

THE CITY OF PROVIDENCE
STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

RESOLUTION OF THE CITY COUNCIL

No. 145

Approved March 23, 1988

WHEREAS, the City of Providence is currently undertaking a revaluation and reassessment of all ratable property subject to property taxation by the City which will be effective with the tax roll prepared as of December 31, 1987, and

WHEREAS, it appears that since the last city-wide revaluation and reassessment, there have been extraordinary increases in the full and fair cash value of residential real property in comparison with other ratable property, and

WHEREAS, under the existing provisions of the General Laws with respect to the levy and assessment of property taxes, these extraordinary increases would result in major shifts of the property tax burden to residential real property as a class from other classes of ratable property, and

WHEREAS, it is desirable to ameliorate the shift of the property tax burden to residential property owners while at the same time treating the owners of other ratable property fairly and equitably by arranging that the tax burden on those classes will not be substantially increased from the tax burden sustained by those classes prior to the current city-wide revaluation and reassessment,

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Providence requests that the General Assembly promptly enact that certain special legislation heretofore introduced into the General Assembly providing that the City Council of the City of Providence may adopt a system of classification pursuant to which: (a) all ratable property will be divided into two classes - one for real property and the other for tangible personal property (including motor vehicles); (b) the assessment of real property used for residential

purposes will be reduced by not more than 35 per cent thereof to the extent of not more than six units in each residential building; (c) different rates of taxation may be prescribed for real property and for tangible personal property (including motor vehicles), subject to certain limitations more fully set out in said special legislation, and (d) future increases in tax rates will be such that the tax burden on real property and on tangible personal property (including motor vehicles) will be substantially in proportion to the tax burdens imposed on those classes in the 1988-1989 tax year.

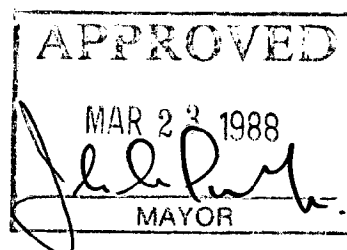
IN CITY COUNCIL

MAR 16 1988

READ AND PASSED

Michael W. Epton
PRES.

Rose M. Mendonca
CLERK



By Rec _____

Councilman Glavin, Councilman Dillm, Councilwoman Sangnoli (By Request)

88 --

S T A T E O F R H O D E I S L A N D
IN GENERAL ASSEMBLY
JANUARY SESSION, A.D. 1988

A N A C T

RELATING TO PROPERTY TAX CLASSIFICATION
FOR THE CITY OF PROVIDENCE

Introduced By:

Date Introduced:

Referred To:

It is enacted by the General Assembly as follows:

SECTION 1. Chapter 44-5 of the General Laws entitled "Levy and Assessment of Local Taxes" is hereby amended by adding thereto the following sections:

"44-5-20.6. Property tax classification -- Providence. --
The City of Providence may by resolution or ordinance adopted by
the City Council provide for a system of classification of tax-
able property in conformity with the provisions of §§44-5-20.7
through 44-5-20.9 hereof, to become effective in any year in
which the assessment roll (certified as hereinafter provided in
§44-5-22) reflects a general revaluation of all taxable real
estate (hereinafter the "revaluation year").

"44-5-20.7. Property tax classification -- Providence --
Apportionment of taxes. -- (a) Upon adoption of a system of
classification of taxable property by the City of Providence all

ratable property in the City of Providence shall be classified by the assessor as follows:

(i) Class One. All ratable real estate.

(ii) Class Two. All ratable tangible personal property.

(b) Class Two shall also include all motor vehicles and trailers subject to the excise tax created by Chapter 44-34.

(c) The valuation of residential real estate shall be reduced by a percentage to be determined by the City Council when adopting the system of classification but the percentage reduction shall not exceed thirty-five (35%) percent.

(d) Residential real estate is defined as real property used or held for human habitation containing one or more dwelling units including rooming houses and mobile homes with facilities designed and used for living, sleeping, cooking and eating on a non-transient basis. Such property includes accessory land, buildings or improvements incidental to such habitation and used exclusively by the residents of the property or their guests. Such property shall not include a hotel or motel.

(e) Where real property is used or held for more than one purpose, including uses other than residential real estate uses, the assessor shall allocate the percentage of the full and fair cash value of the property devoted to residential real estate uses to residential real estate.

(f) The percentage reduction in valuation of residential real estate shall apply to residential real estate containing six or less dwelling units. In the case of multiple dwellings containing more than six dwelling units, the percentage reduction in valuation shall be applied to the result of dividing the assessed valuation by the number of dwelling units in the multiple dwelling and multiplying the quotient by six.

"44-5-20.8. Property Tax Classification -- Providence. --
Apportionment of Levies -- The assessor in apportioning the levy
of all taxes shall apply different rates of taxation against
Class One and Class Two property calculated as follows:

(a) In the revaluation year, the assessor shall calculate
rates of taxation for Class One and Class Two property respec-
tively sufficient to produce taxes in the amount of the total
levy, including the excise tax levy of chapter 44-34, with the
rate of taxation for Class Two property in an amount which is two
hundred and forty (240%) percent greater than the rate of taxa-
tion against Class One property.

