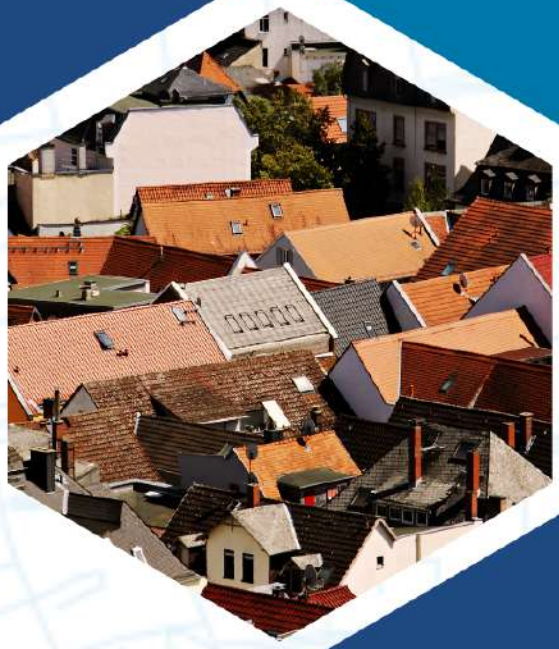


RIPEC

Rhode Island's State and Local Tax Shift

Local School Funding Lags State Aid Amid Exploding Property Values and Growing Taxpayer Disparities

March 2025

ripec.org

Executive Summary

Rhode Island is experiencing a major shift in the mix of state and local revenues, with significant implications for K-12 education, economic opportunity, and housing affordability. Municipal property taxes are the largest single source of tax revenues in Rhode Island but have become a smaller proportion of the total revenue mix, as local property taxes have been growing behind inflation and much more slowly than state taxes. Additional local aid to schools has also been far outpaced by increases in state education aid. This shift has occurred even while property values, and particularly residential property values, have skyrocketed. In reaction to this boom, Rhode Island has additionally seen an acceleration in the unequal treatment of taxpayers; property taxes are being shifted more heavily towards businesses, landlords, and renters, negatively affecting rental markets and economic growth.

Key Findings

- Property wealth has grown sharply in Rhode Island, with **net assessed property values increasing by nearly $50B from FY22-FY25, an increase of 37%** and an average annual increase of 12%.
- While the value of commercial real estate also has grown substantially, **residential property has driven the recent spike in total property values, growing by about $45B** in the last three fiscal years, an average annual rate of 14%.
- Rhode Island communities with the lowest levels of per capita property wealth and median income levels have seen among the greatest increases in property values. **In Central Falls, for instance, assessed property values have grown by 56% since FY22.**
- The disparity between taxpayers relative to the value of their taxable property has grown much wider. **The FY25 statewide effective tax rate for commercial real estate, which includes most apartment property, is 52% higher than the residential rate** (up from 41% in FY22), and the tangible property rate is 101% higher than the residential rate (up from 80% in FY22).
- Large tax rate differentials have meaningful consequences for taxpayers. In Providence, a hypothetical taxpayer with $1M in commercial real estate and $200K in tangible property faced **an FY25 tax bill over $20K greater than a commercial taxpayer of equally valued property in other Rhode Island communities and in other large New England cities.**
- The state's **total municipal tax levy increased by 2.5% between FY16-FY25, well below the state's 4.0% cap and below average annual inflation (3.6%) over this period**, while state general revenues have grown at a rate higher than inflation.
- **Between FY19-FY23, state aid to K-12 schools grew at nearly three times the pace of local aid**, and of Rhode Island's 15 largest districts, nine saw local aid grow at an average annual rate of under 2%.
- Rhode Island's state and local education funding mix now more closely resembles the U.S., but **the proportion of new state funds directed towards urban districts with the greatest need has declined.**

Recommendations

State policymakers should consider comprehensive reforms to Rhode Island's education funding formula.

The state should adopt a constitutional amendment that sets guardrails limiting effective tax rate differentials across property classes.

The state should maintain the 4.0 percent levy cap.

State policymakers should consider implementing an annual property revaluation schedule.

Local policymakers should consider adopting or expanding targeted methods of property tax relief.

