

City of Providence

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

CHAPTER 1997-17

No. 84 AN ORDINANCE

Approved February 26, 1997

Be it ordained by the City of Providence:

REVENUE AND FINANCE

ARTICLE VII. TAX EXEMPTION FOR COMPUTER AND TELEPHONE EQUIPMENT

WHEREAS, in an effort to increase the City's tax base, the City Council has determined that it is in the interest of the residents of the City of Providence to establish a tax plan to exempt certain computers and telephone equipment.

WHEREAS, the Providence City Council has the authority, pursuant to Title 44, Chapter 3, Section 3.1 of the General Laws of the State of Rhode Island, as amended, to exempt certain computers and telephone equipment property used for office purposes from the payment of property tax.

NOW, THEREFORE, Be it ordained that the City of Providence does hereby establish a computer and telephone tax exemption program as herein provided.

Sec. 1 Declaration of policy.

The granting of a tax exemption as provided herein shall:

- (1) Cause a new office company to locate to the city which results in an increase in the overall tax base in the city,
- (2) Cause an existing Providence office company to expand operations or replace, reconstruct, expand or remodel existing buildings and facilities, resulting in an increase in the overall tax base in the city, or

No.

CHAPTER

AN ORDINANCE

IN CITY COUNCIL

June 20, 1996
FIRST READING

REFERRED TO COMMITTEE ON
FINANCE

Michael R. Clemen CLERK

THE COMMITTEE ON

Finance
Recommends

Be Continued

Charles E. Bestwick
Clerk

Aug. 15, 1996

Oct. 21, 1996 Public Hearing

Oct. 28, 1996

Nov. 4, 1996 Nov. 13, 1996

Carrolline Sglergi (By request)

THE COMMITTEE ON
FINANCE

Approves Passage of
The Within Ordinance

Michael R. Clemen
Clerk
1/21/97

(3) Cause an existing Providence office company to construct new buildings or facilities and thereby increase the overall tax base in the city,

Furthermore, the granting of said exemption shall:

(1) Result in the creation of at least one (1) new permanent job per seventy-five Thousand Dollars (\$75,000.00) of assessed value of property exempted under this Ordinance by each office company who locates to the City of Providence. For the purpose of this provision, a new permanent job shall include all present employees of the office Company who are transferred to the City of Providence location and either become or are a Rhode Island resident.

The required new jobs to be created under this Ordinance shall be created within twelve (12) months from the date of the approvals of said exemption. Should the employment level of the new jobs created deviate by less than fifteen percent (15%) of the required number, as provided herein, the exemption shall immediately become null and void and the business shall be taxed thereafter without regard to the exemption provided herein; or

(2) Result in the retention of at least the present level of existing jobs for existing Providence office companies during the term of the exemption.

Should the employment level of retained jobs deviate by less than fifteen percent (15%) of the required number of the jobs retained, as provided herein, the exemption shall immediately become null and void and the business shall be taxed thereafter without regard to the exemption provided herein.

Sec. 2 Eligible property.

The provisions of this article shall only apply to computers and telephone equipment, including all necessary wiring needed to make said equipment operational.

For the purpose of this Ordinance, an "Office Company" shall be defined as a company whose operations consist of at least 85 percent office space. Office companies shall not include wholesaling, retailing, manufacturing, research and development operations or any part thereof.

Real or personal property can be either owned or leased by the applicant.

Sec. 3. Procedure.

(a) No Office Company shall be entitled to any exemption herein authorized without first filing an application for said exemption with the office of the Providence City Assessor. The application shall include the description of the construction,

replacement, reconstruction, expansion, or remodeling to be made in connection with said exemption, the initial list of new and/or existing personal property owned or leased by the company and must contain a statement by the applicant of how the proposed activity will increase the tax base of the City. The Office Company shall pay to the City of Providence a one-time application fee of two hundred (\$200.00) dollars for the cost of administering the tax exemption program and the preparation of any and all agreements.

No application shall be considered unless (i) the application is filed prior to the issuance of a building permit, if required, with respect to the property, and (ii) for firms existing in the city, applicant's existing taxes shall increase by at least 10 percent after construction completion and the inclusion of the tax exemption provided hereunder. For firms existing in the city, existing taxes shall mean the current taxes or the average taxes paid over the last 3 years, whichever is greater.

The City Assessor shall promptly forward a copy of any application to the building inspector, when applicable, and notify the City Collector of the pending exemption application.

(b) If applicable, the Building Inspector shall review the application to determine whether any violations of the provisions of the building code of the city ordinances exists with respect to the property of the applicant or with respect to leased real property, the real property of the lessor and any other property in the city owned by the applicant. If no violations exist, he shall certify that fact to the City Assessor within thirty (30) days. If violations do exist, he shall forward a statement stating the nature and extent of the violations of the applicant. No exemption granted hereunder shall be effective unless and until any and all such violations have been cured.

