

THE CITY OF PROVIDENCE
STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

RESOLUTION OF THE CITY COUNCIL

No. 240

Approved May 11, 2001

RECEIVED
CITY CLERK
MAY 11 2001

RESOLVED, That the Members of the Providence City Council
hereby endorse and urge Passage by the General Assembly of Senate Bill
2001-S 0743 and House Bill 2001-H 5804 Relating to Taxation- Property
Tax Classification- Providence, in substantially the form attached.

IN CITY COUNCIL
MAY 10 2001
READ AND PASSED

Baldwin A. Young
PRES., Acting
Michael R. Clement
CLERK

APPROVED

MAY 11 2001
Vincent A. Gonsky
MAYOR

RECEIVED
MAY 2 2001
CITY COUNCIL

IN CITY COUNCIL
APR 5 2001
FIRST READING
REFERRED TO COMMITTEE ON
STATE LEGISLATION

Michael R. Cleary CLERK
BC

THE COMMITTEE ON
State Legislation
Recommends Approval
Carol Bestwick
May 2, 2001 CLERK

Caroline Allen (By request)

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

01-S 0743

JANUARY SESSION, A.D. 2001

A N A C T

RELATING TO TAXATION - PROPERTY TAX CLASSIFICATION - PROVIDENCE

01-S 0743

Introduced By: Senators Caprio, Kells, Iglizoi and Goodwin

Date Introduced: February 14, 2001

Referred To: Senate Committee on Corporations

It is enacted by the General Assembly as follows:

- 1 SECTION 1. Sections 44-5-20.6, 44-5-20.7, 44-5-20.8 and 44-5-20.9 of the General
2 Laws in Chapter 44-5 entitled "Levy and Assessment of Local Taxes" are hereby repealed.
- 3 ~~44-5-20.6. Property tax classification - Providence - The city of Providence may by~~
4 ~~resolution or ordinance adopted by the city council provide for a system of classification of~~
5 ~~taxable property in conformity with the provisions of sections 44-5-20.7 - 44-5-20.9, to become~~
6 ~~effective in any year in which the assessment roll, certified as provided in section 44-5-22,~~
7 ~~reflects a general revaluation of all taxable real estate (hereinafter the "revaluation year").~~
- 8 ~~44-5-20.7. Property tax classification - Providence - Apportionment of taxes - (a)~~
9 ~~Upon adoption of a system of classification of taxable property by the city of Providence, all~~
10 ~~ratable property in the city of Providence shall be classified by the assessor as follows:~~
- 11 ~~(1) Class 1: All ratable real estate.~~
12 ~~(2) Class 2: All ratable tangible personal property.~~
13 ~~(b) Class 2 shall also include all motor vehicles and trailers subject to the excise tax~~
14 ~~created by chapter 34 of this title.~~
- 15 ~~(c) The valuation of residential real estate shall be reduced by a percentage to be~~
16 ~~determined by the city council when adopting the system of classification but the percentage~~
17 ~~reduction shall not exceed thirty five (35%) percent.~~
- 18 ~~(d) Residential real estate is defined as real property used or held for human habitation~~

1 ~~containing one or more dwelling units, including rooming houses, and mobile homes with~~
2 ~~facilities designed and used for living, sleeping, cooking and eating on a non-transient basis. The~~
3 ~~property includes accessory land, buildings or improvements incidental to such habitation and~~
4 ~~used exclusively by the residents of the property or their guests. The property does not include a~~
5 ~~hotel or motel.~~

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

9 ~~(f) The percentage reduction in valuation of residential real estate shall apply to~~
10 ~~residential real estate containing six (6) or less dwelling units. In the case of multiple dwellings~~
11 ~~containing more than six (6) dwelling units, the percentage reduction in valuation shall be applied~~
12 ~~to the result of dividing the assessed valuation by the number of dwelling units in the multiple~~
13 ~~dwelling and multiplying the quotient by six (6).~~

14 ~~44-5-20.8. Property tax classification — Providence — Apportionment of levies — The~~
15 ~~assessor in apportioning the levy of all taxes shall apply different rates of taxation against Class 1~~
16 ~~and Class 2 property calculated as follows:~~

17 ~~(1) In the revaluation year, the assessor shall calculate rates of taxation for Class 1 and~~
18 ~~Class 2 property respectively sufficient to produce taxes in the amount of the total levy, including~~
19 ~~the excise tax levy of chapter 34 of this title, with the rate of taxation for Class 2 property in an~~
20 ~~amount which is two hundred and forty percent (240%) greater than the rate of taxation against~~
21 ~~Class 1 property.~~

