

STATE OF RHODE ISLAND
IN GENERAL ASSEMBLY
[MONTH] SESSION, A.D. 2011

AN ACT
RELATING TO TAXATION

Introduced By:

Date Introduced:

Referred To: House Finance

It is enacted by the General Assembly as follows:

SECTION 1. Title 44 of the General Laws entitled "TAXATION" is hereby amended by adding/substituting thereto the following chapter:

CHAPTER 5.2

REAL ESTATE TAX REFORM ACT OF 2011

§44-5.2-1. Short title. – This chapter shall be known and may be cited as the "Real Estate Tax Reform Act of 2011".

§44-5.2-2. Legislative findings.

The General Assembly finds and declares as follows:

- 1) Rhode Island and its cities and towns have legitimate interest in local neighborhood preservation, continuity and stability.
- 2) It is desirable that municipalities encourage stability of property ownership and to discourage displacement especially of lower income families and persons on fixed incomes based solely on the gamble of the real estate market
- 3) Real estate taxes, for most, accelerate far more rapidly than community

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tax levies, and thus place a significant, unfair, and unnecessary burden on these taxpayers. These taxes are a significant obstacle to many persons, particularly low income families and those persons on fixed incomes. The current system imposes extreme obstacles to retaining ownership of their homes, and in some cases forcing people to divert income away from the purchase of food, clothing or other necessities to pay increased taxes.

4) Unlike a new owner who knows the scope of his tax liability before acquiring a property and can chose to or decline to purchase if he believes the tax burden is too demanding, an existing property owner does not have the option of deciding not to buy his home should an increased valuation result in taxes unfairly increased greater than municipal tax levies and in fact may be forced to sell in order to maintain acceptable living standards.

5) The Assembly respects the primacy of the Rhode Island Constitution, in particular, Article 1 Section 2, which states in part, "...the burdens of the state ought to be distributed fairly among it's citizens", as relevant to this ACT.

6) Fair and reasonable distribution of taxes embraces two fundamental principles:

(a) That new owners shall pay a fair tax based on the market value of their purchase, and

(b) that all owners shall pay for local services in proportion to the requirements of the tax levy.

7) The first principle, (6)(a), is assured only if there is Revaluation.

8) The second principle, (6)(b) is assured only if there is no Revaluation.

9) This chapter is necessary and proper and constitutes an appropriate exercise by the state to correct this contradiction which results in the disproportionate burdens of real estate taxes resulting from periodic revaluations as currently practiced.

§44-5.2-3. Determination of taxes.

1) Existing Owners - For the full fiscal year subsequent to the effective date of the adoption of this method of funding of the tax levy by a municipality and each subsequent fiscal year owners shall be levied an "Owner Charge" by applying (a) a multiplier to owner payments for the prior entire fiscal year on property whose physical condition has

remained essentially unchanged during the period.

2) New Owner - In the event of an owner not having a payment for the prior full fiscal year, such owner shall pay an ad valorem charge based on the updated market value using a tax rate calculated by dividing the tax levy for the current fiscal year by the total valuation of all taxable property, such total value to be determined in such manner a community deems appropriate in accordance with generally accepted municipal assessment standards, practices and procedures.

3) The total revenue from the charges levied New Owners, shall be subtracted from the total levy and the result shall be the revenue required from Existing Owners. Such revenue shall be produced by using a multiplier [see §44-5.2-3 (1)(a)] applied to the prior charges of Existing Owners such that the total revenue, when combined with the revenue from New Owners, shall equal the total tax levy required, subject to the limits imposed by §44-5-2.

4) A person who has obtained title to real property by act of divorce, death, gift or bequest from a spouse shall be taxed the same as the previous property owner.

5) In the event of a change in value of the property resulting from a physical alteration, the Owner Charge shall consist of the standard charge [see §44-5.2-3 (1)(a)] plus the ad valorem charge on the alteration [see §44-5.2-3 (2)].