(c) The City Collector shall review the city tax records to determine whether all taxes and fees (together with interest and penalties) which are due and owing to the City by the applicant, regardless of the location of the property within the city, have been paid; and with respect to personal property leased by the applicant, all taxes on said personal property have been paid. If no deficiency exists, the City Collector shall certify that fact to the City Assessor within thirty (30) days. If taxes are owed or deficiencies do exist, the City Collector shall forward a statement of the amounts due

and the properties involved. No exemption hereunder shall be effective unless and until any and all taxes and fees together with interest and penalties remaining unpaid and due and owing the city, as identified herein have been paid in full to the city or all payments have been made in accordance with a tax payment plan approved by the City Collector.

(d) The application and all supporting documentation shall be presented to the City Council by the Director of Planning and Development, along with his/her recommendations for final approval. The City Council approval shall be by resolution.

Sec. 4 Exemption.

The applicant shall notify the Tax Assessor upon project completion and shall submit sworn statements as to the actual increases in city tax base. The Tax Assessor may verify this information by a review of assessed valuation records and payroll records. If the Tax Collector determines that the actual increase in the tax base materially conforms to the application submitted under Section 3(a), the Tax Assessor will issue a ruling that the computers and telephone equipment shall be exempt from taxation and assesses as follows:

(a) As permitted by State law, the assessed valuation of computers and telephone equipment qualifying under this Ordinance, shall be exempt from taxation for a ten (10) year period.

(b) Any exempt computers and telephone equipment under this Ordinance can be replaced with new telephone and computer equipment and any such replacement thereof shall be exempt from taxation for the time period remaining on the original ten (10) year exemption period.

(c) Any additional computer and telephone equipment which is purchased or leased by any firm previously qualifying and exempted under this Ordinance which will also be exempt from taxation for the time period remaining on the original 10 year exemption period.

(d) In order to continue to qualify for the exemption, the applicant must continue to pay in full all taxes and fees owed to the City. If the applicant is in arrears on taxes and fees, the city shall notify the applicant by registered mail and the applicant shall have 30 days to pay the taxes and fees that are in arrears or have a tax payment plan approved by the City Collector. If such arrearage is not paid within thirty (30) days or an approved payment plan is not in place within thirty (30) days, upon written notice of the City Assessor, the exemption granted under this Ordinance shall be immediately null and void and the business shall be taxed, thereafter, without regard to the exemption provided under this Ordinance.

(e) For subsection (b) and (c) of the paragraph to apply, the applicant must submit sworn statements that at a minimum, the net tax revenue increases listed in the

application, submitted under Section 3(a), remain in effect.

Sec. 5 Forms and administration.

The City Collector shall develop such forms and procedures as he or she deems necessary and proper to administer applications for exemption as permitted herein.

Sec. 6 Limited scope.

This article shall not limit or otherwise preclude the City Council from exempting or stabilizing taxes on properties used for manufacturing or commercial purposes which would otherwise be permitted by the General Laws of the State of Rhode Island.

Sec. 7. Abatement not available for intrastate relocation.

As provided under the R.I. General Laws, the City Council shall not grant any abatement to any office concern which is relocating from one city or town within the State of Rhode Island to the City of Providence.

Sec. 8 Transfers of exempt property.

If ownership of a company owning or leasing property for which an exemption has been granted is transferred, in whole or the transferee had filed

the original application.

Sec. 9 Relocation of company.

Owning or Leasing Exempt Property

If the company owning or leasing property for which an exemption has been granted, relocates within the City of Providence, the exemption shall run with the personal property and benefit the company so long as the company would otherwise continue to qualify for an exemption under this Ordinance.

Sec. 10. Revocation.

The City Council may terminate an exemption granted hereunder prior to the expiration thereof in the event of fraud or misrepresentation by an applicant regarding any statements or representations contained in the application filed in connection with this Ordinance.

Sec. 11 Job Creation - Providence Residents.

Any Office Company that is granted a tax exemption as provided herein shall as a condition of the receipt of such tax exemption enter into an agreement covering the hiring of any and all employees as required under this Ordinance and including, but not limited to, an annual reporting requirement to the City Council relative to compliance with the conditions of said exemption. Said employment agreement shall be for the term of the tax exemption and require that each office company first give preference to any qualified Providence resident for all available employment positions. The employment agreement shall require that the office company provide equal opportunity without regard to race, color, religion, national origin, sex, age or handicap and make a good faith effort to hire a proportionate share, reflective of Providence's population, of women, minorities and handicap persons.

IN CITY COUNCIL
FEB 6 1997
FIRST READING
READ AND PASSED

Michael R. Clement
CLERK

IN CITY
COUNCIL

FEB 20 1997
FINAL READING
READ AND PASSED

Evelyn V. Fargnoli
PRESIDENT
Michael R. Clement
CLERK

