

**State of Rhode Island  
Department of Revenue**

**Tax Policy Strategy Work Group**

**Property Tax Sub Group Meeting Minutes –September 11, 2008**

I. Committee Members – The following were present:

**Committee** – Bob Walsh, Karen Grande, John Simmons, John Gregory, John Gelati, Bruce Keiser

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

**Others** – Russ Dannecker, Chantale Sarrasin, Jacqueline Kelley

**Presenters** – Kevin Flynn (State Planning), Katherine Flynn (EDC), Jay Fluck

II. Introduction

Peder Schaefer, Chief, Division of Municipal Finance, introduced Kevin Flynn, the Director of State Planning, for a presentation on land use decisions and the property tax.

He also introduced Katherine Flynn of the Economic Development Commission and Jay Fluck of CB Richard Ellis for a presentation on the property and locational decisions by business firms.

III. New Presentation

State Planning – Kevin Flynn through a power point presentation demonstrated the land use topography of the state and projections for the future. He noted that developed land is increasing far more rapidly than population growth, that population is moving away from the urban core, and that sprawl has become unsustainable with 30% of the state's land now developed. He recommended that property tax policy be focused so as to encourage a concentration of mixed use dwelling units and to discourage sprawl or big box type commercial development.

EDC - Katherine and Jay talked about the wide variety of reasons firms decide on locating in a Rhode Island community, only one of which is property tax burden or policy. They presented information indicating that Providence is second only to Boston in commercial property tax burden.

Division of Municipal Finance – Peder Schaefer completed the presentation on state aid and its relationship to tax capacity carried over from the previous meeting. He also presented on local government financial support statewide with the information indicating that approximately 60% of the \$3.1 billion in local spending is supported by the property tax.

Committee members were requested to communicate by email to the DMF Chief to highlight areas where they believe property tax reform recommendations are warranted.