

**Testimony from Jordan Day, Associate Director  
H 5782 – An Act Relating to Taxation – Property Subject to Taxation  
House Committee on Municipal Government & Housing – March 28, 2023**

Thank you, Chairman Casey and members of the committee, for the opportunity to submit testimony in support of House Bill 5782 which would allow municipalities to tax real property owned by non-profit institutions of higher education and non-profit hospitals.

Specifically, anything leased or occupied by for-profit persons and entities. It would work by amending the charters of these non-profits to allow the taxing of anything leased for commercial use at the commercial tax rate. Adopting this amended language would allow all municipalities to capitalize on the continued expansion of the non-profits throughout the state. Further, the bill would prevent any new buildings that are bought by these large non-profits from coming off the tax rolls, shrinking the tax base. While this legislation was submitted on behalf of the City of Providence, this is truly a statewide issue. As Mayor Smiley referenced in his testimony before the committee, Lifespan's charter allows them to purchase any property in Rhode Island and those properties become tax-exempt.

Throughout the State, the hospital systems have properties that are tax-exempt. Buildings that they lease out to a third party and collect a rent check while the municipality bears the brunt of a shrinking tax base. As an example, a medical building in the City of East Providence was recently purchased by a non-profit hospital, and it came off the municipal tax roll. The purpose and use of the building has not changed – only the owner has. Our members are concerned that as land and building become more limited, the potential for this issue to impact municipalities across the state increases.

For these reasons, we urge the committee to approve this legislation. Thank you for considering our views.