




CITY OF NEWPORT
CITY MANAGER
Joseph J. Nicholson, Jr., Esq.

To: Mayor Jeanne Marie Napolitano and Members of the City Council

From: Joseph J. Nicholson, Jr., Esq.  City Manager

Date: January 20, 2021

RE: Docket of January 27, 2021 – Homestead Exemption

Let me offer the following first as a preface.

1. We have been in difficult municipal fiscal times and we believe the difficulty will extend into the FY 22 budget. One unknown is that the State has not promulgated the FY22 budget and will not do so until at least March. We are also in the midst of a revaluation cycle. Our sense is that residential real estate will remain either constant or more likely increase. We can't say we have the same confidence in commercial real estate. Commercial real estate, at least the more significant like hotels, is valued by capitalizing income which results in fair market value. Without income the value becomes deficient. That potential dip in value and the loss of tax dollars relating thereto to support local government has to shift then to somewhere else. That somewhere is on homeowners not benefitting or being entitled to a homestead exemption assuming the homestead exemption is only valid for a specific residential valued category of real estate. Imposing the homestead exemption across the board to all residents on their residential real estate effectively means there is no real room to shift the burden or leaves little room other than increasing the tax rate dramatically most likely well beyond what we could increase to legally. Even if this dramatic action would follow, there are some properties obviously that would still pay on their full valuation because not all residential properties will qualify for the grant of the exemption because some are not owner occupied full time residents albeit that is an issue that needs to be clarified by the Solicitor. Our ordinance in that regard needs to be amended to include language, in our opinion, that limits the grant of the exemption to principal residence and legal domicile. The revaluation process is a threat to our fiscal ability to move things forward. The lower the value the less tax dollars we achieve. The revaluation is a clear unknown in moving forward with any cogent discussion at this time. We conservatively are of the opinion that we need to do a brief survey on demographics, the Council needs to define the goals of the exemption if pursued and develop further the specific qualifications of the exemption to meet the goals of the grant. We need to review the legal authority and options for meeting the goals and internally we will need to consider additional resources to meet our own administrative needs. When Narragansett implemented their exemption, they dedicated two employees with the assistance of three others, to review the volume of exemption applications they received, to include follow up work.

2. State revenues are uncertain and lagging. The costs of combatting the pandemic are mounting. Unanticipated costs at that. If you recall in the FY20 budget because of an anticipated short fall in revenue we eliminated significant scheduled capital improvement items, froze purchasing and hiring all in an attempt to conform to a balanced budget as required by the City Charter. In FY21 we renegotiated salary increases, froze hiring, eliminated funding to the Other Post Employment Benefits (OPEB) Trust, made no contribution to the equipment replacement fund, stopped the implementation of the much needed ERP system, stopped our road improvement program and reduced our sidewalk maintenance operations. Most if not all of these reductions need to be restored to the prospective budget.

Newport's Homestead exemption is authorized by state law and is already codified in our ordinances. The ordinance calls for the Council, if they so choose, to enact further rules and regulations regarding same. The law is very basic and to that end the Council needs to consider what collective goal do you wish to accomplish in considering the enactment of an exemption and does the enactment in fact accomplish that goal. It is in many respects a who, what, where and why analysis.

Note: In lieu of a homestead exemption some communities are empowered to look at a differential tax rate. If we were empowered by the General Assembly to enact such a differential and we acted in that fashion, it would be in lieu of a homestead exemption which eliminates the ability of Council to enact a homestead exemption.

The current law is fairly simple. It states:

“In lieu of a homestead exemption, any city or town may divide this class (residential) into non-owner and owner-occupied property and adopt separate tax rates in compliance with the within tax rate restrictions”.

Note: We are not able to take advantage of this provision of law because of the specificity of our own tax classification scheme as set forth in state law. Any different tax classification categories that we wish to consider in lieu of a homestead exemption or otherwise will necessitate the Council first agreeing to proceed as such and then would require an amendment to state law. There has been peripheral discussion of treating short term rentals and maybe even categories of short term rentals as a different tax classification (some already are taxed as commercial) which will require a change in state law.

Newport's homestead exemption as set forth in our local ordinances reflective verbatim of state law is as follows:

4.08.140. - Homestead exemption in the city of Newport.

A. The city council of the city of Newport is authorized to annually fix the amount, if any, of a homestead exemption with respect to assessed value from local taxation on taxable real property used for residential purposes in the city of Newport and to grant homestead exemptions to the owner(s) of such residential real estate in amounts not to exceed the following percentages:

1. Single-family and condominiums — thirty-five (35) percent exemption;
2. Two family — twenty (20) percent exemption;
3. Three family — five percent exemption.