Table of Contents

Section	Page #
I. Introduction	4
II. Background on Key Property Taxation Metrics	6
III. Trends in Property Wealth and Tax Rate Differentials	7
Net Assessed Property Value	*7*
Effective Tax Rate Differentials	*9*
IV. Property Tax Burdens for FY 2025	12
Resident Homeowners	*12*
Nonresident Homeowners	*14*
Businesses	*15*
V. Property Tax Growth and K-12 Funding Trends	17
Municipal Levy Growth	*17*
State and Local K-12 Funding	*20*
VI. RIPEC Comments	25
Appendix	28

I. Introduction

In Rhode Island, property taxes are critical to the wider mix of revenue sources—including state taxes, federal appropriations, and other streams of funding—used to fund government services. Indeed, property taxes represent the largest single source, and over a third, of all state and local tax revenues.[1] Of particular importance to cities and towns, property taxes make up 90 percent of locally generated revenues in the Ocean State and serve as the primary means through which local government services, including K-12 education, are funded.[2]

Yet, property taxes have become a smaller proportion of Rhode Island's total revenue mix in recent years. Federal funding ballooned with pandemic relief funds and state revenues—driven by rapid growth in state income and sales tax collections—have also increased markedly over the past several years. In contrast, local property taxes have grown more slowly, as cities and towns have enacted relatively small tax increases, such that the growth in property taxes has not only remained well below the state's mandated 4.0 percent cap but, for the last several years, has not kept pace with inflation.

As property taxes have grown slowly, it is not surprising that local aid increases for K-12 schools also have been relatively low, given that over 40 percent of all local resources are used to fund K-12 education.[3] In recent years, like property taxes, local school aid has increased more slowly than inflation. At the same time, as state revenues have grown much faster than local property taxes, increases in state aid to K-12 education have far outpaced local aid increases to schools.

In the last few years, this shift in Rhode Island's state and local tax mix has occurred while property wealth has boomed, with particularly large increases in the value of residential property. At the same time, there were large increases in federal and state aid to local governments, and to K-12 schools in particular. In this environment, Rhode Island cities and towns overall decided to hold the line on property tax increases.

Alongside and in reaction to these mushrooming property values, the Ocean State also has seen an acceleration in the rate at which the local property tax burden is being shifted away from resident homeowners and towards businesses, landlords, and renters. Faced with high levels of increase in homeowner property values, local governments have sharply reduced the effective tax rate for homeowners. As a result, annual property tax bills in Rhode Island have become less and less reflective of the value of the property subject to tax. These shifting tax burdens have large impacts on Ocean State taxpayers given the large cost that property taxes represent—amounting to nearly a fifth of homeowners'

[1] State and local property tax revenues amounted to $2.77 billion in FY 2022, representing 36.0 percent of all state and local tax revenues. In comparison, Rhode Island's second largest source of tax revenues, the state's individual income tax, amounted to $1.94 billion in FY 2022. U.S. Census Bureau, Annual Survey of State and Local Finances, FY 2022; RIPEC calculations.

[2] Even factoring in the state's large investment in K-12 aid, property tax revenues represented 54.1 percent of municipal and school district revenues in FY2023. R.I. Division of Municipal Finance, Municipal Transparency Portal; R.I. Dept. of Education, Uniform Chart of Accounts; RIPEC calculations. Central Falls' School District data is not reported through the Municipal Transparency Portal but are available through the Uniform Chart of Accounts. Data for East Providence reflects FY 2022.

[3] In FY 2023, municipal education appropriations made up 40.7 percent of total local spending net of debt service and capital expenditures paid by municipalities on behalf of school districts. R.I. Division of Municipal Finance, Municipal Transparency Portal; RIPEC calculations.

housing costs and over 40 percent of total state and local taxes paid by Rhode Island businesses.[4] A body of research has demonstrated the wider economic effects of taxpayer inequity: high property taxes negatively affect the affordability of rental markets, housing construction, and business formation and relocation decisions.[5] Given that property is a non-liquid asset, moreover, sharp property tax increases can be particularly burdensome to some taxpayers, such as fixed-income senior citizens and individuals facing a sudden reduction in earning due to situations like job loss or illness.[6]

Utilizing the most recent available data for the current fiscal year (FY 2025), this report builds on RIPEC's June 2024 report on Rhode Island property taxes, "Shifting Burdens."[7] As a companion piece, this report does not include the depth of background available in that prior report, primarily in regard to recent developments in Rhode Island property tax law. Rather, this report analyzes major trends in the mix of state and local revenues, as well as for state and local K-12 education funding, while also describing how growing inequities in Rhode Island's property tax system affects resident homeowners, nonresident homeowners, and businesses across its 39 cities and towns.

There are five sections in this report in addition to this introduction.

- **Secton II** provides brief background on and definitions of key property tax metrics.
- **Section III** describes the recent sharp jump in property values, and particularly residential property values, statewide. Section III also analyzes how differences among the property tax rates applied to different classes of property have grown in recent years to increasingly shift the tax burden away from resident homeowners and towards landlords, renters, and businesses.
- **Section IV** details the effect of these changes on taxpayers, showing how property taxpayers with the same valued property can face very different annual tax bills depending on what type of property they own and in which city or town that property is located.
- **Section V** analyzes increases in property taxes relative to the state's 4.0 percent annual levy cap, inflation, and statewide revenue increases. Section V also reflects on the recent substantial shift in Rhode Island's K-12 funding mix, as local contributions have lagged well behind state aid.
- **Section VI** provides RIPEC's comments and recommendations to policymakers.

