



May 13, 2025

The Honorable Marvin L. Abney, Chair
House Finance Committee
Rhode Island House
82 Smith Street
Providence, RI 02903

RE: BILL NUMBER H-5534 – A N A C T RELATING TO TAXATION -- PROPERTY SUBJECT TO TAXATION

Chair Abney and Honorable Committee Members,

On behalf of the Rhode Island League of Cities and Towns, thank you for the opportunity to provide testimony in support of House Bill 5534, which would provide targeted tax exemptions for certain urban and small farmers across Rhode Island.

The League supports this year's version of the bill because it strikes a better balance between encouraging local agriculture and maintaining the fiscal integrity of our cities and towns. These improvements reflect productive collaboration with key stakeholders, including the Rhode Island Farm Bureau, and have resulted in a much-improved proposal over the prior version.

Specifically, we support the bill for the following reasons:

- **Schedule F Filing Requirement:** To receive any tax benefit, the farmer must file an IRS Schedule F, demonstrating that farming is a legitimate and active business activity. This important provision adds a layer of accountability to tax relief.
- **Applicability to Owners and Lessors:** Whether the land is farmed by the owner or a lessee, the tax exemption only applies if the individual or entity actively farming the land files a Schedule F. This ensures the benefit is tied directly to farming activity.
- **Clear Limitations for Small Farms:** For small farms, the bill limits the tax relief to farmland only, not any associated buildings. This helps manage municipal revenue impacts while still promoting agricultural land use.
- **Narrow Scope for Urban Farm Structures:** For urban farms, while the bill allows for possible tax relief on buildings, it imposes strict eligibility criteria. These safeguards ensure that only qualifying, functional urban farming structures receive tax benefits, and speculative or non-agricultural development is excluded.

By working with the Farm Bureau and other agricultural stakeholders, this legislation is now better tailored to support genuine farming operations, especially those in underserved or high-cost areas, while preserving necessary municipal revenue.

We commend the sponsors for their work to refine this proposal, and we respectfully urge the Committee to support House Bill 5534.

Thank you for your time and consideration of our views.

Sincerely,

A handwritten signature in dark ink, appearing to read "Randy R. Rossi", is written over a light blue horizontal line.

Randy R. Rossi
Executive Director

Cc: Honorable Members of House Finance Committee