B. Any such exemption shall only apply to residential property improved with a dwelling house. There shall be no homestead exemption granted for vacant land or for the residential portion of mixed use property in the city of Newport, regardless of the number of units used for residential purposes. In order to determine compliance with the homestead exemption as outlined above, the city council shall provide by resolution or ordinance, rules and regulations governing eligibility for the exemption established by this section.

C. The city council of the city of Newport may provide for a proration of the homestead exemption in cases where title to the property passes from those not entitled to the exemption to those who are entitled to claim the exemption.

Note: This ordinance would need to be amended to add specificity to the category of residential property that otherwise would qualify for the exemption. Other communities have qualified the exemption not only as to mandating that the property be a principal residence and legal domicile but also a time in place qualification as well as what prima facie evidence a taxpayer would need to present to qualify under the specific selected category.

The Council is authorized annually to fix the amount, if any, of a homestead exemption with respect to assessed value from local taxation on taxable real property used for residential purposes and to grant homestead exemptions to the owner in an amount not exceeding:

1. Single family and condominiums -35 per cent of that assessment
2. Two family-20 per cent of that assessment
3. Three family-5 per cent of that assessment

There are some other nuances of the law but the most germane for your discussion is what I have iterated.

1. Annually the Council would fix the amount (percentage)
2. It cannot exceed the limit and can be much lower
3. It could be applied to the category or principal residence and legal domicile
4. It can be limited scope (e.g. Income limits) (for Solicitor consideration)
5. It could be targeted to time in place of residence
6. There would be an application process
7. Penalties for misrepresentation

Consider the following for illustrative purposes only and not to be construed as an endorsement. Ultimately, the implementation of the exemption and how it would affect a given property is a Council determination. The example assumes a 10% exemption for all residential properties valued under \$500,000. It assumes 100% participation of all the noted properties which we know is not accurate.

Total single family homes: 4543
Tax bill that are issued to 02840: 3433 (whether all of these would qualify for the exemption is dependent on the criteria promulgated by the Council)
Total under \$500,000: 2179
Total assessed value: \$790,447,517

Assume a 10% exemption \$79,044,203 of assessed value

Total residential condos: 2033
Total 02840: 951
Total under \$500,000: 775
Total assessed value: \$200,654,900

Assume 10% exemption: \$20,065,490 of assessed value

Total assessed exemption assessed value: \$99,109,693

Loss of revenue based upon current tax rate of \$10.28: \$1,018,840.52 (number is artificial and needs to be refined depending on applicants, qualifying criteria). Note that another municipality in R.I. that implemented the homestead exemption estimated initially that the number of eligible properties totaled between 3,000 and 3,200. When the program was implemented they had 3,000 property applicants.

We can conduct the same exercise with further incremental increased values but until we have a better handle on the demographic impact we really are making some assumptions that are not at all accurate.

Suffice it to say however that any lost revenue needs to be made up through an increase in the rate sufficient to absorb these dollars. An increased rate equivalent to \$10.49 which is approximately a two percent (2%) increase on the rate would most likely make up the million dollar delta as aforementioned. Add that to a normalized tax rate increase of 2% means at least a 4% increase in a given year. Again the example we have given is very soft and needs to be developed though good demographic data as well as a consideration of the program and goal the Council wishes to embark upon. Consider assessed value cap and/or perhaps income qualification limits, as criteria.

I have provided the following documents as attachments to this memo:

1. State law setting forth Newport's ability to enact a homestead exemption
2. City ordinances relating to the homestead exemption
3. Town of Narragansett ordinance example
4. Tax classification law for Newport
5. State law on 44-5-11.8 (not applicable to Newport but provides other communities ability to create owner and non-owner tax classification)
6. Assessors Statement of Assessed Valuations and Tax Levy (a handy sheet that depicts net assessed residential real property assessed value of \$5,308,389,647)
7. Document indicating Newport existing exemption and tax exempt property values
8. Relevant pages from presentation on January 20, 2021
9. Charts which indicate that, based upon current property values in the City of Newport as of the date of this memorandum, a 1% exemption would have an impact of \$545,702 on tax revenue. A 5% exemption would have a \$2,728,510 impact. This at an assumed 100% participation which is not at all accurate. Indeed Narragansett is noted as having 30% participation. Hence the need to develop better demographic information to gauge the impact.

JJN/paf
Attachments

TITLE 44

Taxation

CHAPTER 44-5

Levy and Assessment of Local Taxes

SECTION 44-5-78

§ 44-5-78. Newport – Homestead exemption.

