



*Distinctive Communities  
Powerful Alliance*

February 28, 2019

The Honorable Nicholas A. Mattiello  
Speaker  
Rhode Island House of Representatives  
State House, Room 323  
Providence, RI 02903

The Honorable Dominick J. Ruggiero  
President  
Rhode Island Senate  
State House, Room 318  
Providence, RI 02903

Dear Speaker Mattiello and President Ruggiero:

We write to communicate our collective concerns regarding three issues facing the General Assembly this session. Several of these issues are time-sensitive, and we hope to work with you and your colleagues to address them as quickly as possible.

First, the Governor's proposed changes to the car tax phase-out have created uncertainty in cities and towns, with local officials now struggling to plan for their own FY 2020 budgets. The League has been supportive of the plan enacted in 2017 to phase out the car tax over a six-year period, and our members worked with the Administration and General Assembly to offer support and technical guidance on how best to reach this objective. The final plan was carefully drafted, and execution thus far has been relatively smooth. However, the Administration's budget proposal, which would change the terms of the current phase-out, presents a dilemma for cities and towns. With the state budget normally not completed until June, communities do not know whether to assume current law or to expect changes when drafting their municipal budgets and preparing their property tax bills – most of which are issued between May and early July. While we are open to considering modifications to the proposal in the later years of the phase out, we believe that the General Assembly should remain with the current plan so that Rhode Island can eliminate the stigma of having some of the highest car taxes in the nation. This uncertainty needs to be resolved quickly, and we ask your guidance on this issue as soon as possible to assist with planning municipal budgets for FY 2020.

Second, cities and towns were disappointed when the Governor's budget proposed cutting the Payment in Lieu of Taxes (PILOT) program by \$5.3 million. Although just five communities receive 94% of the current year's \$46 million in PILOT assistance, city and town leaders are collectively concerned about any reductions to state municipal aid – particularly when the two largest PILOT recipients are classified as distressed communities. Even more urgently, because of a precedent from the 1980s, the Governor's proposed cuts for FY 2020 would actually affect city and town budgets in FY 2019. The Governor's cuts would create immediate deficits in our cities and towns,

which have limited retroactive recourse to recover lost state funds. The Governor's proposed solution to the PILOT cut was to let cities and towns tax non-mission related properties owned by qualifying nonprofit institutions. We believe that the timing, nature of the authority given and the administrative complexity of such an effort could lead to extensive litigation. While some cities and towns have called for taxing authority for nonprofits, such an effort should be to enhance and diversify local revenues, not to replace decreased state aid. We seek your help in reversing this budget proposal and restoring PILOT funding in accordance with existing general law.

Finally, we are not enthusiastic about the Governor's proposal to permit adult marijuana use as currently drafted, as cities and towns will bear many of the impacts of any legalization effort. Other states have taken years to enact similar legislation, and we fear that a rushed proposal – envisioned to take effect in January 2020 – will have unintended consequences in our communities. To ensure proper public input, many of us believe that any adopted proposal should require an opt-in referendum vote by cities or towns – rather than an opt-out option as offered in the legislation. Furthermore, the time frames for enacting siting ordinances and/or scheduling popular votes are extraordinarily tight. The Governor's proposal would cover numerous classes of businesses, and our volunteer planning and zoning boards will need time to educate themselves and solicit public input. Lastly, while the Governor's proposal would share revenue with Rhode Island's cities and towns, it would also prevent local taxes, fees and community host agreements, making the proposal appear less generous than in the Bay State. If the General Assembly proceeds with this initiative, we respectfully request that municipal leaders and local public safety officials are consulted as part of the legislative process.

Thank you for your ongoing support of cities and towns and for your consideration of our views.

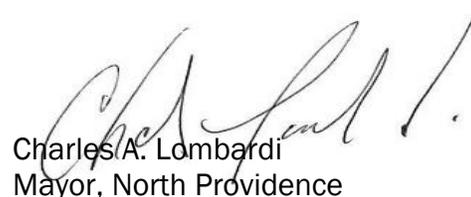
Sincerely,



James A. Diosa  
Mayor, Central Falls



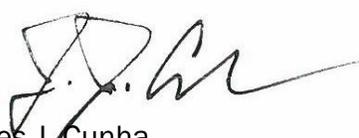
Lisa Baldelli-Hunt  
Mayor, Woonsocket



Charles A. Lombardi  
Mayor, North Providence



Andrew E. Nota  
Town Administrator, Jamestown



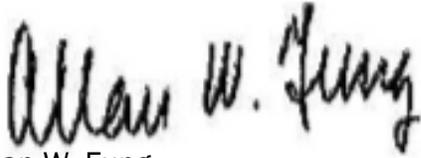
James J. Cunha  
Town Manager, Barrington



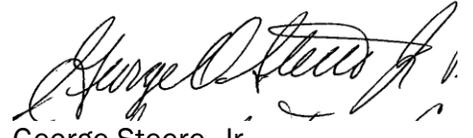
Michael C. Wood  
Town Manager, Burrillville



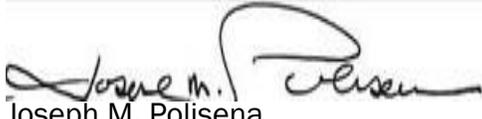
Mark A. Stankiewicz  
Town Administrator, Charlestown



Allan W. Fung  
Mayor, Cranston



George Steere, Jr.  
Council President, Glocester



Joseph M. Polisena  
Mayor, Johnston



T. Joseph Almond  
Town Administrator, Lincoln



Robert L. Mushen  
Council President, Little Compton



Shawn J. Brown  
Town Administrator, Middletown



Joseph J. Nicholson, Jr.  
City Manager, Newport



A. Ralph Mollis  
Town Manager, North Kingstown



Gary S. Ezovski  
Town Administrator, North Smithfield



Jorge O. Elorza  
Mayor, Providence



Karen D. Pinch  
Town Administrator, Richmond

CC: The Honorable Marvin L. Abney, Chair, House Finance Committee  
The Honorable William J. Conley, Jr., Chair, Senate Finance Committee