

RESOLUTION OF THE CITY COUNCIL

No. 84

Approved February 27, 2014

WHEREAS, The City's 2013-14 budget contained a change in tax classifications, eliminating the "homestead exemption" in favor of a "owner-occupied" tax rate; and

WHEREAS, The elimination of the "homestead exemption" generated unintended consequences that were not fully understood at the time of the change; and

WHEREAS, Prior to the 2013-14 tax year, unit owners of the cooperative housing corporation located in Providence (Laurelmead) were entitled under State law to receive the "homestead exemption" for their taxes if they met the residency requirements; and

WHEREAS, These unit owners lost the benefit of the "homestead exemption" in 2013-14, and saw their taxes double as a result; and

WHEREAS, Representatives of the unit owners met with the Mayor's office and reached agreement to support a change in State law whereby their taxes would be restored to the prior rate over three (3) years, paying 15% more in 2013-14, 7.5% more in 2014-15 and the regular "owner occupied" rate in 2015-16; and

WHEREAS, The Mayor's office worked with the General Assembly to introduce enabling legislation to implement their agreement in the form of Bill 2014 H-7281 (copy attached as Exhibit A); and

WHEREAS, The compromise so reached is fair to the City and to the residents of cooperative housing corporations.

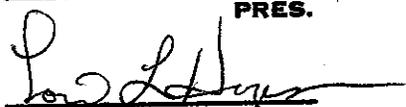
NOW, THEREFORE, BE IT RESOLVED, That the Providence City Council supports the agreement reached between the Mayor's office and the residents of Laurelmead, and urges the General Assembly to pass Bill 2014 H-7281 or similar legislation.

IN CITY COUNCIL

FEB 20 2014

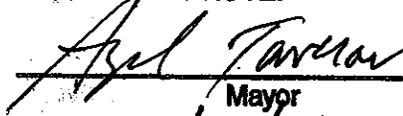
READ AND PASSED



PRES.


ACTING CLERK

I HEREBY APPROVE.



Mayor
Date: 2/27/14

Exhibit A

LC003476

STATE OF RHODE ISLAND
IN GENERAL ASSEMBLY
JANUARY SESSION, A.D. 2014

AN ACT

RELATING TO TAXATION - COOPERATIVE HOUSING CORPORATIONS

Introduced By: Representatives Fox, Ajello, Almeida, Williams, and Slater

Date Introduced: January 30, 2014

Referred To: House Municipal Government

It is enacted by the General Assembly as follows:

1 SECTION 1. Chapter 44-5 of the General Laws entitled "Levy and Assessment of Local
2 Taxes" is hereby amended by adding thereto the following section:

3 **44-5-77.1. Providence - Cooperative housing corporation - Tax rates. - (a)**

4 Notwithstanding any provision of the general or public laws to the contrary, the property tax rate
5 applicable to any real property in the city of Providence owned by an entity organized as a
6 cooperative housing corporation within the meaning of chapter 7-6.1 shall be as follows:

7 With respect to any owner-occupied dwelling units in such real property, the rate shall
8 be:

9 (1) For taxes assessed on units owned on December 31, 2013, one hundred fifteen percent
10 (115%) of the rate applicable to residential owner-occupied properties in the city;

11 (2) For taxes assessed on units owned on December 31, 2014, one hundred seven and
12 one-half percent (107.5%) of the rate applicable to residential owner-occupied properties in the
13 city; and

14 (3) For taxes assessed on units owned on December 31, 2015, and for every tax
15 assessment made thereafter, one hundred percent (100%) of the rate applicable to residential
16 owner-occupied properties in the city.

17 (b) With respect to any non-owner-occupied dwelling units in such real property, the rate
18 applied in every assessment shall be the rate applicable to residential non-owner-occupied
19 properties in the city.

1 SECTION 2. This act shall take effect upon passage and shall apply retroactively to
2 December 31, 2013.

LC003476

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
A N A C T
RELATING TO TAXATION - COOPERATIVE HOUSING CORPORATIONS

1 This act would change the formula for assessing owner-occupied units in cooperative
2 housing corporations within the city of Providence.

3 This act would take effect upon passage and apply retroactively to December 31, 2013.

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