



Legislative Priorities 2022



RHODE ISLAND LEAGUE
OF CITIES AND TOWNS



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Distinctive Communities, Powerful Alliance

With all 39 cities and towns as members, the Rhode Island League of Cities & Towns is uniquely positioned to understand municipal needs and convey them to decision-makers. By serving as a convener and an advocate, the League has become a trusted voice for municipalities.

As an organization, we believe in:

- Supporting robust local government funding through municipal aid programs, education aid and grants
- Opposing any constraints on the ability to raise local revenue
- Opposing unfunded state mandates, particularly related to workforce management and personnel costs
- Maintaining local control and decision-making that reflects community needs, including land use, business operations, licensing, etc.
- Supporting greater flexibility for local government to innovate, improve efficiency and save tax dollars

Through direct advocacy to the Governor and General Assembly, we continue to support the needs of municipalities throughout the state.

Funding for Transportation, Infrastructure and Resiliency

While municipalities have seen an influx of federal aid to support our economic recovery from COVID-19, those funds are intended to support our communities through the new challenges they are facing. As the state looks to increase housing stock, cities and towns will need infrastructure to respond to population growth.

Allocate funds to the Municipal Infrastructure Grant program: Earlier this year, the General Assembly authorized General Fund allocations to the Municipal Infrastructure Grant program, which was established in 2017. The program is intended to fund utility and infrastructure improvements in identified growth centers to support additional housing construction. **We urge the state to support municipal infrastructure and resilience projects by allocating \$30.0 million in Federal American Relief Act funds to the Municipal Infrastructure Grant program for two years.**

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Expedite funding and project timelines for State Transportation Improvement Plan (STIP) projects: With \$100 million in the American Rescue Plan Act (ARPA) capital fund and a potential federal infrastructure package, our members are eager to see projects that are in their early planning phases be executed in an accelerated timeline. The State Planning Council recently approved the STIP for 2022-2031 which outlines infrastructure improvements over the next decade. **Our members strongly encourage additional funds to advance projects scheduled to happen between 2026-2031 to improve transportation infrastructure like school routes, bike path improvements and municipal bridges.**

Workforce Management

*Personnel costs are the largest component of local budgets — representing 70% of expenditures across cities, towns and schools. With municipal budgets supported primarily by property taxes, **the League believes that municipal officials need greater flexibility in managing the municipal workforce to reflect the needs of their community, encourage innovation, improve efficiency and control property tax growth.***

Binding Arbitration Reform & Lifetime Contracts: Binding arbitration for public safety employees and the recently enacted lifetime contract law have tied the hands of local officials in balancing their budgets and need to be reformed. The League **supports binding arbitration reforms** to limit the scope of decisions, require mediation prior to arbitration and provide safeguards so that an arbitration decision cannot endanger a community's finances. The League continues to **oppose the lifetime contract law** enacted in 2019 but would support temporary contract extensions when agreed to by all parties.

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Fairness for Municipal Disability Pensions: Under current law, the disability pension benefit for municipal employees and public safety personnel is 66²/₃% of salary, tax-free, even if the injured individual is able to do other work. In comparison, disability pensions for state employees and teachers are only 50% if the person is able to do other work. **This expensive double standard is unfair to local property taxpayers who must pay higher benefits for municipal employees.**

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Extend Injured on Duty Reforms to Municipalities: The League supported state reforms in 2019 to injured-on-duty (IOD) benefits but believes they should apply to municipal employees — not just state employees. Rhode Island's IOD law grants an injured or sick municipal police officer or firefighter 100% of pay and benefits while he/she is incapacitated and throughout the disability pension application process, including appeals. **Many cities and towns pay full IOD salary and benefits to employees for many years, while also paying overtime to cover the vacant positions.** We support including municipal employees in reforms to limit the amount of time that people can receive IOD benefits and to provide greater accountability of the program.

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Increase Accountability for Law Enforcement: The League has made several recommendations to improve the Law Enforcement Officers' Bill of Rights (LEOBOR). We support extending the period for officer suspensions; expanding the LEOBOR hearing board and making it a standing committee to ensure the uniform application of standards and discipline across cases; and allowing municipal and police officials to discuss certain investigations publicly.

Property Taxes

Property taxes represent two-thirds of local revenues. To fund essential government services, cities and towns need to preserve their ability to assess and collect property taxes as efficiently as possible.

