

CHAPTER 2014-12

No. 281

AN ORDINANCE AMENDING ORDINANCE NO. 409 OF CHAPTER 2013-36, ADOPTED SEPTEMBER 19, 2013, PROVIDING FOR THE ASSESSMENT AND COLLECTION OF 2013 TAXES IN A SUM NOT LESS THAN THREE HUNDRED FORTY MILLION EIGHT HUNDRED AND FOURTEEN THOUSAND FIVE HUNDRED TWENTY TWO DOLLARS (\$340,814,522) AND NOT MORE THAN THREE HUNDRED FIFTY FOUR MILLION FOUR HUNDRED AND FORTY SEVEN THOUSAND AND ONE HUNDRED AND THREE DOLLARS (\$354,447,103), BEING BASED ON A ONE HUNDRED PERCENT (100%) OF THE 2014-2015 FISCAL YEAR TAX COLLECTIONS, AMENDING SECTION 21-182 OF THE CODE OF ORDINANCES TO REFLECT THE TAX CLASSIFICATION PLAN, APPROVED BY THE RHODE ISLAND GENERAL ASSEMBLY, AMENDING SECTION 21-126 OF THE CODE OF ORDINANCES TO RAISE THE PERSONAL EXEMPTIONS AND SETTING THE RATES FOR FISCAL YEAR 2015.

Approved June 12, 2014

Be it ordained by the City of Providence:

Section 1. The City Council of the City of Providence hereby orders the assessment and collection of a tax on the ratable real estate and tangible personal property, as well as orders the assessment and collection of an excise tax on all registered motor vehicles, in a sum not less THAN THREE HUNDRED FORTY MILLION EIGHT HUNDRED AND FOURTEEN THOUSAND FIVE HUNDRED TWENTY TWO DOLLARS (\$340,814,522) AND NOT MORE THAN THREE HUNDRED FIFTY FOUR MILLION FOUR HUNDRED AND FORTY SEVEN THOUSAND AND ONE HUNDRED AND THREE DOLLARS (\$354,447,103), being one hundred percent (100%) of the 2014-2015 year tax collection, said tax is for ordinary expense charges and for the payment of interest and indebtedness in whole or in part of the City of Providence and for other purposes authorized by law.

Section 2. The Providence City Assessor shall assess and apportion said tax on inhabitants and ratable real estate and tangible personal property of said City as of the 31st day of December AD 2013 midnight, Eastern Standard Time, as well as assess and apportion said excise tax on owners of registered motor vehicles in the City of Providence during calendar year 2013, according to law, and shall on completion of said assessment, date and sign, and shall make out and certify to the City Collector of the City of Providence, on or before the 15th day of June AD 2014, or as permitted or extended by law, a complete listing containing: (1) the names of persons taxed and the total value of all real estate taxed to each; (2) the amount of the personal estate, except manufacturer's machinery and equipment, assessed against each person; and, (3) the amount of said motor vehicle excise assessment against each person, on said real estate, personal estate and motor vehicle opposite the name of the person or persons assessed.

The assessment of real estate, personal estate and motor vehicles shall appear on separate lists.

Said taxes shall be due and payable on and between the first day of July AD 2014, next, and the twenty fourth-day of July, AD 2014, next, and all taxes remaining unpaid as of said last named day shall carry until collected a penalty at the rate of twelve percent (12%) per annum upon such unpaid real estate, personal estate and excise taxes.

Said taxes may be paid in four (4) installments, the first installment of twenty-five percent (25%) on or before the twenty-fourth day of July AD 2014, next, and the remaining installments as follows:

Twenty-five percent (25%) on the
Twenty-fourth day of October AD 2014
Twenty-five percent (25%) on the
Twenty-fourth day of January AD 2015
Twenty-five percent (25%) on the
Twenty-fourth day of April AD 2015

Each installment period successively and in order shall be free from any charges for interest; provided, however, the option to pay taxes in quarterly installments shall not apply to any tax account levied in an amount not in excess of one hundred dollars (\$100.00). If the first installment or any succeeding installment of taxes is not paid by the last day of the respective installment period or periods as they occur, then the whole tax or remaining unpaid balance of the tax, as the case may be, shall immediately become due and payable and shall carry until collected a penalty at the rate of twelve percent (12%) per annum on said real estate, personal estate and excise taxes.

