



**SMITHFIELD TOWN COUNCIL
WORK SESSION
SMITHFIELD SENIOR CENTER
ONE WILLIAM J. HAWKINS, JR. TRAIL
TUESDAY, FEBRUARY 23, 2016
6:00 P.M.**

AGENDA

- A. Meeting called to order
- B. Prayer
- C. Salute to the flag
- D. Emergency evacuation and health notification
- E. Discussion Item:
 - The concept of a tax classification system.
- F. Adjournment.

AGENDA POSTED: FEBRUARY 17, 2016

The public is welcome to any meeting of the Town Council or its sub-committees. If communication assistance (readers/interpreters/captions) or any other accommodation to ensure equal participation is needed, please contact the Smithfield Town Manager's office at 401-233-1010 at least forty-eight (48) hours prior to the meeting.

Memo

To: Honorable Town Council

From: Suzanne P. Kogut

CC:

Date: February 17, 2016

Re: Tax Classification

I am enclosing the State law which dictates how we implement the various tax classifications. RI Law mandates how rate percentages be applied to various classes of taxable property.

Also attached are the certifications for last year. One is the actual, and the other represents proposed changes. We have the opportunity to make some changes so that we can equitable proportion the taxes amongst the groups, real estate, commercial tangible, and motor vehicles.

RI State Law allows changes only during a revaluation year which we are now in. There are rules that we must adhere to and we have a very small window should we decide to take advantage of this offering.

Suzanne Kogut

Assessor

TITLE 44

Taxation

CHAPTER 44-5

Levy and Assessment of Local Taxes

SECTION 44-5-11.8

§ 44-5-11.8 Tax classification. – (a) Upon the completion of any comprehensive revaluation or any update, in accordance with § 44-5-11.6, any city or town may adopt a tax classification plan, by ordinance, with the following limitations:

(1) The designated classes of property shall be limited to the classes as defined in subsection (b) of this section.

(2) The effective tax rate applicable to any class, excluding class 4, shall not exceed by fifty percent (50%) the rate applicable to any other class, except in the city of Providence and the town of Glocester; however, in the year following a revaluation or statistical revaluation or update, the city or town council of any municipality may, by ordinance, adopt tax rates for the property class for all ratable tangible personal property no greater than twice the rate applicable to any other class, provided that the municipality documents to, and receives written approval from, the office of municipal affairs that the rate difference is necessary to ensure that the estimated tax levy on the property class for all ratable tangible personal property is not reduced from the prior year as a result of the revaluation or statistical revaluation.

(3) Any tax rate changes from one year to the next shall be applied such that the same percentage rate change is applicable to all classes, excluding class 4, except in the city of Providence and the town of Glocester.

(4) Notwithstanding subdivisions (2) and (3) of this subsection, the tax rates applicable to wholesale and retail inventory within Class 3 as defined in subsection (b) of this section are governed by § 44-3-29.1.

(5) The tax rates applicable to motor vehicles within Class 4, as defined in subsection (b) of this section, are governed by § 44-34.1-1.

(6) The provisions of chapter 35 of this title relating to property tax and fiscal disclosure apply to the reporting of, and compliance with, these classification restrictions.

(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. In the city of Providence, this

class may also include residential properties containing partial commercial or business uses and residential real estate of more than five (5) dwelling units.

(i) A homestead exemption provision is also authorized within this class; provided however, that the actual, effective rate applicable to property qualifying for this exemption shall be construed as the standard rate for this class against which the maximum rate applicable to another class shall be determined, except in the town of Gloucester.

(ii) In lieu of a homestead exemption, any city or town may divide this class into non-owner and owner-occupied property and adopt separate tax rates in compliance with the within tax rate restrictions.

(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. In the city of Providence, properties containing partial commercial or business uses and residential real estate of more than five (5) dwelling units may be included in Class 1.

(3) Class 3: All ratable, tangible personal property.

(4) Class 4: Motor vehicles and trailers subject to the excise tax created by chapter 34 of this title.

(c) The city council of the city of Providence and the town council of the town of Gloucester may, by ordinance, provide for, and adopt, a tax rate on various classes as they shall deem appropriate. Provided, that the tax rate for Class 2 shall not be more than two (2) times the tax rate of Class 1; the tax rate applicable to Class 3 shall not exceed the tax rate of Class 1 by more than two hundred percent (200%). Gloucester shall be able to establish homestead exemptions up to fifty percent (50%) of value and the calculation provided in subsection (b)(1)(i) shall not be used in setting the differential tax rates.

