extend time deadlines for accomplishing certain
- 3 goals and taking certain actions required under the provisions of the 2003 Act.
- 4 This act would take effect upon passage.

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