

4.08.120. - Property tax classification.

Newport

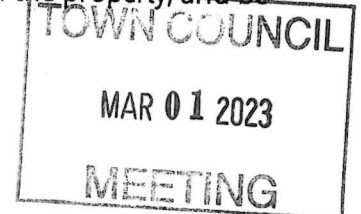
- A. The city does adopt a system of classification of taxable property in the city of Newport. All ratable property in the city of Newport shall be classified by the assessor as follows:

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1. Class One — all ratable tangible personal property;
2. Class Two — Residential real estate with less than four units which shall be further divided into (a) owner-occupied and (b) nonowner-occupied classifications and the city may adopt separate tax rates for each in compliance with the restrictions set forth in R.I.G.L. section 44-5-76.2.

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

- a. An owner-occupied residential tax rate shall only be allowed upon written application by an applicant, which application shall be filed on forms and in accordance with procedures prescribed by the Tax Assessor. In the absence of such application and eligibility for the owner-occupied residential rate, the nonowner-occupied classification rate shall apply. Applicants applying for an owner-occupied residential rate shall provide evidence under oath as to the owner-occupied status of the subject property in such manner as may be required by the Tax Assessor to determine eligibility for the same. 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. The initial eligibility period for the owner-occupied residential rate shall be for two years for tax years 2023 (taxes assessed December 31, 2022 and 2024 (taxes assessed December 31, 2023) and thereafter shall be for three year periods starting tax year 2025 (taxes assessed December 31, 2024). At the end of each eligibility period, the applicant must re-apply between January 1 and March 15 in order to be eligible for the owner-occupied residential rate for the next eligibility period. An applicant may apply during the period from January 1 through March 15 for an owner-occupied residential rate for any one of the remaining years of an eligibility period.
- b. The real property for which the owner-occupied residential rate is claimed must be legally titled in the name of the applicant occupying the property and applying for the owner-occupied residential rate, the trustee of a revocable or irrevocable living trust pursuant to which the applicant resides at the subject property, meets the requirements of subsection (c) herein, and is legally obligated to pay the property taxes on the subject property, or in the name of the applicant who is or are life tenants, who reside at the property as their principal residence, with responsibility for the payment of taxes on the property, and be



so titled as of December 31 prior to the fiscal year for which the owner-occupied residential rate shall apply and remain so titled at all times during the eligibility period in which the applicant claims the owner-occupied residential rate.

- c. An applicant may qualify for an owner-occupied residential rate on only one property in the city at any point in time with the exception that an applicant may qualify for an owner-occupied rate for additional properties which qualify pursuant to subsection 4.08.120.A(2)(c)(6). In addition, an applicant must meet all of the following requirements in order to qualify for an owner-occupied residential rate:
 1. The applicant applying for the owner-occupied residential rate must be a resident of the city of Newport. "Resident" means an individual whose principal residence and the residence at which the individual physically lives at for more than seven months of the year is the subject property which property is also the place of domicile of the individual. The only accepted proof of residency is as a registered voter on the city of Newport Voter List maintained by the city canvassing authority or a current Rhode Island driver's license or identification card issued by the Rhode Island Division of Motor Vehicles showing a residence address which is the address of the property for which the applicant resident is seeking the owner-occupied residential rate. A post office box is not a legal address for this purpose.
 2. The applicant applying for the owner-occupied residential rate or any other owner of the property is not receiving an owner-occupied rate, a homestead exemption, or other personal exemption for any other 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 residential rate for property owned in the city unless they otherwise qualify for the owner-occupied rate pursuant to the provisions of subsection 4.08.120.A(2)(c)(6).
 3. The owner-occupied residential rate attaches to the owner(s) of the real property, and not to the real property itself.
 4. Applicants applying for the owner-occupied residential rate must reside at the subject property as their primary residence for more than seven months of the year and continue to be domiciled inhabitants of the state of Rhode Island.
 5. Any applicant providing false, fraudulent or misleading information, or who otherwise makes any material misrepresentation as to their eligibility or qualifications for the owner-occupied residential rate may be subject to immediate revocation of the application of the owner-occupied residential rate to their property and the city of

Newport in such event shall apply the nonowner-occupied rate and recalculate the tax based on the nonowner-occupied residential rate for the period in question and in addition, charge the applicant the maximum interest and penalties permitted by law.

6. An applicant who is an owner of residential real estate with less than four units may qualify for an owner-occupied residential rate for the subject property if, at the time of application, they rent, and will continue to rent during the then eligibility period, all dwelling units at the subject property to tenants pursuant to a written lease for one year or longer and the dwelling units rented are the principal residences of the tenants of the same. If the applicant who is the owner of residential real estate with less than four units occupies one of the dwelling units as their principal residence, the applicant may qualify for an owner-occupied residential rate for the subject property if all of the other dwelling units at the subject property are rented at the time of application, and will continue to be rented during the then eligibility period, as the principal residence of tenants pursuant to a written lease of one year or longer.
7. The Tax Assessor may continue to review the right of an applicant to the owner-occupied residential 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 applicant 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.
8. An owner-occupied residential tax rate granted 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 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 applicant occupying the subject property; provided, however, if the applicant 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 ceases to be owner-occupied.
9. Any person providing false or fraudulent information or who otherwise makes material misrepresentations in order to obtain an owner-occupied residential rate is guilty of a violation and may be subject to prosecution before the Newport Municipal

Court and fined an amount within the jurisdiction of said court, in addition to any other penalties for such actions that may be provided for pursuant to applicable law.

3. Class Three — all commercial and industrial real estate and residential real estate with four units or more;
 4. Class Four — owner-occupied properties with mixed commercial and residential uses, in which the residential unit of the property owner shall be taxed at the residential rate, provided that: (a) the property owner has certified that, he/she is a permanent resident of the residential unit within the structure; (b) the property is in compliance with the city's zoning ordinance; and (c) an application for a mixed-use tax rate is received by the assessor no later than March 15th of each year; and
 5. Class Five — motor vehicles and trailers subject to the excise tax created by Chapter 44-34 of the Rhode Island General Laws, and the city council hereby sets the motor vehicle exemption amount at five thousand five hundred dollars (\$5,500.00).
- B. The assessor of the city of Newport, on or before June 1st of 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 each property class.
1. The designated classes of property shall be limited to the five classes as defined in Section 4.08.120(A);
 2. The effective tax rate applicable to any class shall not exceed by fifty (50) percent 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;
 4. The tax rates applicable to motor vehicles within class four as defined in Section 4.08.120(A) are governed by Section 44-34.1-1 of the Rhode Island General Laws;
 5. The provisions of Chapter 35 of Title 44 of the Rhode Island General Laws relating to property tax and fiscal disclosure applies to the reporting of, and compliance with, these classification restrictions.

(Ord. 2004-21 § 1, 2004; Ord. 2002-30 § 1 (part), 2002)

(Ord. No. 2010-27, § 1, 7-28-2010; Ord. No. 2022-23, § 1, 11-9-2022)