Tangible Tax Reform: Items taxed as tangible personal property are self-reported by businesses and result in relatively small amounts of revenue for communities, particularly tax receipts from small businesses. Reforming the tangible tax structure will support small businesses, which have been struggling since the beginning of the COVID-19 pandemic, improve the local economy and streamline municipal tax collection. **Our members strongly encourage including tangible tax reform in the FY 2023 budget; enabling cities and towns to create/increase a small business exemption with no minimum or maximum value.**

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Tax Cap Exception for New Growth: Rhode Island General Laws limit municipal property tax levy growth to 4.0% annually, with several exemptions outlined in [§ 44-5-2\(d\)4](#). Some members have expressed that the exemption language is too narrow, particularly for new housing or commercial developments. **League members would like to see amended language, similar wording as defined in Massachusetts law, which includes properties with increased valuations due to development, exempting real property returned to the tax roll and new personal property, as well as new subdivision parcels and condominium conversions to allow for additional development.**

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Car Tax Phase-Out: The motor vehicle tax phase-out has become an important tool to lessen the burden on property taxpayers, with the state reimbursing municipalities for forgone revenue. The program has been successful in reducing car taxes in Rhode Island to lower than in Connecticut and Massachusetts. If the Governor and General Assembly leadership decide to pause or modify the phase-out, the League asks that **any changes should be enacted and communicated as soon as possible so that municipalities can plan revenues and minimize disruption to taxpayers.**

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State-Mandated Tax Exemptions: Over the years, state lawmakers have enacted or proposed various property tax exemptions, which may be well-intentioned, but which also erode the local tax base. The League believes that any property tax exemptions should be fully reimbursed by the state for the annual value of taxes lost. Alternatively, such enactments should be enabling rather than mandatory so that the city or town can choose whether to offer the exemption benefit.

Fiscal Restraint & Financial Success

With Rhode Island having the eighth highest property tax burden in the nation, municipal officials are working hard to stretch local tax dollars and avoid large tax increases, especially when so many Rhode Islanders are struggling.

Cities and towns have led the way in budget restraint, supported by sound fiscal management and improved state funding for education. In FY 2022, property taxes across all communities increased only 2.10%. This continues a trend of restrained property tax growth – 1.49% growth in FY 2021, 2.95% growth in FY 2020, 2.10% in FY 2019, 1.99% in FY 2018, 2.18% in in FY 2017, 2.10% in FY 2016, and 1.64% in FY 2015. Sustained state aid to municipalities is the most important ingredient in allowing municipal leaders to continue careful stewardship of their budgets.

Recent Trend of Restrained Property Tax Growth			
FY 2022..... 2.10%	FY 2020 2.95%	FY 2018 1.99%	FY 2016 2.10%
FY 2021..... 1.49%	FY 2019 2.10%	FY 2017 2.18%	FY 2015 1.64%

Maintain funding for Distressed Communities: This program assists communities that have high property tax burdens relative to the wealth of their taxpayers, including Central Falls, Cranston, North Providence, Pawtucket, Providence, West Warwick and Woonsocket.

Fully fund the Payment In-Lieu of Taxes (PILOT) program: With more than a dozen communities hosting tax-free entities like state facilities and non-profit hospitals and colleges, PILOT bridges the gap between lost tax revenues and local spending on necessary services, like police and fire, that are provided to those institutions. We strongly encourage the PILOT program to be funded at the full 27.0%.

Oppose Agency “Scoops”: The League consistently opposes taking funds from quasi-governmental organizations as a one-time resource to close the state’s deficit. Many of these programs – such as the RI Resource Recovery Corporation, RI Infrastructure Bank and RI Health and Education Building Corporation – are funded by municipal fees, so agency scoops would effectively use city and town funds to close the state deficit.

Education Aid

Education spending represents the single largest budget item in most communities. With distance learning costs from COVID-19, local budget challenges and the prospect of Federal assistance for schools, the League calls for additional support and flexibility in state education spending.

With the education funding formula coming to an end, we support the state's continued commitment to schools. As the state considers the next phase of the formula, we ask the following:

Fully fund Education Aid and Address Funding Formula concerns: In 2010, state government committed to an equitable funding formula for public education. Municipalities and the State have since stepped up to invest even more in our students to benefit the future of Rhode Island and our workforce. FY 2021 represented the tenth and final year of the education funding formula, and **we ask that the state maintain a strong commitment to education aid in FY 2023 – both in the funding formula and important categorical programs such as high-cost special education and multilingual learners.**

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Provide temporary relief if school districts experience ongoing decreases in enrollment and Free/Reduced-Price lunch programs: The approved FY 2022 budget made accommodations to address education funding shortfalls driven by reductions in enrollment and Free/Reduced-Price lunch as a result of the COVID-19 pandemic. **As enrollment around the state continues to decrease, we ask that similar accommodations are made in the FY 2023 budget to smooth any decreases to communities.**

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Increase the state share of teacher pension contributions above the current 40% level: Rhode Island is one of only two states in New England where the state does not contribute 100% of the required pension contributions for teachers. Increasing the state share would provide greater parity with New England and provide local budget relief.

