

Chapter 6

FINANCE AND TAXATION

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ARTICLE I.
IN GENERAL

Sec. 6-1. Tax payment--Installments.

All current taxes may be paid quarterly without penalty as follows:

First quarter due on or before August 15;

Second quarter due on or before October 15;

Third quarter due on or before January 15;

Fourth quarter due on or before April 15.

If the first or any succeeding installment is not paid when due, the entire balance shall become due with interest. The interest is based on the unpaid balance and compounded monthly back to the last satisfied quarter or most recent principal payment.

(Ord. of 10-31-67, § 3; Ord. of 6-26-06; Ord. of 5-19-08)

Sec. 6-2. Same--Delinquency interest.

All taxes, unless paid when due, will carry interest at the rate of 12 percent compounded annually from the date due until payment is made.

(Ord. of 10-31-67, § 2; Ord. of 3-28-90)

Sec. 6-2.1. Returned checks.

(a) The finance director shall charge a fee of \$25.00 for checks returned to the town or any of its departments or agencies due to a lack of sufficient funds or for any other reason.

(b) This fee must be paid prior to the town issuing any certificate of complete or up-to-date payment of any taxes or charges due or payable to the town.

(Ord. of 5-18-92; Ord. of 5-21-07)

Sec. 6-3A. Exemptions from real property tax for persons sixty-five years of age and older.

Every person, a citizen and resident of the town, of the age of 65 years or more and residing in the town for a period of three years ending with the date of assessment (December 31) in real property situated in said town owned and occupied by him, is hereby granted on proper claim being made therefor, a tax exemption on the following basis:

(a) For property owners from 65 years of age or more, an exemption from taxation on such real property of \$500.00.

Such exemptions shall be in addition to any and all other exemptions from taxation to which said person may be otherwise entitled. Said exemptions shall be applied uniformly or without regard to ability to pay. The applicant shall own and live in the home to which the exemption is to be applied and further must have owned and had title to his dwelling house for the same three-year period.

In the event of a transfer by the applicant of a dwelling to which he had title and resided therein and said transfer has occurred within the three years previous to filing the application and the applicant has assumed title and resides in another dwelling in said town, the applicant shall then be eligible for this exemption.

Only one exemption will be granted to co-tenants, joint tenants, tenants by the entirety, or tenants in common even though all co-tenants, joint tenants, tenants by the entirety, or tenants in common are 65 years of age or over or all occupy said property. The amount of said exemption shall be determined by the age of the eldest of said co-tenants, joint tenants, tenants by the entirety, or tenants in common. In the case of married persons, as soon as the husband or wife reaches the age of 65 years they become qualified for the tax exemption.

Such exemptions will not be applicable to personal property.

Such exemptions shall not be allowed in favor of any person unless he or she shall have presented to the assessor a true and exact account of his or her ratable estate as provided in Title 44, Chapter 5, Sections 15 and 16 of the General Laws of Rhode Island, 1956, as amended, for the year on which the exemption is claimed, together with due evidence that he or she is entitled to such exemption.

Persons 65 years of age or older must file with the North Smithfield Tax Assessor on or before midnight of the thirty-first day of December, requesting said exemption.

The burden of proof of all requirements shall be with the applicant, and the assessor may require the submission of certified proof of date and place of birth, voter registration, period of abode or domicile, or ownership of property.
(Res. of 1-25-66; Ord. of 9-9-74; Ord. of 12-2-74; Ord. of 6-8-83; Ord. of 10-16-95; Ord. of 6-28-99; Ord. of 6-10-00; Ord. of 6-29-01(1); Ord. of 6-29-01(2) ; Ord. of 6-6-05; Ord. of 6-18-07)

Sec. 6-3B. Exemptions for disabled persons.

Every person, under the age of 65, a citizen and resident of the town and residing in the town for a period of three years ending with the date of assessment (December 31) in real property situated in said town owned and occupied by him, is hereby granted on proper claim being made therefor, a tax exemption on the following basis:

For the head of a household determined by the Social Security Administration to be totally disabled, an exemption from taxation on such real property of \$500.00.

Such exemptions shall be in addition to any exemptions provided by law to which said person may be otherwise entitled. Said exemptions shall be applied uniformly or without regard to ability to pay. The

applicant shall own and live in the home to which the exemption is to be applied and further must have owned and had title to his dwelling house for the same three-year period.

In the event of a transfer by the applicant of a dwelling to which he had title and resided therein and said transfer has occurred within the three years previous to filing the application and the applicant has assumed title and resides in another dwelling in said town, the applicant shall then be eligible for this exemption.

Only one exemption will be granted to co-tenants, joint tenants, tenants by the entirety, or tenants in common even though all co-tenants, joint tenants, tenants by the entirety or tenants in common are disabled or occupy said property.

Such exemption will not be applicable to personal property.

Such exemption shall not be allowed in favor of any person unless he or she shall have presented to the assessor a true and exact amount of his or her ratable estate as provided in Title 44, Chapter 5, Sections 15 & 16 of the General Laws of Rhode Island, 1956, as amended, for the year in which the exemption is claimed, together with due evidence that he or she is entitled to such exemption.

Disabled persons must file with the North Smithfield Tax Assessor on or before midnight of the thirty-first day of December, requesting said exemption. Due evidence that he or she is entitled must be resubmitted annually for each year which the applicant desires the exemption to continue.

Upon attaining the age of 65 years, the person who is totally disabled is no longer entitled to the exemption provided for in this section. An application for the elderly exemption must be filed with the tax assessor by December 31 of the year in which the disabled person reaches the age of 65 years. No two exemptions (elderly or disabled) will be allowed on the same property.

The burden of proof of all requirements shall be with the applicant, and the assessor may require the submission of certified proof of disability.

(Ord. of 11-06-00; Ord. of 6-29-01(2) ; Ord. of 6-20-05; Ord. of 6-18-07)

Sec. 6-3C. Tax stabilization program relating to real property taxes for certain persons in the town aged sixty-five or older.

(a) *Definitions.*

(1) "Qualified senior" is here defined for the purpose of this section as any person who shall satisfy the criteria in this sub-section (A)(i), or (ii) or (iii); and all of the criteria of sub-sections (B) through (J) inclusive:

- (A) (i) Who is age 65 or more if single or widowed; or,
- (ii) who, if married, at least one taxpayer who has attained age 65 as long as the taxpayer's spouse is at least 50 years of age; or,

- (iii) Who, if widowed, over age 50 whose spouse was at least age 65 prior to death and either spouse was a participant under this ordinance prior to death;
 - (B) Whose home is a single family home (condominium ownership not eligible);
 - (C) Whose North Smithfield home is the taxpayer's principle residence and that of the spouse (if living);
 - (D) Who is a resident of the State of Rhode Island for income tax purposes, as is the spouse (if living);
 - (E) Who is not a registered voter of any other city, town or political sub-division of Rhode Island or any other state, nor is the spouse (if living);
 - (F) Who has resided in the principle residence for the past seven years, as has the spouse (if living);
 - (G) Whose real estate tax previously billed is not delinquent by more than four quarters;
 - (H) Who would otherwise qualify but has been forced to relocate residence through no fault of the taxpayer (e.g., in cases of fire, natural disaster or taking of property by eminent domain by a state or local government);
 - (I) Whose real estate tax bill is more than five percent of the total income of the taxpayer, or, if living, of both spouses. "Total income" is defined as the total of Adjusted Gross Income per US Individual Income tax return, Form 1040, 1040-A (or the like) plus non taxable income such as non-taxed Social Security benefits, welfare benefits, child support receipts, municipal bond interest receipts and other non-taxable items of income;
 - (J) Who completes the application process and who attests that the individual meets, or, if living, both spouses meet all of the qualifications as outlined above.
- (2) "Frozen yearly tax" is here defined for the purpose of this section as the amounts otherwise due for the assessment date of the year in which the taxpayer turned age 64, or the year of the date of first application to the program, whichever is later in time, and the tax assessed the following July.
 - (3) "Deferred amount" is here defined for the purpose of this section as the difference between the frozen yearly tax and the amount of tax that would otherwise be due and payable if the applicant did not qualify under this program.
 - (4) "Disqualifying event" is here defined for the purpose of this section, to include any and all of the following:

- (A) Sale of the property;
 - (B) Transfer of the property to a family member without life tenancy
 - (C) The point in time when the property ceases to be the taxpayer's principle residence.
 - (D) Written request by the applicant to be removed from the program.
 - (E) Any property whose square footage living space is increased since application and acceptance under this section.
- (b) *Freeze on rate and valuation, and deferral of tax.*
- (1) There is hereby established a freeze on the rate and valuation of taxes on the principle residence of a qualified senior located in the town.
 - (2) Upon proper application, approved by the administrator or his/her designee, the assessment and tax will be frozen at the frozen yearly tax. The deferred amount will be deferred, without the accumulation of interest, until the occurrence of a disqualifying event.
 - (3) A deferral under this section shall not be disallowed if the owner-applicant has only a life estate in the property or if the property is in the name of a parent or one or more children or in a trust for the benefit of the otherwise qualified resident and the owners submit an affidavit that the qualified resident is the principle owner or present beneficiary and title is held in that manner for estate planning purposes only.
 - (4) A deferral is not allowed for any improvements for outbuildings such as garages or storage sheds, attached or not, to the principle residence once application and acceptance into the tax freeze program occurs.
- (c) *Application process.*
- (1) The taxpayer shall initially apply for eligibility in the tax stabilization program between the dates of January 1 and March 31, for taxes assessed the following July of that year. After initial approval, the taxpayer must sign each year thereafter a statement attesting to the fact that the taxpayer and the spouse continue to qualify under the ordinance provisions.
 - (2) Participation is optional at the taxpayer's option.
 - (3) Failure to file subsequent statements of eligibility; or the occurrence of a disqualifying event of a temporary nature; or the elimination of a disqualifying event that no longer applies, shall require re-entry into the program and full re-application and re-certification, and shall nullify the freeze and any deferral for the tax year in which the disqualifying event occurred, and past deferred amounts shall be due under subsection (e). In such case, the frozen yearly tax shall be calculated as of the year of re-entry into the program.

(d) *Recording of deferral; lien.*

- (1) All properties subject to the tax freeze and deferral program will have the deferral noted on the deed and the deferral will be registered and recorded with the North Smithfield Town Clerk. Normal recording fees will apply.
- (2) All taxes deferred shall constitute a lien on the real estate for which the deferment was granted until paid in accordance with the provisions of this section.

(e) *Payment of Deferral.*

- (1) All deferrals must be paid in full within six months of a disqualifying event in the case of a death of the legal owner of the property, at closing & conveyance in the event of a sale and within three months of any other disqualifying event.
- (2) Failure to report the disqualifying event, and/or to pay the deferral tax when due, will carry a maximum penalty of \$100.00 per month, or portion thereof, and applicable interest on the currently assessed tax without regard to the freeze provisions contained herein. Interest will be assessed and due in the same manner as other past due tax receivables and will apply to all amounts previously deferred as well as current amounts due.

(f) *Appeal.* Appeals of all decisions as to the application, administration, eligibility or other matter relating to this section shall be made in writing to the North Smithfield Town Council.

(g) *Severability.* This section and its various provisions--sentences, sections, subsections and clauses--are declared to be severable, and the remainder shall survive in full force and effect should any particular provision be adjudged invalid.

(Ord. of 11-21-05)

Sec. 6-3.1. Exemptions of certain tangible property from personal property taxes.

Pursuant to Section 44-3-3 of the Rhode Island General Laws, as amended, the following property shall be exempt from taxation:

- (a) The household furniture and family stores of a housekeeper in whole, including clothing, bedding and other white goods, books and all other tangible personal property items which are common to the normal household not exceeding \$20,000.00.
- (b) Said exemption is in addition to other exemptions previously authorized and is for taxes assessed commencing on December 31, 1979.

(Ord. of 11-19-79)

Sec. 6-3.2. Veteran tax exemption.

A veteran, widow of veteran, disabled veteran, gold star parent, as allowed by R. I. General Laws 44-3-4, 30-18-1, 30-22-1, 2, 3, 4, must file, with the North Smithfield Tax Assessor on or before midnight

of the thirty-first day of December, a request for exemption on the following basis:

- (a) Veteran, \$45.50;
- (b) Widow of veteran, \$45.50;
- (c) Disabled veteran, \$91.00;
- (d) Gold star parent, \$68.25; and
- (e) Prisoners-of-war as classified or determined by the Veterans' Administration, a \$15,000.00 exemption from local taxation on real and personal property. Said exemption to be at the tax rate in effect as of December 31st for the following calendar year. Said tax exemption shall be the maximum for prisoner-of-war veterans.

In the event that the exemption results in a net credit to taxpayer, no liability shall exist on the town for the payment thereof; the exemption shall apply on a yearly basis and not be carried forward.
(Ord. of 6-8-83; Ord. of 10-20-86)

Sec. 6-3.3. Blind person's exemption.

(a) As set forth and allowed by Rhode Island General Laws 44-3-12, the property of each person who has permanent impairment of both eyes of the following status: Central visual acuity of 20/200 or less in the better eye, with corrective glasses, or central visual acuity of more than 20/200 if there is a field defect in which the peripheral field has contracted to such an extent that the widest diameter of visual field subtends an angular distance no greater than 20 degrees in the better eye, shall be exempted from taxation to the amount of \$12,000.00, which exemption shall apply to such property as is located within the Town of North Smithfield, and provided further that such person is a resident of the State of Rhode Island, or as further set forth in Rhode Island General Laws 44-3-12, and provided further that the exemption herein provided for shall be applied in full to the total value of such person's real and tangible personal property located in said town and shall be applied to intangible personal property only to the extent that there is not sufficient real property or tangible personal property to exhaust such exemption. Such exemption shall be in addition to any other exemption provided by law.

(b) A blind person as defined in subsection 6-3.3(a) must file with the tax assessor on or before midnight of the thirty-first day of December a request for said exemption. In the event that the exemption results in a net credit to the taxpayer, no liability shall exist in the town for the payment thereof. The exemption shall apply on a yearly basis and shall not be carried forward. The burden of proof of all requirements shall be with the applicant and the tax assessor shall require due evidence that the applicant is entitled to such exemption.

(c) Said exemption is in addition to other exemptions previously authorized and is for taxes assessed commencing on December 31, 1989.
(Ord. of 5-23-90)

Sec. 6-3.4A. Exemption from wholesale inventory tax.

Sec. 6-3.4A-1 Exemption. Effective with the assessment of Tangible Personal Property to be made as of December 31, 1997, and thereafter, through the assessment to be made as of December 31, 2017, or by action of the town council of the Town of North Smithfield to repeal this section, which said action shall be effective subsequent to the assessment of December 31, 2017, no tax shall be assessed with respect to the inventory or stock in trade of a wholesaler, except as provided in section 6-3.4-3 hereof.

Sec. 6-3.4A-2 Definitions.

- (1) The term "wholesaler" shall mean and include a person, partnership, corporation or other business entity engaged in the business of selling goods for subsequent resale by its customers, who has duly made application for such status pursuant to section 6-3.4A-5. Except as provided in section 6-3.4A-3, no distinction shall be drawn between:
 - a. A wholesaler, all or a portion of the sales of which are sales to one or more customers affiliated with the wholesaler, and
 - b. A wholesaler, the sales of which are exclusively sales to customers not affiliated with wholesaler. A wholesaler shall be considered affiliated with customers if it controls, is controlled by, or is under common control with the customers.
- (2) The term "inventory" or "stock in trade" shall mean and include the merchandise kept on hand for sale in the normal and regular course of a wholesale business.

