

TOWN COUNCIL SPECIAL MEETING - WEDNESDAY EVENING
September 20, 2023

PRESENT: Calouro, Parella, Teixeira, Sweeney, and Ley

ALSO PRESENT: Steven Contente, Town Administrator
Michelle DiMeo, Tax Assessor

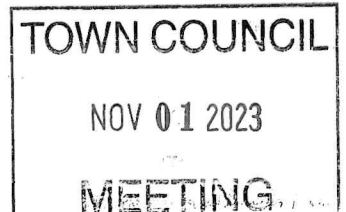
The Council met in special session on Wednesday evening, September 20, 2023, in the Town Hall, Council Chambers, beginning at 7:02PM, Council Chairman Calouro presiding:

1. Workshop re Property Tax Classification

Council Chairman Calouro noted that the council would be discussing a couple of Property Tax Classification proposals presented to the council by the tax assessor and the administrator. The council had collectively agreed that examining these tax classification proposals is the appropriate next step, considering that much of our work is interconnected with various matters. For instance, homestead exemption, which is related to our ongoing discussions. Additionally, there was a recent agenda item about Airbnb, which will be addressed in this meeting, with a more detailed workshop planned separately.

Town Administrator Contente noted that two presentations were going to be made to the council. The first proposal involved restructuring the tax system into three brackets, namely, a residential rate, a non-residential rate for properties owned by non-residents, and a commercial rate. The focus was on minimizing the impact on local residents while increasing taxes on investment properties owned by non-local individuals. The need to address the scarcity of affordable apartments in Bristol was also highlighted. The proposed changes in the tax structure would result in a reduction for local residents and potentially no increase for local businesses, while increasing taxes for non-local property owners.

Town Administrator Contente noted that the second presentation was centered on the senior exemption, with a proposed increase of \$50. Currently, the minimum exemption for seniors 65 and older is \$250, and this would be raised to \$300, aligning us with other communities. He explained that consideration was given using a percentage of the property's value for the exemption, but it was deemed unaffordable due to its substantial impact on tax rate. The proposed changes were estimated to result in an approximate \$500 reduction in the tax bills. The senior exemption, combined with the new tax structure, could result in a reduction of about 4% for average homeowners.



TOWN COUNCIL SPECIAL MEETING – WEDNESDAY EVENING
September 20, 2023

Tax Assessor DiMeo noted that due to the absence of resident data in the town's current system, she relied primarily on the mailing addresses of tax bills to distinguish between residents and non-residents. Acknowledging the potential for errors, she discussed the need for an application process to ensure accurate data for budgeting purposes, should the council proceed with this approach. She noted that a substantial portion of the town's properties, approximately 6,500, are occupied by residents.

Tax Assessor DiMeo explained that considering the implications of implementing separate tax rates for residents and non-residents, they examined the tax rate structures of several other cities and towns, with four communities already having a non-resident tax rate in place. Comparisons of these rates revealed slight variations, with some communities having disparities of one or two dollars.

Tax Assessor DiMeo emphasized that the town's residential tax rate ranks thirteenth lowest in the state, while the commercial property tax rate ranks tenth lowest. To illustrate the potential impact of the proposed changes, she presented three different scenarios, each based on median property assessments. These scenarios demonstrate the current tax rates, projected tax rates under the proposed changes, and the estimated savings for residents.