22 ~~(2) In the year next immediately succeeding the revaluation year, the assessor shall (i)~~
23 ~~apply the respective rates of taxation in effect in the revaluation year against the Class 1 and~~
24 ~~Class 2 property as assessed for the revaluation year but revised to reflect corrections and~~
25 ~~adjustments, including changes in assessments arising out of proceedings before the board of tax~~
26 ~~assessment review or otherwise, and (ii) determine the proportions (expressed as a percentage~~
27 ~~rounded to the nearest one tenth (1/10) of one percent (1%) of the result produced by Class 1~~
28 ~~and Class 2 property respectively. The assessor shall compare such percentage produced by Class~~
29 ~~2 property with the percentage of the taxes produced in the preceding year by Class 2 property~~
30 ~~and the lower percentage shall be the Class 2 percentage. The Class 1 percentage shall be the~~
31 ~~difference between the Class 2 percentage and one hundred percent (100%). The assessor shall~~
32 ~~then determine the rate of taxation for Class 1 property which shall be an amount sufficient to~~
33 ~~produce the Class 1 percentage of the total tax levy, including the excise tax levy of chapter 34 of~~

1 this title, and determine the rate of taxation for Class 2 property which shall be an amount
2 sufficient to produce the Class 2 proportion of the total tax levy, including the excise tax levy of
3 chapter 34 of this title.

4 ~~(3) In each subsequent year, the assessor shall determine the rate of taxation for Class 1~~
5 ~~property which shall be an amount sufficient to produce the Class 1 percentage of the total tax~~
6 ~~levy, including the excise tax levy of chapter 34 of this title, for the respective year, and shall~~
7 ~~determine the rate of taxation for Class 2 property which shall be an amount sufficient to produce~~
8 ~~the Class 2 percentage of the total tax levy, including the excise tax levy of chapter 34 of this~~
9 ~~title, for the respective year.~~

10 ~~44-5-20.9. Property tax classification—Providence—Miscellaneous—(a) The city of~~
11 ~~Providence may adopt a system of classification of taxable property in accordance with the~~
12 ~~foregoing provisions only in any revaluation year and the system of classification shall continue~~
13 ~~until terminated by resolution or ordinance adopted by the city council.~~

14 ~~(b) All provisions of this chapter or any other general state law relating to the levy and~~
15 ~~assessment of local taxes and chapter 34 of this title shall continue to apply to the city of~~
16 ~~Providence after the adoption of a system of classification of taxable property, except insofar as~~
17 ~~any provision is inconsistent with the provisions of sections 44-5-20.6—44-5-20.9.~~

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

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LC02337
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01-S 0743

EXPLANATION

BY THE LEGISLATIVE COUNCIL

OF

A N A C T

RELATING TO TAXATION - PROPERTY TAX CLASSIFICATION - PROVIDENCE

- 1 This act would totally eliminate Providence's real estate tax classification system.
- 2 This act would take effect upon passage.

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LC02337
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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

01-H 5804

JANUARY SESSION, A.D. 2001

A N A C T

RELATING TO TAXATION - PROPERTY TAX CLASSIFICATION - PROVIDENCE

2001-H 5804

Introduced By: Reps. Fox, Slater, Lima, Williams and TejadaDate Introduced: February 6, 2001Referred To: Committee on Corporations

It is enacted by the General Assembly as follows:

1 SECTION 1. Sections 44-5-20.6, 44-5-20.7, 44-5-20.8 and 44-5-20.9 of the General
2 Laws in Chapter 44-5 entitled "Levy and Assessment of Local Taxes" are hereby repealed.

3 ~~44-5-20.6. Property tax classification - Providence - The city of Providence may by~~
4 ~~resolution or ordinance adopted by the city council provide for a system of classification of~~
5 ~~taxable property in conformity with the provisions of sections 44-5-20.7 - 44-5-20.9, to become~~
6 ~~effective in any year in which the assessment roll, certified as provided in section 44-5-22,~~
7 ~~reflects a general revaluation of all taxable real estate (hereinafter the "revaluation year").~~

8 ~~44-5-20.7. Property tax classification - Providence - Apportionment of taxes - (a)~~
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10 ~~ratable property in the city of Providence shall be classified by the assessor as follows:~~

11 ~~(1) Class 1: All ratable real estate.~~

12 ~~(2) Class 2: All ratable tangible personal property.~~

13 ~~(b) Class 2 shall also include all motor vehicles and trailers subject to the excise tax~~
14 ~~created by chapter 34 of this title.~~

15 ~~(c) The valuation of residential real estate shall be reduced by a percentage to be~~
16 ~~determined by the city council when adopting the system of classification but the percentage~~
17 ~~reduction shall not exceed thirty five (35%) percent.~~

18 ~~(d) Residential real estate is defined as real property used or held for human habitation~~

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6 ~~(e) Where real property is used or held for more than one purpose, including uses other~~
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21 ~~Class 1 property.~~

22 ~~(2) In the year next immediately succeeding the revaluation year, the assessor shall (i)~~
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15 ~~assessment of local taxes and chapter 34 of this title shall continue to apply to the city of~~
16 ~~Providence after the adoption of a system of classification of taxable property, except insofar as~~
17 ~~any provision is inconsistent with the provisions of sections 44-5-20.6—44-5-20.9.~~

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

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LC01689
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01-H 5804

EXPLANATION

BY THE LEGISLATIVE COUNCIL

OF

A N A C T

RELATING TO TAXATION - PROPERTY TAX CLASSIFICATION - PROVIDENCE

- 1 This act would totally eliminate Providence's real estate tax classification system.
- 2 This act would take effect upon passage.

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