Town of Bristol, RI

Tax Assessor / Collectors Office

10 Court Street, Bristol, RI 02809 *(401)253-7000*

DATE: October 14, 2025

TO: **Steven Contente, Town Administrator**

FROM: Kristopher Leadem, Tax Assessor/Collector

RE: **General Homestead Law and Mixed-use properties Financial Impact**

This memo outlines the potential financial impact on the town's tax structure if mixed-use properties become eligible for the residential homestead tax rate.

Analysis

- **Residential Homestead Rate:** Bristol has a total of 7,220 residential properties. 61% or 4,404 residential properties in Bristol currently receive the lower homestead rate of $9.61
- **Current Situation:** Bristol has 90 mixed-use properties, with a total assessed value of approximately $54 million. These properties represent about 1% of the town's total tax base. Tax rate currently $10.61
- **Projected Change:** Based on eligibility patterns for multi-family properties, I estimate that one-third, or about 30, of the mixed-use properties may apply for and qualify for the homestead rate. This would shift approximately $18 million in assessed value to the lower tax rate.
- **Estimated Tax Rate Impact:**
    - **Potential Impact:** At the current homestead rate of $9.60 per thousand, this shift in assessed value would cause the non-homestead rate of $10.61 to increase by less than one cent per thousand.
    - **Illustrative Scenarios:**
        - **Scenario 1 (One-Third Qualify):** If $18 million in assessed value is shifted, a $500,000 non-homestead property would see an estimated **annual** tax increase of $3 to $4. A $1 million property would see an **annual** increase of $6 to $8.

- **Scenario 2 (Half Qualify):** If half ($27 million) of the mixed-use properties qualify, the non-homestead rate would increase by about one cent ($0.01) per thousand. This would mean a $5 annual increase for a $500,000 property and a $10 annual increase for a $1 million property.
- **Scenario 3 (All Qualify):** If all mixed-use properties ($54 million) qualify, the non-homestead rate would increase by about two-and-a-half cents ($0.025) per thousand. A $500,000 non-homestead property would see an annual increase of $12.50, while a $1 million property would see an increase of about $25.

Findings

Extending the homestead rate to mixed-use properties would have a relatively minor financial impact on the overall tax structure. The non-homestead rate would increase slightly to offset the shift in assessed value, but the effect on individual non-homestead properties would be minimal.