---

[4] In 2023, property taxes represented an estimated 18.8 percent of housing costs for Rhode Island homeowners with a mortgage. U.S. Census Bureau, American Community Survey, 2023 Five-Year Estimates; RIPEC calculations. The proportion of rent derived from property taxes is more difficult to quantify; the scholarship does not agree as to the percentage of total tax rate increases that is passed from landlord to renter. Andrew Reschevosky, Bricks, Taxes, and Spending: Solutions for Housing Equity across Levels of Government, October 2023. Property taxes represented 43.4 percent of the state and local taxes paid by businesses in FY 2022. Ernst & Young, State Tax Research Institute, and Council on State Taxation, Total State and Local Business Taxes: State-by-State Estimates for FY22, December 2023.

[5] For instance, see: Jack Goodman, "Houses, Apartments, and Property Tax Incidence," Joint Center for Housing Studies, Harvard University, February 2005; Jennifer Gravelle, "Who Pays Property Taxes? A Look at the Tax Effects of Property Taxes Across the States," 2007; World Economic Forum, "Making Affordable Housing a Reality in Cities," June 2019; Patrick Atwater, et. al., "Does State Tax Policy Discourage Housing Production?," 2020; Daphne A. Kenyon, Adam H. Langley, and Bethany P. Paquin, "Rethinking Property Tax Incentives for Business," Lincoln Institute of Land Policy, 2012.

[6] Adam H. Langley and Joan Youngman, "Property Tax Relief for Homeowners," Lincoln Institute of Land Policy, November 2021.

[7] RIPEC has been researching and publishing analyses of Rhode Island property taxes since its founding in 1932.

II. Background on Key Property Taxation Metrics

Recognizing that property taxes are administered at the local level—and property tax systems vary extensively across Rhode Island's cities and towns—RIPEC's analysis captures and utilizes property tax trends primarily through analysis of three key statewide metrics:

- **Net assessed property value**: the total value of all local property subject to taxation by local governments net of any property made exempt from taxation under federal, state, or local law
- **Municipal tax levy**: the collective amount of all the property tax bills issued by cities and towns to taxpayers, which, net of uncollected delinquent and disputed tax bills, reflects property tax revenues
- **Effective municipal tax rate**: calculated by dividing the tax levy by the net assessed value, per $1,000 of assessed property value[8]

Property subject to taxation in Rhode Island is divided into three categories or classifications:

- **Residential real estate**
- **Commercial real estate**
- **Tangible personal property**

While there is a statewide classification plan that defines each class and sets limits on the difference between the tax rates that may be applied, the definitions used by the 39 cities and towns in classifying property are not consistent, and many communities are allowed through legislation to exceed statewide property tax differentials between classes of property.[9] That said, all 39 municipalities define tangible personal property as movable business property, and a majority identify residential real estate as having no more than five dwelling units, Commercial real estate is defined by most cities and towns as real property used for commercial purposes, as well as residential property with more than five units.[10]

[8] Rhode Island's larger cities play an outsized role in statewide property tax collections and so also play a larger role in shaping the statewide assessment, levy, and rate. In FY 2025, the city with the largest levy, Providence, represented a greater proportion of the total statewide levy (14.9 percent) than the municipalities with the 16 smallest levies combined. R.I. Division of Municipal Finance, Municipal Tax Levy, FY 2025; RIPEC calculations.

[9] R.I. Gen. Laws § 44-5-11.8.

[10] Some forms of tangible business property are exempt from taxation, including manufacturing equipment and inventory. Some cities towns have lower unit thresholds for commercial property, West Warwick has a separate class structure for apartment properties of varying sizes, and the Central Falls classes all apartment property as residential, regardless of the number of units. R.I. Gen. Laws § 44-5-11.9, 44-5-20.02. In 2024, the General Assembly enabled Providence to enact a property tax classification structure that treats residential real estate of a larger number of units as its own class of property. R.I. General Assembly, 2024 – House Bill 7652. To date, Providence has not adopted this separate classification.

III. Trends in Property Wealth and Tax Rate Differentials

Net Assessed Property Value

Cities and towns are required under state law to conduct either a full or statistical revaluation of residential and commercial property once every three years along staggered timelines, while tangible property is assessed annually through taxpayer returns.[11] As of 2020, Rhode Island was one of 37 states to assess property at least once every three years, with 27 states, including neighboring Massachusetts, assessing property on an annual basis—thereby capturing more recent market fluctuations in their property tax systems.[12]

Due to Rhode Island's staggered, three-year revaluation system, year-over-year statewide increases in assessed value reflect real property revaluations in only about a third of cities and towns, while increases over a three-year interval reflect a period in which every city or town has gone through a single revaluation cycle.[13] Regardless of assessment schedule, the assessed value of property subject to tax in a given fiscal year always lags; reevaluated property for FY 2025—which corresponds to the period from July 1, 2024 through June 30, 2025 for all but one municipality—reflects values as assessed as of December 31, 2023.[14] Annual property revaluations additionally incorporate newly developed properties. Most of the growth in municipal property values, however, is representative of the increased assessed value of existing property.[15]

