



May 7, 2026

The Honorable Senator Louis P. DiPalma, Chair  
Senate Finance Committee  
Rhode Island State Senate  
82 Smith Street  
Providence, RI 02903

RE: SENATE BILL 2552 - AN ACT RELATING TO TOWNS AND CITIES -- STATE AID

Chair DiPalma and Honorable Committee Members,

On behalf of the Rhode Island League of Cities and Towns and our 39 member municipalities, we write in support of Senate Bill 2552, legislation intended to strengthen state reimbursement and aid to municipalities for tax-exempt properties.

Cities and towns across Rhode Island continue to provide critical local services, including police, fire, rescue, road maintenance, infrastructure support, and other municipal services, to tax-exempt properties and institutions within their communities. In many municipalities, large concentrations of exempt property significantly reduce the local taxable base while still generating substantial service demands and associated costs.

The League notes that the state's PILOT reimbursement framework has not been meaningfully modernized in decades, dating back to its original structure established in the mid-1980s. Since that time, municipalities have experienced significant increases in property values, service demands, and the cost of delivering essential public services. This growing imbalance has placed increasing strain on local budgets across Rhode Island.

Senate Bill 2552 recognizes this longstanding fiscal challenge and represents an important step toward providing municipalities with more equitable and reliable reimbursement support. Increasing PILOT-style reimbursements and municipal aid can help alleviate pressure on local property taxpayers while improving municipal fiscal stability and predictability.

Insufficient reimbursement for tax-exempt properties also contributes to a broader structural issue: increased reliance on the residential and commercial tax base to fund core municipal services. As the share of tax-exempt property grows or remains significant, the resulting fiscal gap is effectively shifted onto homeowners and businesses, increasing local property tax burdens and limiting municipalities' ability to maintain a balanced and sustainable revenue structure.

Our member communities consistently emphasize the importance of stable and dependable state aid when developing annual local budgets. Additional reimbursement support provides municipalities with greater flexibility to maintain essential services, invest in infrastructure, and address rising operational costs without placing disproportionate burdens on residential and commercial taxpayers.

The League also appreciates the broader principle reflected in this legislation: that municipalities hosting tax-exempt properties should not be left to absorb the full fiscal impact of providing services that benefit residents, institutions, and the state as a whole.

As the legislation moves forward, we encourage continued discussion regarding long-term funding sustainability, transparency in reimbursement calculations, and ensuring that appropriations remain dependable from year to year so municipalities can confidently incorporate these funds into local financial planning.

Thank you for your consideration of this important legislation. The League stands ready to work with the sponsor and members of the General Assembly on efforts to strengthen municipal fiscal stability and support local taxpayers.

Sincerely,

A handwritten signature in cursive script, appearing to read "R. Rossi".

Randy R. Rossi  
Executive Director

Cc: Honorable Members of Senate Finance Committee