

No: 2026-3

RESOLUTION OF THE TOWN OF MIDDLETOWN REQUESTING THE TOWN'S
STATE LEGISLATIVE DELEGATION DRAFT, SUBMIT, AND ADVOCATE FOR
AMENDMENTS TO THE STATE PAYMENT IN LIEU OF TAXES (PILOT) STATUTE
TO INCLUDE CERTAIN DEPARTMENT OF DEFENSE PROPERTIES

- WHEREAS: the Town of Middletown hosts portions of Naval Station Newport, a major Department of Defense installation that is exempt from local property taxation under federal and state law; and
- WHEREAS: Naval Station Newport is one of the largest employers in Newport County and remains central to the regional economy; and
- WHEREAS: the presence of Naval Station Newport generates significant off-base demand for municipal services that are provided by the Town of Middletown, including police and fire protection, emergency medical response, road maintenance and other public infrastructure services, utilities oversight, parks and beaches management, planning and permitting services, library services, senior center programming, and other public services that benefit both residents and base personnel; and
- WHEREAS: these municipal services are funded by local taxpayers despite the fact that the federally owned property does not generate local property tax revenue for the Town; and
- WHEREAS, Rhode Island General Laws § 45-13-5.1 establishes a state Payment in Lieu of Taxes (PILOT) program for certain tax-exempt nonprofit and state-owned properties, but expressly excludes facilities operated by the federal government; and
- WHEREAS, this exclusion places a disproportionate fiscal burden on host municipalities such as Middletown, which must support substantial economic activity and service demands associated with federally exempt properties without a corresponding revenue offset; and
- WHEREAS, the need for state participation through a PILOT mechanism has become increasingly urgent as Naval Station Newport continues to expand, including the relocation of National Oceanic and Atmospheric Administration (NOAA) personnel to the installation and the basing of four additional United States Coast Guard frigates, resulting in the transfer of additional personnel and corresponding increases in demand for municipal services; and

WHEREAS, extending PILOT eligibility to qualifying Department of Defense installations would acknowledge the shared state interest in supporting national defense and maritime operations while promoting fiscal fairness for municipalities that host such facilities; and

WHEREAS, a state-funded PILOT mechanism applicable to Department of Defense properties would help offset municipal service costs, stabilize the local tax base, and reduce the burden on Middletown taxpayers who subsidize services that directly support the broader economic and community benefits associated with Naval Station Newport;

NOW THEREFORE, BE IT RESOLVED: that the Town Council of the Town of Middletown respectfully requests that the Town's State Legislative Delegation draft, submit, and actively advocate for passage of legislation amending Rhode Island General Laws § 45-13-5.1, or related statutes, to make property used by the Department of Defense, including Naval Station Newport, eligible for Payments in Lieu of Taxes; and

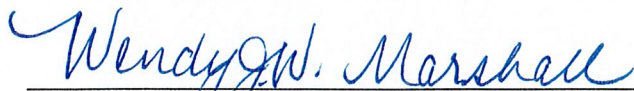
BE IT FURTHER RESOLVED, that such legislation should recognize the scale of employment, regional economic benefit, and the specific municipal service demands borne by Middletown, including but not limited to police, fire and rescue, public works infrastructure, utilities oversight, parks and beaches operations, planning and permitting, library services, senior center programming, and emergency response services; and

BE IT FURTHER RESOLVED, that the Town Council urges the General Assembly to work collaboratively with affected municipalities to develop a sustainable and equitable PILOT framework that more accurately reflects the true municipal costs of hosting major federally exempt properties; and

BE IT FURTHER RESOLVED, that the Town Clerk is directed to transmit copies of this resolution to the Governor of the State of Rhode Island, the President of the Senate, the Speaker of the House of Representatives, and the Town of Middletown's State Legislative Delegation.

JANUARY 5, 2026

READ AND PASSED IN COUNCIL



Wendy J. W. Marshall, MMC
Town Clerk