Figure 1, which shows the statewide net assessed property value by class of property from FY 2016 to FY 2025, highlights the consistent increases in the total value of taxable property for each year, with the trajectory accelerating since FY 2023.[16] In FY 2025 alone, total net assessed value in Rhode Island shot up

[11] Cities and towns are required to conduct a full revaluation every nine years and statistical revaluations in the third and sixth year after the most recent full revaluation R.I. Gen. Laws § 44-5-11.6; § 44-5-12.1. During the 2022 legislative session, a small number of cities and town successfully petitioned the General Assembly to delay their required revaluation for FY 2023 by one year. Otherwise, cities and towns typically have not deviated from this schedule. RIPEC, Shifting Burdens, June 2024.

[12] Isabel Warner, "Property Tax Assessment Limits," MOST Policy Initiative, February 27, 2024; Lincoln Institute of Land Policy, "State by State Property Tax at a Glance," 2020; Justin Higginbottom, "State Provisions for Property Reassessment," Tax Foundation, April 29, 2010.

[13] R.I. Division of Municipal Finance, State of Rhode Island's Schedule of Property Revaluations & Statistical Updates.

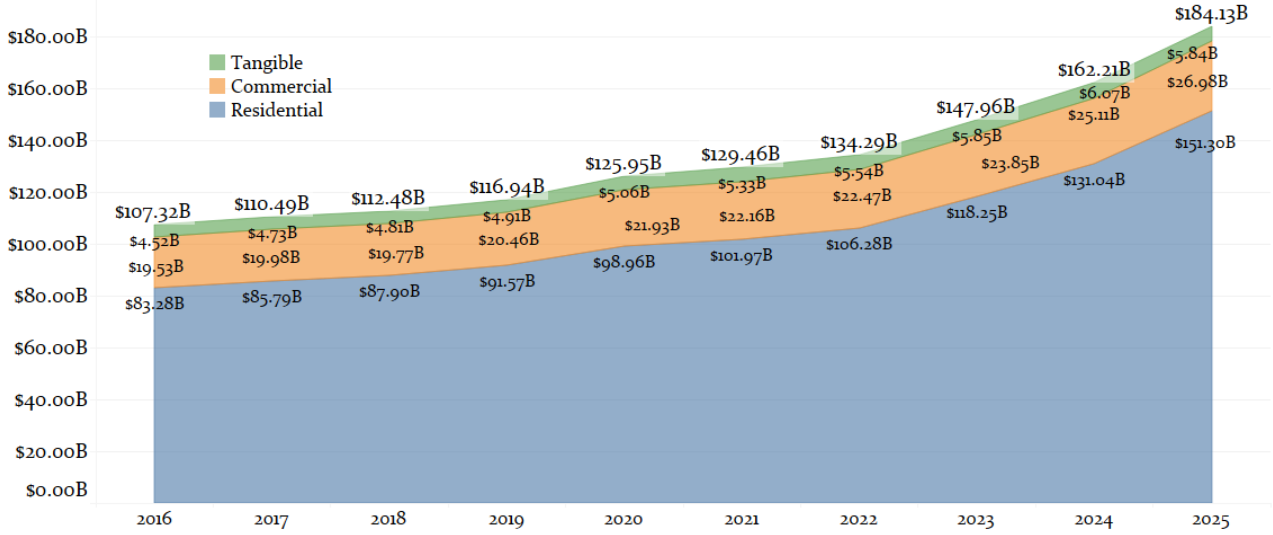
[14] East Providence has a different fiscal year than all other Rhode Island cities and towns, beginning on November 1 and ending on October 31 of each year. City of East Providence, Transparency, Annual Budgets.

[15] New housing constructions represent a very small proportion of residential real estate in Rhode Island. For instance, the U.S. Census Bureau estimates that there were 487,132 residential housing units in Rhode Island in 2023, and that same year building permits were issued to develop an additional 1,169 units—representing a potential increase in residential units of 0.2 percent. U.S. Census Bureau, Quick Facts: Rhode Island, 2023; U.S. Dept. of Housing and Urban Development, State of Cities Data Systems Building Permits Database; RIPEC calculations. The year-over-year change in net assessed value for municipalities during a revaluation year as compared to years when a revaluation does not occur also illustrates the small role of new constructions in assessed value increases. For example, in FY 2023 the City of Central Falls conducted a revaluation and experienced an increase in net assessed residential and commercial property value of $292.7 million (55.4 percent). In FY 2024, without a revaluation, real property value increased by $11.3 million (1.4 percent). Similarly, no revaluation occurred in FY 2025 and the net assessed value of real and commercial property in the city grew by $3.3 million (0.4 percent). R.I. Division of Municipal Finance, Assessed Values and Levies; RIPEC calculations.