6) In the event of a changed value as a result of a zone change, such property shall be charged an ad valorem tax on the change in value [§44-5.2-3 (2)] added to (or subtracted from) the prior charge [§44-5.2-3 (1)(a)]

§44-5.2-4 Classifications and Monitoring:

1) A city or town council may, by ordinance, provide for and adopt a tax classification plan providing different multipliers [see §44-5.2-3. Determination of taxes (1)(a)] for categories of property owned as follows:

(a) Whether a property owner qualifies for low income housing and, (b) in the case of non-residential property, whether the property owner is a resident of such city or town and/or such other categories as the town shall deem to be in the best interest of the community, with approval of 2/3 of the voters at a special or general election or an

annual or special financial town meeting.

2) The tax assessor of each city and town shall monitor real estate conveyances to assure that a tax reduction was not a primary purpose for a conveyance, and shall make an appropriate adjustment to the tax in any case in which the assessor determines that such a reduction was a primary purpose for a conveyance.

SECTION 2. This act shall take effect upon passage.

EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
AN ACT
RELATING TO TAXATION

1. This act would provide local communities an alternative method for the determination of local owner charges (real estate taxes).
2. This act would take effect upon passage.

2-10-11

"Exhibit B"

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Foster-Glocester Regional School District
2011-2012 Budget
Comprehensive Summary

	PRIOR YEARS		CURRENT YEAR				2010-2011 Total
	2009-2010 Actual	2010-2011 Budget	General Fund	Special Revenue	Debt Service	Capital Improvements	
Revenue:							
State Aid	\$ 6,868,123	\$ 5,341,684	\$ 4,485,768	\$ 728,430	\$ -	\$ 180,000	\$ 5,394,198
Housing Aid	4,386,250	3,198,189	-	-	2,949,103	-	2,949,103
Federal Aid	459,125	198,494	-	198,494	-	-	198,494
Local Appropriations	13,844,834	13,844,834	11,997,250	-	1,942,002	31,126	13,970,378
Miscellaneous Other	272,148	140,040	279,810	-	-	-	279,810
Fund Balance	-	192,488	-	-	442,000	-	442,000
Total	25,830,480	22,915,729	16,762,828	926,924	5,333,105	211,126	23,233,983
Expenses:							
Salaries	10,684,585	10,411,326	10,239,989	472,734	-	-	10,712,723
Employee Benefits	4,512,068	3,917,409	3,925,689	152,042	-	-	4,077,731
Educational Programs	1,031,262	1,043,296	1,347,638	302,148	-	-	1,649,786
Central Office Facility Operations	1,112,897	812,021	865,176	-	-	-	865,176
District Wide Facility Operations	1,724,898	1,334,007	384,336	-	-	-	384,336
Debt Service	5,139,314	5,207,135	-	-	5,333,105	-	5,333,105
Capital Improvement Projects	1,499,680	190,535	-	-	-	211,126	211,126
Fund Balance Set Aside	-	-	-	-	-	-	-
Total	25,704,705	22,915,729	16,762,828	926,924	5,333,105	211,126	23,233,983
Net Increase (Decrease) In Fund Balance	\$ 125,775	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

General Fund: Represents all revenues and expenditures that are unrestricted for general operating purposes.
 Special Revenue Fund: Restricted Federal & State revenues and expenses.
 Debt Service Fund: Revenue and expenses associated with the payment of annual debt service for all District bonds.
 Capital Improvements Fund: Revenue and expenses associated with leasehold improvements that are Housing Aid eligible.

