

Testimony in SUPPORT of House Bill 8348 – AN ACT RELATING TO TAXATION – PROPERTY SUBJECT TO TAXATION {LC6129/1}

(Exempts from taxation the property of the non-profit Mount St. Rita Health Centre located in Cumberland, RI. The exemption would be effective as of December 31, 2025.)

Submitted by Patricia S. Vieira, Chair, Mount St. Rita Board of Trustees

As chairperson of the Board of Trustees at Mount St. Rita Health Centre in Cumberland, RI, I respectfully ask you to consider this testimony in **SUPPORT** of legislation submitted by our local representatives (Alex Marszalkowski, Mia Ackerman, Brandon Voas) that would exempt our non-profit health care facility from local taxes in the Town of Cumberland.

Our all-volunteer Board of Trustees includes three Sisters of Mercy, a Dominican Friar from Providence College, a nursing professor from Rhode Island College, a physician, and local business people with expertise in technology, human resources, business development, and communications. We meet bi-monthly to oversee financial, quality care, staffing, and performance matters. We take our fiduciary role and responsibility as a non-profit organization to serve the community very seriously.

As you may know, the Sisters of Mercy have a long and fruitful history in Rhode Island. This order of Catholic nuns has shaped generations of Rhode Island students through their service at Bay View Academy, Mercy Mount Country Day School, and Salve Regina University, as well as at Bishop Feehan in Attleboro. and previously at St. Xavier’s Academy and many local parish schools.

The Sisters of Mercy also lead many important social service ministries in Rhode Island, including those sponsored by McCauley House and its affiliated programs and McAuley Village.

The Town of Cumberland also benefitted greatly from the wisdom and generosity of the Sisters of Mercy, who sold the Mercy Woods property to the town in 2018 at far below market value. This action perpetually conserves a pristine tract of 229 acres in Cumberland that offers many benefits to the Town and area residents – including passive recreation, hiking trails, sports fields, and nature preservation – today and far into the future.

“The Mount” as it is affectionately known in Cumberland, was previously the novitiate house for the Sisters of Mercy in Rhode Island. In 1969, the property began a transition into a skilled nursing facility to provide long-term care to aging and infirm Sisters.

Twenty years later, these health care services were opened to the public. Today, our non-profit facility has 98 beds available for long-term skilled nursing care residents and short-term rehab patients.

Mount St. Rita Health Center was sponsored by the Sisters of Mercy as a “*ministerial juridic person*,” meaning that it operated with special obligations to the Catholic Diocese of Providence as a **non-profit, Catholic facility**.

The Catholic Health Association defines this juridical sponsorship of a health care ministry as a formal relationship between an authorized Catholic organization (the Sisters of Mercy or Covenant Health, for example) and a legally formed system, hospital, clinic, or nursing home entered into for the sake of promoting and sustaining Christ’s healing ministry to people in need.

Since at least 2015, Mount St. Rita also has been listed in the *Official Catholic Directory*, a publication that provides comprehensive, updated contact information for dioceses, parishes, clergy, and institutions, and is essential for verifying tax-exempt status.

In 2015, the Sisters of Mercy transferred the sponsorship of Mount St. Rita Health Centre to Covenant Health, a Catholic, non-profit, health system with deep expertise in operating skilled nursing, hospital, and long-term care facilities throughout New England.

I have served on the Mount’s Board of Trustees since 2012 and witnessed first-hand how thoughtfully and carefully the Sisters of Mercy approached the difficult decision to transfer the sponsorship of Mount St. Rita’s when they determined they could no longer do so.

They sought a new sponsor who was financially stable; experienced in delivering high-quality, long-term care; respected the Catholic heritage and charism of the Sisters of Mercy, and was committed to local Board governance. **After a thorough search and discernment process, Covenant Health, an already qualified *ministerial juridic person*, was selected by the Sisters of Mercy to be the next sponsor of Mount St. Rita Health Centre.**

Recognizing its standing as a Catholic, non-profit organization operating under the Sisters of Mercy, the Town of Cumberland had always exempted Mount St. Rita Health Centre from tangible personal property and real estate taxes. When Covenant Health assumed the sponsorship with the same non-profit, Catholic, juridical person standing as the Sisters of Mercy, we did not expect this tax-exempt status would change.