The City Collector shall by advertisement in a public newspaper of the City notify all persons assessed to pay their respective taxes at his/her office; said Collector shall attend daily, Saturdays, Sundays, and holidays excepted, at his/her office from eight-thirty o'clock a.m. to four o'clock p.m. to receive taxes.

Section 3. This ordinance is enacted pursuant to Rhode Island General Laws 44-5-2 (a).

Section 4. Section 21-182 of the Code of Ordinances, entitled "Apportionment of taxes," is amended as follows;

(a) The tax classification plan is hereby adopted with the following limitations:

(1) The designated classes of property shall be limited to the four (4) classes as defined in subsection (b) hereof.

(2) The tax rate for Class 2 shall not exceed the tax rate of Class 1 by more than two hundred percent (200%), without regard to the owner-occupied status; the tax rate applicable to Class 3 shall not exceed the non-owner occupied tax rate of Class 1 by more than two hundred percent (200%).

(3) Notwithstanding subdivision (a) (2) hereof, the tax rate applicable to wholesale and retail inventory within Class 3 as defined in subsection (b) hereof, are governed by Rhode Island General Laws 44-3-19.1.

(4) Notwithstanding subdivision (a) (2) hereof, tax rates applicable to motor vehicles within Class 4 as defined in subsection (b) hereof, are governed by Rhode Island General Laws 44-34.1-1.

(5) The provisions of Rhode Island General Laws, chapter 35 of title 44 relating to property tax and fiscal disclosure applies to the reporting of and compliance with these classifications.

(b) *Classes of property.*

(1) *Class 1.* Residential real estate consisting of no more than five (5) dwelling units, land classified as open space, and dwellings on leased land including mobile homes. This class may also include residential properties containing partial commercial or business uses with no more than five (5) dwelling units. For the properties with both residential and commercial or business uses, the residential tax rate will be applied to the residential portion and the commercial tax rate will be applied to the commercial portion. This class shall be further divided into (a) owner-occupied and (b) non-owner occupied properties.

The granting of an application for an owner-occupied or non-owner-occupied rate as referenced above as type (a) or (b) is subject to the following limitations:

- a. To be eligible for a type (a) or (b) rate, effective as to the assessment date of December 31 at midnight, an applicant must file with the City Assessor no later than July 31 a homestead application, together with a declaration, and present evidence, under oath, as to the owner-occupied or non-owner-occupied status together with any other proof of residency or ownership and the ownership of all motor vehicles registered either with the State of Rhode Island or with any foreign state, and to provide that information in any manner which may be required by the City Assessor; except, that in the case of new construction of, or renovation of no less than thirty percent (30%) of the prior year's assessment of improvements, as certified by the Providence building official, of foreclosed upon existing structures for affordable owner-occupied residential property, eligibility for the owner-occupied rate shall be determined upon application on or after the date of the execution of a purchase and sales agreement for a specific property, but no later than sixty (60) days of its sale, and, if granted, applied on a pro rata basis for the remainder of the current tax year as if the owner-occupied rate had been granted as of the prior December 31st assessment date. "Affordable residential property" shall mean property determined to be affordable under the rules and regulations of the Department of Planning and Development. For good cause, the City Assessor may, with advice of the Board of Tax Assessment Review, accept applications for homestead declarations for the filing deadline for current or previous taxes only.
- b. Only natural person(s) are qualified to receive the type (a) owner-occupied residential real estate rate. Real property which is partially or wholly owned by a business, an institution, a non-profit organization, a financial institution that has foreclosed on real estate, including, without limitation, HUD, Rhode Island Housing and Mortgage Finance Corporation, or any other such public or private entity, do not qualify for a type (a) owner-occupied real estate rate; provided, however, that with respect to the application of the owner-occupied real estate rate to taxes assessed as of December 31, 2013, the City Assessor may, with the advice of the Board of Tax Assessment Review, accept an application and grant a type (a) owner-occupied real estate rate to an entity and its shareholder(s)/member(s)/owner(s), as the case may be, upon receiving a sworn declaration from said person(s) that he/she/they primarily resided in the subject real estate as of December 31, 2013, and that the ownership of the subject property is in said entity's name solely for estate purposes.
- c. Applicants may qualify only for one (1) type (a) owner-occupied real estate rate in the City at any one (1) point in time. In addition, an owner of real estate in the City of Providence must meet all of the following requirements in order to qualify for a type (a) owner-occupied rate:
- (1) Neither the owner-occupied rate applicant nor the applicant's spouse is receiving an owner-occupied rate for another piece of real property, located elsewhere in the State of Rhode Island, or in any other State of the United States, for the same period of time the owner is seeking the homestead exemption for property owned in Providence, unless during that time the owner is either legally separated or divorced from the spouse during some or all of the period in which they are claiming more than one owner-occupied rate;
 - (2) The owner-occupied homestead applicant, and the homestead applicant's spouse, is paying the Providence excise tax due on each and every motor vehicle owned by either one when that vehicle is garaged more than 30 days in the State of Rhode Island, unless (a) the vehicle is registered in the name of the applicant's spouse, and (b) the homestead applicant and the spouse are either legally separated or divorced;