(b) In the year next immediately succeeding the revaluation
year, the assessor shall (i) apply the respective rates of taxa-
tion in effect in the revaluation year against the Class One and
Class Two property as assessed for the revaluation year but
revised to reflect corrections and adjustments, including changes
in assessments arising out of proceedings before the Board of Tax
Assessment Review or otherwise, and (ii) determine the propor-
tions (expressed as a percentage rounded to the nearest one-tenth
(1/10) of one (1) percent) of the result produced by Class One and
Class Two property respectively. The assessor shall compare such
percentage produced by Class Two property with the percentage of
the taxes produced in the preceding year by Class Two property
and the lower percentage shall be the Class Two percentage. The
Class One percentage shall be the difference between the Class
Two percentage and one hundred (100%) percent. The assessor
shall then determine the rate of taxation for Class One property
which shall be an amount sufficient to produce the Class One per-
centage of the total tax levy, including the excise tax levy of
chapter 44-34, and determine the rate of taxation for Class Two
property which shall be an amount sufficient to produce the Class
Two proportion of the total tax levy, including the excise tax
levy of chapter 44-34.

(c) In each subsequent year the assessor shall determine the rate of taxation for Class One property which shall be an amount sufficient to produce the Class One percentage of the total tax levy, including the excise tax levy of chapter 44-34, for the respective year, and shall determine the rate of taxation for Class Two property which shall be an amount sufficient to produce the Class Two percentage of the total tax levy, including the excise tax levy of chapter 44-34, for the respective year.

"44-5-20.9. Property Tax Classification -- Providence -- Miscellaneous. --

(a) The City of Providence may adopt a system of classification of taxable property in accordance with the foregoing provisions only in any revaluation year and such system of classification shall continue until terminated by resolution or ordinance adopted by the City Council.

(b) All provisions of this chapter or any other general state law relating to the levy and assessment of local taxes and chapter 44-34 shall continue to apply to the City of Providence after the adoption of a system of classification of taxable property except insofar as any provision thereof is inconsistent with the provisions of §§44-5-20.6 through 44-5-20.9 hereof."

SECTION 2. Chapter 44-3 of the General Laws entitled "Property Subject to Taxation" is hereby amended by adding thereto a new §44-3-31 to read as follows:

"44-3-31. Certain Tax Exemptions in the City of Providence. -- (a) Notwithstanding any other provisions of general or special law to the contrary, the city council of the city of Providence is hereby authorized to fix, by ordinance or resolution the amount of the exemptions with respect to assessed value from local taxation on taxable property for the following persons as follows: veterans and the unmarried widow or widower of veterans as defined in Section 44-3-4 at \$3,000; for blind persons as defined in Section 44-3-12 at \$18,000; for veterans or

the unmarried widow or widower of veterans who are totally disabled as defined in Section 44-3-4 at \$6,000; for gold star parents as defined in Section 44-3-5 at \$9,000; for persons who are one hundred percent (100%) disabled as determined pursuant to Title II and Title XVI of the Social Security Acts, as amended, or who, by reason of their being one hundred percent (100%) disabled, are receiving disability payments from sources other than the Social Security Administration (such as employees of the railroad, federal civil service, postal service and the Providence Police and Fire Departments) at \$9,000; for specially adapted housing for paraplegic veterans as defined in Section 44-3-4 at \$30,000; for any person sixty-five years of age or over at \$10,000; provided, however that any such increase in exemption provided for hereinabove over the amount heretofore provided by general of special law shall apply only to real property.

(b) The city council of the city of Providence may subject the exemptions hereinbefore provided to such conditions with respect to qualification for exemptions as it deems necessary or desirable."

SECTION 3. Severability - The invalidity of any section or sections or parts of any section or sections shall not affect the validity of the remainder of the act.

SECTION 4. Notwithstanding any general or public law to the contrary, the question of the approval of this act shall be submitted to the electors of the city at a special municipal election to be held on _____, 1988. The question shall be submitted in substantially the following form: "Shall an act passed at the 1988 session of the General Assembly, entitled 'An Act Relating to Property Tax Classification for the city of Providence' be approved" and the warning for the election shall contain the question to be submitted. From the time the general election is warned and until it is held, it shall be the duty of the city clerk to keep a copy of the act available at his office

for public inspection, but the validity of the election shall not be affected by this requirement or by the requirements of Sections 17-5-5 and 17-5-6 of the general laws.

SECTION 5. This section and section 4 shall take affect upon the passage of this act. The remainder of this act shall take affect upon the approval of this act by a majority of those voting on the question at the election prescribed by the foregoing section.

EXPLANATION

OF

AN ACT

This Act authorizes the City of Providence to adopt a system of classification of taxable property.

Sections 4 and 5 of the Act take effect upon passage. The remainder of the Act takes effect upon approval of the question provided in Section 4.