Tax Assessor DiMeo explained the following three scenarios:

***Proposed**

	Median Assessment	2023 Tax Rate	Total Tax	Proposed Tax Rate	Total Tax	\$ Difference	% Chang
Resident	\$365,100	\$13.36	\$4,877.74	\$12.83	\$4,684.23	-\$193.50	-4%
Non Owner Occupied	\$306,200	\$13.36	\$4,090.83	\$14.83	\$4,540.95	\$450.11	10%
Non Resident	\$364,800	\$13.36	\$4,873.73	\$14.83	\$5,409.98	\$536.26	10%
Commercial	\$489,900	\$13.36	\$6,545.06	\$14.83	\$7,265.22	\$720.15	10%
Resident	\$365,100	\$13.36	\$4,877.74	\$12.83	\$4,684.23	-\$193.50	-4%
Non Owner Occupied	\$306,200	\$13.36	\$4,090.83	\$12.83	\$3,928.55	-\$162.29	-4%
Non Resident	\$364,800	\$13.36	\$4,873.73	\$15.43	\$5,628.86	\$755.14	14%
Commercial	\$489,900	\$13.36	\$6,545.06	\$15.43	\$7,559.16	\$1,014.09	14%
Resident	\$365,100	\$13.36	\$4,877.74	\$12.83	\$4,684.23	-\$193.50	-4%
Non Owner Occupied	\$306,200	\$13.36	\$4,090.83	\$12.83	\$3,928.55	-\$162.29	-4%

TOWN COUNCIL SPECIAL MEETING - WEDNESDAY EVENING
September 20, 2023

Non Resident	\$364,800	\$13.36	\$4,873.73	\$16.72	\$6,099.46	\$1,225.73	20%
Commercial	\$489,900	\$13.36	\$6,545.06	\$13.36	\$6,545.06	\$0.00	0%

*Tax Totals DO NOT include sewer use fees

These projections provide a comprehensive overview of the potential adjustments and their implications for different property owners in our community.

Councilman Sweeney raised a question about obtaining the most accurate data for non-resident, out-of-state property owners. Tax Assessor DiMeo acknowledged the challenge, noting that the information is primarily based on the addresses to which tax bills are sent, which may not always reflect the current residency status of property owners.

Town Administrator Contente highlighted how other communities that have implemented similar measures require an application process for residents to qualify for the resident tax rate. Applicants would need to provide evidence such as a voter ID, utility bills, or a driver's license with a Bristol address. He explained that this would not be an automatic process, and property owners must demonstrate their eligibility.

Discussions ensued regarding the issue of the required duration to qualify as a resident. It was noted that, in some places like Florida, residents need to spend more than six months in the state to qualify. It was suggested that the town require applicants to demonstrate they have spent at least six months and a day in Bristol as one way to qualify.

The Council members emphasized the need for clear criteria and multiple forms of identification to confirm residency status during the application process. Concerns were raised about the potential complexity of the application process and the need to develop a suitable system to manage it effectively.

Chairman Calouro emphasized the goal of securing funding for various initiatives, such as increasing senior and veterans' discounts. He stated that the third scenario appeared to be the most appealing, as it involved no changes to the commercial tax rate, an increase for non-residents, and a decrease for residents. He emphasized that this approach was seen as consistent with other communities, such as Central Falls, which had significantly different rates for residents and non-residents.

Vice Chairwoman Parella expressed her disappointment that more extensive research and scenarios were not presented during the

TOWN COUNCIL SPECIAL MEETING - WEDNESDAY EVENING
September 20, 2023

meeting and the absence of information provided. She emphasized the need for specific parameters, including age and residency duration, to address the challenges faced by the senior population in Bristol.

She mentioned that she had initially suggested that workgroups or commissions could be instrumental in thoroughly examining these matters and providing a broader perspective than the Town or Council could achieve to investigation into matters like the homestead exemption or elderly property relief.

Vice Chairwoman Parella raised concerns about the current proposals, particularly the \$50 increase in the senior exemption, which she found insufficient and even embarrassing. She called for a more comprehensive analysis that would consider different scenarios, costs, and outcomes, especially for elderly residents who face difficulties in maintaining their homes.

Vice Chairwoman Parella emphasized that the limited information presented was not attributable to any shortcomings on the part of the Town Administrator or the Tax Assessors. She highlighted that it wasn't fair to impose the level of work or commitment necessary to gather more detailed information, considering the time and bandwidth constraints within the departments. She acknowledged the challenges the departments faced in producing such extensive information and scenarios. However, she did express frustration with the limited information and scenarios that were presented during the meeting.

