

2019 -- S 0985 SUBSTITUTE A

LC002837/SUB A

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2019

A N A C T

RELATING TO TAXATION -- PROVIDENCE HOMESTEAD EXEMPTION

Introduced By: Senators Ciccone, Quezada, and Bell

Date Introduced: June 18, 2019

Referred To: Senate Housing & Municipal Government

It is enacted by the General Assembly as follows:

1 SECTION 1. Chapter 44-5 of the General Laws entitled "Levy and Assessment of Local
2 Taxes" is hereby amended by adding thereto the following section:

3 **44-5-87. Providence -- Homestead exemption.**

4 Notwithstanding any provision within § 44-5-11.8 to the contrary:

5 (a) The city of Providence is authorized to annually fix, by ordinance, the amount, if any,
6 of a homestead exemption with respect to assessed value from local taxation on taxable owner-
7 occupied real property used for residential purposes in the city of Providence and to grant
8 homestead exemptions to the owner(s) of that residential real estate.

9 (b) The homestead exemption in the city of Providence may be:

10 (1) A flat amount;

11 (2) A uniform rate; or

12 (3) A variable rate based on the assessed value of the real property, implemented by
13 exempting a set amount of assessed value at no greater than fifty percent (50%), and exempting
14 assessed value in excess of said set amount at no less than twenty percent (20%).

15 (c) If the homestead exemption is a uniform or variable rate as described by subsections
16 (b)(2) or (b)(3) of this section, the city may cap said exemption at a flat dollar amount.

17 (d) If the homestead exemption is a flat amount or a variable rate as described by
18 subsections (b)(1) or (b)(3) of this section, the rate used for purposes of § 44-5-11.8(c) shall be
19 the base residential rate exclusive of any homestead exemptions.

1 (e) The city council of the city of Providence may provide for a proration of the
2 homestead exemption in cases where title to the property passes from those not entitled to the
3 exemption to those who are entitled to claim the exemption, or in cases where title to the property
4 passes from those entitled to the exemption to those who are not entitled to claim the exemption.

5 SECTION 2. This act shall take effect upon passage.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
A N A C T
RELATING TO TAXATION -- PROVIDENCE HOMESTEAD EXEMPTION

1 This act would authorize the city of Providence to adopt by ordinance a homestead
2 exemption for local taxation on owner-occupied residential real property. The homestead
3 exemption may either be a flat amount, a uniform rate, or a variable rate based on a percentage of
4 the assessed value.

5 This act would take effect upon passage.

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