

**City of Providence**  
STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

---

**CHAPTER 2011-28**

**No. 418**

**AN ORDINANCE IN AMENDMENT OF SECTION 21-182  
OF THE ORDINANCES OF THE CITY OF PROVIDENCE,  
ENTITLED: "APPORTIONMENT OF TAXES"**

*Approved July 18, 2011*

***Be it ordained by the City of Providence:***

**Section 1:** Section 182 in Article X of Chapter 21 of the Ordinances of the City of Providence, Entitled: "Revenue and Finance" is hereby amended as follows:

Section 21-182 . Apportionment of taxes.

(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 be more than two (2) times the tax rate of Class 1, without regard to any applicable homestead exemption; the tax rate applicable to Class 3 shall not exceed the 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.* ~~For~~ 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 and residential real estate of more than five (5) dwelling units. ~~a- A homestead exemption is authorized within this class as follows: (a) owner-occupied residential real estate is may be granted an exemption in an amount not to exceed fifty percent (50%) of the assessed valuation, except that owner occupied residential real estate with an assessed valuation of \$1,000,000 or more may be granted an exemption in an amount not to exceed fifty percent (50%) of the assessed valuation attributable to the first one million dollars of valuation, and thereafter, an exemption of thirty three percent (33%); and further provided that owner-occupied residential real estate consisting of more than five (5) dwelling units may be granted an exemption in an amount not to exceed fifty percent (50%) of the assessed valuation attributable to the first five (5) dwelling units. Owner-occupied mixed use real estate is may be-granted an exemption in an amount not to exceed fifty percent (50%) of the assessed valuation attributable to the first five (5) dwelling units of the residential portion of such real estate; or, (b) in the case of non-owner-occupied residential real estate consisting of five (5) dwelling units or less an exemption in an amount not to exceed fifty percent (50%)~~

fifteen percent (15%) of the assessed valuation may be granted. Non-owner-occupied residential real estate consisting of more than five (5) dwelling units may be granted an exemption in an amount not to exceed fifteen percent (15%) of the assessed valuation attributable to the first five (5) units. Non-owner-occupied mixed use real estate may be granted an exemption in an amount not to exceed ~~fifty percent (50%)~~ fifteen percent (15%) of the assessed valuation attributable to the first five (5) units of the residential portion of such real estate. The percentage reduction in valuation of residential real estate pursuant to the homestead exemption shall apply to residential real estate containing five (5) or fewer dwelling units. In the case of multiple dwellings containing more than five (5) 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 five (5). ~~The rate of taxation shall be not more than thirty dollars and thirty-eight cents (\$30.38) per thousand of assessed value less applicable reductions.~~

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

a. To be eligible for a type (a) or (b) homestead exemption, 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 exemption 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. 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 homestead exemption 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 homestead exemption had been granted as of the prior December 31<sup>st</sup> 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 and grant applications for homestead exemptions submitted after the filing deadline; provided, however, that in such cases, the homestead exemption may be applied only to current taxes or those assessed in the prior year.

b. Only natural person(s) are qualified to receive the type (a) owner-occupied residential real estate homestead exemption. 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 homestead exemption; provided, however, that with respect to the application of the owner-occupied real estate homestead exemption to taxes assessed as of December 31, 2009, 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 homestead exemption 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 the date of assessment December 31, 2009, 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 homestead exemption 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 homestead exemption:

(1) Neither the homestead exemption applicant nor the applicant's spouse is receiving a homestead exemption 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 homestead exemption;

(2) The homestead exemption 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 exemption applicant and the spouse are either legally separated or divorced;

(3) The homestead exemption 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 homestead exemption has at least one motor vehicle registered to the same address as the property receiving the exemption, then the tax collector shall presume that these requirements have been complied with; however, the tax collector 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 exemption 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 homestead exemption, both prospectively and retroactively as necessary to the enactment of this ordinance.

d. The homestead exemption, 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 homestead exemption 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 exemption is sold or transferred during the year for which the homestead exemption is claimed, the exemption is void for that portion of the year following the sale or transfer. 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 a homestead exemption, the City Assessor may, in such event, remove the homestead exemption 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 homestead exemption 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 homestead exemption.

Section 2: This Ordinance shall take effect upon passage.


IN CITY COUNCIL  
JUL 07 2011  
FIRST READING  
READ AND PASSED

 CLERK

IN CITY  
COUNCIL  
JUL 18 2011  
FINAL READING  
READ AND PASSED

 PRESIDENT  
 CLERK ACTING

I HEREBY APPROVE.

 Mayor  
Date: 7/18/11