



Mayor of Providence

Brett P. Smiley

March 4, 2025

The Honorable Steve Casey  
House Committee on Municipal Government  
Rhode Island State House  
82 Smith St  
Providence RI, 02903

Dear Chairman Casey and members of the Committee:

I am writing to express my strong opposition to House Bill 5696, *AN ACT RELATING TO TAXATION – LEVY AND ASSESSMENT OF LOCAL TAXES*. If passed, this legislation would impose a cap of twenty percent (20%) on increases in consecutive revaluations of real property in all cities and towns across the state.

Under current state law, municipalities in Rhode Island are required to conduct a statistical revaluation every three years. The primary goal of this process is to equalize the tax burden based on changes in the real estate market. While recent revaluations have seen an increase in property values, it is important to recognize that there have been instances in the past few decades where property values have actually declined during a revaluation.

Capping any increase in property values could have significant unintended consequences. Such a measure would likely create disparities in property values, resulting in some taxpayers unfairly shouldering a disproportionate share of the tax burden. Specifically, taxpayers whose properties are not subject to the cap could end up paying more relative to the established cap. This imbalance could ultimately lead to inequities within the local tax system.

Additionally, municipalities in Rhode Island are already constrained by state law 44-5-2, which places a property tax levy cap of 4%. This existing limitation already restricts the amount that can be collected from increased property assessments except under extraordinary circumstances. The proposed cap in House Bill 5696 would further exacerbate this issue, placing undue strain on local governments' ability to generate the necessary revenue to provide essential services to their residents.

As a city, Providence is continuously exploring ways to diversify its tax revenue sources and reduce its reliance on residential property taxes. However, House Bill 5696 goes too far in its attempt to regulate property assessments and creates more challenges than it solves.

For these reasons I ask that the committee vote no on House Bill 5696

Sincerely,

  
Brett P. Smiley  
Mayor