Sec. 6-3.4A-3 Apportionment. In the event that a wholesaler sold inventory or stock in trade both at wholesale and at retail in the preceding calendar year, the tax assessor of the Town of North Smithfield shall assess on the same basis as a retailer's inventory or stock in trade as of December 31 of that year, to the extent permitted by applicable law, notwithstanding any freeze of assessed valuation or exemption permitted hereunder, that proportion of inventory or stock in trade of the wholesaler which shall be equal to the percentage of the wholesaler's total sales during the preceding calendar year that were at retail. For the purposes of this paragraph, sales at retail shall not include sales to employees of the wholesaler or to employees of its affiliates. If retail sales are less than one percent of total sales during the year, it shall be deemed that no sales were made at retail during the year. All sales of a wholesaler to a customer which is in an affiliated entity shall be deemed to be retail sales for the purposes of this paragraph if more than half of the dollar volume of the sales of the affiliated entity is made within the Town of North Smithfield.

Sec. 6-3.4A-4 Phase-out. Effective with the assessment of tangible personal property to be made as of December 31, 1993, the Tax Assessor of the Town of North Smithfield, shall reduce the assessed valuation of the inventory or the stock in trade of a wholesaler from those values assessed as of December 31, 1993, by 20 percent. The said assessment to be made as of December 31, 1994, shall be reduced by 40 percent. The said assessment to be made as of December 31, 1995, shall be reduced by 60 percent. The said assessment to be made as of December 31, 1996, shall be reduced by 80 percent.

Sec. 6-3.4A-5 Application procedures. Wholesalers desiring the benefits of this section shall and must annually file an application on such forms to be provided by the tax assessor for the Town of North Smithfield for said purpose, at the time provided for the filing of an account pursuant to Section 44-5-15 of

the General Laws of the State of Rhode Island, 1956, as amended, as the same may hereinafter be further amended, or any statute hereinafter enacted by the General Assembly of the State of Rhode Island in substitute thereof. Each application shall be sworn to by the applicant under penalties of perjury. Such application shall contain:

- (1) A statement of the applicant's name and the address at which the inventory or stock in trade is situated;
- (2) A statement that the applicant is a wholesaler as defined in this section;
- (3) A statement as to whether the applicant made any retail sales during the preceding calendar year;
- (4) If the applicant made sales of merchandise at retail in the preceding calendar year, a statement of the percentage of the applicant's total sales which represent sales at retail in said calendar year;
- (5) The applicant shall and must also provide the tax assessor of the Town of North Smithfield such additional information, certifications, records, and proof as the tax assessor deems necessary to evaluate said application.

This ordinance shall be effective with respect to the tax assessment of Tangible Personal Property to be made as of December 31, 1993, and thereafter. Any exemptions from said tax as contained herein shall not be repealed with respect to tax assessment of Tangible Personal Property through said tax assessed as of December 31, 2017; provided, however, that the foregoing shall not preclude or restrict any amendment to the procedural or definitional portions of this ordinance to take into account changes in the General Laws of the State of Rhode Island or any circumstances necessary to better carry out the intentions of the town council.

(Ord. of 2-1-93, §§ 1, 2; Ord. of 7-6-99, § 1)

Sec. 6-3.4B. Exemption of retail inventory tax.

Effective July 1, 1999, the town council of North Smithfield shall, by ordinance, phase out over a ten-year period, the stock in trade or inventory of retailers. The Town of North Smithfield presently exempts wholesale inventories.

The rate schedule for the ten-year phase out of retail inventory shall be as follows:

FY 1999	\$38.85
FY 2000	90% of FY 1999 rate
FY 2001	80% of FY 1999 rate
FY 2002	70% of FY 1999 rate
FY 2003	60% of FY 1999 rate
FY 2004	50% of FY 1999 rate
FY 2005	40% of FY 1999 rate
FY 2006	30% of FY 1999 rate

FY 2007	20% of FY 1999 rate
FY 2008	10% of FY 1999 rate
FY 2009	No tax authorized.

This section is pursuant to the provisions set forth in section 44-3-29.1 of the General Laws of the State of Rhode Island.
(Ord. of 7-6-99)

Sec. 6-3.5. Stabilizing taxes for Mark Steven Service Merchandisers, Inc.

Sec. 6-3.5-1 Implementation. The town council of the Town of North Smithfield, for a period of time, not to exceed ten years, implements a stabilized amount of taxes to be paid on account of the real and personal property used for commercial purposes, notwithstanding the valuation of such property or the rate of tax, of Mark Steven Service Merchandisers Inc. of any of its affiliates which succeed in the ownership of the proposed bulk distribution facility to be constructed on Plat 5 Lot 76.

Sec. 6-3.5-2 Determination. The town council of the Town of North Smithfield hereby finds and determines that granting the tax stabilization plan as described below will be in the best interest and inure to the benefit of the Town of North Smithfield by reason of the willingness of Mark Steven Service Merchandisers, Inc. to locate in the Town of North Smithfield.

Sec. 6-3.5-3 Stabilization schedule. The town council of the Town of North Smithfield hereby deems a stabilized amount of taxes to be paid by Mark Steven Service Merchandisers, Inc. or its affiliates on account of the real and personal property of said corporation located on Plat 5 Lot 76 as follows:

- (1) In the year which Mark Steven Service Merchandisers, Inc. or its affiliates begins construction of its bulk distribution facility on Plat 5 Lot 76, referred to as year 1, Mark Steven Service Merchandisers, Inc. or its affiliates will pay 100 percent of the taxes owed on their plant and equipment.
- (2) In the year which Mark Steven Service Merchandisers, Inc. or its affiliates completes construction of its bulk distribution facility on Plat 5 Lot 76, referred to as year 2, Mark Steven Service Merchandisers, Inc. or its affiliates will pay 100 percent of the taxes owed on their plant and equipment.
- (3) In years 3 through 10, Mark Steven Service Merchandisers, Inc. or its affiliates will pay taxes on its plant and equipment exactly equal to the taxes on plant and equipment paid by Mark Steven Service Merchandisers, Inc. or its affiliates in year 2.
- (4) In years 1 through 10, Mark Steven Service Merchandisers, Inc. or its affiliates will pay zero percent of the taxes owed on their wholesale inventory.

Sec. 6-3.5-4 Restrictions. The town council of the Town of North Smithfield restricts the schedule contained in section 6-3.5-3 to only apply to the plant and equipment constructed and installed in years 1 and 2 and not to apply to any subsequent expansions during the remaining tax stabilization period with the

exception that all wholesale inventory will not be taxed during the tax stabilization period.

Sec. 6-3.5-5 Default. The town council of the Town of North Smithfield provides further that in the event Mark Steven Service Merchandisers, Inc. or its affiliates shall be in default in payment of taxes in any year as covered under the stabilization plan, and if such default shall continue for 30 days after receipt of written notice by Mark Steven Service Merchandisers, Inc. or its affiliates, that the stabilization plan herein provided shall cease and terminate with regard to all future taxes.

Sec. 6-3.5-6 General terms. The town council of the Town of North Smithfield hereby determines that included within the schedule contained in section 6-3.5-3 includes only that portion of the tax assessed by the Town of North Smithfield for the purpose of paying the indebtedness of the Town of North Smithfield and the indebtedness of the State or any political subdivision thereof to the extent assessed upon or apportioned to the Town of North Smithfield and the interest thereon, and not for the appropriation to any sinking fund of the Town of North Smithfield. Notwithstanding the foregoing, except as provided for by the Act, for the duration of the stabilized period, real property, plant and equipment shall not be liable to further taxation by the Town of North Smithfield so long as substantially all of the plant is used by Mark Steven Service Merchandisers, Inc., and/or its affiliates.

Sec. 6-3.5-7 Reporting. Notwithstanding the foregoing, said corporation shall file annual reports with the tax assessor of the Town of North Smithfield as required by the General Laws of Rhode Island, 1956, as amended.

