

# City of Providence

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

## CHAPTER 2008-41

No. 333

### AN ORDINANCE

PROVIDING FOR THE ASSESSMENT AND COLLECTION OF 2008 TAXES IN A SUM NOT LESS THAN TWO HUNDRED SEVENTY MILLION DOLLARS (\$270,000,000.00) AND NOT MORE THAN TWO HUNDRED NINETY-SIX MILLION DOLLARS (\$296,000,000.00) BEING BASED ON A ONE HUNDRED PERCENT (100%) OF THE 2008-2009 FISCAL YEAR TAX COLLECTIONS, AMENDING SECTION 21-182 OF THE CODE OF ORDINANCES TO REFLECT THE TAX CLASSIFICATION PLAN APPROVED BY THE RHODE ISLAND GENERAL ASSEMBLY, AMENDING SECTION 21-126 OF THE CODE OF ORDINANCES TO RAISE THE PERSONAL EXEMPTIONS, AND SETTING THE HOMESTEAD RATES FOR FISCAL YEAR 2009

Approved July 31, 2008

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

Section 1. The City Council of the City of Providence, hereby orders the assessment and collection of a tax on the ratable real estate and tangible personal property, as well as orders the assessment and collection of an excise tax on all registered motor vehicles, in a sum not less than TWO HUNDRED SEVENTY MILLION DOLLARS (\$270,000,000.00) AND NOT MORE THAN TWO HUNDRED NINETY-SIX MILLION DOLLARS (\$296,000,000.00) being one hundred percent (100%) of the 2008-2009 year tax collection, said tax is for ordinary expense charges and for the payment of interest and indebtedness in whole or in part of the City of Providence and for other purposes authorized by law.

Section 2. The Providence City Assessor shall assess and apportion said tax on inhabitants and ratable real estate and tangible personal property of said City as of the 31<sup>st</sup> day of December AD 2007 midnight, Eastern Standard Time, as well as assess and apportion said excise tax on owners of registered motor vehicles in the City of Providence during calendar year 2007, according to law, and shall on completion of said assessment, date and sign, and shall make out and certify to the City Collector of the City of Providence, on or before the 15<sup>th</sup> day of June AD 2008, or as permitted or extended by law, a complete listing containing (1) the names of persons taxed and the total value of all real estate taxed to each; (2) the amount of the personal estate except manufacturer's machinery and equipment assessed against each person; and (3) the amount of said motor vehicle excise assessment against each person, on said real estate, personal estate and motor vehicle opposite the name of the person or persons assessed.

The assessment of real estate, personal estate and motor vehicles shall appear on separate lists.

Said taxes shall be due and payable on and between the first day of July AD 2008, next, and the twenty fourth day of July, AD 2008, next, and all taxes remaining paid said last named day shall carry until collected a penalty at the rate of twelve percent (12%) per annum upon such unpaid real estate, personal estate and excise taxes.

Said taxes may be paid in four (4) installments, the first installment of twenty-five percent (25%) on or before the twenty-fifth day of July AD 2008, next, and the remaining installments as follows:

Twenty-five percent (25%) on the  
Twenty-fourth day of October AD 2008  
Twenty-five percent (25%) on the  
Twenty-third day of January AD 2009  
Twenty-five percent (25%) on the  
Twenty-fourth day of April AD 2009

Each installment period successively and in order shall be free from any charges for interest. Provided, however, the option to pay taxes in quarterly installments shall not apply to any tax levied in an amount not in excess of one hundred dollars (\$100.00). If the first installment or any succeeding installment of taxes is not paid by the last day of the respective installment period or periods as they occur, then the whole tax or remaining unpaid balance of the tax, as the case may be, shall immediately become due and payable and shall carry until collected a penalty at the rate of twelve percent (12%) per annum on said real estate, personal estate and excise taxes.

The City Collector shall by advertisement in a public newspaper of the City notify all persons assessed to pay their respective taxes at his/her office; said Collector shall attend daily, Saturdays, Sundays, and holidays excepted at his/her office from eight-thirty o'clock a.m. to four o'clock p.m. to receive taxes.

Section 3. This ordinance is enacted pursuant to Rhode Island General Laws 44-5-2 (a).

