

March 4, 2025

The Honorable Stephen M. Casey, Chair  
House Municipal Government and Housing  
Rhode Island House of Representatives  
82 Smith Street  
Providence, RI 02903

RE: BILL NUMBER H-5696 – RELATING TO TAXATION -- LEVY AND ASSESSMENT OF LOCAL TAXES

Dear Chair Casey and Honorable Committee Members,

On behalf of the Rhode Island League of Cities and Towns, I respectfully submit this testimony in opposition to House Bill 5696, which would impose a 20% cap on increases in consecutive revaluations of real property in all cities and towns beginning December 31, 2025.

We stand with our affiliate members in the Rhode Island Association of Assessing Officers (RIAAO) and share their concerns regarding the significant negative impact this legislation would have on our municipalities. By limiting the percentage increase in property assessments, H-5696 distorts the principles of fair and equitable taxation and shifts the tax burden unfairly among property owners.

If property values in a community rise due to market growth, a cap on assessment increases means that only a portion of that growth would be subject to taxation. Consequently, those whose properties appreciated beyond the capped threshold would be taxed on only part of their actual value, while owners of properties with little or no appreciation—or even depreciation—would bear a disproportionate share of the tax burden. This results in an inequitable system where those experiencing market-driven increases in net worth pay less than their fair share, while those whose properties decline in value could see their tax burden increase despite a loss in personal wealth.

Moreover, an increase in assessed value does not inherently reflect a property owner's ability to pay. A homeowner whose property value rises significantly does not necessarily have higher income or greater financial resources, just as a homeowner experiencing declining property value may struggle with affordability and mortgage obligations. In cases where a property loses value, the owner may be unable to refinance due to being underwater on their mortgage, further compounding financial hardship. This type of imbalance can have severe unintended consequences, potentially increasing foreclosures and undermining economic stability in our communities.

Given these concerns, we urge the committee to reject H-5696. This legislation would fundamentally alter Rhode Island's property tax system in a way that is unfair, administratively complex, and detrimental to municipal finances. Instead, we encourage continued discussions with municipal leaders and assessing professionals to ensure that property tax policies remain fair, equitable, and reflective of market conditions.

Thank you for your time and consideration. We appreciate your commitment to Rhode Island's cities and towns and look forward to working with you on policies that support sound municipal governance and fiscal responsibility.

Sincerely,



Randy R. Rossi  
Executive Director

Cc: Honorable Members of House Municipal Government and Housing