Sec. 6-3.5-8 Authorization. This section shall be enacted in accordance with Public Law #5103 and in accordance with the provisions of Section 44-3-9.2 of the General Laws of Rhode Island, 1956, as amended, and shall become effective upon its passage by the Town Council as provided in Article IV, Section 9(2) of the North Smithfield Home Rule Charter and all ordinances or parts of ordinances inconsistent herewith are hereby repealed.
(Ord. of 3-2-93)

Sec. 6-3.6. Stabilizing taxes for Enterprise Coatings Co., Ltd. [Liberty Fabrics, Inc.].

Sec. 6-3.6-1. Implementation. The town council of the Town of North Smithfield, for a period of time, not to exceed ten years, implements a stabilized amount of taxes to be paid on account of the real property used for commercial purposes, notwithstanding the valuation of such property or the rate of tax, of Enterprise Coatings Co., Ltd. [Liberty Fabrics, Inc.], or any of its affiliates which succeed in the ownership of 9 Steel Street, Plat 5 Lot 415.

Sec. 6-3.6-2. Determination. The town council of the Town of North Smithfield hereby finds and determines that granting the tax stabilization plan as described below will be in the best interest and inure to the benefit to the Town of North Smithfield by reason of the willingness of Enterprise Coatings Co., Ltd. [Liberty Fabrics, Inc.], to locate in the Town of North Smithfield.

Sec. 6-3.6-3. Stabilization schedule. The town council of the Town of North Smithfield hereby deems a stabilized amount of taxes to be paid by Enterprise Coatings Co., Ltd. [Liberty Fabrics, Inc.], or its affiliates on account of the real property of said corporation located at 9 Steel Street, Plat 5 Lot 415 as follows:

- (1) In the year which Enterprise Coatings Co., Ltd. [Liberty Fabrics, Inc.], or its affiliate company purchases 9 Steel Street, Plat 5 Lot 415, referred to as year 1, Enterprise Coatings [Liberty Fabrics] or its affiliate will pay 100 percent of the taxes owed on their plant as determined by the Town of North Smithfield's tax rate and the assessed value of 9 Steel Street, Plat 5 Lot 415 as of the date of Enterprise Coatings Co., Ltd.'s [Liberty Fabrics, Inc.'s] purchase of said property.
- (2) In the year which Enterprise Coatings Co., Ltd. [Liberty Fabrics, Inc.], or its affiliate company makes certain improvements to 9 Steel Street, Plat 5 Lot 415, said improvements which must occur in year 1, Enterprise Coatings Co., Ltd. [Liberty Fabrics, Inc.] or its affiliate company will pay zero percent of the additional property taxes owed on their plant which would result from an increase in assessed value of 9 Steel Street, Plat 5 Lot 415.
- (3) In years 2 through 10, Enterprise Coatings Co., Ltd. [Liberty Fabrics, Inc.], or its affiliate company will pay taxes on its plant which will be based on the Town of North Smithfield's tax rate and the assessed value of 9 Steel Street, Plat 5 Lot 415 as of the date Enterprise Coatings Co., Ltd. [Liberty Fabrics, Inc.], or its affiliate company purchases said property.

Sec. 6-3.6-4. Restrictions. The town council of the Town of North Smithfield restricts the schedule contained in section 3 to only apply to the plant as purchased and improved in year 1 and not to apply to any subsequent expansions or improvements during the remaining tax stabilization period.

Sec. 6-3.6-5. Default. The town council of the Town of North Smithfield provides further that in the event Enterprise Coatings Co., Ltd. [Liberty Fabrics, Inc.], or its affiliate company shall be in default in payment of taxes in any year as covered under the stabilization plan, and if such default shall continue for 30 days after receipt of written notice by Enterprise Coatings Co., Ltd. [Liberty Fabrics, Inc.], or its affiliate company, that the stabilization plan herein provided shall cease and terminate with regard to all future taxes.

Sec. 6-3.6-6. General terms. The town council of the Town of North Smithfield hereby determines that included within the schedule contained in section 3 includes only that portion of the tax assessed by the Town of North Smithfield for the purpose of paying the indebtedness of the Town of North Smithfield and the indebtedness of the state or any political subdivision thereof to the extent assessed upon apportioned to the Town of North Smithfield and the interest thereon, and not for the appropriation to any sinking fund of the Town of North Smithfield. Notwithstanding the foregoing, except as provided for by the Act, for the duration of the stabilized period, real property, plant and equipment shall not be liable to further taxation by the Town of North Smithfield so long as substantially all of the plant is used by Enterprise Coatings Co., Ltd. [Liberty Fabrics, Inc.], and/or its affiliates.

Sec. 6-3.6-7. Reporting. Notwithstanding the foregoing, said corporation shall file annual reports with the tax assessor of the Town of North Smithfield as required by the General Laws of Rhode Island, 1956, as amended.
(Ord. of 5-15-95; Ord. of 3-1-99)

Sec. 6-3.7. Stabilizing taxes for Slatersville River Properties.

Sec. 6-3.7-1. Implementation. The town council of the Town of North Smithfield, for a period of time, not to exceed ten years, implements a stabilized amount of taxes to be paid on account of the real property used for commercial purposes, notwithstanding the valuation of such property or the rate of tax of Slatersville River Properties Inc. or any of its affiliates which succeed in the ownership of the proposed manufacturing facility to be located on Plat 5, Lot 422.

Sec. 6-3.7-2. Determination. The town council of the Town of North Smithfield hereby finds and determines that granting the tax stabilization plan as described below will be in the best interest and inure to the benefit to the Town of North Smithfield by reason of the willingness of Slatersville River Properties Inc. to remain, invest and expand in the Town of North Smithfield.

Sec. 6-3.7-3. Stabilization schedule. The town council of the Town of North Smithfield hereby deems a stabilized amount of taxes to be paid by Slatersville River Properties Inc. or its affiliates on account of real property of said corporation located on Plat 5, Lot 422 as follows:

- (1) In the year which Slatersville River Properties Inc. purchases Plat 5, Lot 422, referred to as year 1, Slatersville River Properties Inc. or its affiliates will pay 100 percent of the taxes owed on their real property.
- (2) In year 2 through 10, Slatersville River Properties Inc. or its affiliates will pay taxes on the real property located at Plat 5, Lot 422, which may be expanded during the tax stabilization period equal in amount to those taxes on real property located at Plat 5, Lot 422 paid in year 1.
- (3) In year 1 through year 10, Slatersville River Properties Inc. or its affiliates will pay 100 percent of the taxes owed on personal property located at Plat 5, Lot 422 as assessed annually.

Sec. 6-3.7-4. Default. The town council of the Town of North Smithfield provides further that in the event Slatersville River Properties Inc. or its affiliates shall be in default in payment of taxes in any year as covered under the stabilization plan and if such default shall continue for 30 days after receipt of written notice by Slatersville River Properties Inc. or its affiliates, that the stabilization plan herein provided shall cease and terminate with regard to all future taxes.

Sec. 6-3.7-5. General terms. The town council of the Town of North Smithfield hereby determines that included within the schedule contained in section 3 includes only that portion of the tax assessed by the Town of North Smithfield for the purpose of paying the indebtedness of the Town of North Smithfield and the indebtedness of the state or any political subdivision thereof to the extent assessed upon or apportioned to the Town of North Smithfield and the interest thereon, and not for the appropriation to any sinking fund of the Town of North Smithfield. Notwithstanding the foregoing, except as provided for by the Act, for the duration of the stabilized period, real property shall not be liable to further taxation by the Town of North Smithfield so long as substantially all of the real property is used by Slatersville River Properties Inc. and/or its affiliates.

Sec. 6-3.7-6. Reporting. Notwithstanding the foregoing, said corporation shall file annual reports

with the tax assessor of the Town of North Smithfield as required by the General Laws of Rhode Island, 1956, as amended.

Sec. 6-3.7-7. Authorization. The ordinance shall be enacted in accordance with the provisions of Section 44-3-9.2 of the General Laws of Rhode Island, 1956, as amended, and shall become effective upon its passage by the Town Council as provided in Article IV, Section 9(2) of the North Smithfield Home Rule Charter and all ordinances or parts of ordinances inconsistent herewith are hereby repealed. (Ord. of 3-3-97; Ord. of 8-28-97)

Sec. 6-3.8. North Smithfield Land Trust Tax Exemption.