Foster-Glocester Regional School District
 2011-2012 Budget
Comprehensive Summary Comparison to Prior Year
(Includes General Fund, Special Revenue & Debt Service Funds)

	PRIOR YEARS		CURRENT YEAR Total	CHANGE	
	2009-2010 Actual	2010-2011 Budget		2011-2010 (\$)	2011-2010 (%)
Revenue:					
State Aid	\$ 6,868,123	\$ 5,341,684	\$ 5,394,198	\$ 52,514	0.98%
Housing Aid	4,386,250	3,198,189	2,949,103	(249,086)	-7.79%
Federal Aid	459,125	198,494	188,494	-	0.00%
Local Appropriations	13,844,834	13,844,834	13,807,378	(37,456)	-0.27%
Miscellaneous Other	272,148	140,040	279,810	39,770	99.81%
Fund Balance	-	192,488	(442,000)	(634,488)	-329.81%
Total	\$ 25,830,480	\$ 22,915,729	\$ 23,233,983	\$ 318,254	1.39%
Expenses:					
Salaries	\$ 10,684,585	\$ 10,411,324	\$ 10,712,723	\$ 301,397	2.89%
Employee Benefits	4,512,068	3,917,409	4,077,731	160,322	4.09%
Educational Programs	1,031,262	1,043,296	1,649,786	606,490	58.13%
Central Office Facility Operations	1,112,897	812,021	865,176	53,155	6.55%
District Wide Facility Operations	1,724,898	1,334,007	384,336	(949,671)	-71.19%
Debt Service	5,139,314	5,207,135	5,333,105	125,970	2.42%
Capital Improvement Projects	1,499,680	190,535	211,126	(288,554)	-19.31%
<i>Fund Balance Set Aside</i>	-	-	-	-	100.00%
Total	\$ 25,704,705	\$ 22,915,729	\$ 23,233,983	\$ 318,254	1.39%
Net Increase (Decrease) In Fund Balance	\$ 125,775	\$ -	\$ -	\$ -	0.00%

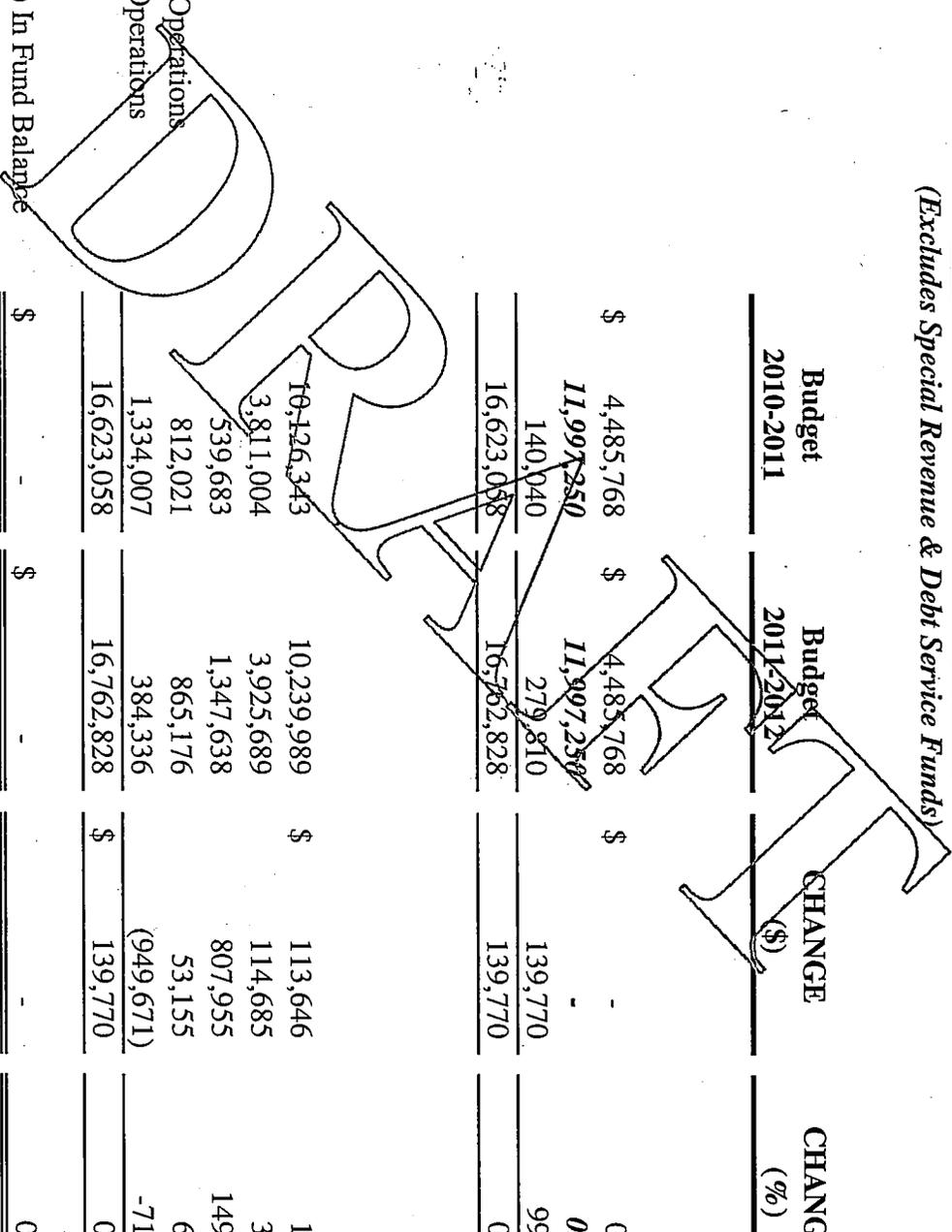
Foster-Glocester Regional School District

