

April 9, 2025

The Honorable Marvin L. Abney, Chair  
House Finance Committee  
Rhode Island House  
82 Smith Street  
Providence, RI 02903

RE: BILL NUMBER H-6189 – A N A C T RELATING TO TAXATION NON- OWNER OCCUPIED PROPERTY TAX ACT

Chair Abney and Honorable Committee Members,

On behalf of the Rhode Island League of Cities and Towns, thank you for the opportunity to provide testimony in support of House Bill 6189, which proposes a statewide tax on non-owner occupied residential properties assessed at values of \$800,000 or more, with tax rates determined by local tax assessors.

This legislation acknowledges a compelling state interest in protecting and strengthening the local tax base, a priority the League shares. Rhode Island's 39 cities and towns are facing growing fiscal pressures, with increasing demand for public services, aging infrastructure, and the persistent challenge of maintaining quality municipal operations on tight budgets. H-6189 offers a tool to equitably address some of these financial burdens by requiring owners of high-value, non-owner occupied residential properties to contribute more fairly to the costs of essential local services.

There are numerous such properties across the state, often valued well above \$1 million, which are not owner occupied and, in some cases, intentionally held vacant. These properties may require greater reliance on local services, especially fire and police protection, without the same level of community investment or stewardship that typically comes from owner occupied homes. When owners hold properties for speculative purposes or allow them to deteriorate, the impact is felt not only in diminished neighborhood quality but also in reduced property values and increased burdens on municipal code enforcement.

The bill rightfully identifies that the use of residential property as a speculative or income-generating asset is a privilege that must be matched by a fair share of the cost to maintain the public infrastructure and safety these properties rely on. This approach would support better land use, neighborhood stability, and a more sustainable municipal revenue model.

We respectfully request that cities and towns be included in any ongoing discussions regarding the allocation of revenue generated by this legislation. As the primary providers of essential services such as public safety, infrastructure, and code enforcement, municipalities are directly impacted by the presence of non-owner occupied high-value properties. It is critical that any new revenue streams created under this act be designed with municipal needs in mind to ensure local governments have the resources they need to serve their communities effectively and maintain fiscal stability.

Thank you for your attention and for your ongoing commitment to Rhode Island's cities and towns.

Sincerely,



Randy R. Rossi  
Executive Director

Cc: Honorable Members of House Finance Committee