(d) Notwithstanding the provisions of subsection (a) of this section, the town council of the town of Middletown may hereafter, by ordinance, adopt a tax classification plan in accordance with the provisions of subsections (a) and (b) of this section, to be applicable to taxes assessed on or after the assessment date of December 31, 2002.

(e) Notwithstanding the provisions of subsection (a) of this section, the town council of the town of Little Compton may hereafter, by ordinance, adopt a tax classification plan in accordance with the provisions of subsections (a) and (b) of this section and the provisions of § 44-5-79, to be applicable to taxes assessed on or after the assessment date of December 31, 2004.

(f) Notwithstanding the provisions of subsection (a) of this section, the town council of the town of Scituate may hereafter, by ordinance, change its tax assessment from fifty percent (50%) of value to one hundred percent (100%) of value on residential and commercial/industrial/mixed-use property, while tangible property is assessed at one hundred percent (100%) of cost, less depreciation; provided, however, the tax rate for Class 3 (tangible) property shall not exceed the tax rate for Class 1 (residential) property by more than two hundred thirteen percent (213%). This provision shall apply whether or not the fiscal year is also a revaluation year.

(g) Notwithstanding the provisions of subsections (a) and (b) of this section, the town council of the town of Coventry may hereafter, by ordinance, adopt a tax classification plan providing that Class 1, as set forth in subsection (b) "Classes of Property" of this section, may also include residential

properties containing commercial or business uses, such ordinance to be applicable to taxes assessed on or after the assessment date of December 31, 2014.

History of Section.

(P.L. 2000, ch. 55, art. 19, § 4; P.L. 2001, ch. 217, § 1; P.L. 2001, ch. 263, § 1; P.L. 2002, ch. 39, § 1; P.L. 2002, ch. 305, § 1; P.L. 2003, ch. 41, § 1; P.L. 2003, ch. 268, § 1; P.L. 2003, ch. 280, § 1; P.L. 2004, ch. 11, § 1; P.L. 2004, ch. 276, § 1; P.L. 2004, ch. 321, § 1; P.L. 2005, ch. 197, § 1; P.L. 2005, ch. 214, § 1; P.L. 2005, ch. 253, § 1; P.L. 2005, ch. 261, § 1; P.L. 2006, ch. 301, § 1; P.L. 2013, ch. 78, § 1; P.L. 2013, ch. 80, § 1; P.L. 2014, ch. 432, § 1; P.L. 2014, ch. 458, § 1; P.L. 2015, ch. 6, § 1; P.L. 2015, ch. 7, § 1.)



TITLE 44 Taxation

CHAPTER 44-5 Levy and Assessment of Local Taxes

SECTION 44-5-20.16

§ 44-5-20.16 Smithfield – Property tax classification and valuation. – (a) The assessor of the town of Smithfield, on or before June 1 of each year, shall make full and fair cash valuation of all the estate, real and personal, and motor vehicles subject to taxation, herein, and determine the assessed valuation of each property class.

(b) The assessor shall apply different rates of taxation against Class 1 and Class 2 to determine the tax due and payable on the property; provided, however, the rate for each class shall be uniform.

History of Section.
(P.L. 1994, ch. 94, § 1.)

ASSESSORS STATEMENT OF ASSESSED VALUATIONS AND TAX LEVY

2015 Tax Roll

Municipality: Smithfield, RI

Tax Roll Year: 2015

Assessment Date: 12/31/2014

GROSS ASSESSED VALUES		Tax Rate (per \$1000)
REAL PROPERTY		
Real Property - Residential (Primary) (All statecodes not otherwise specified)	\$1,757,954,890	\$17.570
Real Property - << Not Used >>	\$0	\$0.000
Real Property - << Not Used >>	\$0	\$0.000
Real Property - << Not Used >>	\$0	\$0.000
Real Property - Frozen (Market Value) (Total Frozen Assessment: \$4,312,119,785)	\$543,277,300	N/A
MOTOR VEHICLES (NADA Value)	\$207,165,270	\$39.000
TANGIBLE PROPERTY		
Personal Property	\$149,574,240	\$61.230
TOTAL GROSS ASSESSED VALUE	\$2,657,971,700	

