

# DEVELOPMENT PROPERTY EXEMPTION QUALIFICATIONS

**§ 44-5-12 Assessment at full and fair cash value.** – (a) All real property subject to taxation shall be assessed at its full and fair cash value, or at a uniform percentage of its value, not to exceed one hundred percent (100%), to be determined by the assessors in each town or city; provided, that: . . .

(6) Provided, however, that, for taxes levied after December 31, 2015, new construction on development property is exempt from the assessment of taxes under this chapter at the full and fair cash value of the improvements, as long as:

(i) An owner of development property files an affidavit claiming the exemption with the local tax assessor by December 31 each year; and

(ii) The assessor shall then determine if the real property on which new construction is located is development property. If the real property is development property, the assessor shall exempt the new construction located on that development property from the collection of taxes on improvements, until such time as the real property no longer qualifies as development property, as defined herein.

For the purposes of this section, "development property" means:

(A) Real property on which a single-family residential dwelling or residential condominium is situated and said single-family residential dwelling or residential condominium unit is not occupied, has never been occupied, is not under contract, and is on the market for sale; or

(B) Improvements and/or rehabilitation of single-family residential dwellings or residential condominiums that the owner of such development property purchased out of a foreclosure sale, auction, or from a bank, and which property is not occupied.

Such property described in § 44-5-12(a)(6)(ii) shall continue to be taxed at the assessed value at the time of purchase until such time as such property is sold or occupied and no longer qualifies as development property.

As to residential condominiums, this exemption shall not affect taxes on the common areas and facilities as set forth in § 34-36-27.

In no circumstance shall such designation as development property extend beyond two (2) tax years and a qualification as a development property shall only apply to property that applies for, or receives, construction permits after July 1, 2015. Further, the exemptions set forth in this section shall not apply to land.