(a) The city council of the city of Newport is authorized to annually fix the amount, if any, of a homestead exemption with respect to assessed value from local taxation on taxable real property used for residential purposes in the city of Newport and to grant homestead exemptions to the owner(s) of the residential real estate in amounts not to exceed the following percentages:

(1) Single family and condominiums:	thirty-five percent (35%) exemption;
Two (2) family:	twenty percent (20%) exemption;
Three (3) family:	five percent (5%) exemption.

(b) Any exemption shall only apply to residential property improved with a dwelling house. There shall be no homestead exemption granted for vacant land or for the residential portion of mixed-use property in the city of Newport, regardless of the number of units used for residential purposes. In order to determine compliance with the homestead exemption as outlined in this section, the city council shall provide, by resolution or ordinance, rules and regulations governing eligibility for the exemption established by this section.

(c) The city council of the city of Newport may provide for a proration of the homestead exemption in cases where title to the property passes from those not entitled to the exemption to those who are entitled to claim the exemption.

History of Section.

(P.L. 2002, ch. 279, § 1; P.L. 2002, ch. 346, § 1.)

4.08.130. - Property tax classification in Newport—Procedure for adopting.

The assessor shall provide to the finance director a list containing the full and fair cash valuation of each property class and, with the approval of the city council, annually determine the percentages of the tax levy to be apportioned each class of property and shall annually tax rates sufficient to produce the proportion of the total tax levy.

(Ord. 2002-30 § 1 (part), 2002)

4.08.140. - Homestead exemption in the city of Newport.

- A. The city council of the city of Newport is authorized to annually fix the amount, if any, of a homestead exemption with respect to assessed value from local taxation on taxable real property used for residential purposes in the city of Newport and to grant homestead exemptions to the owner(s) of such residential real estate in amounts not to exceed the following percentages:
 - 1. Single-family and condominiums — thirty-five (35) percent exemption;
 - 2. Two family — twenty (20) percent exemption;
 - 3. Three family — five percent exemption.
- B. Any such exemption shall only apply to residential property improved with a dwelling house. There shall be no homestead exemption granted for vacant land or for the residential portion of mixed use property in the city of Newport, regardless of the number of units used for residential purposes. In order to determine compliance with the homestead exemption as outlined above, the city council shall provide by resolution or ordinance, rules and regulations governing eligibility for the exemption established by this section.
- C. The city council of the city of Newport may provide for a proration of the homestead exemption in cases where title to the property passes from those not entitled to the exemption to those who are entitled to claim the exemption.

(Ord. 2002-30 § 1 (part), 2002)

Sec. 70-110. - Homestead exemption.

The town council shall annually fix the amount, if any, of a homestead exemption with respect to assessed value from local taxation on taxable real property used for residential purposes or mixed purposes, defined as a combination of residential and commercial uses, in an amount not to exceed ten percent of the assessed value, as authorized by the General Assembly of the State of Rhode Island.

- (a) The homestead exemption applies to property:
 - (1) Which is the resident taxpayer's principal residence and legal domicile;
 - (2) Legally titled to the resident taxpayer, a trust to which the resident taxpayer is the named beneficiary, or to a corporate entity owned and controlled by the resident taxpayer; and
 - (3) Used exclusively for residential purposes and improved with a dwelling containing less than five units, or used for a combination of residential and commercial uses.
- (b) The homestead exemption does not apply to:
 - (1) Vacant land.
 - (2) Dwelling units that are leased or rented out.
- (c) Legal title to the real property subject to the homestead exemption must be held by the resident taxpayer (as defined in subsection (a)(2) of this section) as of December 31 prior to the year for which the exemption shall apply. There shall be one exemption per household.
- (d) When real property is used for mixed purposes, the percentage of the assessed value shall be a prorated amount. The prorated amount shall be the percentage of square feet of the parcel used for residential purposes multiplied by the percentage of the homestead exemption.
- (e) Presenting a majority of the following documents to the tax assessor shall be considered prima facie demonstration of a person's residence for the purpose of eligibility for the homestead exemption:
 - (1) The address furnished to the division of motor vehicles, appearing on the taxpayer's valid operator's license; if the applicant certifies that he or she does not drive, this requirement is waived;
 - (2) The address from which the taxpayer's motor vehicle is registered, as it appears on a valid motor vehicle registration. If the applicant certifies that he or she does not drive, this requirement is waived;
 - (3) The address from which the taxpayer filed his or her federal income tax return for the tax year in question;
 - (4) The address from which the taxpayer filed his or her state income tax return for the tax year in question; and
 - (5) The address furnished by the taxpayer to the Town of Narragansett canvassing authority for voting purposes.
- (f) The tax assessor may require any additional information or prepare any application forms he or she deems necessary to carry out the intent of the ordinance.
- (g) The tax assessor shall have the authority to make adjustments to the homestead exemption if he or she receives information that the property no longer meets the eligibility requirements.
- (h) If the taxpayer knowingly gives misinformation as to the ownership and/or occupancy of the real property subject to the homestead exemption, the tax assessor shall, in such event, remove the homestead

exemption and recalculate the tax for the period in question and, in addition, charge the taxpayer the maximum interest permitted by law.

