

City of Providence

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

CHAPTER 1997-19

No. 86 **AN ORDINANCE** IN AMENDMENT TO SECTION 21-169
OF THE CODE OF ORDINANCES REGARDING TAX STABILIZATION,
AS AMENDED

Approved February 26, 1997

Be it ordained by the City of Providence:

SECTION 1. Section 21-169 of the Code of Ordinances is hereby amended to read as follows:

Sec. 21-169. Tax stabilization for certain commercial, industrial and residential property.

(a) *Declaration of policy.* The city council has the authority, pursuant to Section 44-3-9 of the General Laws of the State of Rhode Island, as amended, to exempt property used for commercial, industrial or residential purposes from the payment of property tax if the granting of an exemption will:

- (1) Cause a commercial or industrial concern to locate in the city; or
- (2) Cause a commercial or industrial concern to replace, reconstruct, expand or remodel existing buildings and facilities, and thereby increase the tax base in the city; or
- (3) Cause a commercial or industrial concern to construct new buildings or facilities and thereby increase employment opportunities in the city.
- (4) Cause a building formerly utilized for commercial, manufacturing or residential purposes to be utilized for residential purposes.

The city council finds that it is in the interest of the residents of the City of Providence to adopt a plan for the granting of such exemptions.

(b) *Eligible property.* The provisions of this article shall apply to commercial, industrial or residential property, which is defined to mean land, buildings, structures, and other improvements thereto, and personal property located therein or thereon or employed in connection therewith (but excluding inventory held for sale in the ordinary course) used essentially for offices,

No.

CHAPTER

AN ORDINANCE in Amendment to
Sec. 21-169 of the Code of
Ordinances Regarding Tax
Stabilization

IN CITY COUNCIL

Sept. 19, 1996

FIRST READING
REFERRED TO COMMITTEE ON
FINANCE

Michael R. Clement CLERK

THE COMMITTEE ON
FINANCE

Approves Passage of
The Within Ordinance

Michael R. Clement
1/28/97 Clerk

Council President Jagsoli (By request)

commercial or industrial enterprises or residential use, but shall not include unimproved or vacant land.

(1) *Procedure.*

a. No person shall be entitled to any exemption herein authorized without first filing an application for a tax stabilization with the office of the city assessor. The application shall include the program of building, alterations and/or improvements to be made and, in the case of a new facility, must contain a statement by the applicant of how the facility will increase employment in the city. No application shall be considered unless: (i) the application is filed prior to the issuance of a certificate of occupancy; (ii) the estimated cost of new construction exceeds one hundred thousand dollars (\$100,000.00) and (iii) a non refundable application fee in the amount of 0.001 per cent of the estimated cost of the project is paid to the city. The City assessor shall promptly forward a copy of any application to the building inspector and notify the city collector of the pendency of the exemption application.

b. The building inspector shall review the application to determine whether any violations of the provisions of the building code of the city ordinance exist with respect to the property of the applicant and any other property in the city owned by the applicant. If no violations exists, 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. 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 (together with interest and penalties) which are due and owing to the city with respect to the property to which the exemption applies, and all other property in the city owned by the applicant, have been paid. If no deficiency exists, the city collector shall certify that fact to the city assessor within thirty (30) days. If a deficiency or deficiencies do exist, the city collector shall forward a statement of the amounts due and the properties involved. No exemption granted hereunder shall be effective unless and until any and all taxes together with interest and penalties remaining unpaid and due and owing to the city assessed on such property have been paid in full to the city.

d. Within thirty (30) days following the receipt of the statements from the building inspector and the city collector, the assessor will review the application and, if the building inspector and city collector have certified that no violations or deficiencies which did exist have been cured, he will forward the application to the

city council together with his comments and recommendations for action by the city council. The city council shall review the project in its entirety, including, but not limited to, the amount of public funds utilized in the project in determining whether or not a project shall be approved. Approval by the council shall be by resolution.

(c) *Exemption.* Upon receipt from the city assessor or an application for abatement under this article, the city council may grant the exemption provided for herein or any such lesser or greater exemption as the city council may in its complete discretion deem beneficial, upon its finding that the granting of such exemption will benefit the city for any of the reasons set forth in subsection (a) above. The commercial, industrial or residential property which is exempt hereunder shall be assessed as follows:

(1) There shall be no change in assessment during the period of construction provided such construction is completed within a reasonable period of time.

(2) For the first year in which the commercial, industrial or residential property is subject to abatement hereunder, the abatement shall be no greater than ninety (90) per cent of the assessed valuation of the property attributable to new construction.

(3) In subsequent years the abatement shall be to the extent of the percentage set forth in the following schedule.

YEAR	PERCENTAGE ABATED
1	90
2	80
3	70
4	60
5	50
6	40
7	30
8	20
9	10
10	0

The City assessor shall determine the increase in the assessed valuation of the commercial property attributable to new construction. The increase in the assessed valuation so determined shall be used in all subsequent years notwithstanding any subsequent revaluation of such commercial property, and/or additional renovations, alterations, additions.

(d) *Forms and administration.* The city assessor shall develop such forms and procedures as he or she deems necessary or proper for application for exemption.

(e) *Limited scope.* The article shall not limit or otherwise preclude the city council from exempting or stabilizing taxes on properties used for manufacturing, commercial or industrial purposes which would otherwise be permitted by Section 44-3-9 of the General Laws of the State of Rhode Island, as amended.

(f) *Transfer of exempt property.* If property for which an exemption has been granted is transferred during the exemption period, the exemption shall run with the property and benefit the transferee so long as the property continues to be used for commercial or industrial purposes and the transferee could otherwise qualify for an exemption if the transferee had filed the original application.

(g) *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 hereunder.

SECTION 2. This Ordinance shall take effect upon its passage.

IN CITY COUNCIL
FEB 6 1997
FINAL READING
READ AND PASSED

CLERK

IN CITY
COUNCIL
FEB 20 1997
FINAL READING
READ AND PASSED

PRESIDENT

CLERK