INST: 10130003275261

EXEMPTIONS	
REAL ESTATE EXEMPTIONS	
Real Property - Residential (Primary)	\$3,154,066
Real Property - << Not Used >>	\$0
Real Property - << Not Used >>	\$0
Real Property - << Not Used >>	\$0
Real Property - Frozen	\$15,531,074
MOTOR VEHICLE EXEMPTIONS (including phase-out and adjustment)	\$43,310,933
TANGIBLE PROPERTY EXEMPTIONS	
Personal Property	\$4,765,922
TOTAL EXEMPTION VALUE	\$66,761,996

% School	% Munic.	% Total
53.00	47.00	100.00

Assessment Ratio

Real Property	100.00
Tang Pers Prop	100.00
Retail/Wholesale Inv.	100.00

NET ASSESSED VALUES	
REAL PROPERTY	
Real Property - Residential (Primary)	\$1,754,800,823
Real Property - << Not Used >>	\$0
Real Property - << Not Used >>	\$0
Real Property - << Not Used >>	\$0
Real Property - Frozen (Market Value)	\$527,746,225
MOTOR VEHICLES	\$163,854,337
TANGIBLE PROPERTY	
Personal Property	\$144,808,317
TOTAL NET ASSESSED VALUE	\$2,591,209,703

TAX LEVY	
REAL PROPERTY	
Real Property - Residential (Primary)	\$30,831,742.41
Real Property - << Not Used >>	\$0.00
Real Property - << Not Used >>	\$0.00
Real Property - << Not Used >>	\$0.00
Real Property - Frozen	\$9,006,383.81
MOTOR VEHICLES	\$6,390,031.76
TANGIBLE PROPERTY	
Personal Property	\$8,866,610.41
ADJUSTMENTS	\$0.00
NET TAX LEVY	\$55,094,768.39

ASSESSORS STATEMENT OF ASSESSED VALUATIONS AND TAX LEVY 2015 Tax Roll

Municipality: Smithfield, RI **Tax Roll Year: 2015** **Assessment Date: 12/31/2014**

	Real Primary	Real <Not Used>	Real <Not Used>	Real <Not Used>	Real Frozen	Motor Vehicles	Tangible Personal	Tangible Inventory	Total
EXEMPTIONS - PERSONAL									
EA Frozen Veteran / Wid. of	\$2,000	\$0	\$0	\$0	\$166,000	\$0	\$0	\$0	\$168,000
EH Frozen Elderly	\$0	\$0	\$0	\$0	\$430,000	\$0	\$0	\$0	\$430,000
E1 Veteran / Widow of	\$1,236,000	\$0	\$0	\$0	\$2,276,000	\$531,632	\$0	\$0	\$4,043,632
E8 Elderly	\$312,000	\$0	\$0	\$0	\$11,022,015	\$0	\$0	\$0	\$11,334,015
SW STONE WALL	\$355,000	\$0	\$0	\$0	\$235,000	\$0	\$0	\$0	\$590,000
D1 DISABILITY	\$910,643	\$0	\$0	\$0	\$754,126	\$0	\$0	\$0	\$1,664,769
E7 Frozen 100% Disabled /	\$0	\$0	\$0	\$0	\$26,000	\$0	\$0	\$0	\$26,000
E5 100% Disabled	\$130,000	\$0	\$0	\$0	\$150,000	\$0	\$0	\$0	\$280,000
E4 Blind	\$123,050	\$0	\$0	\$0	\$269,187	\$0	\$0	\$0	\$392,238
00 UNKNOWN CODE	\$85,372	\$0	\$0	\$0	\$170,745	\$4,000	\$0	\$0	\$260,118
E6 POW Exemption	\$0	\$0	\$0	\$0	\$26,000	\$0	\$0	\$0	\$26,000
E2 Frozen Veteran	\$0	\$0	\$0	\$0	\$6,000	\$0	\$0	\$0	\$6,000
TR TREATY	\$0	\$0	\$0	\$0	\$0	\$0	\$4,765,922	\$0	\$4,765,922
PO State MV Phase-out	\$0	\$0	\$0	\$0	\$0	\$38,659,836	\$0	\$0	\$38,659,836
HH MV Adjustment	\$0	\$0	\$0	\$0	\$0	\$4,115,465	\$0	\$0	\$4,115,465
	\$3,154,066	\$0	\$0	\$0	\$15,531,074	\$43,310,933	\$4,765,922	\$0	\$66,761,996