Sec. 6-3.8.1. Definition. Any real and personal property held and used by the North Smithfield Land Trust Corporation, an organization meeting the definition of "charitable trust" as set forth in Section 18-9-4 of the RI General Laws and exclusively used for the purpose of conserving open spaces as that term is defined in Title 45, Chapter 36 of the RI General Laws.

Sec. 6-3.8.2. Exemption. Taxes assessed as of the December 31 next preceding the date of acquisition by the North Smithfield Land Trust shall be paid in full through the date of acquisition and any and all property thereafter owned by the North Smithfield Land Trust shall be tax exempt.

Sec. 6-3.8.3. Legislative approval. Prior to any property being sold or otherwise disposed of, the proposed transaction shall first be submitted to the Town Council of the Town of North Smithfield for approval of the terms and conditions of such disposition, including, but not limited to, collection by the town of an amount of money not to exceed the total sum of taxes which would have been assessed but for the exemption hereby granted if the said town council deems it advisable.

Sec. 6-3.8.4. Effective date. Upon passage by the town council of the Town of North Smithfield, this section shall immediately take effect and apply retroactively to the December 31, 1996, taxation, thereby abating property taxes assessed as of December 31, 1996. (Ord. of 6-16-97)

Sec. 6-3.9. Assessment and taxation of new real estate construction in North Smithfield.

(a) Completed new construction of real estate in North Smithfield completed after any assessment date shall be liable for the payment of municipal taxes from the date the certificate of occupancy is issued or the date on which the new construction is first used for the purpose for which it was constructed, whichever is earlier, prorated for the assessment year in which the new construction is completed. The prorated tax shall be computed on the basis of the rate of tax applicable with respect to the property, including the applicable rate of tax in any tax district in which the property is subject to tax following completion of the new construction, on the date the property becomes liable for the prorated tax in accordance with this section.

(b) The building inspector issuing the certificate of occupancy, shall notify the assessor in writing within (10) days of issuance of the certificate of occupancy.

(c) No later than 90 days after the receipt by the assessor of the notice from the building

inspector or from a determination by the assessor that the new construction is being used for the purpose for which it was constructed, the assessor shall determine the increment by which the assessment for the completed construction exceeds the assessment on the tax roll for the immediately preceding assessment date. The assessor shall prorate that amount from the date of issuance of the certificate of occupancy or the date on which the new construction was first used for the purpose for which it was constructed, as the case may be, to the assessment date immediately following and shall add the increment as so prorated to the tax roll for the immediately preceding assessment date and shall within five days notify the record owner as appearing on the tax roll and tax collector of the additional assessment.

(d) Any person claiming to be aggrieved by the assessment may appeal to the assessor and is under obligation to pay more than one half of the taxes thereon within 90 days from notification of the original assessment or to superior court as provided.

(e) Upon receipt of the notice from the assessor, the tax collector shall, if the notice is received after the normal billing date, within ten days thereafter mail or hand a bill to the owner based upon an amount prorated by the assessor. The tax shall be due and payable and collectible as other municipal taxes and subject to the same liens and processes of collection; provided that the tax shall be due and payable in an initial or single installment due and payable not sooner than 30 days after the date the bill is mailed or handed to the owner, and in any remaining, regular installments, as they are due and payable, and the several installments of a tax so due and payable shall be equal.

(f) Nothing therein shall be deemed to authorize the collection of taxes twice in respect of the land upon which the new construction is located.

(g) This section shall only apply to taxes levied and properly assessed in the town of North Smithfield.
(Ord. of 12-18-00(1))

Sec. 6-3.10. Reduction in assessed value of real estate--removal of damaged buildings.

Whenever, after the expiration of 90 days after damage to a building, the building remains so damaged as to require reconstruction of 75 percent or more before it may be used for any purpose related to its use prior to the damage and, following which, the owner provides for 75 percent or more demolition of the building, with the material from demolition being removed from the parcel of property on which the building was situated or used as fill for purposes of grading, the parcel shall be assessed for purposes of property tax as of the date such demolition, removal, and grading are completed to the satisfaction of the building inspector and tax assessor, and the assessment shall reflect a determination of the assessed value of the parcel, exclusive of the assessment value of the building so damaged, demolished, or removed. The adjusted assessment shall be applicable with respect to the parcel from the date demolition, removal, and grading are completed, as determined by the building inspector, until the 31st day of December next succeeding and the amount of property tax payable with respect to the parcel for the assessment year in which demolition, removal, and grading are completed shall be adjusted accordingly in such manner as determined by the assessor.

The North Smithfield Town Council is authorized to suspend this tax abatement policy for any year in which so many buildings within the town of North Smithfield are so severely damaged that

granting reduced assessments for all would jeopardize the fiscal integrity of the town. This section shall apply to assessment and taxes in the town of North Smithfield only.
(Ord. of 12-18-00(2))

Sec. 6-3.11. Stabilization of Taxes for Commercial Expansion and New Development.

(a) *Purpose.* The purpose of this section is to encourage and facilitate the expansion of the town's real property tax base through the expansion, re-development and rehabilitation of existing commercial property, including but not limited to, manufacturing, industrial, and office buildings; and to encourage new business and development, for commercial property, including manufacturing, industrial, and office purposes, through the use of tax stabilization. This section shall not apply to retail, residential, or mixed use properties.

(b) *Authority.* The Town Council may authorize, for a period not to exceed ten years, to exempt from payment in whole or in part, real and or personal property used for manufacturing or commercial purposes or to determine a stabilized amount of taxes to be paid on account of such property, notwithstanding the valuation or the rate of tax.

(c) *Definitions.* The following words, terms and phrases, when used in this section, shall have the meanings ascribed to them in this subsection unless the context clearly indicates a different meaning:

- (1) "*Base year*" refers to that year before the issuance of the certificate of occupancy for the eligible project and before the exemption takes effect. Tax stabilization granted pursuant to this ordinance shall be applicable for a period beginning on the first day of the fiscal year in which the stabilization is granted or Tax stabilization shall be applied in accordance with tax assessment practices; any improvements or construction completed before December 31 of each year shall be exempted in the following fiscal year beginning July 1.
- (2) "*Personal property used for commercial purposes*" means any personal property owned by a firm or concern occupying a building, structure, and/or land used for commercial purposes and used by such firm or concern in its commercial enterprise including, without limitation, furniture, fixtures, equipment, machinery, stock in trade, and inventory.
- (3) "*Real property used for commercial purposes*" includes any building or structure used for office or commercial enterprises including without limitation any building or structure used for wholesale, warehouse, distribution, and/or storage businesses, used for service industries, or used for any other commercial business and the land on which the building or structure is situated and not used for residential purposes.
- (4) "*Stabilization period*" refers to that period during which a percentage exemption has been granted which shall coincide with assessment dates for the town's fiscal year.

(d) *Eligibility.* Applicants' eligibility procedures are as follows:

- (1) The property owner must file an application for eligibility prior to the filing of any building, zoning and/or planning applications
- (2) The exemption provided herein does not pertain to the value of land.
- (3) Tax stabilization is transferrable and limited to the balance of remaining time on a previously approved schedule.

(e) *Application.* An applicant seeking tax stabilization or a tax exemption in whole or in part shall file an application with the town administrator.

(f) *Exemption or stabilization.* The payment of taxes which has been exempted or stabilized shall run for a period up to ten years in increments as depicted in table 1 below with exemption/stabilization beginning immediately with the next municipal fiscal (July 1) year following the prior Dec 31 assessment.