- (i) The tax assessor shall have the authority to send a communication in conjunction with a mortgage application from a buyer to a financial institution to reflect what an estimated property tax bill would be for a subject property if, and when a valid and accepted proposed homestead exemption is sought and accepted. Any communication from the tax assessor shall include the following language:

"The Tax Assessor has estimated the potential tax bill for this property based upon the application for the Town's current homestead exemption. It is an ESTIMATE only and is contingent on the applicant/homeowner meeting all of the legal requirements for the exemption as set forth in the applicable law and/or the municipal code. Homestead exemptions and rates are subject to change and modification by the Town's governing body."

(Ch. 1036, § 1, 2-27-2017)

TITLE 44

Taxation

CHAPTER 44-5

Levy and Assessment of Local Taxes

SECTION 44-5-76.1

§ 44-5-76.1. Newport – Property tax classification – List of ratable property.

Upon adoption of a system of classification of taxable property by the city of Newport, all ratable property in the city of Newport shall be classified by the assessor as follows:

- (1) Class One: all ratable tangible personal property;
- (2) Class Two: residential real estate with less than four (4) units;
- (3) Class Three: all commercial and industrial real estate and residential real estate with four (4) units or more;
and
- (4) Class Four: motor vehicles and trailers subject to the excise tax created by chapter 34 of this title.

History of Section.

(P.L. 2002, ch. 279, § 1; P.L. 2002, ch. 346, § 1.)

TITLE 44

Taxation

CHAPTER 44-5

Levy and Assessment of Local Taxes

SECTION 44-5-76.2

§ 44-5-76.2. Newport – Property tax classification.

- (a) The assessor of the city of Newport, on or before June 1 of each year, shall make a full and fair cash valuation of all the estate, real and personal, including motor vehicles and trailers, subject to taxation and determine the assessed valuation of each property class.
- (b) The designated classes of property shall be limited to the four (4) classes as defined in § 44-5-76.1.
- (c) The effective tax rate applicable to any class shall not exceed by fifty percent (50%) the rate applicable to any other class.
- (d) Any tax rate changes from one year to the next shall be applied so that the same percentage rate change is applicable to all classes. Notwithstanding the aforesaid sentence, in the first year following comprehensive revaluation or any update in accordance with § 44-5-11.6, the city is authorized to set the effective tax rate applicable to any class in an amount not to exceed by fifty percent (50%) the rate applicable to any other class.
- (e) The tax rates applicable to motor vehicles within class four as defined in § 44-5-76.1 are governed by § 44-34.1-1.
- (f) The provisions of chapter 35 of this title relating to property tax and fiscal disclosure apply to the reporting of and compliance with these classification restrictions.

History of Section.

(P.L. 2002, ch. 279, § 1; P.L. 2002, ch. 346, § 1; P.L. 2018, ch. 71, § 1; P.L. 2018, ch. 74, § 1.)

TITLE 44

Taxation

CHAPTER 44-5

Levy and Assessment of Local Taxes

SECTION 44-5-11.8

§ 44-5-11.8. Tax classification.

(a) Upon the completion of any comprehensive revaluation or any update, in accordance with § 44-5-11.6, any city or town may adopt a tax classification plan, by ordinance, with the following limitations:

(1) The designated classes of property shall be limited to the classes as defined in subsection (b) of this section.

(2) The effective tax rate applicable to any class, excluding class 4, shall not exceed by fifty percent (50%) the rate applicable to any other class, except in the city of Providence and the town of Glocester and the town of East Greenwich; however, in the year following a revaluation or statistical revaluation or update, the city or town council of any municipality may, by ordinance, adopt tax rates for the property class for all ratable tangible personal property no greater than twice the rate applicable to any other class, provided that the municipality documents to, and receives written approval from, the office of municipal affairs that the rate difference is necessary to ensure that the estimated tax levy on the property class for all ratable tangible personal property is not reduced from the prior year as a result of the revaluation or statistical revaluation.

(3) Any tax rate changes from one year to the next shall be applied such that the same percentage rate change is applicable to all classes, excluding class 4, except in the city of Providence and the town of Glocester and the town of East Greenwich.

(4) Notwithstanding subsections (a)(2) and (a)(3) of this section, the tax rates applicable to wholesale and retail inventory within Class 3 as defined in subsection (b) of this section are governed by § 44-3-29.1.