Section 4. Section 21-182 of the Code of Ordinances, entitled "Apportionment of taxes," is amended as follows:

(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.* 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 homestead exemption is authorized within this class as follows: (a) owner-occupied residential real estate 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 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 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 (50) per cent 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 fifty percent (50%) of

the assessed valuation attributable to the first five (5) units. Non-owner-occupied mixed used real estate may be granted an exemption in an amount not to exceed fifty percent (50%) 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 granting of an application for an owner-occupied or non-owner-occupied homestead exemption as referenced above as (a) or (b) is subject to the following limitations:

- a. To be eligible for an (a) or (b) type 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 which may be required by the City Assessor.
- 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 HUD and Rhode Island Housing and Mortgage Finance Corporation or any other such public or private entity do not qualify for a type (a) owner-occupied homestead exemption.
- c. Only a natural person(s) may qualify for one (1) type (a) owner-occupied homestead exemption in the city at any one (1) point in time.
- d. The homestead exemption (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 under 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 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.
- 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.

(2) *Class 2.* Commercial and industrial real estate, residential properties containing partial commercial or business uses and residential real estate of more than five (5) dwelling units. Properties containing partial commercial or business uses and residential real estate of more than five (5) dwelling units may be included in Class 1.

(3) *Class 3.* All ratable tangible personal property.

(4) *Class 4.* Motor vehicles and trailers subject to the excise tax created by General Laws, chapter 34 of title 44.

(c) The City, pursuant to Rhode Island General Laws 44-5-11.8(c), adopts a tax rate for Class 2 which shall not be more than two 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%).

Section 5. In keeping with the authorization provided in Rhode Island General Laws 44-3-31 and 44-3-24, Section 21-126 of the Providence Code of Ordinances is hereby amended as follows:

The amount of the following exemptions with respect to the assessed value from local taxation on taxable property is fixed as follows:

(a) Veterans as defined in Section 44-3-4 of the General Laws of Rhode Island and the un-remarried widow or widower of such veterans at six thousand dollars (\$6,000.00)

(b) Blind persons as defined in Section 44-3-12 of the General Laws of Rhode Island at thirty-six thousand dollars (\$36,000.00).

(c) Veterans who are totally disabled as defined in Section 44-3-4, of the General Laws of Rhode Island at twelve thousand dollars (\$12,000.00).

(d) Gold Star Parents as defined in Section 44-3-5 of the General Laws of Rhode Island at eighteen thousand dollars (\$18,000.00).

(e) Specially adapted housing for paraplegic veterans as defined in Section 44-3-4 of the General Laws of Rhode Island at sixty thousand dollars (\$60,000.00).

(f) For any person sixty-five (65) years of age or over at twenty thousand dollars (\$20,000.00);

(g) For persons who are one hundred percent (100%) disabled as determined pursuant to Title II and Title XVI of the Social Security Act, 42 U.S.C. § 401 et seq., and 42 U.S.C. § 1381 et seq., as amended, or who, by reason of their being one hundred percent (100%) disabled, are receiving disability payments from sources other than the social security administration (such as employees of the railroad, federal civil service, postal service, and the Providence police and fire departments) at thirteen thousand five hundred dollars (\$13,500.00).

(h) For any person sixty-two (62) through sixty-four (64) years of age, who is receiving social security benefits, eighteen thousand dollars (\$18,000.00).

Provided, however, that any such increase in exemption provided for herein over the amount heretofore provided by general or special law shall apply only to real property.

(i) Prisoners of War who are veterans of military or naval service of the United States of America, as defined in Section 44-3-4(e) of the General Laws of Rhode Island and the unmarried widow or widower of such prisoner of war at thirty thousand dollars (\$30,000.00).

Section 6. Effective for Fiscal Year 2009, the homestead exemption shall be set as follows:

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, a homestead exemption is authorized within this class as follows: (a) owner-occupied residential real estate 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 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 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 thirty-three percent (33%) 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 thirty-three percent (33%) of the assessed valuation attributable to the first five (5) dwelling units. Non-owner-occupied mixed used real estate may be granted an exemption in an amount not to exceed thirty-three percent (33%) of the assessed valuation attributable to the first five (5) dwelling 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).

Section 7. This ordinance shall take effect upon its passage.

**IN CITY COUNCIL**  
JUL 28 2008  
FIRST READING  
READ AND PASSED  
*Anna M. Steh*  
CLERK

**IN CITY COUNCIL**  
JUL 31 2008  
FINAL READING  
READ AND PASSED  
*Richard Martin*  
PRESIDENT  
*Anna M. Steh*  
CLERK

**APPROVED**  
*[Signature]*  
7-31-08  
**MAYOR**