

**From:** Jennifer Hilton Cavanagh <jhiltoncav@gmail.com>  
**Sent:** Monday, May 5, 2025 8:23 PM  
**To:** Jennifer Hilton Cavanagh  
**Subject:** Opposition to House Bill 6256 – An Act Relating to Taxation – Property Subject to Taxation  
**Attachments:** Opposition to House Bill 6256 – An Act Relating to Taxation – Property Subject to Taxation.pdf

Good evening,

I write to strongly oppose House Bill 6256 and urge you to consider its devastating potential consequences, particularly for Rhode Island's boating and marine trades industries.

This bill, which would allow municipalities to revoke tangible property tax exemptions for manufacturers, is a direct threat to Rhode Island's maritime economy—a sector that is not only culturally foundational but economically indispensable to our coastal communities.

### **Rhode Island's Marine Industry: A Critical Economic Driver**

Rhode Island is known as the Ocean State for good reason. Boating, marine manufacturing, and associated services are deeply interwoven into our economy, employing over 13,000 people and generating more than \$2 billion annually in direct and indirect economic activity. From small family-owned boatyards and builders to world-class yacht manufacturers, these businesses rely on narrow margins and stable policy environments to survive.

Taxing manufacturing equipment, especially in capital-intensive industries like boat building, would drive up operational costs and force small operators to make impossible decisions: downsize, relocate, or close entirely.

### **We've Been Down This Road Before—and It Was a Disaster**

In the early 1980s, Rhode Island experimented with taxing boat sales and manufacturing. The results were swift and devastating:

- **Over 300 marine trades jobs were lost** between 1981 and 1983.
- Several prominent boat builders—including Tillotson-Pearson and Alden Yachts—either shuttered operations or relocated out of state.
- Marina development projects were canceled or delayed, as investors feared a hostile tax environment.
- The state's reputation among recreational boaters and manufacturers plummeted, sending ripples through tourism, hospitality, and shoreline businesses.

Recognizing this mistake, Rhode Island lawmakers **rescinded those tax policies in the mid-1980s** to stop the economic bleeding. The decision was a turning point, and since then, the exemption of manufacturing equipment—particularly in the marine trades—has been credited with helping revive the industry.

### **Taxing Marine Equipment Is Short-Sighted and Self-Defeating**

House Bill 6256 opens the door to taxing manufacturing equipment and property currently exempted—including boat molds, engines, rigging systems, and fabrication machinery. These are not luxury assets—they're essential tools of trade. If taxed, small yards and builders will not simply absorb the cost—they'll pass it on, cut payroll, or leave Rhode Island entirely.

This bill would:

- Undermine years of industry investment and workforce training programs (like those through Polaris MEP and IYRS).
- Jeopardize seasonal employment in dozens of working waterfronts.
- Create ripple effects across real estate, fuel sales, tourism, and shoreline retail.

### **A Final Word**

Rhode Island has spent decades recovering from the missteps of the 1980s. Let's not undo that hard-fought progress by repeating a policy that was proven to fail.

For the good of our working waterfronts, our tradespeople, and our coastal economy, I respectfully urge you to vote **NO** on H6256.

Sincerely,

**Jennifer Hilton Cavanagh**