(5) The tax rates applicable to motor vehicles within Class 4, as defined in subsection (b) of this section, are governed by § 44-34.1-1.

(6) The provisions of chapter 35 of this title relating to property tax and fiscal disclosure apply to the reporting of, and compliance with, these classification restrictions.

(b) *Classes of Property.*

(1) Class 1: Residential real estate consisting of no more than five (5) dwelling units; land classified as open space; and dwellings on leased land including mobile homes. In the city of Providence, this class may also include residential properties containing partial commercial or business uses and residential real estate of more than five (5) dwelling units.

(i) A homestead exemption provision is also authorized within this class; provided however, that the actual, effective rate applicable to property qualifying for this exemption shall be construed as the standard rate for this class against which the maximum rate applicable to another class shall be determined, except in the town of Glocester.

(ii) In lieu of a homestead exemption, any city or town may divide this class into non-owner and owner-occupied property and adopt separate tax rates in compliance with the within tax rate restrictions.

(2) Class 2: Commercial and industrial real estate; residential properties containing partial commercial or business uses; and residential real estate of more than five (5) dwelling units. In the city of Providence, properties containing partial commercial or business uses and residential real estate of more than five (5) dwelling units may be included in Class 1.

(3) Class 3: All ratable, tangible personal property.

(4) Class 4: Motor vehicles and trailers subject to the excise tax created by chapter 34 of this title.

(c) The city council of the city of Providence and the town council of the town of Glocester and the town council of the town of East Greenwich may, by ordinance, provide for, and adopt, a tax rate on various classes as they shall deem appropriate. Provided, that the tax rate for Class 2 shall not be more than two (2) times the tax rate of Class 1 and the tax rate applicable to Class 3 shall not exceed the tax rate of Class 1 by more than two hundred percent (200%). Glocester shall be able to establish homestead exemptions up to fifty percent (50%) of value and the calculation provided in subsection (b)(1)(i) shall not be used in setting the differential tax rates.

(d) Notwithstanding the provisions of subsection (a) of this section, the town council of the town of Middletown may hereafter, by ordinance, adopt a tax classification plan in accordance with the provisions of subsections (a) and (b) of this section, to be applicable to taxes assessed on or after the assessment date of December 31, 2002.

(e) Notwithstanding the provisions of subsection (a) of this section, the town council of the town of Little Compton may hereafter, by ordinance, adopt a tax classification plan in accordance with the provisions of subsections (a) and (b) of this section and the provisions of § 44-5-79, to be applicable to taxes assessed on or after the assessment date of December 31, 2004.

(f) Notwithstanding the provisions of subsection (a) of this section, the town council of the town of Scituate may hereafter, by ordinance, change its tax assessment from fifty percent (50%) of value to one hundred percent (100%) of value on residential and commercial/industrial/mixed-use property, while tangible property is assessed at one hundred percent (100%) of cost, less depreciation; provided, however, the tax rate for Class 3 (tangible) property shall not exceed the tax rate for Class 1 (residential) property by more than two hundred thirteen percent (213%). This provision shall apply whether or not the fiscal year is also a revaluation year.

(g) Notwithstanding the provisions of subsections (a) and (b) of this section, the town council of the town of Coventry may hereafter, by ordinance, adopt a tax classification plan providing that Class 1, as set forth in subsection (b) "Classes of Property" of this section, may also include residential properties containing commercial or business uses, such ordinance to be applicable to taxes assessed on or after the assessment date of December 31, 2014.

(h) Notwithstanding the provisions of subsection (a) of this section, the town council of the town of East Greenwich may hereafter, by ordinance, adopt a tax classification plan in accordance with the provisions of subsections (a) and (b) of this section, to be applicable to taxes assessed on or after the assessment date of December 31, 2018. Further, the East Greenwich town council may adopt, repeal, or modify that tax classification plan for any tax year thereafter, notwithstanding the provisions of subsection (a) of this section.

History of Section.

(P.L. 2000, ch. 55, art. 19, § 4; P.L. 2001, ch. 217, § 1; P.L. 2001, ch. 263, § 1; P.L. 2002, ch. 39, § 1; P.L. 2002, ch. 305, § 1; P.L. 2003, ch. 41, § 1; P.L. 2003, ch. 268, § 1; P.L. 2003, ch. 280, § 1; P.L. 2004, ch. 11, § 1; P.L. 2004, ch. 276, § 1; P.L. 2004, ch. 321, § 1; P.L. 2005, ch. 197, § 1; P.L. 2005, ch. 214, § 1; P.L. 2005, ch. 253, § 1; P.L. 2005, ch. 261, § 1; P.L. 2006, ch. 301, § 1; P.L. 2013, ch. 78, § 1; P.L. 2013, ch. 80, § 1; P.L. 2014, ch. 432, § 1; P.L. 2014, ch. 458, § 1; P.L. 2015, ch. 6, § 1; P.L. 2015, ch. 7, § 1; P.L. 2019, ch. 21, § 1; P.L. 2019, ch. 22, § 1.)

