

THE CITY OF PROVIDENCE
STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

RESOLUTION OF THE CITY COUNCIL

No. 72

EFFECTIVE ~~ANNUAL~~ February 25, 2013

WHEREAS, The City of Providence continues to face a difficult combination of budgetary pressures and high tax rates for certain categories, including commercial real estate, inventory and motor vehicles; and

WHEREAS, An expansion of the base of taxable property would allow the City to address these issues without pitting one class of taxpayers against another; and

WHEREAS, The City of East Providence recently conducted an audit of its inventory of its tax-exempt properties, only to discover that 35 accounts with a total appraised value of more than \$27 million were classified as exempt even though they were taxable, and

WHEREAS, The City of East Providence estimates that its audit will generate additional municipal revenue of more than \$500,000 annually without increasing tax rates, and

WHEREAS, After declaring formerly exempt properties to be taxable, the City of East Providence faced challenges from those property owners concerning the valuation of the property, and

WHEREAS, The City of East Providence had not undertaken a rigorous review of the valuation of these properties because they were considered exempt at the time the most recent revaluation occurred, and

WHEREAS, The City of Providence is currently undertaking a revaluation of its real property for tax purposes,

NOW, THEREFORE BE IT RESOLVED, That

1. The Providence City Council requests that the Tax Assessor conduct an audit of the City's tax-exempt properties to confirm their eligibility for an exemption;
2. The Providence City Council agrees to provide any necessary and reasonable additional resources to the Tax Assessor to conduct an audit of tax-exempt properties;

3. The Providence City Council expresses its support for the Tax Assessor to expand the scope of the current revaluation of the City's property to include selected tax-exempt properties in the Tax Assessor's discretion, focusing on properties that may be appropriate candidates for such an audit; and

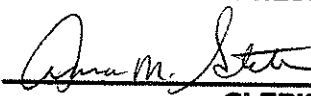
4. The Providence City Council expresses its general support for the strict application of the existing State laws on tax exemptions so that ordinary taxpayers do not subsidize the taxes owed by property owners who do not qualify under State law or prior actions by the Providence City Council.

IN CITY COUNCIL

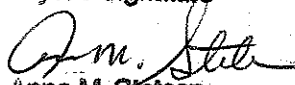
FEB 13 2013

READ AND PASSED


PRES.


CLERK

Effective without the
Mayor's Signature


Anna M. Stetson
City Clerk