



Rhode Island Manufacturers Association
The Economic Engine for Rhode Island

June 10, 2025

The Honorable Stephen M. Casey, Chairman
House Municipal Government and Housing Committee
State House
Providence, RI 02903

Re: H6394, An Act Relating to Taxation – Levy and Assessment of Local Taxes

Dear Chairman Casey,

As the Executive Director of the Rhode Island Manufacturers Association, I am writing in opposition to this bill which proposes changes to the property tax classification code in the City of Providence.

This legislation revises the property tax classification to establish two different classes of commercial property. The bill notes that Class 2B “shall not be more than one and half times the tax rate for Class 2A”. The difference on the tax payment could be 5 times that of the residential property tax rate in the city. In essence, the city as having the commercial and industrial properties carry the burden for a balanced budget.

It also should be noted that this tax change not only affects the property owner but also their tenants. Commercial and Industrial property owners negotiate with their tenants on the property tax bill. If you have signed a lease and that lease calls for triple net lease, the owner is NOT paying. The small business owners are faced with the burden of paying this increase. Whether this be commercial or industrial the impact to these businesses is substantial. Many of our businesses in Rhode Island are struggling due to tariffs, supply issues, increase in minimum wage and the potential impact to our Workmen’s Comp fund.

Another major concern is the optics of such legislation. If this would be passed, I am sure that other cities and towns would attempt to do the same thing. This bill would set a bad precedent for other communities to provide a mechanism to increase taxes on certain commercial and industrial property owners in their cities and towns to balance their budgets and alleviate the tax burden on residents

I urge the committee to NOT support H-6394 as presented.

Sincerely,

David M. Chenevert
Executive Director of Rhode Island Manufacturers Association