ASSESSORS STATEMENT OF ASSESSED VALUATIONS AND TAX LEVY

2020 RP and TANG

Municipality: CITY OF NEWPORT

Tax Roll Year: 2020

Assessment Date: 12/31/2019

GROSS ASSESSED VALUES

		Tax Rate (per \$1000)
REAL PROPERTY		
Real Property - Residential (Primary) (All statecodes not otherwise specified)	\$5,331,214,487	\$10.280
Real Property - CommInd (Codes: 03,04,05,06,07,10,11,14,15, 20, 24,26,28,98)	\$1,388,007,838	\$15.420
Real Property - << Not Used >>	\$0	\$0.000
Real Property - << Not Used >>	\$0	\$0.000
Real Property - Frozen (Market Value) (Total Frozen Assessment: \$0)	\$0	N/A
MOTOR VEHICLES (NADA Value)	\$0	\$23.450
TANGIBLE PROPERTY		
Personal Property	\$147,582,881	\$15.420
TOTAL GROSS ASSESSED VALUE	\$6,866,806,206	

EXEMPTIONS

REAL ESTATE EXEMPTIONS				
Real Property - Residential (Primary)	\$22,824,840	% School	% Munic.	% Total
Real Property - CommInd	\$125,000	33.17	66.83	100.00
Real Property - << Not Used >>	\$0			
Real Property - << Not Used >>	\$0			
Real Property - Frozen	\$0			
MOTOR VEHICLE EXEMPTIONS (including phase-out and adjustment)	\$0			
TANGIBLE PROPERTY EXEMPTIONS				
Personal Property	\$1,450			
TOTAL EXEMPTION VALUE	\$22,951,290			

Assessment Ratio

Real Property	100.00
Tang Pers Prop	100.00
Retail/Wholesale Inv.	100.00

NET ASSESSED VALUES

REAL PROPERTY	
Real Property - Residential (Primary)	\$5,308,389,647
Real Property - CommInd	\$1,387,882,838
Real Property - << Not Used >>	\$0
Real Property - << Not Used >>	\$0
Real Property - Frozen (Market Value)	\$0
MOTOR VEHICLES	\$0
TANGIBLE PROPERTY	
Personal Property	\$147,581,431
TOTAL NET ASSESSED VALUE	\$6,843,853,916

INST# 00129203
BK# 2899 PG# 21A

TAX LEVY

REAL PROPERTY	
Real Property - Residential (Primary)	\$54,570,246.58
Real Property - CommInd	\$21,401,153.26
Real Property - << Not Used >>	\$0.00
Real Property - << Not Used >>	\$0.00
Real Property - Frozen	\$0.00
MOTOR VEHICLES	\$0.00
TANGIBLE PROPERTY	
Personal Property	\$2,275,836.93
ADJUSTMENTS	\$0.00
NET TAX LEVY	\$78,247,236.77

ASSESSORS STATEMENT OF ASSESSED VALUATIONS AND TAX LEVY

2020 RP and TANG

Municipality: CITY OF NEWPORT
Tax Roll Year: 2020
Assessment Date: 12/31/2019

	Real Primary	Real CommInd	Real <Not Used>	Real <Not Used>	Real Frozen	Motor Vehicles	Tangible Personal	Tangible Inventory	Total
EXEMPTIONS - PERSONAL									
E1 Veterans	\$9,886,700	\$107,000	\$0	\$0	\$0	\$0	\$1,450	\$0	\$9,995,150
E2 Widow(er) of Veteran	\$2,996,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,996,000
E4 Legally Blind	\$636,800	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$636,800
E8 Senior Citizen	\$5,519,340	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$5,519,340
E9 Variable	\$3,195,720	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,195,720
E5 Veteran 100% Disabled	\$524,000	\$18,000	\$0	\$0	\$0	\$0	\$0	\$0	\$542,000
EA Veteran - Special	\$66,280	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$66,280
PO State MV Phase-out	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
HH MV Adjustment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$22,824,840	\$125,000	\$0	\$0	\$0	\$0	\$1,450	\$0	\$22,951,290

