

2007 -- H 5941 AS AMENDED

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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 PROPERTY - RHODE ISLAND REAL ESTATE TIME-SHARE ACT

Introduced By: Representatives Jackson, Rice, Gallison, O'Neill, and Sullivan

Date Introduced: March 01, 2007

Referred To: House Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 34-41-1.03 of the General Laws in Chapter 34-41 entitled "Rhode
2 Island Real Estate Time-Share Act" is hereby amended to read as follows:

3 **34-41-1.03. Status and taxation of time-share estates.** -- (a) Except as expressly
4 modified by this chapter and notwithstanding any contrary rule of common law, a grant of an
5 estate in a unit conferring the right of possession during a potentially infinite number of separated
6 time periods creates an estate in fee simple having the character and incidents of such an estate at
7 common law, and a grant of an estate in a unit conferring the right of possession during five (5) or
8 more separated time periods over a finite number of years equal to five (5) or more, including
9 renewal options, creates an estate for years having the character and incidents of such an estate at
10 common law.

11 (b) Each time-share estate constitutes for all purposes a separate estate in real property.
12 Assessments ~~can only shall~~ be made on the real property value of the interval time-share estates,
13 or on the real property value of the development. ~~Notices of assessment and bills for taxes must~~
14 ~~be furnished to the managing entity, if any, or otherwise to each time share owner, but the~~
15 ~~managing entity is not liable for the taxes as a result thereof. In accordance herein, each~~
16 ~~municipality is hereby authorized and empowered to exercise all rights and powers for the~~
17 ~~collection of taxes as are conferred by virtue of title 44.~~

18 (1) Notwithstanding anything herein, and/or notwithstanding any of the provisions of
19 chapter 34-36 ("Condominium Ownership Act"), 34-36.1 ("Rhode Island Condominium Act"), or

1 34-41 ("Rhode island Real Estate Time-Share Act") to the contrary the tax assessor may use any
2 identifiable and commonly accepted method of appraisal as a basis for arriving at value
3 conclusions for the interval time-share estate or the development, including, but not limited to,
4 elements of replacement cost, income analysis, and comparable sales of time-share interval
5 estates, similarly configured hotels, and/or real estate developments, with appropriate deductions
6 for personal property, intangible assets, and excess marketing costs, allowing for application of
7 discounted cash flow methodology where appropriate.

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

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

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

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

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
A N A C T
RELATING TO PROPERTY - RHODE ISLAND REAL ESTATE TIME-SHARE ACT

1 This act would permit the taxation of time-share developments based on the resale value
2 of interval weeks as well as any other identifiable and commonly accepted methods of appraisal
3 as a basis for arriving at value conclusions.

4 This act would take effect upon passage.

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