(3) The owner-occupied homestead applicant has filed with the Providence Tax Assessor a current listing of all motor vehicles with foreign registrations that the applicant owns as required by R.I.G.L. §31-7-1.

If a homeowner currently receiving the owner-occupied rate has at least one motor vehicle registered to the same address as the property receiving the rate, then the tax assessor shall presume that these requirements have been complied with; however, the tax assessor shall have the authority to investigate whether other circumstances (such as the ownership of additional motor vehicles registered elsewhere) indicate noncompliance that overcomes this presumption. If a homeowner currently receiving the owner-occupied rate does not have any motor vehicles registered to the same address, the tax collector may take appropriate action to ascertain compliance with these requirements and to revoke the owner-occupied rate, both prospectively and retroactively as necessary to the enactment of this ordinance.

d. The rate, either type (a) or (b), attaches to the owner(s) of the real property not to the real property itself.

e. The City Assessor shall deny an application for the owner-occupied rate filed for either type (a) or (b) if the City Assessor determines that an execution of record based upon a judgment of the housing court for a real estate code violation(s) against the applicant remains unsatisfied.

f. In the event the property granted an owner-occupied rate is sold or transferred during the year for which the owner-occupied rate is claimed, the applicable rate is void for that portion of the year following the sale or transfer should the new buyer not qualify for the owner-occupied rate. The buyer or transferee shall be liable to the City for any tax benefit received after the date of sale or transfer.

g. If the taxpayer knowingly gives misinformation as to ownership and/or occupancy of the real estate and/or ownership of motor vehicles on his/her application for an owner-occupied rate, the City Assessor may, in such event, remove the owner-occupied rate and apply the non-owner occupied rate and recalculate the tax for the period in question and in addition charge the taxpayer the maximum interest permitted by law. If the taxpayer provides incorrect information, knowingly or not, the City Assessor may remove the owner-occupied rate and apply the non-owner occupied rate and may impose back taxes up to the full amount owed for the period in question.

h. The City Assessor is empowered to promulgate any further rules and regulations which he/she deems necessary to carry out the intent and purpose of this ordinance as it relates to the owner-occupied and non-owner occupied rates.

(2) *Class 2.* Commercial and industrial real estate, residential properties containing partial commercial or business uses and residential real estate of more than five (5) dwelling units. Properties containing partial commercial or business uses and residential real estate of more than five (5) dwelling units shall be included in Class 2.

(3) *Class 3.* All ratable tangible personal property.

(4) *Class 4.* Motor vehicles and trailers subject to the excise tax created by General Laws, chapter 34 of title 44. For FY2014, the motor vehicle tax exemption shall be one thousand dollars (\$1,000.00). The rate of taxation shall be \$60.00 per thousand of assessed value less any applicable reductions.

(c) The City, pursuant to Rhode Island General Laws 44-5-11.8(c), adopts a tax rate for Class 2 which shall exceed the tax rate of Class 1, without regard to any applicable owner-occupied status; the tax rate applicable to Class 3 shall not exceed the non-owner occupied tax rate of Class 1 by more than two hundred percent (200%).