[16] Rhode Island cities and towns also levied an excise tax on motor vehicle property until FY 2023, when the tax was phased out for every city and town but East Providence (which entered and exited the state phaseout program one year later than all other municipalities). For purposes of comparison, the value of motor vehicle property is not included in Figures 1 or 2. The amount of

by $21.91 billion (13.5 percent), and between FY 2022 and FY 2025, the value of taxable property in the state grew by $49.84 billion—an average annual increase of 12.4 percent. This recent rate of growth dwarfs the more typical levels of average annual growth between FY 2019-FY 2022 (4.9 percent) and between FY 2016-FY 2019 (3.0 percent).

Figure 1
Statewide Net Assessed Value by Class of Property, FY 2016 - FY 2025
(Assessed as of 12/31/2014 - 12/31/2023)



Note: For purpsoes of comparision, motor vehicle is excluded for FY 2016-FY 2023. Figure is net of municipal exemptions and is affected by the state's staggered three-year property revaluation cycle. Tangible property is reassessed annually.
Source: R.I. Division of Municipal Finance, Assessed Values

Residential property has driven the recent spike in total value of municipal property in Rhode Island. Representing over 80 percent of total assessed property value, residential property grew by $20.27 billion in FY 2025 alone and by $45.03 billion between FY 2022 and FY 2025, a three-year average annual growth rate of 14.1 percent. Commercial real estate also experienced relatively high rates of assessed value growth, increasing at an average annual rate of 6.7 percent between FY 2022 and FY 2025, although the rate of increase was less than half the rate of growth for Rhode Island's residential properties. In contrast, tangible personal property experienced a more sluggish average annual growth rate of 1.8 percent during this three-year period overall and decreased by $225.6 million (3.9 percent) in FY 2025.

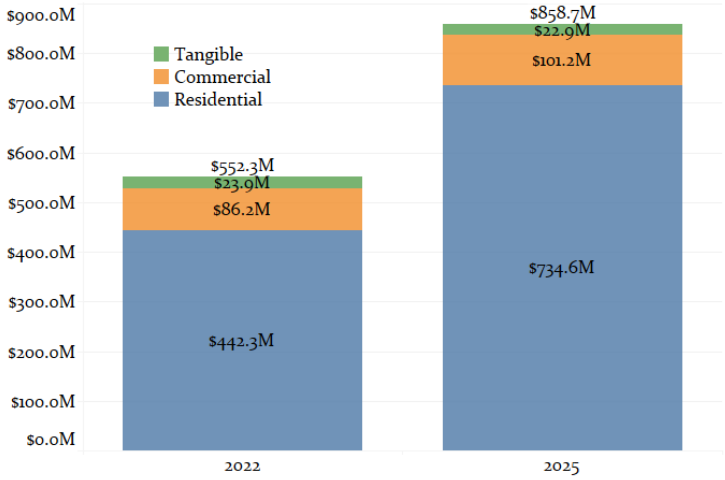
In some cities and towns, and particularly in the state's urban core and wealthier coastal communities, the growth in property values was significantly greater than the rate of growth statewide.[17] Figure 2 depicts that increase in Central Falls, which had among the highest rates of growth in net assessed property value statewide between FY 2022 and FY 2025 (property assessed as of December 31, 2020 vs. property assessed

tax levied from motor vehicle property is also not included in analysis of levy increases on pages 18-19. The state reimburses cities and towns for the cost of the phaseout, amounting to $234.7 million in FY 2025. R.I. Gen. Laws, § 44-34.1-5; R.I. House Fiscal Advisory Staff, Local Aid, October 2024.

[17] The Rhode Island Division of Municipal Finance defines the state's urban core as including Providence, Warwick, Woonsocket, Newport, and Central Falls. In its analysis of Rhode Island school funding, RIPEC has defined the urban core as Providence, Warwick, Woonsocket, Central Falls, and West Warwick. RIPEC, Rhode Island State Budget Outlook for FY 2026, January 2025.

as of December 31, 2023). For that period, total property values in Central Falls increased by 55.5 percent, compared to 37.1 percent statewide. Residential property values jumped by 66.1 percent, compared to 42.4 percent statewide. Remarkably, this high level of growth occurred even though the last property revaluation for Central Falls was for property assessed as of December 31, 2021 (for FY 2023). Given increases in market value of property since that time, the city's required assessment for the upcoming fiscal year 2026 (reflecting property values as of December 31, 2024) is anticipated to reflect an even higher growth trend.[18] Figure 20 in the Appendix depicts the change in total net assessed value for every city and town between FY 2022 and FY 2025, along with the year of each municipality's most recent revaluation or update.

