

**State of Rhode Island
Department of Revenue**

Tax Policy Strategy Work Group

“Develop a tax strategy so that Rhode Island’s tax structure is a competitive advantage in retaining jobs and recruiting businesses. To achieve this objective the tax strategy should result in a tax structure that meets the test of equity, efficiency, predictability, competitiveness and transparency.”

Property Tax Sub Group Meeting Minutes – July 24, 2008

I. Committee Members – The following were present:

Committee – Bob Walsh, Karen Grande, John Simmons,
John Gregory

Staff – Peder Schaefer, James Savage, Jill
Barrette, Marsha Crecelius, Gerard Michaud

Others – Laurie Brayton – Senate Finance, Jacqui Kelly –
Department of Revenue, Chantelle Sarrasin – House
Finance, Dan Beardsley – League of Cities and Towns,
Bruce Landis - Providence Journal, Joseph Coduri – DOA-
Local Government Assistance

Members absent – John Gelati

II. Additional information from July 10 meeting

Peder Schaefer, Chief of the Division of Municipal Finance,
presented additional information on net assessed valuation
which included the value of homestead exemptions. He also
reviewed a new table which computed the effective
comparable tax rate on owner occupied residential property in
each municipality.

III. New Presentation

A. Personal exemptions

- Data and legal basis provided on value of elderly exemptions offered in each municipality. A separate presentation was provided on elderly tax freezes offered.
- Data and legal basis provided on value of veterans and disability exemptions offered in each municipality.

The Committee asked for additional information on the tax revenue loss resulting from these exemptions.

B. Statutory exemptions

- The legal basis for statutory exemptions was presented and information on the assessed value of property to which such exemptions applied in select municipalities was surveyed.

C. Tax treaties and stabilization agreements

- Payment in lieu of taxes (PILOT) and tax stabilization agreements were reviewed. Mr. Simmons asked that we review our data on the Providence Place Mall.

D. Revaluation

- The current schedule for comprehensive revaluations and updates was reviewed and information on value changes in the most recent updates and revaluations was presented. The appeal process was summarized and discussed. Mr. Simmons discussed technical difficulties in achieving a tax yield compliant with the cap in a revaluation year due to unresolved abatements.

In addition to the previously mentioned follow-up requests, it was suggested that the Division of Municipal Finance provide additional comparative information profiling tax liability for the median type property in each municipality.