

2025-11

ORDINANCE OF THE
TOWN OF MIDDLETOWN, RHODE ISLAND

AN ORDINANCE AMENDING THE TOWN CODE OF THE
TOWN OF MIDDLETOWN

TITLE III: ADMINISTRATION
Chapter 34, Taxes

NOW THEREFORE, BE IT ORDAINED AS FOLLOWS:

FIRST: That Town Code Title III, Chapter 34, Taxes, Section 34.70 entitled "Tax Classification System" is amended as follows (language to be deleted is stricken out within brackets; language to be added is underlined):

TAX CLASSIFICATION SYSTEM

§ 34.70 TAX CLASSIFICATION SYSTEM.

(A) The town does hereby adopt a system of classification of taxable property in the town in conformity with the provisions of R.I. Gen. Laws § 44-5-11.8, effective for taxes assessed as of December 31, 2021. All ratable property in the town shall be classified by the Tax Assessor as follows:

(1) *Class One*. Residential real estate consisting of no more than five dwelling units, land classified as open space and dwellings on leased land including mobile homes. This class may also include residential properties containing partial commercial or business uses with no more than five dwelling units. For properties with both residential and commercial or business uses, the residential tax rate will be applied to the residential portion and the commercial tax rate will be applied to the commercial portion. This class shall be further subdivided into (a) owner-occupied and (b) non-owner-occupied properties, and the Town Council shall adopt separate tax rates for each category in compliance with the tax rate restrictions of R.I. Gen. Laws § 44-5-11.8. The granting of an application for an owner-occupied residential tax as referenced above is subject to the following limitations:

(a) An owner-occupied residential tax rate shall only be allowed upon written application therefor, which applications are to be filed every three years on a form prescribed by the Tax Assessor. In the absence of such application, the non-owner-occupied rate shall apply. Taxpayers applying for an owner-occupied residential tax rate shall file an application and declaration, and present evidence as to the owner-occupied status of the subject property in such a manner as may be required by the Tax Assessor. All applications must be filed with the Tax Assessor's Office between January 1 and March 15 following the date of assessment for the year for which the owner-occupied rate is claimed; provided however, that for the year following the December 31, ~~2021~~*2024 assessment date, all applications may be filed with the Tax Assessor's Office between January 1 and May ~~1, 2022~~*15, 2025. For good cause, the Tax Assessor may, with the advice of the Board of Assessment Review, accept applications for owner-occupied status after the filing deadline for the current or previous year's taxes only.

(b) The real property for which the owner-occupied residential tax rate is claimed must be legally titled to the taxpayer occupying the property, a trust to which the taxpayer is the named beneficiary, a life tenant with responsibility for the payment of taxes on the

property, or to a corporate entity owned and controlled by the taxpayer, as of December 31 prior to the fiscal year for which the owner-occupied rate shall apply. For properties with both residential and commercial or business uses, the owner-occupied residential tax rate will be applied to the residential portion(s) of the properties that qualify for said rate, provided that all residential dwelling units at the property qualify, and the commercial tax rate will be applied to the commercial portion.

(c) Subject to the provisions of subsection (d) hereof, Applicants may qualify for an owner-occupied residential tax rate on only one property in the town at any point in time and [In addition, an owner of real estate in the Town of Middletown] must meet all of the following requirements in order to qualify for an owner-occupied rate:

1. The owner-occupied rate applicant, or the owner-occupied rate applicant's spouse, must be a registered voter in the Town of Middletown;
2. Neither the owner-occupied rate applicant nor the applicant's spouse is receiving an owner-occupied rate or homestead exemption or other personal exemption for another piece of real property located elsewhere in the State of Rhode Island, or in any other state of the United States, for the same period of time the owner is seeking the owner-occupied rate for property owned in the town, unless during that time the owner is either legally separated or divorced from the spouse during some or all of the period in which they are claiming more than one owner-occupied rate;
3. The owner-occupied rate attaches to the owner(s) of the real property, and not to the real property itself;
4. Applicants for the owner-occupied rate must reside at the subject property for more than six months of the year;
5. If the taxpayer gives misinformation as to ownership and/or occupancy of the real property on his/her application for an owner-occupied rate, the Tax Assessor may, in such event, remove the owner-occupied rate and apply the non-owner-occupied rate and recalculate the tax for the period in question and in addition charge the taxpayer the maximum interest permitted by law. Such person shall also be subject to a fine of up to \$1,000;
6. The Tax Assessor is empowered to inquire into the right of a taxpayer to the continuance of the owner-occupied rate, and for such purpose he/she may require the filing of a new application or the submission of such proof as he/she shall deem necessary to determine the right of the taxpayer to the continuance of such rate, and may promulgate any further rules and regulations which he/she deems necessary to carry out the intent and purpose of this section as it relates to the owner-occupied residential tax rate; and
7. An owner-occupied residential tax rate granted pursuant to this division shall terminate upon:
 - (a) The conveyance of the subject property; provided however, if the new owner(s) of the property makes application and qualifies for an owner-occupied residential tax rate within 30 days of the date of the conveyance, the rate shall continue throughout the end of said tax year;
 - (b) The death of the owner(s) occupying the subject property; provided however, that if the owner(s) holds an ownership interest in the subject property as of the date of assessment for the year for which the exemption is claimed and subsequently deceases, the rate shall continue through the end of said tax year, unless the subject property is sold; or

(c) The subject property ceases to be owner-occupied.

(d) Notwithstanding the provisions of subsection (c) hereof, an applicant who is an owner of residential real estate with no more than five dwelling units may qualify for an owner-occupied residential rate for the subject property if, at the time of application, they rent, and will continue to rent during the tax year for which the owner-occupied rate is claimed, all dwelling units at the subject property to tenants pursuant to a written lease for one year or longer and the dwelling units rented are the principal residences of the tenants of the same. If the applicant who is the owner of residential real estate with no more than five dwelling units occupies one of the dwelling units as their principal residence, the applicant may qualify for an owner-occupied residential rate for the subject property if all of the other dwelling units at the subject property are rented at the time of application, and will continue to be rented during the tax year for which the owner-occupied rate is claimed, as the principal residence of tenants pursuant to a written lease of one year or longer.

(e) An owner of residential real estate with two units who is a resident and occupies one of the units as their principal residence who does not rent out the second unit but uses it for their own personal use, may qualify for the owner-occupied residential rate if they certify under oath that they will not rent or offer to rent the second unit during any period of time they qualify for and are granted the owner-occupied rate.

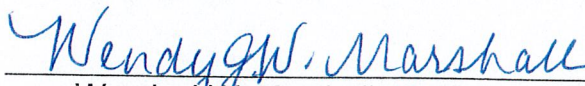
(f) Any property containing a dwelling unit used or registered as a short-term rental, as that term is defined in Section 400 of Chapter 152 of the Town Code, for any period of time during tax year for which the owner-occupied rate is claimed, shall not qualify for said rate; provided however, that the rental of two bedrooms or less to no more than two persons per room in an owner-occupied dwelling unit while the owner is present, with said dwelling unit being also the principal residence of the owner of said dwelling unit, shall be exempt from the provisions of this subsection (f).

SECOND: *This ordinance shall take effect upon passage and shall supersede any inconsistent or contrary provision in any other ordinance.*

*Amended by Council, March 3, 2025

March 3, 2025

READ AND ADOPTED IN COUNCIL, AS AMENDED



Wendy J.W. Marshall, MMC
Town Clerk