

PROVIDENCE

Bill seeks audit of all tax-exempt properties

Councilman Zurier says even those entities might still be liable for some type of tax under state law

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PROVIDENCE — A nonprofit or charitable organization is not automatically exempt from taxes, Councilman Samuel Zurier said.

The East Side councilman's resolution, which passed unanimously Wednesday night, asks the tax assessor to audit all of Providence's tax-exempt properties to see whether they qualify under state law.

"Things are that bad that we have to find every dollar we can," Zurier told *The Journal* Thursday. "If we can find it without

raising tax rates, that's better."

The city has reduced its \$110-million structural deficit to less than \$5 million, but Finance Director Michael L. Pearis projects deficits for each of the next five fiscal years. The shortfalls could exist, Pearis said, even if the city raises taxes to the maximum cap every year.



Zurier

Tax-exempt organizations own more than 40 percent of the properties in the city. They include hospitals, universities, churches, private schools, libraries, cemeteries, charitable organizations, cultural centers and the city, state and federal governments.

When East Providence re-

viewed its nearly 336 tax-exempt properties, city officials initially found 37 properties "fully or partially taxable," East Providence Tax Assessor Steven Hazard said in early 2012. Their combined appraisals totaled \$30 million, which resulted in nearly \$700,000 of new annual tax revenue.

Appeals in that city are under way, but Zurier said East Providence would get more than \$500,000 in revenue as a result of the audit. He asked for a review in Providence after recently hearing about its neighbor's success.

"[East Providence officials] want to give them everything they are entitled to under state law, but nothing more," said Zurier, suggesting that Providence should do the same.

Zurier cited the example of a nonprofit golf club. It may not make money from charging its members dues, and hence doesn't have to pay income taxes, but the club should still pay property taxes.

Most commonly, churches and schools are exempt from property taxes, Hazard previously said, but only if the property owned is less than 5 acres.

The last section of Zurier's resolution says the council should adhere strictly to existing state law after the audit so that "ordinary taxpayers do not subsidize the taxes owed by property owners who do not qualify under state law or prior actions by the Providence City Council."

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