

# **RESOLUTION OF THE CITY COUNCIL**

*No. 225*

*Approved April 13, 2011*

WHEREAS, Providence is home to a large number of tax-exempt institutions; and

WHEREAS, According to the Planning Department, 48.5% of land area in Providence does not pay property taxes; and

WHEREAS, The City of Providence's budget, like the budgets of many other municipalities in Rhode Island, relies heavily on the property tax for revenue; and

WHEREAS, The assessed property values of the tax-exempt colleges, hospitals, and universities located in Providence total more than \$3 billion; and

WHEREAS, If the colleges, hospitals, and universities' properties were subject to the commercial property tax, they would provide nearly \$83 million in revenue to the City; and

WHEREAS, Currently, the colleges and universities make voluntary payments to the City totaling less than \$3.7 million annually, about 92% less than what would be paid if those properties were taxable; and

WHEREAS, Providence's hospitals do not make any voluntary payments to the City; and

WHEREAS, According to the independent Commission to Study Tax Exempt Institutions, the City provided more than \$32 million in direct services to tax-exempt institutions in Fiscal Year 2010; and

WHEREAS, If passed, House Bill 5785 and Senate Bill 765 would permit municipalities to charge certain tax-exempt institutions, including colleges, hospitals, and universities, a sum equal to not more than 25% of all taxes that would have been collected had their properties been taxable; and

WHEREAS, The passage of H5785 and S765 would offer much needed relief to numerous cities and towns throughout Rhode Island, including Bristol, Cranston, East Providence, Newport, North Providence, Pawtucket, Providence, Smithfield, South Kingstown, Warwick, Westerly, and Woonsocket.


NOW, THEREFORE, BE IT RESOLVED, That the City Council of the City of Providence does hereby urge the General Assembly to pass H5785 and S765.

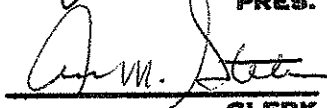
BE IT FURTHER RESOLVED, That upon adoption, copies of this resolution be      Page 2  
forwarded to the sponsors of H5785 and S765, as well as to the Governor, the Speaker of the  
House, the President of the Senate, the Majority Leaders of the House and Senate, and all  
Providence representatives and senators.

**IN CITY COUNCIL**

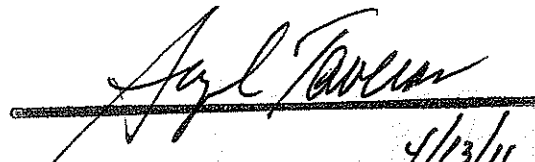
**APR - 7 2011**

**READ AND PASSED**

  
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**PRES.**

  
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**CLERK**

**APPROVED**

  
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**MAYOR** 4/13/11

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2011

A N A C T

RELATING TO TOWNS AND CITIES -- STATE AID

Introduced By: Representatives Carnevale, Williams, DeSimone, Winfield, and Handy

Date Introduced: March 03, 2011

Referred To: House Finance

It is enacted by the General Assembly as follows:

1           SECTION 1. Chapter 45-13 of the General Laws entitled "State Aid" is hereby amended  
2   by adding thereto the following section:

3           **45-13-5.3. Municipal services pro rata reimbursement. — Notwithstanding any general**  
4   **or public law to the contrary, any municipality shall be authorized to charge institutions included**  
5   **in subsection 45-13-5.1(b) for essential services on a pro rata basis according to assessed property**  
6   **value serviced. The municipality in which the property lies is authorized to charge a sum equal to**  
7   **not more than twenty-five percent (25%) of all taxes that would have been collected had the**  
8   **property been taxable. For the purposes of this section, "essential services" included, but are not**  
9   **limited to, police, fire and rescue.**

10          SECTION 2. This act shall take effect upon passage.

EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF  
A N A C T  
RELATING TO TOWNS AND CITIES -- STATE AID

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- 1           This act would permit municipalities to seek reimbursement for emergency services  
2 based on pro rata basis according to property value serviced.  
3           This act would take effect upon passage.

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2011 -- S 0765

LC02188**STATE OF RHODE ISLAND****IN GENERAL ASSEMBLY****JANUARY SESSION, A.D. 2011**

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**A N A C T**  
**RELATING TO TOWNS AND CITIES -- STATE AID****Introduced By:** Senators P Fogarty, and Tassoni**Date Introduced:** March 24, 2011**Referred To:** Senate Finance

It is enacted by the General Assembly as follows:

- 1-1 SECTION 1. Chapter 45-13 of the General Laws entitled "State Aid" is hereby amended  
1-2 by adding thereto the following section:
- 1-3 **45-13-5.3. Municipal services pro rata reimbursement.** – Notwithstanding any general  
1-4 or public law to the contrary, any municipality or fire district shall be authorized to charge  
1-5 institutions included in subsection 45-13-5.1(b) for essential services on a pro rata basis according  
1-6 to assessed property value serviced. The municipality or fire district in which the property lies is  
1-7 authorized to charge a sum equal to not more than twenty-five percent (25%) of all taxes that  
1-8 would have been collected had the property been taxable. For the purposes of this section,  
1-9 “essential services” included, but are not limited to, police, fire and rescue.
- 1-10 SECTION 2. This act shall take effect upon passage.

LC02188**EXPLANATION**  
**BY THE LEGISLATIVE COUNCIL**  
**OF****A N A C T**  
**RELATING TO TOWNS AND CITIES -- STATE AID**

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- 2-1 This act would permit municipalities or fire districts to seek reimbursement for
- 2-2 emergency services based on pro rata basis according to property value serviced.
- 2-3 This act would take effect upon passage.

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LC02188

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