Vice Chairwoman Parella advocated for a more comprehensive analysis, stressing the necessity of involving workgroups to effectively tackle the complex issues at hand. She highlighted the importance of a more detailed exploration to ensure a well-informed decision-making process.

Councilman Ley noted that for individuals aged 65 to 69, there is currently a \$250 senior tax exemption, and there is a proposal to increase it by \$50. Councilman Ley suggested that it would be beneficial to explore various incrementally progressive increases beyond the proposed \$50. To illustrate, Councilman Ley provided a historical perspective, indicating that to match the spending power of \$250 in 2004, one would need \$403 today. Similarly, for the \$300 exemption for individuals aged 70 to 74 in 2004, it would require \$483 today, and for those aged 75 and above with a \$350 exemption in 2004, it would take \$564 today.

Councilman Ley expressed interest in seeing how different incremental increases to the senior tax exemption might affect the cost. Specifically, he suggested raising the exemption by \$50 for the 65 to 69 age group, then perhaps by \$75 for the 70 to 74 age group, and

TOWN COUNCIL SPECIAL MEETING - WEDNESDAY EVENING
September 20, 2023

further increasing it by \$100 to \$150 for individuals aged 75 and above.

Councilman Sweeney raised concerns about the senior tax exemption and its implications as the town's senior population continues to grow. He emphasized the need to consider the financial aspect of providing this exemption and how it will be funded. Councilman Sweeney also questioned whether the money for the exemption would primarily benefit non-residents or residents and suggested exploring various scenarios to understand the potential impact.

Assessor Demio provided some relevant data, mentioning that there are currently 76 new applicants for the senior exemption in 2024, which will cost approximately \$19,000. Additionally, with the senior population expected to increase by around 10% over the next 20 years, they anticipate about 200 new applicants, which would cost approximately \$100,000 at the current exemption rate.

Town Administrator Contente highlighted several key points during the discussion, emphasizing the need to address the decline in the town's population despite its growing appeal as a desirable place to live, as indicated by the latest census. He suggested that the housing stock might not be fully utilized and proposed initiatives to make housing more accessible. Town Administrator Contente recommended exploring options for implementing varying tiers and qualifying situations for senior exemptions, aiming to balance affordability and the town's tax structure. He also noted the necessity of finding alternative sources to compensate for any increase in the exemption, acknowledging the importance of maintaining financial balance within the town's budget.

Chairman Calouro noted some key considerations, drawing attention to the significant impact of various discount scenarios on the town's budget. Using examples of potential discounts of \$1,000, \$2,000, and \$3,000, he estimated that the existing 1,880 elderly exemptions in 2023 could result in a \$4 million reduction in property taxes if a \$2,000 discount were applied uniformly. He emphasized that applying this discount would primarily affect non-residents, leading to a substantial financial implication.

Chairman Calouro underscored the need for the council to determine where the burden of these changes should be placed, considering the potential implications for residents, non-residents, and commercial entities.

Chairman Calouro emphasized the necessity of understanding the financial consequences of any decision made. He reiterated the need to deliberate on how to balance the budget while ensuring fairness

TOWN COUNCIL SPECIAL MEETING - WEDNESDAY EVENING
September 20, 2023

and sustainability, acknowledging that every decision would have financial repercussions for someone.

Tax Assessor DiMeo brought up the issue of the current income limit for the hardship exemption, which stands at \$12,000 annually, stating that it no longer aligns with current economic realities, as many individuals on social security now earn more than this limit. The Assessor proposed adjusting the ordinance to match the area median income (AMI) for low-income families. She explained that to gain insight on how to structure the proposal, she consulted Representative Speakman, who suggested using 150% of the AMI as a benchmark, although other possibilities could be considered.