TAX EXEMPT - STATUTE									
70 Cemeteries	\$8,561,800	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$8,561,800
71 Charitable MV	\$10,943,500	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$10,943,500
72 ChurchMV	\$71,476,900	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$71,476,900
73 Ex-CharterMV	\$286,807,700	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$286,807,700
74 Federal	2602,267,700	\$0	\$0	\$0	\$0	\$0	\$0	\$0	2602,267,700
75 Hospital MV	\$153,803,300	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$153,803,300
76 Libraries MV	\$6,730,800	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$6,730,800
77 Military MV	\$1,241,100	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,241,100
78 Municipal MV	\$290,216,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$290,216,000
79 School MV	\$298,984,900	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$298,984,900
80 State	\$120,543,400	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$120,543,400
82 Vote of City	\$10,031,800	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$10,031,800
TI Tangible Inventory	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	3861,608,900	\$0	\$0	\$0	\$0	\$0	\$0	\$0	3861,608,900

CERTIFICATION - TO BE FILED BY JUNE 15th

The foregoing shows the property valuations and the amount of taxes assessed as of December 31, _____.

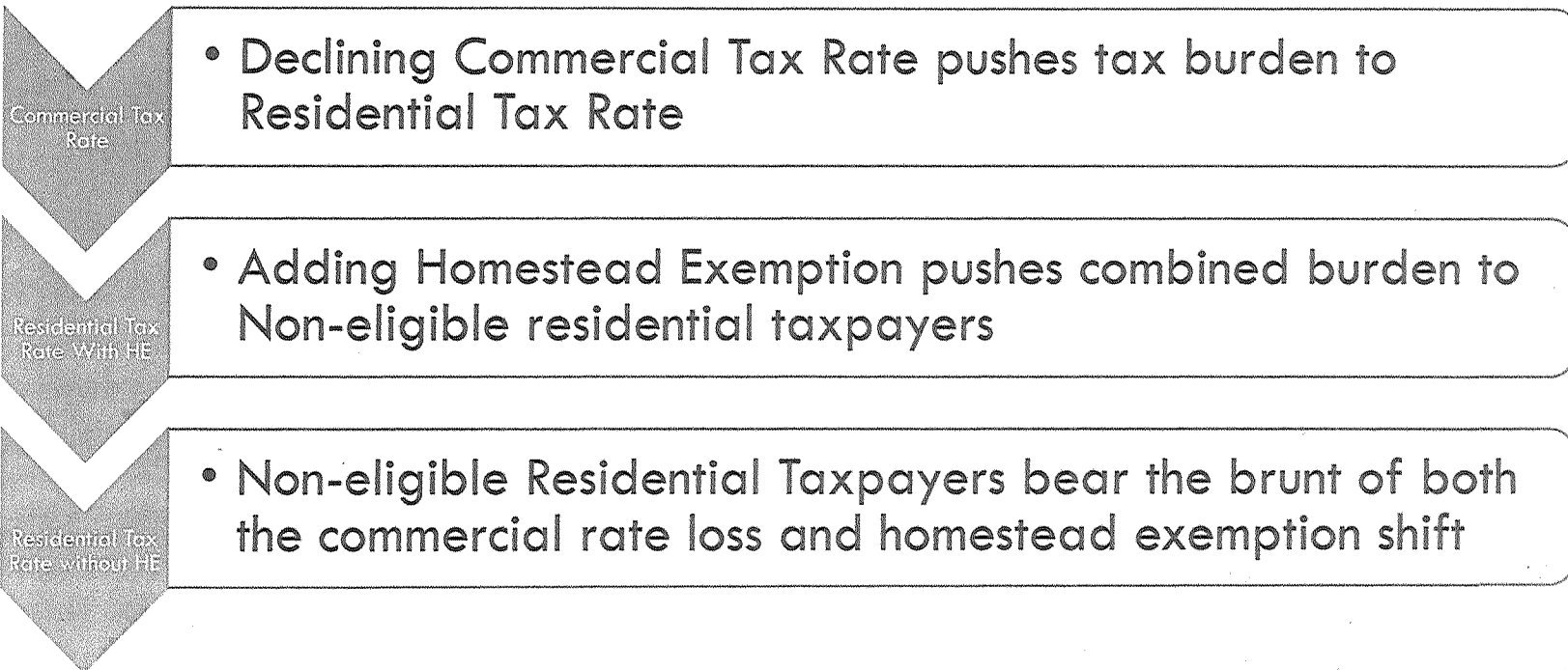
The assessment whereof was ordered on the _____ day of _____, _____, and certified,

signed and delivered in accordance with law on the _____ day of _____, _____.

Said taxes are due and payable on the _____ day of _____, _____.