2011-2012 Budget

General Fund Comparison to Prior Year

(Excludes Special Revenue & Debt Service Funds)

	Budget 2010-2011	Budget 2011-2012	CHANGE (\$)	CHANGE (%)
Revenue:				
State Aid	\$ 4,485,768	\$ 4,485,768	-	0.00%
<i>Local Appropriations</i>	<i>11,997,250</i>	<i>11,997,250</i>	-	<i>0.00%</i>
Miscellaneous Other	140,040	279,810	139,770	99.81%
Total	16,623,058	16,762,828	139,770	0.84%
Expenses:				
Salaries	10,126,343	10,239,989	\$ 113,646	1.12%
Employee Benefits	3,811,004	3,925,689	114,685	3.01%
Educational Programs	539,683	1,347,638	807,955	149.71%
Central Office Facility Operations	812,021	865,176	53,155	6.55%
District Wide Facility Operations	1,334,007	384,336	(949,671)	-71.19%
Total	16,623,058	16,762,828	139,770	0.84%
Net Increase (Decrease) In Fund Balance	\$ -	\$ -	-	0.00%



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Foster-Glocester Regional School District
 2011-2012 Budget
Local Appropriation Analysis

	2010-2011 Budget	2011-2012 Budget	10/11-11/12 Change (\$)	10/11-11/12 Change (%)
Local Appropriations (Summary)				
General Operations	\$ 12,028,376	\$ 12,028,376	\$ -	0.00%
Debt Service	1,816,458	1,942,002	125,544	6.91%
Total	\$ 13,844,834	\$ 13,970,378	\$ 125,544	0.91%

Local Appropriations (Detail)

	2010-2011 Budget	2011-2012 Budget	10/11-11/12 Change (\$)	10/11-11/12 Change (%)
Foster				
General Operations	\$ 3,769,594	\$ 3,906,838	\$ 137,244	
Debt Service	621,919	714,463	92,544	
Total Foster	4,391,513	4,621,300	229,787	
Glocester				
General Operations	8,258,782	8,121,538	(137,244)	
Debt Service	1,194,539	1,227,539	33,000	
Total Glocester	9,453,321	9,349,078	(104,243)	
Total Local Appropriations	\$ 13,844,834	\$ 13,970,378	\$ 125,544	0.91%