Housing & Land Use

Local leaders have remarked that the lack of available, affordable homes is limiting job growth and economic development. While zoning and land use should remain a local decision, the state can work with cities and towns to encourage housing construction and rehabilitation. We are supportive of examining the barriers to affordable housing creation and ways to help cities and towns meet their obligations under the Low- and Moderate-Income Housing Act to ensure that at least 10% of their housing stock qualifies as affordable.

Expand definition of qualifying affordable housing: League members have noted the role of housing options such as manufactured housing, alternative dwelling units (ADUs) and affordable market-rate housing providing affordable housing options. This would provide more flexibility to achieve the state's affordable housing goals.

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Modifying maximum tax on low-income property: The League will continue to support legislation that would increase the maximum tax on qualifying low-income property from 8% of the previous year's gross maximum rental income to 10% of the prospective year's gross scheduled rental income.

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Land Use and Development: Cities and towns — through their elected officials and planning and zoning boards — should decide how best to promote growth and economic development while meeting the needs of their residents. In recent years, the General Assembly has considered legislation to limit local control on permit approval timelines, building heights and density requirements. The League will continue to support reasonable modifications to existing land use standards while rejecting state-imposed criteria that hinder local input.

Local Control & State Pre-emption

While local aid, workforce management and property taxes remain the League's highest priorities, cities and towns are also deeply concerned about efforts to undermine local control over land use, business licensing and other important policy areas. The League opposes state preemption and one-size-fits-all approaches for each of our distinct communities

Marijuana: Marijuana legalization would have health, public safety and workforce management impacts in our cities and towns, and local officials must determine the right approach for their communities. The League will scrutinize any proposals to expand marijuana distribution and sales to assure that local regulatory rights are maintained and that cities and towns receive an appropriate portion of revenues generated. We believe that any legalization proposal should include the following:

- Cities and towns should be able to opt-out through their respective councils rather than through a ballot referendum.
- Cities and towns should directly receive **at least** a 3% local sales tax.
- Any state licensing authority should set reasonable limits on the number and location of licensed establishments and ensure that all facilities comply with local zoning, public safety and other relevant requirements.

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2021 / 2022

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The Rhode Island League of Cities and Towns is a private, nonpartisan, nonprofit association of cities and towns formed in 1968 to advocate the interests of cities and towns before the state legislature, federal and state agencies, and to improve the effectiveness of local government in the state of Rhode Island.

PUBLIC POLICY ADVOCACY

Lobbying for public policies that benefit and strengthen local government

MEMBERSHIP PROGRAMS

Exploration and implementation of services and programs to benefit cities and towns

INTERGOVERNMENTAL RELATIONS

Promoting stable and productive intergovernmental relationships

PUBLIC AWARENESS

Promotion of increased understanding and support for the benefits and value of strong local government with the media, the general public, and other institutions

MEMBERSHIP EDUCATION

Publications, information, training and networking opportunities for key elected and appointed local officials

UNITY

Fostering a strong sense of unity between all cities and towns resulting in a common agenda to advance local government interests

FEDERAL REPRESENTATION

Advocacy of local government interests before the United States Congress and federal agencies is provided through affiliation with the National League of Cities in Washington, D.C.

RHODE ISLAND MUNICIPAL ARMS

RHODE ISLAND
AND PROVIDENCE PLANTATIONS

Drawings by

Harold Bowditch



BARRINGTON



CUMBERLAND



JAMESTOWN



NEWPORT



RICHMOND



BRISTOL



EAST GREENWICH



JOHNSTON



NORTH KINGSTOWN



SCITUATE



BURRILLVILLE



EAST PROVIDENCE



LINCOLN



NORTH PROVIDENCE



SMITHFIELD



CENTRAL FALLS



EXETER



LITTLE COMPTON



NORTH SMITHFIELD



SOUTH KINGSTOWN



CHARLESTOWN



FOSTER



MIDDLETOWN



PAWTUCKET



TIVERTON



COVENTRY



GLOCESTER



NARRAGANSETT



PORTSMOUTH



WARREN



CRANSTON



HOPKINTON



NEW SHOREHAM



PROVIDENCE



WARWICK



WEST GREENWICH



WEST WARWICK



WESTERLY



WOONSOCKET



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Rhode Island League of Cities and Towns
One State Street, Suite 502, Providence, RI 02908
401-272-3434 | www.rileague.org