Introduction

- Article 1, Section 14
  - Resource Recovery transfer
- Article 15
  - Municipal Transparency Portal
  - Distressed Communities Refund Offset
  - Property Revaluations
Requires the payment of $1.5 million to state general revenues in FY 2017

- Cash available from reserves
- Governor also proposed $1.5 million last year; not adopted by Assembly
- Last transfer from RRC to the state occurred in FY 2012 - $3.5 million
Current municipal tip fee $32/ton through FY 2017

RRC conducted formal rule-making process for future fees
- Adopted new rule in January 2016
- Currently estimates increasing tip fee from $32/ton to $47/ton – beginning FY 2018
- First increase since FY 1994

Surpluses and commercial fees have subsidized the municipal costs
Corporation estimates $1.5 million transfer equates to additional $5 increase in municipal tip fee

- Offset revenue loss
- $1.5 million/300,000 tons municipal waste annually
Current law –

- Cities and Towns must provide quarterly financial statements to Division of Municipal Finance
- Municipalities also provide property tax, and other information annually
  - Used to determine proportional shares of state aid
- Statements in form determined by Division
Municipality downloads reporting forms

Municipal CFO fills out hard copy
- Not all data provided uniformly

Completed forms scanned & emailed to Division

Division staff enters data into own software
- Duplicative data entry
- Inefficient use of Division staff

Division staff analyses data

Division ensures compliance with law & calculates state aid shares
- Publishes some info on website
Governor proposes online interface for municipal finances
- Overseen by Division of Municipal Finance
- Also reduces reporting quarterly reports to 3 per year
  - Budget-to-actual expenditures
  - 6th month, 9th month, 12th month
- No change to current law on annual audit
Article 15
Municipal Transparency Portal

- All data for general local aid programs would also be submitted via interface
  - Data municipalities already track and report
- Division to review and certify all information submitted via portal
  - Publish some data for public use (downloadable)
Article 15
Municipal Transparency Portal

- Article requires Division to draft annual transparency report for municipality
  - Municipality’s executive officer, CFO, superintendent, & CFO for school system all sign off
  - Posted to municipal website within 10 days
  - Provided to state education commissioner, auditor general, council president, and school committee chair
Municipalities that don’t use portal posted as delinquent on Division website and via portal

Budget includes $0.2 million from general revenues and 1.0 FTE for portal
  - $0.1 million for software – existing software can be modified for Division requirements
  - $0.1 million for position to manage portal
Article 15  
Distressed Communities Refund Offset

- 2011 Assembly authorized Division of Taxation “Refund Offset” program
  - Allows state agencies and local governments to contract with Division to collect debts on their behalf
    - If a filer owes an outstanding debt to a state agency or local, Division diverts portion of state personal income tax return to the government entity
- 2014 Assembly included Fire Districts
### Participating Municipalities

<table>
<thead>
<tr>
<th>Participating Municipalities</th>
<th>CY 2012</th>
<th>CY 2013</th>
<th>CY 2014</th>
<th>CY 2015</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>East Providence</td>
<td>$ 0.0</td>
<td>$ 0.3</td>
<td>$ 0.2</td>
<td>$ 0.2</td>
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<td>0.1</td>
<td>0.0</td>
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<td>Bristol</td>
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<td>-</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
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<tr>
<td>West Warwick</td>
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<td>0.1</td>
<td>0.2</td>
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<td>Burrillville</td>
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<tr>
<td>Pawtucket</td>
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<td>-</td>
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<tr>
<td>Richmond</td>
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<tr>
<td>Coventry</td>
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<td><strong>Total</strong></td>
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<td><strong>$ 0.4</strong></td>
<td><strong>$ 0.7</strong></td>
<td><strong>$ 1.5</strong></td>
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</table>

*In millions*

**Source:** Division of Taxation, November 2015
Governor proposes distressed communities be required to participate in refund offset program

- Sign up within 90 days of distressed notification
- Division of Municipal Finance to determine what liabilities to be collected by Division of Taxation
Article 15
Distressed Communities Refund Offset

- Distressed Communities - $10.4 million
  - Level funded since FY 2007
- Annual redistribution among communities based on index data
  - When municipality qualifies, 50% transition payment into program
  - When municipality no longer qualifies, 50% transition payment out of program
# Article 15
## Distressed Communities Refund Offset

<table>
<thead>
<tr>
<th>Municipality</th>
<th>Qualifies for Distressed Payment</th>
<th>Participates in Refund Offset</th>
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<tbody>
<tr>
<td>Cranston</td>
<td>50.0% payment in</td>
<td>No</td>
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<tr>
<td>Central Falls</td>
<td>Yes</td>
<td>Yes</td>
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<tr>
<td>East Providence</td>
<td>50.0% payment out</td>
<td>Yes</td>
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<tr>
<td>North Providence</td>
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<td>No</td>
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<td>Providence</td>
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<tr>
<td>Woonsocket</td>
<td>Yes</td>
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</table>
Article 15
Property Revaluations

- 1997 Assembly mandated scheduled property revaluations and statistical updates
- Revaluation captures fluctuations in fair market value so property owners aren’t over or under-taxed
- Too much time between revaluations creates disparity in tax burden
  - Between types of property
  - Within and among cities and towns
Article 15
Property Revaluations

- Current Law – 9 year cycle
  - Statistical revaluations years 3 and 6
  - Full revaluation year 9
- State reimburses municipalities for cost of statistical updates only
  - Up to $12/parcel
  - Up to $16/parcel - distressed communities
Governor proposes a 15 year cycle
- Statistical revaluations years 5 and 10
- Full revaluation year 15

<table>
<thead>
<tr>
<th>Current Law</th>
<th>Proposal</th>
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<tr>
<td>State</td>
<td>Full Revaluation</td>
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<tr>
<td>NH</td>
<td>Every 5 Years</td>
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<td>RI</td>
<td><strong>Every 9 Years</strong></td>
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<tr>
<td>MA</td>
<td>At Least Every 10 Years</td>
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<tr>
<td>CT</td>
<td>Every 10 Years</td>
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<tr>
<td>ME</td>
<td>By vote</td>
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<tr>
<td>VT</td>
<td>Comparison of valuation to list prices</td>
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</table>
Article 15
Property Revaluations

- Property Valuation Reimbursements -
  - FY 2016 - $1.4 million
    - Full funding
    - Reimbursements to 15 communities
  - FY 2017 - $0.6 million (estimated)
    - Full funding
    - Reimbursements to 7 communities
- Proposal impacts reimbursements beginning in FY 2018
## Article 15
### Property Revaluations

<table>
<thead>
<tr>
<th>Calendar Year</th>
<th>Statistical</th>
<th>Full</th>
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<tr>
<td></td>
<td>Current Law</td>
<td>Art. 15</td>
</tr>
<tr>
<td>2017</td>
<td>7</td>
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</tr>
<tr>
<td>2018</td>
<td>14</td>
<td>8</td>
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<td>2019</td>
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