TAX EXEMPT - STATUTE									
40 EXEMPT MV	\$0	\$0	\$0	\$0	\$0	\$681,753	\$0	\$0	\$681,753
50 PP EXEMPT	\$0	\$0	\$0	\$0	\$0	\$0	\$54,300	\$0	\$54,300
70 Cemeteries	\$367,200	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$367,200
71 Charitable	\$1,704,600	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,704,600
72 Church	\$51,818,400	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$51,818,400
73 Ex-Charter	\$147,076,500	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$147,076,500
74 Federal	\$1,222,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,222,000
76 Libraries	\$1,590,500	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,590,500
78 Municipal	\$75,062,120	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$75,062,120
79 School	\$7,327,200	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$7,327,200
80 State	\$47,104,500	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$47,104,500
TI Tangible Inventory	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$333,273,020	\$0	\$0	\$0	\$0	\$681,753	\$54,300	\$0	\$334,009,073

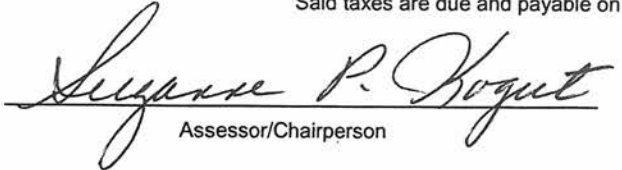
CERTIFICATION - TO BE FILED BY JUNE 15th

The foregoing shows the property valuations and the amount of taxes assessed as of December 31, 2014.

The assessment whereof was ordered on the 24 day of July, 2015, and certified,

signed and delivered in accordance with law on the 24 day of July, 2015.

Said taxes are due and payable on the 1-30 day of September, 2015


 Assessor/Chairperson

TOWN OF SMITHFIELD, R.I.
 Carol Aquilante, TOWN CLERK

Jul 24, 2015 11:25A

ASSESSORS STATEMENT OF ASSESSED VALUATIONS AND TAX LEVY

2016 Tax Roll

Municipality: Smithfield, RI

Tax Roll Year: 2015

Assessment Date: 12/31/2014

GROSS ASSESSED VALUES		Tax Rate (per \$1000)
REAL PROPERTY		
Real Property - Residential (Primary) (All statecodes not otherwise specified)	\$1,320,603,120	\$17.570
Real Property - COMM (Codes: 03,04,05,06,07,10,14,20,22,24,25)	\$454,037,570	\$26.400
Real Property - << Not Used >>	\$0	\$0.000
Real Property - << Not Used >>	\$0	\$0.000
Real Property - Frozen (Market Value) (Total Frozen Assessment: \$4,300,344,145)	\$528,730,400	N/A
MOTOR VEHICLES (NADA Value)	\$0	\$39.000
TANGIBLE PROPERTY Personal Property	\$145,582,360	\$35.100
TOTAL GROSS ASSESSED VALUE	\$2,448,953,450	

Proposed

EXEMPTIONS	
REAL ESTATE EXEMPTIONS	
Real Property - Residential (Primary)	\$3,093,969
Real Property - COMM	\$20,000
Real Property - << Not Used >>	\$0
Real Property - << Not Used >>	\$0
Real Property - Frozen	\$14,868,570
MOTOR VEHICLE EXEMPTIONS (including phase-out and adjustment)	\$0
TANGIBLE PROPERTY EXEMPTIONS Personal Property	\$1,994,058
TOTAL EXEMPTION VALUE	\$19,976,598

% School	% Munic.	% Total
53.00	47.00	100.00

Assessment Ratio

Real Property	100.00
Tang Pers Prop	100.00
Retail/Wholesale Inv.	100.00

NET ASSESSED VALUES	
REAL PROPERTY	
Real Property - Residential (Primary)	\$1,317,509,150
Real Property - COMM	\$454,017,570
Real Property - << Not Used >>	\$0
Real Property - << Not Used >>	\$0
Real Property - Frozen (Market Value)	\$513,861,829
MOTOR VEHICLES	\$0
TANGIBLE PROPERTY Personal Property	\$143,588,301
TOTAL NET ASSESSED VALUE	\$2,428,976,851

