

**City of Providence**

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

**CHAPTER**

**No.                    AN ORDINANCE IN AMENDMENT OF ARTICLE X OF THE  
CODE OF ORDINANCES, ENTITLED: "PROPERTY TAX  
CLASSIFICATION FOR THE CITY"**

*Approved*

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

**ARTICLE X. - PROPERTY TAX CLASSIFICATION FOR THE CITY**

- Sec. 21-181. - Property tax classification.
- Sec. 21-182. - Apportionment of taxes.
- Sec. 21-183. - Reserved.
- Secs. 21-184—21-190. - Reserved.

**Sec. 21-181. - Property tax classification.**

The city hereby adopts a system of classification of taxable property in conformity with the provisions of R.I.G.L. § 44-5-11.8 effective for taxes assessed as of December 31, 2000. The system of classification of taxable property and homestead exemption adopted in accordance with [R.I.G.L.] § 44-5-11.8 shall continue until terminated by ordinance adopted by the city council.

(Ord. 1988, ch. 88-27, § 1, 7-1-88; Ord. 2001, ch. 01-25, § 1, 7-24-01; Ord. 2002, ch. 02-8, § 1, 3-12-02; Ord. 2002, ch. 02-24, § 1, 7-31-02)

**Sec. 21-182. - Apportionment of taxes.**

- (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 (200) percent.
  - (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 R.I.G.L. § 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 R.I.G.L. § 44-34.1-1.
  - (5) The provisions of R.I.G.L. tit. 44, ch. 35 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: owner-occupied residential real estate may be granted an exemption in an amount not to exceed fifty (50) percent 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 (50) percent 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 (50) percent 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). The rate of taxation shall be thirty dollars and thirty-eight cents (\$30.38) per thousand of assessed value less applicable reductions.

The granting of an application for an owner-occupied homestead exemption as referenced is subject to the following limitations:

- a. Date of ownership requirements. To be eligible for an owner-occupied homestead exemption, in addition to the other limitations listed below, the applicant must comply with one of the following criteria:
- (i) ~~To be eligible for homestead exemption, e~~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 that in the case of new construction of, or renovation of no less than thirty (30) percent of the prior year's assessment of improvements, as certified by the Providence building official, of foreclosed upon existing structures for affordable owner occupied residential property, eligibility for the homestead exemption shall be determined upon application on or after the date of the execution of a purchase and sales agreement for a specific property, but no later than sixty (60) days of its sale, and, if granted, applied on a pro rata basis for the remainder of the current tax year as if the homestead exemption had been granted as of the prior December 31st assessment date. "Affordable residential property" shall mean property determined to be affordable under the rules and regulations of the department of planning and development.

- (ii) Upon purchase of a residence, a homeowner may apply for an owner occupied homestead exemption effective as of the date of purchase for the current tax year, notwithstanding the fact that applicant did not own the property as of December 31 of the prior year. The exemption will be granted pro rata for the number of days the applicant owns the property during the fiscal year in which the home is purchased.
- b. Only natural person(s) are qualified to receive an owner-occupied residential real estate homestead exemption. Real property which is partially or wholly owned by a business, an institution, a nonprofit 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 an owner-occupied homestead exemption.
- c. Only a natural person(s) may qualify for one (1) owner-occupied homestead exemption in the city at any one (1) point in time.
- d. The homestead exemption 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 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. The rate of taxation shall be thirty-three dollars and seventy cents (\$33.70) per thousand of assessed value less any applicable reductions.
- (3) Class 3. All ratable tangible personal property. The rate of taxation shall be fifty-three dollars and sixty-three cents (\$53.63) per thousand of assessed value less any applicable reductions.

- (4) Class 4. Motor vehicles and trailers subject to the excise tax created by R.I.G.L. tit. 44, ch. 34. For FY2011, the motor vehicle tax exemption shall be six thousand dollars \$6,000.00. The rate of taxation shall be seventy-six dollars and seventy-eight cents (\$76.78) per thousand of assessed value less any applicable reductions.
- (c) The city, pursuant to R.I.G.L. § 44-5-11.8(c), adopts a tax rate for Class 2 which 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 (200) percent.

(Ord. 1988, ch. 88-27, § 1, 7-1-88; Ord. 2001, ch. 01-25, § 2, 7-24-01; Ord. 2002, ch. 02-8, § 2, 3-12-02; Ord. 2002, ch. 02-24, § 2, 7-31-02; Ord. 2009, ch. 09-44, § 4, 7-30-09; Ord. 2009, ch. 09-60, § 1, 12-12-09; Ord. 2010, ch. 2010-31, § 4, 7-28-10)