Chairman Calouro sought clarification on the potential impact of the proposed changes, questioning how many more people would qualify under the revised ordinance and what implications it might have. In response, Tax Assessor DiMeo referred to the 2020 census data, which indicated that around 9.2% of Bristol residents were below the poverty level, equating to roughly 597 individuals, though not all of them were property owners.

Chairman Calouro expressed support for the proposal to establish a more up-to-date income threshold, acknowledging the necessity of aligning the ordinance with current economic conditions. Council member Ley then inquired if the income threshold could be linked to the AMI to reduce the need for regular updates, a suggestion to which the assessor confirmed she had intended with the proposed change.

Peter Hewitt of 11 Wendy Drive addressed the council and asked if there was a target date to impose a new tax structure. Tax Assessor DiMeo responded that the intention was to move forward in 2024 tax year.

Nancy Sousa of 9 Willam Street addressed the council and questioned how home sales are assessed and if the current increase in home sale prices is reflected in their current taxes. Tax Assessor DiMeo clarified that reflected in a

Ms. Sousa also recounted the challenges she faced after her house was damaged by fire. Initially valued at \$177,000, the post-fire appraisal significantly exceeded \$400,000 due to necessary repairs. She expressed her financial strain in coping with the increased property taxes, which compounded the difficulties stemming from the extended 23-month period during which she couldn't reside in her home. With an ongoing mortgage and limited financial resources, she voiced concerns about her ability to continue paying the elevated expenses.

TOWN COUNCIL SPECIAL MEETING - WEDNESDAY EVENING
September 20, 2023

Ms. Sousa raised a concern about potential increased taxes from the sale of houses at inflated rates. The tax assessor clarified that according to State law, property re-evaluations can only occur every three years, unless there are substantial renovations or repairs. In Nancy's case, the property value was initially lower due to fire damage, and it increased gradually as repairs were completed. However, properties sold between revaluation periods would not see an immediate increase in their assessed values, as dictated by the State law. The next revaluation is scheduled for the 2025 tax year, and if housing prices continue to rise, the assessed values will likely increase accordingly.

Discussion ensued highlighting the importance of addressing additional issues related to property values, particularly the impact of unexpected events like a fire in one's home, which can result in significant property value increases during the rebuilding process. It was suggested to explore potential remedies that can assist residents in such challenging circumstances.

Dave Perry of 15 Ambrose Drive addressed the council and inquired about the enforcement of tax payments, particularly in situations where individuals, particularly elderly residents, are unable to afford their property taxes and may face the risk of losing their homes. He also asked if there was flexibility in the enforcement process.

Tax Assessor DiMeo responded by stating that Bristol has a high tax collection rate. She explained the procedure for placing a lien on properties through tax sales. However, before proceeding with a tax sale, the town is required to send the list to the Department of Healthy Aging and Rhode Island Housing, and these agencies determine whether the property can be included in the tax sale.

Town Solicitor Ursillo further clarified that tax policies are largely determined by state law. He added that individuals facing extreme financial difficulties could consider filing for bankruptcy, which could temporarily halt any tax sale or enforcement action. He noted that while taxes might be deferred, they would eventually need to be paid. The tax sale process is standardized at the state level, and municipalities cannot implement separate processes.

Steve Scuba of 32 Ridge Road addressed the council and raised the issue of the proposed tax structure for veterans, particularly disabled veterans. He mentioned that a few years ago, there was a proposal to increase the exemption for disabled veterans. Initially, veterans were supposed to receive a \$250 exemption, which was intended to increase to \$300 the following year and then to \$350 the year after that. However, it appeared that the increase hadn't been

TOWN COUNCIL SPECIAL MEETING - WEDNESDAY EVENING
September 20, 2023

implemented as planned, leaving some veterans without the proposed benefits. He mentioned that the total financial impact on the town for providing veterans with this tax break was estimated to be around \$22,000 annually

Tax Assessor DiMeo responded by clarifying that there had been a workshop regarding the disability exemption, but the flat veteran exemption had not been changed.