Table 1

Schedule	% Exempt from taxation
Year 1	100%
Year 2	90%
Year 3	80%
Year 4	70%
Year 5	60%
Year 6	50%
Year 7	40%
Year 8	30%
Year 9	20%
Year 10	10%

(g) *Procedure by the town council.*

- (1) The town council shall conduct a public hearing after providing at least ten (10) days notice in a newspaper having a general circulation in the town.
- (2) After the public hearing, the town council shall make following determination as to either grant or deny said tax exemption and stabilization: The granting of the exemption or stabilization will inure to the benefit of the town by reason of:
 - (a) The willingness of the manufacturing or commercial firm or concern to locate in town;
 - (b) The willingness of a manufacturing or commercial firm or concern to expand facilities with an increase in employment; or

- (c) The willingness of a manufacturing or commercial firm or concern to replace, reconstruct, expand, or remodel existing buildings, facilities, fixtures, machinery, or equipment with modern buildings, facilities, fixtures, machinery, or equipment resulting in an increase in plant or commercial building investment by the firm or concern in the town.

(h) Except as provided in this section, property, the payment of taxes on which has been so exempted or which is subject to the payment of a stabilized amount of taxes, shall not, during the period for which the exemption or stabilization of the amount of taxes is granted, be further liable to taxation by the town in which the property is located so long as the property is used for the manufacturing or commercial purposes for which the exemption or stabilized amount of taxes was made.

(i) Notwithstanding any vote and findings by the town council, the property shall be assessed for and shall pay that portion of the tax, if any, assessed by the town of North Smithfield for the purpose of paying the indebtedness of the town and the indebtedness of the state or any political subdivision of the state to the extent assessed upon or apportioned to the town, and the interest on the indebtedness, and for appropriation to any sinking fund of the town, which portion of the tax shall be paid in full, and the taxes so assessed and collected shall be kept in a separate account and used only for that purpose.

(j) *Reporting.* The Town Administrator shall submit, annually, a report to the Town Council detailing the number of exemptions granted, jobs created, assessment increases, and tax levy status. Exemptions granted, assessment increases and tax levy status will be reported in the Certification of Tax Rate.

(Ord. of 3/6/17)

Sec.6-3.12 Taxation of Renewable Energy Systems

(a) *Findings.*

- (1) Pursuant to Section 44-3-3 (a)(48)(49) of the Rhode Island General Laws, residential and manufacturing properties that install renewable energy systems are exempt from local taxation.
- (2) Pursuant to Section 44-5-3(c)-(e) of the Rhode Island General Laws, commercial renewable energy systems shall be subject to a tangible tax payment to the municipality through rules and regulations that have been adopted by the Rhode Island Office of Energy Resources for all commercial renewable energy systems. Said payment is equal to \$5.00 per kW A/C capacity of the Commercial renewable energy system.
- (3) Pursuant to 44-3-21 of the Rhode Island General Laws, city or town councils of the various cities and towns may, by ordinance, exempt from taxation any renewable energy system located in the city or town.

(b) *Action.*

- (1) In accordance with Section 44-5-3(c) of the Rhode Island General Laws, the Town of North Smithfield hereby authorizes its assessor to levy a tax on renewable energy tangible property as defined in 39-26-5 in accordance with the rules and regulations executed by the Rhode Island Office of Energy Resources.
- (2) In accordance with 44-3-21 of the RI General Laws the Town of North Smithfield hereby exempts from taxation commercial net metered renewable energy systems whose sole purpose is to offset electricity bill and not to sell power back to the electric distribution system.
- (3) Property owners installing renewable energy systems shall be required to provide the interconnection application between the renewable energy developer and the electric distribution company and any documentation of the program enrollment (e.g., renewable energy growth or net metering enrollment forms) to the Town of North Smithfield indicating if the renewable energy system is net-metered or if the system is selling a portion or all of the energy produced back to the electric distribution company under the Renewable Energy Growth Program. A copy of the final interconnection service agreement executed between the renewable energy developer and electric distribution company shall be provided to the Town of North Smithfield prior to construction of the renewable energy system.
- (4) Copies of all applications, documentation of the program enrollment, the final interconnection service agreement(s) and any other documentation relevant to any renewable energy system as determined by the tax assessor, shall be provided to the tax assessor.
(Ord. of 10/16/2017)

Sec. 6-4. Purchasing and competitive bidding procedure.

The director of finance, or his duly authorized representative, of the town will perform the work of buying for the town pursuant to rules and regulations herein established according to which he shall purchase or contract for all supplies, materials, equipment, and the performance of any work or the furnishing of any materials or both required by any department, office, commission or agency of the town, excluding the school department. According to the provisions of this section, he shall establish and enforce specifications with respect to supplies, equipment, performance of any work or the furnishing of any materials, or both, and be responsible for the inspection of deliveries of supplies, equipment, performance, of any work, or the furnishing of any materials belonging to the town:

(A) *Purchasing.*

- (1) Except as otherwise required by law, all contracts for the performance of any work or the furnishing of any materials, or both, less than \$1,000.00, and every purchase

of goods, merchandise, or materials of any description, on behalf of the town, or for the use by any officer, board, body, commission or department of the town, excluding the school department, shall be made by the town finance director except as follows:

- (a) Emergency method. In case of any public emergency, because of accident, injury or other cause requiring immediate action, the proper officers of the departments in charge may with the approval of the town administrator and town council president cause any necessary repairs to be made to any heating, plumbing, lighting, fire or waterworks apparatus or public drains or sewers, unrestricted by any provision of this section.
 - (b) Sole source of supply. Where more than one quotation or bid is not possible for reasons germane to the solution of the purchase, e.g. government surplus, property, etc.
- (2) A purchase requisition shall be completed containing the necessary information for the materials, furnishings, work to be performed, or both performance and materials and of all goods or merchandise, and shall be submitted to the finance director after being signed by respective authorized department head.
- (3)
- (a) All purchases made and contracts executed on behalf of the town shall be pursuant to a written requisition from the head of the office, department, commission or agency whose appropriation will be charged. No contract or order shall be issued to any vendor unless and until the finance department certifies that there is a sufficient unencumbered appropriation balance to pay for the supplies, materials, equipment, contractual services, or any combination thereof for which the contract or order is issued.
 - (b) A copy of the purchase order shall be surrendered to the vendor for all materials, goods, merchandise, performance of any work or the furnishing of any materials or both and said vendor shall issue a sales receipt signed by an individual authorized by the finance director to receive such goods, merchandise, materials and/or performance of any work. Said sales receipt shall be returned to the finance director and included with the purchase order and purchase requisition.
 - (c) The finance director shall purchase materials, goods, merchandise and all contracts for the performance of any work or the furnishing of any materials or both, on authorized forms approved herein.
 - (d) A purchase order shall not be valid until all necessary information is included from the purchase requisition including the price of the goods, materials or performance of any work or any combination thereof, and signed by the finance director or his duly authorized representative.

- (e) All purchase orders will be consecutively numbered and all corresponding contracts, sales slips, bids, or any papers pertinent to such purchase shall bear the number of said purchase order.

(B) *Advertising and bidding.*

- (1) On any purchase of supplies, materials, equipment or contracts for supplies, materials, equipment or labor, the value of which is \$1,000.00 or more, the town council shall order advertising for bids to take place in newspapers with general area circulation in the town, and in such other newspapers as said finance director in his discretion may determine.
- (2) A performance bond shall be required of any successful bidder in such an amount and with such surety as the town council may specify or ordain for the performance of their contract. All contracts for the performance of any labor or the furnishing of any materials, or both, or the sale of any goods, merchandise or personal property, on behalf of the town, shall be awarded in this manner, unless the town council shall, by a three-fifths (3/5) vote of the members thereof, in any case determine that it is impracticable to procure such work or materials, or both, by contract, or to effect such purchase as a result of competitive bidding.
- (3) The public advertisement referred to in this subsection shall be published at least five days prior to the public opening thereof and it shall state therein the activity or work solicited and specify by general description the essential characteristics of said article of work. The advertisement shall further designate the time, date and place for all prospective bidders to return their bid and public opening thereof.
- (4) All bids for work on materials, submitted pursuant to the provisions of this section, shall be submitted to the finance director in sealed envelopes or wrappers, which shall have endorsed thereon the title of the work, materials or supplies to which such bids relate.
- (5) All contracts in excess of \$1,000.00 for "public works", as defined in Title 37, Chapter 13, Section I of the General Laws of Rhode Island 1956, as amended, shall be included in the requirements of this section. Contracts not in excess of \$1,000.00 for "public works" as defined in Section 37-13-1 of the General Laws entitled "Labor and payment of debts by contractors" are not included in the requirement for competitive bidding, but any such contracts not in excess of \$1,000.00, although not requiring formal bids, may only be authorized after securing three firm quotations from qualified vendors.
- (6) The reception and opening of bids shall be promptly held at the advertised time, and shall be open to the public. The time for presenting bids shall end at the expiration of 15 minutes after such stated time of such meeting, and thereupon the bids shall be open by the finance director and other persons there present, and publicly read.

