



# Town of Smithfield

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RANDY R. ROSSI, MBA, CGFM  
TOWN MANAGER

June 10, 2020

Senator Stephen R. Archambault  
Room 310, State House  
82 Smith Street  
Providence, RI 02903

Representative Gregory Costantino  
Room 323, State House  
82 Smith Street  
Providence, RI 02903

Representative Bernie Hawkins  
Room 323, State House  
82 Smith Street  
Providence, RI 02903

Dear Senator Archambault and Representatives Costantino and Hawkins,

Please accept this letter in support of House Bill H-8015 relating to amending RI General Law §45-2-3.2, "Availability of Funds Upon Failure of City or Town to Approve Annual Appropriation." This proposed legislation provides emergency flexibility to towns with financial town meetings and financial referenda.

Additionally, the proposed amendments address the current emergency situation resulting from COVID-19 such as the current stay-at-home and gathering limitations or events of natural disaster. These amendments will allow for an alternative process in limited and special circumstances to allow for the continued, uninterrupted function of municipal government during situations when it is most needed.

Lastly, this legislation will not result in undermining the rights of eligible voters at financial town meetings except for limited and specific instances, while leaving in-tack the ability of voters to remove their elected representatives should they be dissatisfied with their use and/or abuse of this limited authority.

Attached you will find additional information to support this legislation as provided by the RI League of Cities and Towns. Please introduce this Act in the present session of the General Assembly and work for its passage.

Sincerely,

Randy R. Rossi  
Town Manager

## Summary of Legislation for Emergency Flexibility for Financial Town Meetings/Referenda Rhode Island League of Cities and Towns

### Overview:

- COVID-19 has disrupted the budget process for 17 communities whose charters require financial town meetings and referenda, most of which normally occur in May and June.
- Financial town meetings host hundreds of residents or more and require citizen involvement for presenting amendments and final votes, and in some cases may require voting by secret ballot.
- Many communities have had to postpone their FTMs and referenda because of COVID-19, and they are now looking into alternative approaches that are not prescribed in their town charters.
- Proposed legislation (H 8015 / S \_\_\_\_ ) provides emergency flexibility to towns with financial town meetings and financial referenda.
- RI General Laws allow communities that do not pass expenditure plans by the end of their fiscal year (June 30 for most) to continue spending according to the prior year's budget. However, state law does not prescribe details or an alternative for establishing a local tax levy to support those expenditures.
  - Similarly, town charters generally do not contain provisions to renew the tax levy automatically.
- If communities cannot conduct their FTMs or referenda until July or later, they may face cash flow problems without first quarter tax revenue.

### Legislative Solutions:

1. Authority to Modify FTM/Referenda Dates – Many local officials have applied their own emergency powers to change the date of their FTMs or referenda. The legislation reiterates local authorities' ability to modify those dates in the event of a state and local emergency.
2. Authority to Modify Location and Operations – Some communities are pursuing innovative approaches to FTMs and referenda, including meetings on virtual platforms, mail ballots and “drive-in” meetings. The legislation allows local officials to modify the format and location of their FTM/referendum in cases of a state and local emergency.
3. Alternative Approach 1 – Interim Tax Levy: For communities that must conduct their FTMs/referenda into the next fiscal year, the legislation grants towns the authority to enact a tax levy – not to exceed the levy approved the prior year – for up to one year. This provision would allow local officials to issue interim tax bills, subject to later revision. The limited tax levy authority would require public notice and hearing.
4. Alternative Approach 2 – Council Passage of Budget – A scenario could arise where a resurgence of COVID-19 cases or other logistical or technological barriers would make an in-person or virtual FTM or referendum inadvisable. In such circumstances, the legislation would provide authority for towns with FTMs/referenda to enact a budget and tax levy by municipal council action. The council-approved budget would require public notice and hearing, and the tax levy could not exceed the 4% tax cap in current law.
  - a. Note: Connecticut's Governor approved this alternative process due to COVID-19 by executive order ([Section 13 of Executive Order 71](#))

### Emergency Provisions and Public Protections:

- Municipal leaders respect the FTM/referenda process. Therefore, to ensure that the enabling legislation is used properly, the following requirements were included:
  - A declaration of state AND municipal emergency must be in place
  - The legislation *is enabling only* – The elected council can take one of the two options only by ordinance or resolution with public notice and hearing.
  - The bill includes considerations for communities that have completed revaluations, allowing them to use new values when calculating the new tax levy.