

2026 --

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2026

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AN ACT

RELATING TO TAXATION – LEVY AND ASSESSMENT OF LOCAL TAXES

Introduced by:

Date Introduced:

Referred to:

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 44-5-11.8 of the General Laws in Chapter 44-5 entitled “Levy and  
2 Assessment of Local Taxes” is hereby amended to read as follows:

3 **44-5-11.8. Tax classification.**

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

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

9 (2) The effective tax rate applicable to any class, excluding class 4, shall not exceed by  
10 fifty percent (50%) the rate applicable to any other class, except in the city of Providence and the  
11 town of Glocester and the town of East Greenwich and the Town of Bristol; however, in the year  
12 following a revaluation or statistical revaluation or update, the city or town council of any

1 municipality may, by ordinance, adopt tax rates for the property class for all ratable tangible  
2 personal property no greater than twice the rate applicable to any other class, provided that the  
3 municipality documents to, and receives written approval from, the office of municipal affairs that  
4 the rate difference is necessary to ensure that the estimated tax levy on the property class for all  
5 ratable tangible personal property is not reduced from the prior year as a result of the revaluation  
6 or statistical revaluation.

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

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

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14 of this section, are governed by § 44-34.1-1 [repealed].

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

17 (b) Classes of property.

18 (1) Class 1: Residential real estate consisting of no more than five (5) dwelling units; land  
19 classified as open space; and dwellings on leased land including mobile homes. In the city of  
20 Providence, this class may also include residential properties containing partial commercial or  
21 business uses and residential real estate of more than five (5) dwelling units. In the town of Bristol,  
22 this class may also include residential properties containing partial commercial or business uses  
23 where the residential portion is owner occupied.

24 (i) A homestead exemption provision is also authorized within this class; provided

1 however, that the actual, effective rate applicable to property qualifying for this exemption shall  
2 be construed as the standard rate for this class against which the maximum rate applicable to  
3 another class shall be determined, except in the town of Gloucester and the city of Providence.

4 (ii) In lieu of a homestead exemption, any city or town may divide this class into non-  
5 owner and owner-occupied property and adopt separate tax rates in compliance with the within tax  
6 rate restrictions; provided, however, that the owner-occupied rate shall be construed as the standard  
7 rate for this class against which the maximum rate applicable to another class shall be determined,  
8 except in the town of Gloucester and the city of Providence.

9 (2) Class 2: Commercial and industrial real estate; residential properties containing partial  
10 commercial or business uses; and residential real estate of more than five (5) dwelling units. In the  
11 city of Providence, properties containing partial commercial or business uses and residential real  
12 estate of more than five (5) dwelling units may be included in Class 1.

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

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

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

23 (d) Notwithstanding the provisions of subsection (a) of this section, the town council of the  
24 town of Middletown may hereafter, by ordinance, adopt a tax classification plan in accordance

1 with the provisions of subsections (a) and (b) of this section, to be applicable to taxes assessed on  
2 or after the assessment date of December 31, 2002.

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

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

14 (g) Notwithstanding the provisions of subsections (a) and (b) of this section, the town  
15 council of the town of Coventry may hereafter, by ordinance, adopt a tax classification plan  
16 providing that Class 1, as set forth in subsection (b) "Classes of Property" of this section, may also  
17 include residential properties containing commercial or business uses, such ordinance to be  
18 applicable to taxes assessed on or after the assessment date of December 31, 2014.

19 (h) Notwithstanding the provisions of subsection (a) of this section, the town council of the  
20 town of East Greenwich may hereafter, by ordinance, adopt a tax classification plan in accordance  
21 with the provisions of subsections (a) and (b) of this section, to be applicable to taxes assessed on  
22 or after the assessment date of December 31, 2018. Further, the East Greenwich town council may  
23 adopt, repeal, or modify that tax classification plan for any tax year thereafter, notwithstanding the  
24 provisions of subsection (a) of this section.

(i) Notwithstanding the provisions of subsection (a) of this section, the town council of the  
of Middletown may hereafter, by ordinance, adopt a tax classification plan in accordance  
the provisions of subsections (a) and (b) of this section, to be applicable to taxes assessed on  
the assessment date of December 31, 2022.

(j) Notwithstanding the provisions of subsection (a) of this section, the town council of the  
f New Shoreham may hereafter, by ordinance, adopt a tax classification plan in accordance  
e provisions of subsections (a) and (b) of this section, to be applicable to taxes assessed on  
r the assessment date of December 31, 2023.

(k) Notwithstanding the provisions of subsection (a) of this section, the town council of the  
f Bristol may hereafter, by ordinance, adopt a tax classification plan in accordance with the  
ons of subsections (a) and (b) of this section, to be applicable to taxes assessed on or after  
essment date of December 31, 2023. Further, the Bristol town council may adopt, repeal, or  
y that tax classification plan for any tax year thereafter, notwithstanding the provisions of  
tion (a) of this section.

(l) The city council of the city of Providence may, by ordinance, provide for, and adopt, a tax 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; that the tax rate for Class 3 shall not be more than three (3) times the tax rate of Class 1; and that the tax rate for Class 2 shall not be more than three and one-half (3½) times the effective owner-occupied tax rate of Class 1, whether by homestead exemption or separate rates.

SECTION 2. This act shall take effect upon passage.

EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF  
AN ACT  
RELATING TO TAXATION

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1        This act would provide that the town of Bristol would be authorized to exempt from  
2        taxation, or otherwise enter into payment in lieu of tax agreements regarding property in the town  
3        of Bristol of qualifying nonprofit, charitable organizations.

4        This act would take effect upon passage.