Figure 2
Central Falls Net Assessed Value by Class of Property, FY 2022 - FY 2025
(Assessed as of 12/31/20 vs. 12/31/23)



Note: Central Falls' last real property revaluation was for property assessed as of December 31, 2021 (FY 2023). Assessment is net of motor vehicle property for FY 2022.
Source: R.I. Division of Municipal Finance, Assessed Values

The property value increase in Central Falls is moreover notable given that, as of FY 2022 (the most recent year for which data is available), the city had by far the lowest level of property wealth, measured by the amount of gross property value per capita, of cities and towns statewide. With about $38,032 in taxable property per capita, Central Falls had less than a quarter of the property value of the statewide total ($163,862), and less than half that of the second, third, and fourth lowest communities: Woonsocket ($79,794), Pawtucket ($83,484), and Providence ($96,970). Figure 21, depicting the gross property wealth of each city and town on a per capita basis for FY 2022, is available in the Appendix.[19]

In similarity to, but at a slower pace than, property value increases, urban core cities like Central Falls also have experienced particularly large increases in median household income in the last few years. Between 2020 and 2023, Central Falls saw an estimated increase in median household income of 32.4 percent, among the highest proportional growth statewide and—along with Providence, Woonsocket, and Pawtucket—an increase greater than the three-year statewide increase of 22.9 percent. In further similarity to trends in property wealth, however, median household income in these communities remains far below the state overall; the median household income in Central Falls in 2023 ($45,921) was only slightly more than half that of the state total ($86,372) and remained the lowest among municipalities

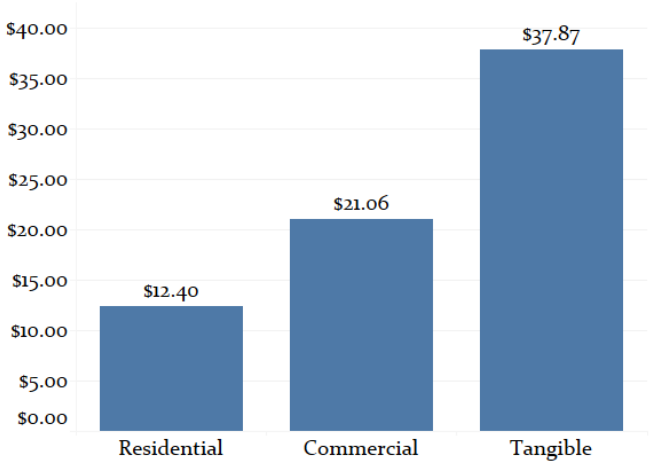
[18] The annual median sale price on a single-family home in Rhode Island increased from $365,000 in 2021 to $475,000 in 2024, a three-year 30.1 percent increase. In Central Falls, the annual median sale price on a single-family home grew from $264,000 to $385,000, a 45.9 percent increase. Rhode Island Association of Realtors, Year End Sales Reports, 2022, 2024; RIPEC calculations.
[19] Given the alternative timetables used by cities and towns to assess real property and differences in local property tax laws, the Rhode Island Division of Municipal Finance uses market trend data of the gross assessed value of each city and town in a study required by R.I. Gen. Laws § 16-7-21 and used to determine state aid to municipalities, including in the K-12 funding formula. The most recent available study is for FY 2022. R.I. Division of Municipal Finance, Adjusted Equalized Weighted Assessed Valuation.

statewide. Also, similar to relative property wealth, Woonsocket, Providence, and Pawtucket ranked second, third, and fourth lowest among Rhode Island cities and towns for median household income in 2023.[20]

Effective Tax Rate Differentials

Residential, commercial, and tangible property are each taxed at different rates by most cities and towns and there are wide differences between these rates in many municipalities, including the state's largest cities.[21] As depicted in Figure 3, the statewide effective tax rate for FY 2025 varies widely across classes of property, with commercial property taxed at markedly higher levels than residential property. Commercial real estate had an effective statewide property tax rate of $21.06 per $1,000 of assessed value in FY 2025, compared to the effective statewide residential rate of $12.40 per $1,000. Representing an even greater disparity compared to the residential rate, the effective rate for tangible property was $37.87 per $1,000.[22]

Figure 3
Rhode Island Municipal Effective Property Tax Rate by Class of Property (Per $1K Assessed Value) FY 2025



Note: The effective property tax rate is calculated by dividing the levy for each class of property by the total assessed value divided by $1,000.
Source: R.I. Division of Municipal Finance, Assessed Values and Levies; RIPEC calculations.

In some municipalities, differences in tax rates among classifications were much wider than the statewide differentials. In Providence, commercial real estate owners pay a rate ($35.10 per $1,000) that is more than three times the rate paid by resident homeowners ($10.46), and in Johnston, the rate applied for tangible business property ($64.65) is over five times the effective rate paid by resident owners of single family homes ($12.24).[23] Figure 22, detailing tax rates for each city and town, is available in the Appendix.