Foster-Glocester Regional School District
2011-2012 Budget

Allocation of Operational Costs

ALLOCATION OF OPERATING BUDGET			
CALCULATION OF OPERATIONS COST	FOSTER	GLOCESTER	TOTAL
% Enrollment as of October 1, 2010	32.60%	67.40%	100.00000%
Allocation of Net Appropriations FY 12 Pro-ration Adjustment FY 10	3,921,251 (44,413)	8,107,125 14,413	12,028,376 -
Net Appropriations FY 12	\$ 3,906,838	\$ 8,121,538	\$ 12,028,376
Allocation for Operations For 2010-2011 Budget			
	\$ 3,769,594	\$ 8,258,782	\$ 12,028,376
\$ Increase FY 11 to FY 12	137,244	(137,244)	-
% Increase FY 11 to FY 12	3.64%	-1.66%	0.00%

Foster-Glocester Regional Schools
 2011-2012 Budget
 Allocation of Costs
 Proration Adjustment

2009-2010 Proration Adjustment		Glocester		Total	
Estimated % Enrollment (October 1, 2008)		68.6546%		100.0000%	
Tentative Allocation of 2009-2010 Budget		\$ 8,163,680		\$12,028,376	
Actual Enrollment for 2009-2010 (June 30, 2010)	434	922		1,356	
Actual % Enrollment	32.0190%	67.9900%		100.0000%	
Actual Allocation of 2009-2010 Budget	\$3,850,283	\$8,178,093		\$12,028,376	

FY 10 PRORATION ADJUSTMENT: (\$14,413) \$14,413

During the budget development process, operating costs are allocated to the towns on an estimated basis using the October 1 census of student enrollment of the year in which the budget is developed. For example, the fiscal year 2010 (FY 10) operating budget was allocated based upon the enrollment in our schools as of October 1, 2008. The October enrollment figure is a snapshot of enrollment on one of 180 days in the school year.

Once a full school year has been completed, it can be determined what the actual full-year enrollment was. The difference between the census data and the 'actual' enrollments is computed and used as a basis for making the 'pro-ration adjustment'. Thus, as part of the allocation of the FY11 appropriation between the towns, the pro-ration adjustment is included in the 'allocation of operating budgeting' schedule that is included in this budget packet. Based on the FY09 proration adjustment calculation, Foster receives a decrease in its allocation of the operating budget of \$14,143 and Glocester sees an increase in its allocation by \$14,143.

Foster-Glocester Regional Schools
2011-2012 Budget
Debt Service Calculation

GROSS DEBT SERVICE

Debt Service = Principal and Interest

TOTAL	=	PRINCIPAL	=	\$2,925,000
	+	INTEREST	+	\$2,408,105

Debt Service Paid with Local Appropriation

Local Appropriation	=	Total Debt	=	\$5,333,105
	=	State Portion	=	\$2,949,103
	=	Set Aside Funds	=	442,000

Percent Distribution of Equalized Weighted Assessment*

EWAC _{Foster} + EWAC _{Gloc}	=	\$1,345,783,340
EWAC _{Foster}	=	\$783,302,154
Total EWAC	=	\$2,129,089,494

% EWAC Foster = (EWAC_{Foster} / Total EWAC) / 100

% EWAC Glocester = (EWAC_{Gloc} / Total EWAC) / 100

% EWAC Glocester = (EWAC_{Gloc} / Total EWAC) / 100

% EWAC Glocester = 36.790%

% EWAC Foster = 63.210%

Due from Foster = \$ 714,462.54

Due from Glocester = \$ 1,227,539.46

Total Debt Service = \$1,942,002.00

Adjusted Amount Due From Foster:	\$	714,462.54
Adjusted Amount Due From Glocester:	\$	1,227,539.46

*Based on the 2008 Adjusted EWAV Prescribed by Sec. 16-7-21, Sub-Sec. C 12/31/2007