However, we began to receive bills for personal property taxes. Over the years, several Mount St. Rita administrators have inquired about this situation with the Town and received various answers. One town official stated that Mount St. Rita’s needed to be listed in the Catholic Directory to be eligible for the exemption but the next steps were unclear.

Other attempts to schedule meetings with previous Town officials went unanswered. Changes in both Town government and administrators at Mount St. Rita’s and the onset of COVID-19 and its years-long impact on operations also delayed the opportunity to resolve this issue. As a result, we have paid \$225,670.00 to date in personal property taxes.

Recently, the Town's Tax Assessor's office noted that a filing error was made when the sponsorship was changed to Covenant Health. With the property no longer owned by the Sisters of Mercy, it is believed that real estate taxes should now be collected.

Though we had not been taxed for the real estate since the change in sponsorship, in November 2025 we were advised that it is the intention of the Town to do so going forward. In discussion with Town officials the options discussed were a possible tax stabilization agreement or the option to request a tax-exempt designation from the Rhode Island State legislature. Under Rhode Island General Law Title 44, Chapter 44-3-3, "Property Subject to Taxation/Property Exempt" and beginning in section (28) of that law, there is a list of more than 60 other nonprofit organizations from communities throughout Rhode Island that have received this permanent tax-exemption status.

Our local representatives, Rep. Alex Marszalkowski (who sponsored the legislation with colleagues, Reps. Ackerman and Voas) and Sen. Brian Thompson, are fully supportive of this legislative request and asked that we seek a resolution from the Cumberland Town Council that supports our request for tax exempt status. That resolution was unanimously approved by the Cumberland Town Council at their meeting on March 4, 2026.

As someone with local government experience, I know that providing tax relief for one entity means that the exempt amount needs to come from another taxable source. But as a Cumberland taxpayer myself, I believe this is a unique example of tax relief that truly deserves to be granted.

Relieving the approximate \$38,000 annual personal property tax for Mount St. Rita would not be a hardship when spread among thousands of Cumberland taxpayers. But that is indeed a consequential amount for Mount St. Rita Health Centre, given that we operate with negative budget margins.

Exempting the tax on real estate would have no negative impact on other taxpayers, as it has not been collected to date. However, if the exemption is not granted and we were to be liable for those taxes, it would not benefit the Town or our wider community for long. Mount St. Rita would cease to exist.

I say that as a fact and not a threat. There is simply no way that Mount St. Rita could continue to operate if we are liable for an annual property tax bill of tens of thousands of dollars. **The relief we are seeking through the RI General Law was designed for non-profit organizations like Mount St. Rita Health Centre, that provide an essential service to the community and would be unduly burdened in their mission if they are liable for real estate and personal property taxes.**

When it comes to seeking long term care for a family member, people prefer to stay close to home, to make it easier to visit and stay in touch. We are one of just a few long-term care facilities in the Blackstone Valley region. Today, 56% of our long-term residents are from

the greater Cumberland/Lincoln/ Woonsocket/Pawtucket area. During a recent three-month period, 53% of our short-term rehab residents also were from this area.

We are in the midst of developing a certified dementia unit that we expect to open in the next 12-18 months as another vital service for our community.

What's also special about Mount St. Rita is our Catholic identity. The charism of the Sisters of Mercy is mercy, hospitality, and care for the poor – a commitment that is fully appreciated and supported by Covenant Health. We have a full-time Spiritual Director on staff and offer residents the opportunity to attend a daily Mass, receive the sacraments, pray the rosary, and celebrate feast days. We also attend to our hardworking staff with great care, sponsoring a food pantry and a life emergency fund that is supported through charitable donations.

Since the beginning of the pandemic, nine nursing homes in Rhode Island have closed. Most others, like us, operate with negative financial margins and cannot absorb any new expense that has no direct benefit to patients, such as the real estate taxes that have never been previously assessed by the Town, and the personal property taxes that have been assessed since 2017.

Your committee recommendation to approve this legislation to exempt Mount St. Rita from local taxes will help sustain a vital community service, will continue to strengthen the bonds of respect and gratitude we all have for the Sisters of Mercy, and will stand as a vote of confidence in Mount St. Rita's future.

On behalf of the residents, staff, and Board members of Mount St. Rita's, thank you for supporting approval of this legislation.

Patricia S. Vieira
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