[20] From 2020 to 2023, Providence's median household income grew by 36.1 percent to $66,772, Woonsocket's median household income grew by 32.3 percent to $58,614 and Pawtucket's median household income grew by 27.5 percent to $67,436. U.S. Census Bureau, American Community Survey, 5-Year Estimates; RIPEC calculations.

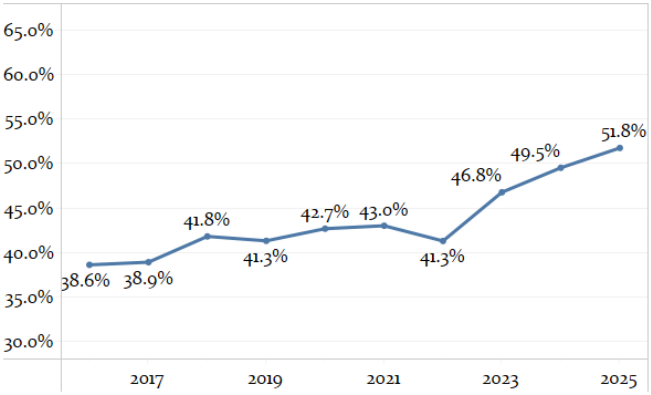
[21] Only four municipalities tax all three classes of property at the same rate (Barrington, Exeter, South Kingstown, and Tiverton). A far larger number of cities and towns (16) tax all real estate (commercial and residential) at the same rate but have a separate rate for tangible. In some instances, these split tax rolls are a product of a statewide tangible exemption passed in 2023, under which the local tax rates applied to tangible personal property were capped at their FY 2024 levels. In consequence, for FY 2025 there are five communities (Bristol, Burrillville, Charlestown, Hopkinton, and Jamestown), in which tangible property is taxed at a lower rate than both residential and commercial real estate, compared to zero communities in FY 2024. Thirty-one cities and towns have a tangible tax rate that is higher than the tax rate applied to real estate. The municipalities that tax all three classes of property at different rates represent over three-quarters (77.5 percent) of the statewide levy. RIPEC, Shifting Burdens, June 2024; R.I. Division of Municipal Finance, Municipal Tax Rates, FY 2025; Municipal Tax Levy, FY 2025; RIPEC calculations.

[22] R.I. Division of Municipal Finance, Municipal Tax Rates, FY 2025; Municipal Tax Levy, FY 2025; RIPEC calculations

[23] Johnston has a residential tax rate of $15.30 per $1,000 in FY 2025 and a homestead exemption amounting to 20.0 percent of total assessed value for single family homes, which means the town has an effective single homeowner residential tax rate equal to 80.0 percent of its nonhomeowner residential rate: $12.24 per $1,000. Johnson's homestead exemption amount is lower for two- and three-family homes and is not applicable to residences with over three units. R.I. Division of Municipal Finance, Municipal Tax Rates, FY 2025; Report on the Veteran, Senior, and Other Tax Exemptions Programs, September 2022.

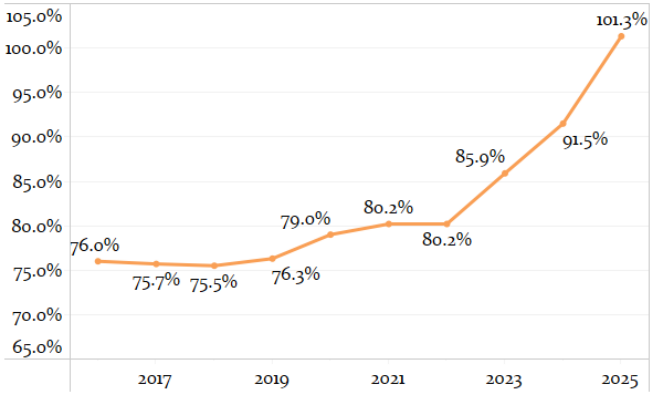
Statewide, the difference in effective tax rates for commercial real estate—which for most communities includes apartment buildings of more than five units—relative to residential property continued to widen in FY 2025. Figure 4 shows the percent difference in the statewide effective rate applied to commercial real estate compared to residential real estate from FY 2016 to FY 2025, and highlights that, since FY 2022 alone, the percent difference between the tax rates applied to commercial and residential real estate grew by over ten percentage points. As highlighted in Figure 5, the difference between the statewide effective tax rate applied to tangible property relative to residential property was even greater and was increasing at an even faster rate (by over 20 percentage points).

