



STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Department of Administration
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To: Municipal Officials

From: Peder Schaefer
Office of Municipal Affairs – Department of Administration
Division of Property Valuation – Department of Revenue

Subject: State Mandates – Report required by Section 45-13-8 (b)

Amendments to Section 45-13-8 (b) of the Rhode Island General Laws relating to state mandates take effect on January 1, 2007 and require in part that: “(b) The department of administration shall annually by January 1 issue a report identifying the state’s mandates established during the preceding July 1 -- June 30 period and stating the cost by city and town of all state mandates established after January 1, 1979, for the next preceding July 1 – June 30 period....”

History: Chapter 298 of the Public Laws of 1979 which was codified in 45-13-8 of the General laws created the core statutory language authorizing and establishing procedures for reimbursement to cities and towns for the cost of state mandates. Reimbursements began in 1982 and ended in 1992. During this period, no more than 18 municipalities ever submitted claims for reimbursement and total payments never exceeded \$125,000 in any year. With the decision to end state appropriations to municipalities in the early 90s, municipalities also stopped providing to the state the data necessary to compute the fiscal year value of state mandated costs. Furthermore, the state ended its periodic update of eligible enacted state mandates.

There were no qualifying state mandated municipal costs for the period July 1 to June 30, 2005 principally because there were no applications for reimbursement from any municipality on the April 1 statutory reporting date. In accordance with 45-13-9 of the RI General Laws, the budget officer was notified of this determination this past fall.

The 2006 amendment: During the 2006 legislative session, S-3050 entitled “Relating to Taxation – Property Taxes” was introduced and an amended version was enacted on July 3, 2006 and codified as Chapter 253 of the Public Laws of 2006. The act principally addressed changes to the property tax cap applied to municipalities. The act was effective upon passage except for Sections 6 and 7 which addressed state mandates and which were effective January 1, 2007.

The Department of Administration (DOA) has determined that the eligibility expansion provisions of the state mandate amendments would apply to costs incurred by municipalities after the January 1, 2007 effective date. Nevertheless, there was significant legislative activity during the 1992 to 2006 period that

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the act was dormant, and DOA has been working to update qualifying state statutory mandates that meet the tests that applied in the original act. An updated list of those acts since 1992 which may qualify as mandates has been posted at <http://www.muni-info.state.ri.us/publications/>. We have not yet evaluated that list or held public hearings pursuant to Chapter 35 of Title 42. Such a hearing would be required before a final determination could be made on whether a mandate qualifies for reimbursement consideration. After such hearings are completed, those qualifying mandates would be the basis for municipalities submitting cost information to DOA on April 1, 2007. This data submission would be the basis for DOA's report to the budget officer next October on qualifying mandate costs potentially reimbursable in FY 2009 and for an update of this report next December.

Referring to eligibility expansion provided for in Sections 6 and 7 of the act, the expansion in eligibility for fiscal periods after January 1, 2007 would be significant. Eligibility expansion would apply in three ways.

1. Rules, regulations and state policy directives would now qualify as state mandates.
2. Quasi-public rules, regulations, or policies would now qualify.
3. Mandates which are now partially reimbursed would qualify.

DOA has initiated review and tabulation of potential expanded eligibility criteria but would not expect to provide an inventory of new and expanded qualifying mandates until the end of calendar year 2007. Reports of municipal costs for expanded qualifying mandates would be due April 1, 2008. A review of these reports would be the basis for submission of a request to the budget officer for potential inclusion in the FY 2010 state budget.

Please feel free to contact me if you have any comments or questions.