 Assessor/Chairperson

TAX STRUCTURE — HOMESTEAD EXEMPTION — CURRENT CLIMATE



TAX STRUCTURE — HOMESTEAD EXEMPTION

Requirements:

Survey for demographics — lack of information to make informed decisions or even educated guesses as to fiscal impact

Define goals of exemption and develop specific qualifications within the exemption to meet the goals

Review legal authority and options for meeting goals

Increase resources to meet administrative needs

Tax Levy Calculation

	<u>Residential Tax Levy - Current</u>	<u>Residential Tax Levy - Adjusted/Reduced</u>	<u>Residential Tax Levy - Adjusted/Reduced</u>	<u>Residential Tax Levy - Adjusted/Reduced</u>
Net Assessed Value of Residential Property	\$ 5,308,389,647.00	\$ 5,308,389,647.00	\$ 5,308,389,647.00	\$ 5,308,389,647.00
Reduction Percentage	0%	1%	5%	10%
Reduction in Net Assessed Value	<u>\$ -</u>	<u>\$ (53,083,896.47)</u>	<u>\$ (265,419,482.35)</u>	<u>\$ (530,838,964.70)</u>
Adjusted Net Assessed Value	\$ 5,308,389,647.00	\$ 5,255,305,750.53	\$ 5,042,970,164.65	\$ 4,777,550,682.30
Per \$1,000	<u>\$ 1,000</u>	<u>\$ 1,000</u>	<u>\$ 1,000</u>	<u>\$ 1,000</u>
Adjusted Net Assessed Value per \$1,000	\$ 5,308,389.65	\$ 5,255,305.75	\$ 5,042,970.16	\$ 4,777,550.68
Residential Tax Rate	<u>\$ 10.28</u>	<u>\$ 10.28</u>	<u>\$ 10.28</u>	<u>\$ 10.28</u>
Tax Levy Revenue	\$ 54,570,245.57	\$ 54,024,543.12	\$ 51,841,733.29	\$ 49,113,221.01
Impact on Tax Levy Revenue		\$ (545,702.46)	\$ (2,728,512.28)	\$ (5,457,024.56)

Tax Levy Calculation

	Residential Tax Levy - Current	Residential Tax Levy - Adjusted/Reduced	Residential Tax Levy - Adjusted/Reduced	Residential Tax Levy - Adjusted/Reduced	Residential Tax Levy - Adjusted/Reduced	Residential Tax Levy - Adjusted/Reduced	Residential Tax Levy - Adjusted/Reduced	Residential Tax Levy - Adjusted/Reduced	Residential Tax Levy - Adjusted/Reduced
Net Assessed Value of Residential Property	\$ 5,308,389,647.00	\$ 5,308,389,647.00	\$ 5,308,389,647.00	\$ 5,308,389,647.00	\$ 5,308,389,647.00	\$ 5,308,389,647.00	\$ 5,308,389,647.00	\$ 5,308,389,647.00	\$ 5,308,389,647.00
Reduction Percentage	0%	1%	5%	10%	15%	20%	25%	30%	35%
Reduction in Net Assessed Value	\$ -	\$ (53,083,896.47)	\$ (265,419,482.35)	\$ (530,838,964.70)	\$ (796,258,447.05)	\$ (1,061,677,929.40)	\$ (1,327,097,411.75)	\$ (1,592,516,894.10)	\$ (1,857,936,376.45)
Adjusted Net Assessed Value	\$ 5,308,389,647.00	\$ 5,255,305,750.53	\$ 5,042,970,164.65	\$ 4,777,550,682.30	\$ 4,512,131,199.95	\$ 4,246,711,717.60	\$ 3,981,292,235.25	\$ 3,715,872,752.90	\$ 3,450,453,270.55
Per \$1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000
Adjusted Net Assessed Value per \$1,000	\$ 5,308,389.65	\$ 5,255,305.75	\$ 5,042,970.16	\$ 4,777,550.68	\$ 4,512,131.20	\$ 4,246,711.72	\$ 3,981,292.24	\$ 3,715,872.75	\$ 3,450,453.27
Residential Tax Rate	\$ 10.28	\$ 10.28	\$ 10.28	\$ 10.28	\$ 10.28	\$ 10.28	\$ 10.28	\$ 10.28	\$ 10.28
Tax Levy Revenue	\$ 54,570,245.57	\$ 54,024,543.12	\$ 51,841,733.29	\$ 49,113,221.01	\$ 46,384,708.74	\$ 43,656,196.46	\$ 40,927,684.18	\$ 38,199,171.90	\$ 35,470,659.62
Impact on Tax Levy Revenue		\$ (545,702.46)	\$ (2,728,512.28)	\$ (5,457,024.56)	\$ (8,185,536.84)	\$ (10,914,049.11)	\$ (13,642,561.39)	\$ (16,371,073.67)	\$ (19,099,585.95)