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2020-05

**ORDINANCE OF THE
TOWN OF MIDDLETOWN, RHODE ISLAND**

**AN ORDINANCE AMENDING THE TOWN CODE OF THE
TOWN OF MIDDLETOWN**

**TITLE III: ADMINISTRATION
Chapter 34, Taxes**

NOW THEREFORE, BE IT ORDAINED AS FOLLOWS:

FIRST: That Town Code Title III, Chapter 34, Taxes, Section 34.70 entitled "Tax Classification System" is amended as follows (language to be deleted is stricken out within brackets; language to be added is underlined):

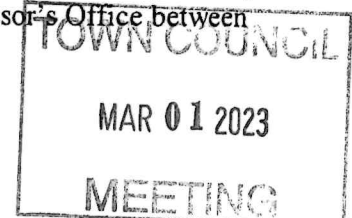
Section 34.70 Tax Classification System

(A) The town does hereby adopt a system of classification of taxable property in the town in conformity with the provisions of R.I. Gen. Laws § 44-5-11.8 effective for taxes assessed as of December 31, 2021. All ratable property in the town shall be classified by the Tax Assessor as follows:

(1) *Class One.* Residential real estate consisting of no more than five 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 with no more than five (5) dwelling units. For properties with both residential and commercial or business uses, the residential tax rate will be applied to the residential portion and the commercial tax rate will be applied to the commercial portion. This class shall be further subdivided into (a) owner-occupied and (b) non-owner occupied properties, and the Town Council shall adopt separate tax rates for each category in compliance with the tax rate restrictions of R.I. Gen. Laws § 44-5-11.8.

The granting of an application for an owner-occupied residential tax rate as referenced above is subject to the following limitations:

a. An owner-occupied residential tax rate shall only be allowed upon written application therefor, which applications are to be filed every three (3) years on a form prescribed by the Tax Assessor. In the absence of such application, the non-owner occupied rate shall apply. Taxpayers applying for an owner-occupied residential tax rate shall file an notarized application and declaration, and present evidence under oath as to the owner-occupied status of the subject property in such manner as may be required by the Tax Assessor. All applications must be filed with the Tax Assessor's Office between



January 1 and March 15 following the date of assessment for the year for which the owner-occupied rate is claimed; provided however, that for the year following the December 31, 2021 assessment date, all applications may be filed with the Tax Assessor's Office between January 1 and May 1, 2022. For good cause, the Tax Assessor may, with advice of the Board of Assessment Review, accept applications for owner-occupied status after the filing deadline for the current or previous year's taxes only.

b. The real property for which the owner-occupied residential tax rate is claimed must be legally titled to the Taxpayer occupying the property, a trust to which the Taxpayer is the named beneficiary, a life tenant with responsibility for the payment of taxes on the property, or to a corporate entity owned and controlled by the Taxpayer, as of December 31 prior to the fiscal year for which the owner-occupied rate shall apply.

c. Applicants may qualify for an owner-occupied residential tax rate on only one (1) property in the town at any point in time. In addition, an owner of real estate in the Town of Middletown must meet all of the following requirements in order to qualify for an owner-occupied rate:

1. The owner-occupied rate applicant or the owner-occupied rate applicant's spouse, must be a registered voter in the Town of Middletown;
2. Neither the owner-occupied rate applicant nor the applicant's spouse is receiving an owner-occupied rate or homestead exemption or other personal exemption for another piece of real property, located elsewhere in the State of Rhode Island, or in any other state of the United States, for the same period of time the owner is seeking the owner-occupied rate for property owned in the town, unless during that time the owner is either legally separated or divorced from the spouse during some or all of the period in which they are claiming more than one (1) owner-occupied rate;
3. The owner-occupied rate attaches to the owner(s) of the real property, and not to the real property itself.
4. Applicants for the owner-occupied rate must reside at the subject property for more than six (6) months of the year.
5. If the Taxpayer gives misinformation as to ownership and/or occupancy of the real property on his/her application for an owner-occupied rate, the Tax Assessor may, in such event, remove the owner-occupied rate and apply the non-owner occupied rate and recalculate the tax for the period in question and in addition charge the taxpayer the maximum interest permitted by law. Such person shall also subject to a fine of up to \$1,000.00.
6. The Tax Assessor is empowered to inquire into the right of a Taxpayer to the continuance of the owner-occupied rate, and for such purpose he/she may require

the filing of a new application or the submission of such proof as he/she shall deem necessary to determine the right of the Taxpayer to the continuance of such rate, and may promulgate any further rules and regulations which he/she deems necessary to carry out the intent and purpose of this section as it relates to the owner-occupied residential tax rate.

7. An owner-occupied residential tax rate granted pursuant to this subsection shall terminate upon:

(i) The conveyance of the subject property; provided however, if the new owner(s) of the property make application and qualify for an owner-occupied residential tax rate within thirty (30) days of the date of the conveyance, the rate shall continue through the end of said tax year;

(ii) The death of the owner(s) occupying the subject property; provided, however, that if the owner(s) holds an ownership interest in the subject property as of the date of assessment for the year for which the exemption is claimed and subsequently deceases, the rate shall continue through the end of said tax year, unless the subject property is sold; or

(iii) The subject property ceasing to be owner occupied.

(2) *Class Two.* Commercial and industrial real estate, residential properties containing partial commercial or business uses and residential real estate of more than five dwelling units.

(3) *Class Three.* All ratable tangible personal property.

(4) *Class Four.* Motor vehicles and trailers subject to excise tax created by R.I. Gen. Laws Title 44, Ch. 34.

(B) The Tax Assessor, on or before June 15 each year shall make a full and fair cash valuation of all the estate, real and personal, including motor vehicles and trailers, subject to taxation and determine the assessed valuation of all property within each class.

(1) The designated classes of property shall be limited to the four classes as defined in division (A) above.

(2) The effective tax rate applicable to any class shall not exceed by 50% the rate applicable to any other class.

(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, unless otherwise mandated by law.

(4) The tax rates applicable to wholesale and retail inventory within Class Three are governed by R.I. Gen. Laws § 44-3-29.1.

(5) The tax rates applicable to motor vehicles within Class Four as defined in division (A) above are governed by R.I. Gen. Laws § 44-34.1-1.

(C) The provisions of R.I. Gen. Laws Title 44, Ch. 35 relating to property tax and fiscal disclosure applies to the reporting of and compliance with these classification restrictions.

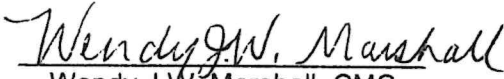
(D) The Assessor has the authority to apply different rates of taxation against Class One, Class Two, Class Three and Class Four property to determine the tax due and payable on the property provided the rate of taxation is uniform within each class.

(E) The Assessor shall provide to the Finance Director a list containing the full and fair cash valuation of each property class and, with the approval of the Town Council, annually determine the percentages of the tax levy to be apportioned each class or property and shall annually establish tax rates sufficient to produce the proportion of the total tax levy.

SECOND: This ordinance shall take effect upon passage and shall supersede any inconsistent or contrary provision in any other ordinance.

MARCH 21, 2022

READ AND AOPTED IN COUNCIL


Wendy J.W. Marshall, CMC
Town Clerk