- (7) The finance director by giving notice thereof in an advertisement for bids pursuant to this section, shall require every bidder to furnish with his bid a certified check or a satisfactory bond of a specified amount to secure the execution and delivery by him of his contract in writing in due form and any relevant bond required, if his bid is accepted by the town council. All bids with surety required shall be presented to said finance director at the place and time designated for opening of bids.

(C) *Awarding of bids, purchases, contracts.*

- (1) Any purchases between \$100.00 and \$1,000.00, although not requiring formal bids, may only be authorized by the finance director after securing three firm quotations from qualified vendors.
- (2) The award of any purchase or contract, in whole or in part, or any combination thereof, for which written sealed bids are required shall be made to either:
 - (a) The lowest responsible bidder consistent with the specifications, or
 - (b) To the lowest responsible bidder consistent with the specifications whose bid or proposal is deemed most favorable to the town by the town council.
- (3) The finance director shall store if necessary and distribute all supplies, materials, and equipment required by any department, office, commission and agency, transfer to or between departments, offices and agencies surplus, obsolete and unused supplies, materials and equipment and subject to the approval of the town council, dispose of any such, by sale of business. Whenever any department, office, commission, or agency of the town shall purchase or contract for any supplies, equipment, performance of any work, or the furnishing of any materials, or both, and contractual services, independently and contrary to the provisions of the Home Rule Charter or the rules and regulations established thereunder, such order or contract shall be voidable by the town.
- (4) No transaction which is essentially a unit either in terms of time or quantity shall be divided into a series of orders for the purpose of circumventing the requirement of the Charter for competitive bidding.
- (5) All bids received and operated by the finance director shall be summarized in writing and presented to the town council along with the original bids at their next regular scheduled meeting for their approval or rejection with the recommendation of the finance director noted thereon.
- (6) Bids, specifications, and all other factors being equal, preference shall be to a bidder whose residence or place of business is in the Town of North Smithfield.
- (7) An abstract of all bids submitted pursuant to this section, shall be made and preserved by the town clerk.

- (8) No purchase or contract made or entered into other than in accordance with the provisions hereof shall be binding or enforceable against the Town of North Smithfield as provided in Article 7 of the Home Rule Charter or under the terms and conditions of this section.
- (9) All contracts before the town council regarding the awarding of bids shall proceed in the following manner:
 - (a) For contracts in excess of \$25,000.00 a representative from the departments for whom the work will be done or under whose supervision the work will be conducted shall be present at said town council meeting, said representative being qualified and have sufficient documentation to answer questions regarding the proposed contract.
 - (b) For contracts in excess of \$50,000.00, in addition to the provisions of subsection (a) hereof, a representative of the bidder in question shall also attend the town council meeting and shall be qualified to answer questions as posed by the town council as well as to provide adequate information should the council so require.

Any failure to abide by the above provisions may result in inaction on the part of the town council with respect to the bid/contract presented for award.

(Ord. of 8-20-73; Ord. of 6-17-96)

Editors Note: Sections 6-4 and 6-5 are derived from Ord. of Aug. 20, 1973, which ordinance did not expressly amend this Code.

Charter References: Powers and duties of director of finance, competitive bidding, Art. VII, §§ 2, 3.

Sec. 6-5. Bond of finance director.

The finance director immediately after his appointment and prior to the assumption of his duties, shall be bonded with a bonding company acceptable to the town council.

(Ord. of 8-20-73)

Note: See the editor's note following § 6-4.

Sec. 6-6. Tax classification.

(a) For the general welfare of the town and for the purpose of an equitable and fair system of taxation within the town, the town hereby adopts a system of tax classification, and all ratable property in the town shall be classified as follows:

- (1) Class 1: All residential real estate, which consists of not more than five dwelling units and all residential real estate that consists of six dwelling units in which at least one unit is owner occupied. Class 1 includes all mobile/manufactured homes;
- (2) Class 2: All commercial and industrial real estate and all residential real estate which consists of six dwelling units in which no units are owner-occupied and all residential real

estate which consists of more than six dwelling units;

(3) Class 3: All ratable tangible personal property;

(4) Class 4: All motor vehicles and trailers subject to the excise tax created by chapter 34 of title 44 of the General Laws.

(b) Where real property is used or held for more than one purpose and the uses result in different classifications, the assessor shall allocate to each classification the percentage of true and fair cash value to the property devoted to each use.

(c) Notwithstanding any provisions of section RIGL 44-5-11.8, the tax rates applicable to wholesale and retail inventory within Class 3 as defined by subsection (a) of this section are governed by section RIGL 44-3-29.1.

(d) The tax rates applicable to motor vehicles within Class 4 as defined in subsection (a) of this section are governed by section RIGL 44-34.1-1.
(Ord. of 6-18-07)

Sec. 6-7. Tax classification, duties of assessor.

(a) The assessor, on or before June 1 of each year, shall make a full and fair cash valuation of all the estate, real and personal, and motor vehicles subject to taxation, herein, and determine the assessed valuation of each property class.

(b) The assessor shall apply different rates of taxation to each property class as set forth in section 6-6, above, to determine the tax due and payable on the property; provided, however, the rate for each class shall be uniform within each class; and for each year, class 2 property rates shall not be more than 150 percent of class 1 property tax rates, and class 3 property rates shall not be more than 225 percent of the maximum allowable class 2 property rates.
(Ord. of 6-18-07)

Sec. 6-8 Production of Records

The Department Head or Department Director of each Town Department shall provide all records requested by the Budget Committee in an electronic spreadsheet format or other format specified by the Budget Committee. Failure to comply with the requirements of this section without good cause shall be grounds for suspension, demotion, discipline, or discharge for proper cause.
(Ord. of 4-6-15)

Secs. 6-9--6-19. Reserved.

ARTICLE II.

BOARD OF ASSESSMENT REVIEW REGULATIONS*

* **Editors Note:** Ord. of June 10, 1974, §§ 1--7, is included herein as superseding former Art. II, §§ 6-20--6-30, relative to the board of assessment review, derived from Ord. of Aug. 3, 1970, §§ 1--11.

Charter References: Procedure as provided by ordinance, Art. VII, § 5(4).

Sec. 6-20. Appointment of chairman; records; meetings to be public.

The board shall appoint one of its members as chairman and shall maintain a record of all cases heard, said records to be maintained in the office of the tax assessor. All meetings of the board shall be opened to the public and the record of its proceedings shall be available for public inspection.
(Ord. of 6-10-74, § 1)

Sec. 6-21. Duty to hear and consider appeals.

The board of assessment review shall hear and consider the appeal of any property owner concerning the amount of his assessed valuation as determined by the tax assessor within the limitations imposed by the General Laws of Rhode Island, 1956, as amended.
(Ord. of 6-10-74, § 2)

Sec. 6-22. Adjustments in valuation.