**Foster-Glocester Regional School District
2011-2012 Budget
Detailed Revenue Breakdown**

	Unrestricted Revenues	Restricted Revenues	Total Revenues
State Aid	\$ 4,485,768	\$ 315,000	\$ 4,800,768
Interest Income	5,800	-	5,800
Reimbursement from Gloucester for Cost Share	47,740	-	47,740
Tuition	65,000	-	65,000
Stop Loss Special Education	50,000	-	50,000
Reimbursement from Foster for Cost Share	25,470	-	25,470
Foster and Gloucester Internet Reimbursement	10,800	-	10,800
Transportation Pass Through	75,000	-	75,000
Extracurricular Fees	-	-	-
Title I	-	136,627	136,627
Title II Pro Dev	-	61,867	61,867
Title IV	-	-	-
Article 31 Tech	-	38,375	38,375
Article 31 Professional Development	-	-	-
Vocational Equity	-	3,500	3,500
Student Equity Set Aside	-	-	-
Title V	-	-	-
Literacy	-	150,598	150,598
Student Equity	-	220,957	220,957
Total Unrestricted Operating Revenue	4,765,578	315,000	5,069,778
Total Restricted Revenue	-	611,924	5,681,702
Total Revenue	\$ 4,765,578	\$ 926,924	\$ 5,692,502
Operating Appropriations Requested	\$ 11,997,250	\$ 31,126	\$ -

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Foster-Glocester Regional School
Staffing Pattern Comparisons
2011-2012 Budget

Position	TOTAL STAFF					
	2007/2008	2008/2009	2009/2010	2010/2011	2011/2012*	
Teaching Staff (FTE)	119.8	119.4	111.8	112.5	110.6	
Teaching Aides	15.0	16.0	14.0	14.0	14.0	
Principals and Vice Principals	4.0	4.0	4.0	5.0	5.0	
Building Clerks/Secretaries	13.0	12.0	12.0	12.0	12.0	
Custodians	19.0	18.0	18.0	18.0	18.0	
Central Office Administrators	6.0	6.0	6.0	6.0	6.0	
Financial Secretaries	3.0	2.0	2.0	2.0	2.0	
Other Central Office Support Staff	3.0	3.0	3.0	2.0	2.0	

*After the High School Has Been Scheduled and Middle School Redesign Has Been Completed We Will Review the 11/12 Staffing Patterns To Determine Which Category Of Employees Will Be Reduced To Fit Within The Constraints Of Our Budgeted Revenues.

Foster-Glocester Regional School
 Enrollment Comparisons
 2011-2012 Budget

Ponaganset Middle School						Totals		
	6	7	8	9	10	11	12	Totals
2004/2005	210	230	262					702
2005/2006	224	210	230					664
2006/2007	212	227	215					654
2007/2008	190	208	226					624
2008/2009	167	200	201					568
2009/2010	186	174	193					553
2010/2011	141	188	172					501
2011/2012	148	141	188					477

Ponaganset High School						Totals
	9	10	11	12	Totals	
2004/2005	274	232	230	250	986	
2005/2006	262	274	232	230	998	
2006/2007	223	251	271	214	959	
2007/2008	217	215	227	233	892	
2008/2009	241	214	204	215	874	
2009/2010	215	220	198	200	833	
2010/2011	199	200	202	191	792	
2011/2012	172	199	200	202	773	

Total Enrollment Region											
	6	7	8	9	10	11	12	Totals			
2004/2005	210	230	262	274	232	230	250	1688			
2005/2006	224	210	230	262	274	232	230	1662			
2006/2007	212	227	215	223	251	271	214	1613			
2007/2008	190	208	226	217	215	227	233	1516			
2008/2009	167	200	201	241	214	204	215	1442			
2009/2010	186	174	193	215	220	198	200	1386			
2010/2011	141	188	172	199	200	202	191	1293			
2011/2012	148	141	188	172	199	200	202	1250			