Mr. Scuba further explained that the \$250 exemption had remained the same since his return from Vietnam in 1973, and he questioned why the increase hadn't occurred. He highlighted the importance of revisiting this issue to provide the support to veterans, particularly those with disabilities.

Mr. Scuba also advocated for considering the idea of freezing taxes for residents over 65 or those who are retired, regardless of income level, to ensure fair treatment and support for veterans and retirees. He emphasized that it was essential to honor the commitments made to veterans and disabled veterans regarding their property tax exemptions

Louie Giusti of 42 Woodlawn Avenue addressed the council and inquired about the amount Roger Williams University (RWU) pays to the town. It was disclosed that they pay \$350,000 annually as a Payment in Lieu of Taxes (PILOT), along with an additional \$150,000 every five years for fire apparatus.

Mr. Giusti also questioned the number of bathrooms on the campus and why the university doesn't pay property taxes.

Tax Assessor DiMeo clarified that RWU does pay a sewer use fee and the sewer use fee is based on the number of units in their buildings, not the number of bathrooms. She highlighted that their total sewer use fee amounts to \$406,000 annually, along with the PILOT and fire apparatus fees.

Mr. Giusti expressed his belief that RWU should be contributing more to the town, suggesting that an increase in their contribution could potentially help resolve some of the funding to offset tax exemptions or classifications, particularly concerning the elderly. Town Administrator Contente explained that the town engages in negotiations with RWU every five years and aims to maximize their contributions.

Chairman Calouro responded by emphasizing that RWU is not required to pay property tax, and the payment made is a "payment in lieu of taxes" (PILOT). While there is a possibility of negotiating for a higher payment, he pointed out that the university adds value to the

TOWN COUNCIL SPECIAL MEETING - WEDNESDAY EVENING
September 20, 2023

community in various ways, such as being a significant employer and contributing to the local economy. He acknowledged that there are both positive and negative aspects to their presence but highlighted the university's overall contribution to the community.

Mr. Giusti expressed his viewpoint on the development in Bristol, emphasizing that he believes the town has reached its limit in terms of development. He suggested that the Community Development department should dissolve, as he perceives no further need for it in the town. Drawing from his personal experience since 1949, he remarked on the changes he has witnessed in the town over the decades.

The council concluded by highlighting the need to review several key points, including:

- Requiring a more comprehensive analysis encompassing various scenarios, costs, and outcomes, particularly focusing on the challenges faced by elderly residents in maintaining their homes.
 - Further discussion on hardship exemptions with the potential consideration of indexing.
 - Tax assistance planning for catastrophic events.
 - Explore the potential for motivating or providing incentives to property owners of unoccupied retail spaces in commercial or non-resident properties
 - Scheduling another workshop in approximately 45 days.
 - Any new inquiries should be direct to the Chairman, Administrator, and Assessor.
2. * Community Development Director Williamson Request for Executive Session Pursuant to RIGL § 42-46-5 (a) (5) - Open Space Acquisition

Sweeney/Teixeira - Voted unanimously to convene in Executive Session pursuant to RIGL Section 42-46-5 (a) (5) concerning the Acquisition of Open Space at 8:25 PM.

Sweeney/Parella - Voted unanimously to resume open session and seal the minutes of the Executive Session at 8:34PM.

Solicitor Ursillo announced that a motion was made and voted on in Executive Session.

TOWN COUNCIL SPECIAL MEETING - WEDNESDAY EVENING
September 20, 2023

3. Adjournment

There being no further business, upon a motion by Councilman Sweeney, seconded by Councilman Teixeira and voted unanimously, the Chairman declared this meeting to be adjourned at 8:39pm.

Melissa Cordeiro, Town Clerk
Council Clerk

DRAFT