

RESOLUTION OF THE CITY COUNCIL

No. 367

Approved October 13, 2016

WHEREAS, In 2014 at a joint event, Mayor Elorza described the motor vehicle excise tax as “regressive” and Governor Raimondo identified the State’s valuation process as a policy in need of reexamination; and

WHEREAS, Rhode Island State law currently requires that, for excise tax purposes, motor vehicles must be appraised at the “clean retail value,” rather than the “average trade in value”; and

WHEREAS, While most consumers are familiar with average trade in values, which are used by popular vehicle value guides such as Kelley Blue Book, many consumers are not familiar with clean retail values or how they are calculated; and

WHEREAS, Clean retail values artificially increase the appraisals of many vehicles because the calculation assumes that all vehicles are in good condition, while average trade in values rates every vehicle’s condition on a scale from “excellent” to “poor” and adjusts appraisals accordingly; and

WHEREAS, Moreover, clean retail values do not account for vehicle popularity, warranties, and other local market factors; and

WHEREAS, Due to these discrepancies between how clean retail values and average trade in values are calculated, clean retail values are almost always higher and average trade in values have gained a reputation as the more accurate estimate; and

WHEREAS, The use of higher appraisals that overstate the condition of vehicles from clean retail values disproportionately affects low-income residents, who are more likely to own vehicles in poor condition, increasing their tax burdens and harming their quality of life; and

WHEREAS, A process that systematically overestimates the values of vehicles or other property subject to taxation is inherently unfair and undermines citizens’ faith in their government.

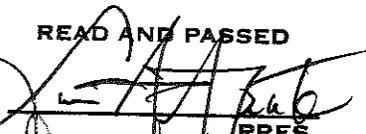
NOW, THEREFORE, BE IT RESOLVED, That the City Council of the City of Providence does hereby strongly urge the General Assembly to change the State Vehicle Value Commission’s process for valuing motor vehicles from utilizing clean retail values to utilizing average trade in values.

BE IT FURTHER RESOLVED, That upon passage, copies of this resolution be sent to the Speaker of the House, the President of the Senate, and the entire Providence delegation to the General Assembly.

IN CITY COUNCIL

OCT 06 2016

READ AND PASSED

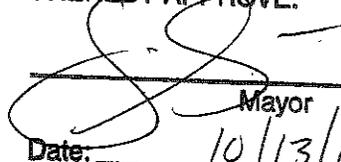


PRES.



CLERK

I HEREBY APPROVE.



Mayor

Date: 10/13/16