TAX LEVY	
REAL PROPERTY	
Real Property - Residential (Primary)	\$23,148,331.43
Real Property - COMM	\$11,986,061.18
Real Property - << Not Used >>	\$0.00
Real Property - << Not Used >>	\$0.00
Real Property - Frozen	\$8,813,665.49
MOTOR VEHICLES	\$0.00
TANGIBLE PROPERTY Personal Property	\$5,039,933.32
ADJUSTMENTS	\$0.00
NET TAX LEVY	\$48,987,991.42

MV + 6,390,031.76

55,378,023.22

ASSESSORS STATEMENT OF ASSESSED VALUATIONS AND TAX LEVY

2016 Tax Roll

Municipality: Smithfield, RI

Tax Roll Year: 2015

Assessment Date: 12/31/2014

	Real Primary	Real COMM	Real <Not Used>	Real <Not Used>	Real Frozen	Motor Vehicles	Tangible Personal	Tangible Inventory	Total
EXEMPTIONS - PERSONAL									
EA Frozen Veteran /...	\$0	\$0	\$0	\$0	\$150,000	\$0	\$0	\$0	\$150,000
E Frozen SENIOR	\$0	\$0	\$0	\$0	\$390,000	\$0	\$0	\$0	\$390,000
E1 Veteran / Widow of...	\$1,192,000	\$4,000	\$0	\$0	\$2,172,000	\$0	\$0	\$0	\$3,368,000
E8 SENIOR	\$328,000	\$16,000	\$0	\$0	\$10,622,015	\$0	\$0	\$0	\$10,966,015
S STONE WALL	\$335,000	\$0	\$0	\$0	\$225,000	\$0	\$0	\$0	\$560,000
D1 DISABILITY	\$882,185	\$0	\$0	\$0	\$682,982	\$0	\$0	\$0	\$1,565,168
E7 Frozen 100%...	\$0	\$0	\$0	\$0	\$24,000	\$0	\$0	\$0	\$24,000
E5 100% Disabled	\$130,000	\$0	\$0	\$0	\$150,000	\$0	\$0	\$0	\$280,000
E4 Blind	\$141,410	\$0	\$0	\$0	\$250,827	\$0	\$0	\$0	\$392,238
00 UNKNOWN CODE	\$85,372	\$0	\$0	\$0	\$170,745	\$0	\$0	\$0	\$256,118
E6 POW Exemption	\$0	\$0	\$0	\$0	\$26,000	\$0	\$0	\$0	\$26,000
E2 Frozen Veteran	\$0	\$0	\$0	\$0	\$5,000	\$0	\$0	\$0	\$5,000
TR TREATY	\$0	\$0	\$0	\$0	\$0	\$0	\$1,994,058	\$0	\$1,994,058
P State MV Phase-out	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
H MV Adjustment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$3,093,969	\$20,000	\$0	\$0	\$14,868,570	\$0	\$1,994,058	\$0	\$19,976,598

TAX EXEMPT - STATUTE									
13 Residential Vacant	\$108,400	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$108,400
50 PP EXEMPT	\$0	\$0	\$0	\$0	\$0	\$0	\$54,300	\$0	\$54,300
70 Cemeteries	\$367,200	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$367,200
71 Charitable	\$1,704,600	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,704,600
72 Church	\$51,818,400	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$51,818,400
73 Ex-Charter	\$147,076,500	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$147,076,500
74 Federal	\$1,222,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,222,000
76 Libraries	\$1,590,500	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,590,500
78 Municipal	\$75,062,120	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$75,062,120
79 School	\$7,327,200	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$7,327,200
80 State	\$47,104,500	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$47,104,500
TI Tangible Inventory	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$333,381,420	\$0	\$0	\$0	\$0	\$0	\$54,300	\$0	\$333,435,720

CERTIFICATION - TO BE FILED BY JUNE 15th

The foregoing shows the property valuations and the amount of taxes assessed as of December 31, _____.

The assessment whereof was ordered on the _____ day of _____, _____, and certified, signed and delivered in accordance with law on the _____ day of _____, _____.

Said taxes are due and payable on the _____ day of _____, _____.

Assessor/Chairperson