If it shall appear that the valuation of any property has been erroneously or incorrectly assessed, the board shall have the authority to order a correction. Such determination shall be certified by the board to the tax assessor whose duty it shall be to make such corrections in the valuation as the board may determine. If the tax role has been certified by the tax assessor, the tax assessor shall transmit the findings of the board to the council which may cancel in whole or in part the tax based upon such valuation in order to effect a correction.
(Ord. of 6-10-74, § 3)

Sec. 6-23. Meeting time; deadline for filing appeal; failure of taxpayer to appear; scope of matters covered; updating details of request; independent appraisal.

(a) The board shall meet on the first business day of the month after the expiration of 15 days subsequent to the date on which taxes become due and payable, and at such times thereafter as may be necessary to hear appeals. No appeal shall be considered unless it is made in writing and is received by the board not later than the time of its first meeting or an adjourned meeting thereof. The meetings shall be held in the Town Hall, Slatersville, at 7:30 p.m.

(b) If a taxpayer fails to appear at the time specified for his appeal, his case will be passed until all other cases for that meeting date are heard, whereupon his case will be heard. Failure of a taxpayer to appear on the date specified will be cause for his request to be passed over to the following month. Failure to appear at the second meeting will be cause for the board to return the request to the tax assessor with no action being taken. Only items relating to the taxpayer's property will be discussed and items not detailed in the appeal or request for review will not be considered.

(c) The tax assessor shall advise the board of review of all prior details of each request for review.

(d) In the event that a valuation of property is questioned to the extent that an independent appraisal is deemed necessary by the taxpayer, the cost of such appraisal shall be borne by the taxpayer. Costs for such appraisals shall not be deducted from taxes due and owing.
(Ord. of 6-10-74, § 4)

Sec. 6-24. Payment under protest prerequisite to appeal.

No appeal shall be considered by the board of assessment review unless the tax levied on the valuation appealed or such portion of tax as is due and payable has been paid under protest and within the time provided for filing the appeal.

(Ord. of 6-10-74, § 5)

Sec. 6-25. Access to courts not affected.

The taking of an appeal to the board of assessment review or any action thereon shall not be construed to limit the right of any taxpayer to apply to a court of competent jurisdiction for relief from any assessed valuation or tax originally determined by the tax assessor.

(Ord. of 6-10-74, § 6)

Sec. 6-26. Appeal forms.

The form attached hereto and made a part hereof and marked as "Exhibit A"* will be used in petitioning for review of assessment (valuation) and shall be filed in triplicate. The original to be retained as the board's record, the duplicate for the tax assessor, and the final copy, when completed, that of the appealing party.

* **Editors Note:** Exhibit A is not set out herein.

(Ord. of 6-10-74, § 7)

ARTICLE III.

MORATORIUM ON TANGIBLE PERSONAL PROPERTY TAXES

Sec. 6-27. Moratorium on tangible personal property taxes.

Notwithstanding any provisions of the Code of Ordinances to the contrary, there shall be a moratorium on the collection of all penalties and interest on tangible personal property tax that was assessed prior and up to December 31, 2002, as required by R.I. General Laws Chapter 44-5; the moratorium period shall extend for the period of time from February 1, 2005 to March 15, 2005, provided that all prior tangible personal property taxes are paid in full and made current.

ARTICLE IV.

CONVEYANCE OF PROPERTY OWNED BY THE TOWN

6-28. Conveyance defined.

Except as otherwise authorized by law, any real property owned by the Town of North Smithfield, regardless of the manner in which said real property has been acquired by the Town, including but not limited to by purchase, by purchase at tax sale, by gift or devise, or by tax abandonment, shall not be sold, conveyed or gifted to any person or persons, corporation, municipal corporation, utility, partnership, limited liability company or any entity of any nature unless the provisions of this chapter are complied with.

6-29. Appraisal.

Prior to negotiating the sale of any real property owned by the Town of North Smithfield, the Town Administrator shall cause an appraisal of the real property, to be performed by a licensed and certified appraiser, which shall establish the current fair market value of the property for which the real property may be sold.

6-30. Manner of sale.

- A. The Town Administrator, upon approval of the Town Council, may determine the manner in which the real property is to be sold, which may only be by competitive sealed bidding, public auction, or through the services of a licensed real estate broker.
- B. In the event that the real property is offered for sale by competitive bidding, the sale may be conducted in substantially the same manner as set forth in Section 6.4 of the North Smithfield Town Code, provided that the Town Council, in their sole discretion, may reject any bid which they deem inadequate.
- C. In the event that the real property is offered for sale by public auction to the highest bidder, the Town shall give notice of the time and place of sale by publication in some local public newspaper, of general circulation, at least once a week for three successive weeks before the sale, the first publication of which shall be at least 21 days before the day of sale, including the day of first publication in the computation, provided that the Town Council, in their sole discretion, may reject any bid which they deem inadequate.
- D. The Town Council, upon recommendation of the Finance Director, and in compliance with all applicable sections of Section 6.4, may award a contract to a licensed real estate broker.
- E. Upon acceptance of a bid by the Town Council, the Town Administrator shall execute and deliver to the highest bidder whose bid has not been rejected as inadequate a deed without covenants, except that the sale has in all particulars been conducted pursuant to this chapter.

6-31. Nonprofits exempted.

The Town Council, recognizing that the conveyance of real property to nonprofit organizations and community development corporations can provide significant returns of a nonmonetary nature, hereby declares that conveyances of real property to entities deemed to be 501c(3) corporations, as determined by the United States Internal Revenue Service, need not adhere to the provisions of Sections 6.28, 6.29 and 6.30 of this chapter. The Town Administrator may, subject to Town Council approval, negotiate a conveyance to a nonprofit corporation, as defined in this section, for less than the appraised value or for no consideration.

6-32. Approval by Town Council.

The Town Administrator shall, pursuant to the North Smithfield Town Charter Article 5, Section 6, obtain the approval of the North Smithfield Town Council prior to the sale or conveyance of real property by the Town of North Smithfield.

ARTICLE V.

FUND BALANCE

6-33. Fund Balance

A. General Fund: Minimum unassigned fund balance for the general fund

(1) An adequate level of unassigned fund balance is essential to mitigate current and future financial risks and to ensure service levels for the Town. Amounts are held in unassigned fund balance for items such as: economic uncertainty, extreme or unforeseen circumstances, working capital and overall financial health of the Town such as bond ratings and costs associated with financing needs.

(2) The Town will maintain an appropriate level of unassigned fund balance following the guidelines established by the Government Finance Officers Association (GFOA) which recommends, at a minimum, that general-purpose governments, regardless of size, maintain unrestricted budgetary fund balance in their General Fund of no less than two months of regular general fund operating revenues or regular general fund operating expenditures. With this guidance, the Town will maintain an unassigned fund balance at a minimum of 12% but not more than 16% of General Fund expenditures in any given Fiscal Year.

(3) It is anticipated that this is a level sufficient to provide for the required resources to ensure short-term cash availability when revenue is unavailable or unanticipated expenditures (including emergencies) occur. If the unassigned fund balance falls below the minimum parameter, the Town Council will adopt a plan and a time frame in which to bring the unassigned fund balance into compliance with this policy.

B. Enterprise Funds: Minimum unrestricted net position for the enterprise funds

(1) The appropriate balance shall be maintained to ensure adequate maintenance reserves, cash flow balancing requirements and legal restrictions.

(2) The minimum unrestricted net position for the enterprise funds is established at three months of operating expenditures plus one quarter (25%) of the accumulated depreciation of the Capital Assets of the Fund. Enterprise fund revenues are traditionally stable and predictable; establishing a minimum net position of three months operating expenditures should provide sufficient security for operating activities in these Funds. The addition of one quarter (25%) of accumulated depreciation of the Capital Assets of the enterprise funds is necessary to ensure adequate resources are available to reconstruct or rehabilitate capital assets as they reach the end of their useful lives. The expense of reconstructing or rehabilitating capital assets in enterprise funds can be prohibitive unless an adequate reserve has been accumulated in the fund for the purpose of reconstruction or rehabilitation.

This ordinance shall take effect on the date of passage and in accordance with the Town Charter.
(Ord. of 6/18/2018)