Section 5. In keeping with the authorization provided in Rhode Island General Laws 44-3-31 and 44-3-24, Section 21-126 of the Providence Code of Ordinances is hereby amended as follows:

The amount of the following exemptions with respect to the assessed value from local taxation on taxable property is fixed as follows:

(a) Veterans as defined in Section 44-3-4 of the General Laws of Rhode Island and the un-remarried widow or widower of such veterans at seven thousand nine hundred sixty-nine dollars and eighty-seven cents (\$7,969.87).

(b) Blind persons as defined in Section 44-3-12 of the General Laws of Rhode Island at forty-seven thousand eight hundred nineteen dollars and twenty-two cents (\$47,819.22).

(c) Veterans who are totally disabled as defined in Section 44-3-4, of the General Laws of Rhode Island at fifteen thousand nine hundred thirty-nine dollars and forty-seven cents (\$15,939.47).

(d) Gold Star Parents as defined in Section 44-3-5 of the General Laws of Rhode Island at twenty-three thousand nine hundred nine dollars and sixty-one cents (\$23,909.61).

(e) Specially adapted housing for paraplegic veterans as defined in Section 44-3-4 of the General Laws of Rhode Island at seventy-nine thousand six hundred ninety-eight dollars and seventy cents (\$79,698.70).

(f) For any person sixty-five (65) years of age or over at twenty-six thousand five hundred sixty-six dollars and twenty-three cents (\$26,566.23).

(g) For persons who are one hundred percent (100%) disabled as determined pursuant to Title II and Title XVI of the Social Security Act, 42 U.S.C. § 401 et seq., and 42 U.S.C. § 1381 et seq., 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 twenty-five thousand nine hundred two dollars and eight cents (\$25,902.08).

(h) For any person sixty-two (62) through sixty-four (64) years of age, who is receiving social security benefits, twenty-three thousand nine hundred nine dollars and sixty-one cents (\$23,909.61).

(i) Prisoners of War who are veterans of military or naval service of the United States of America, as defined in Section 44-3-4(e) of the General Laws of Rhode Island and the unmarried widow or widower of such prisoner of war at thirty-nine thousand eight hundred forty-nine dollars and thirty-five cents (\$39,849.35).

(j) If a taxpayer is eligible for the owner-occupied residential real estate tax rate as in Section 21-182 above, but does not apply until after March 15, 2013, the taxpayer will pay a late fee equal to one per cent (1%) of his or her tax bill as issued if the application is filed within one (1) month of the March 15 deadline for the applicable tax year, plus an additional one per cent (1%) of his or her tax bill as issued for each month (or portion of a month) after March 15 of the applicable tax year the application is filed, provided that the application is made within twelve (12) months of the March 15 deadline. The fee will be charged only if the application qualifies for the owner-occupied residential real estate tax rate.

(k) If a taxpayer is paying the non-owner occupied residential real estate tax rate for the current or immediately preceding tax year, was eligible for the owner-occupied residential real estate tax rate during the year(s), but failed the apply, then the homeowner can apply after the fact for a retroactive reduction in the prior year's or years' bill(s). If the Assessor determines that the applicant was eligible for the owner-occupied residential real estate tax rate, the Assessor will issued a credit on the homeowner's tax bill going forward in an amount equal to the difference between the amount of taxes paid and the amount due at the owner-occupied residential real estate tax rate, minus an application fee of twelve per cent (12%) of the prior year's or years' tax bill.

Provided, however, that any such increase in exemption provided for herein over the amount heretofore provided by general or special law shall apply only to real property[3].

Section 6. This ordinance shall take effect upon its passage.

IN CITY COUNCIL
JUN 05 2014
FIRST READING
READ AND PASSED
Lawrence Lopez CLERK
ACTING

IN CITY
COUNCIL
JUN 09 2014
FINAL READING
READ AND PASSED
Michael Torres PRESIDENT
Lawrence Lopez CLERK
ACTING

I HEREBY APPROVE.

Angel Taveras
Mayor

Date: 6/12/14