Figure 4
Percent Difference in R.I. Municipal Effective Tax Rate, Commercial/Residential FY 2016 - FY 2025



Source: RI Division of Municipal Finance; Levies and Assessments; RIPEC calculations

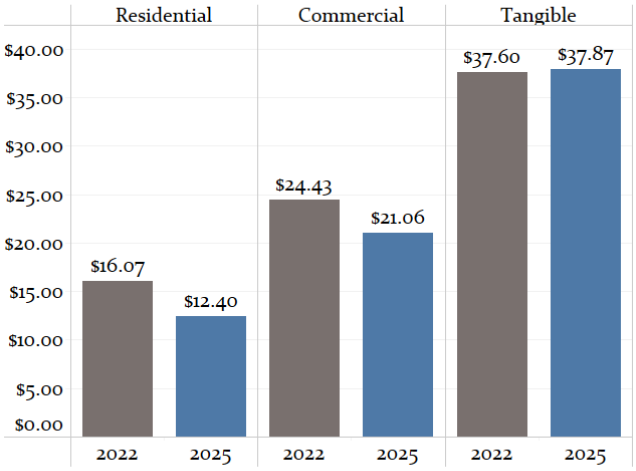
Figure 5
Percent Difference in R.I. Municipal Effective Tax Rate, Tangible/Residential FY 2016 - FY 2025



Source: RI Division of Municipal Finance; Levies and Assessments; RIPEC calculations

Notably, tangible tax rates in FY 2025 are required, as part of Rhode Island's recent statewide tangible property tax exemption, to be "capped and . . . not exceed thereafter the tax rate in effect" in FY 2024.[24] As a result, the increased difference between tangible and residential tax rates in FY 2025 does not reflect an increase in tangible tax rates. Rather, as reflected in Figure 6, Rhode Island's cities and towns overall have markedly reduced residential tax rates while maintaining high tangible rates. Since FY 2022, the state's effective tangible rate has increased by a marginal 0.7 percent ($0.26 per $1,000), while the effective residential property tax rate has decreased by 22.8 percent ($3.67 per $1,000). The effective commercial tax rate also decreased, although by a more moderate 16.0 percent ($3.37 per $1,000), during the same period.

Figure 6
RI Municipal Effective Property Tax Rate by Class of Property (Per $1K Assessed Value) FY 2022 vs. FY 2025



Note: The effective property tax rate is calculated by dividing the levy for each class of property by the total assessed value divided by $1,000.
Source: R.I. Division of Municipal Finance, Assessed Values and Levies; RIPEC calculations.

[24] R.I. Gen. Laws, § 44-5.3-3.

IV. Property Tax Burdens for FY 2025

Given the tax rate differentials highlighted above, it is of no surprise that Rhode Island taxpayers are experiencing wide differences in their property tax burden relative to the value of property they own. For taxpayers, these differences not only cut across property type—with business and apartment properties taking on higher burdens relative to the actual value of property—but across cities and towns, with some Rhode Island taxpayers facing substantially higher annual tax bills than taxpayers in neighboring communities for property comparable in value and type.

Resident Homeowner

For each municipality, Figure 7 shows the tax burden for FY 2025 for resident homeowners with assessed real estate value of $425,000—the median price of a single-family home sold in Rhode Island in 2023.[25] As applicable, Figure 7 incorporates into its calculation homestead exemptions as well as fire district taxes (Figures 23 and 24 in the Appendix describe local homestead exemptions and fire district tax rates).[26] Figure 7 does not assume that the resident property owner is eligible for a locally-administered personal credit or exemption—such as those made available for senior citizens, the disabled, and veterans—which in some communities may significantly affect a homeowner's tax burden.[27]

In FY 2025, the median tax burden across the 39 cities and towns for a resident homeowner with $425,000 in assessed property value was $5,647, with the difference in tax burden ranging by nearly $7,000, from a low of $1,877 in New Shoreham to a high of $8,853 in Foster.[28] Those communities with the lowest tax burdens for resident homeowners in FY 2025 also have, according to the most recent data, the highest levels of property value per capita, and therefore the greatest capacity to fund local services by way of property taxation without imposing large property tax burdens on homeowners. Alternatively, many of the cities and towns in which resident homeowners face the highest tax burdens have low levels of per capita property wealth relative to the statewide average.[29]

[25] R.I. Association of Realtors, Year End 2023 and 2022 Comparison, Single-Family Home Sales. Median single-family home sale prices vary widely across municipalities, from $335,000 in Central Falls to $1.6 million in New Shoreham in 2023. The state's median value is used rather than the median value of each city and town because it shows how the burden on the same property value differs across the state.

[26] Fire district taxes are only applied if applicable to the majority of residents in a municipality. For municipalities with two or more fire districts, an average fire district tax rate is used for each class of property. RIPEC uses the most recent available tax rate data. Tax rates for the current fiscal year are available for 23 of 39 fire districts. In some cases, this is the product of a variance in fiscal years among fire districts, but in others, the fire district has not reported their tax rate to the state for more than one year. For those communities that apply different exemption levels to resident homeowners depending on the number of units in a home, the exemption for a single family home is assumed. Figure 7 also considers that New Shoreham assesses real property at 80 percent of fair market value while all other cities and towns assess at 100 percent of value.

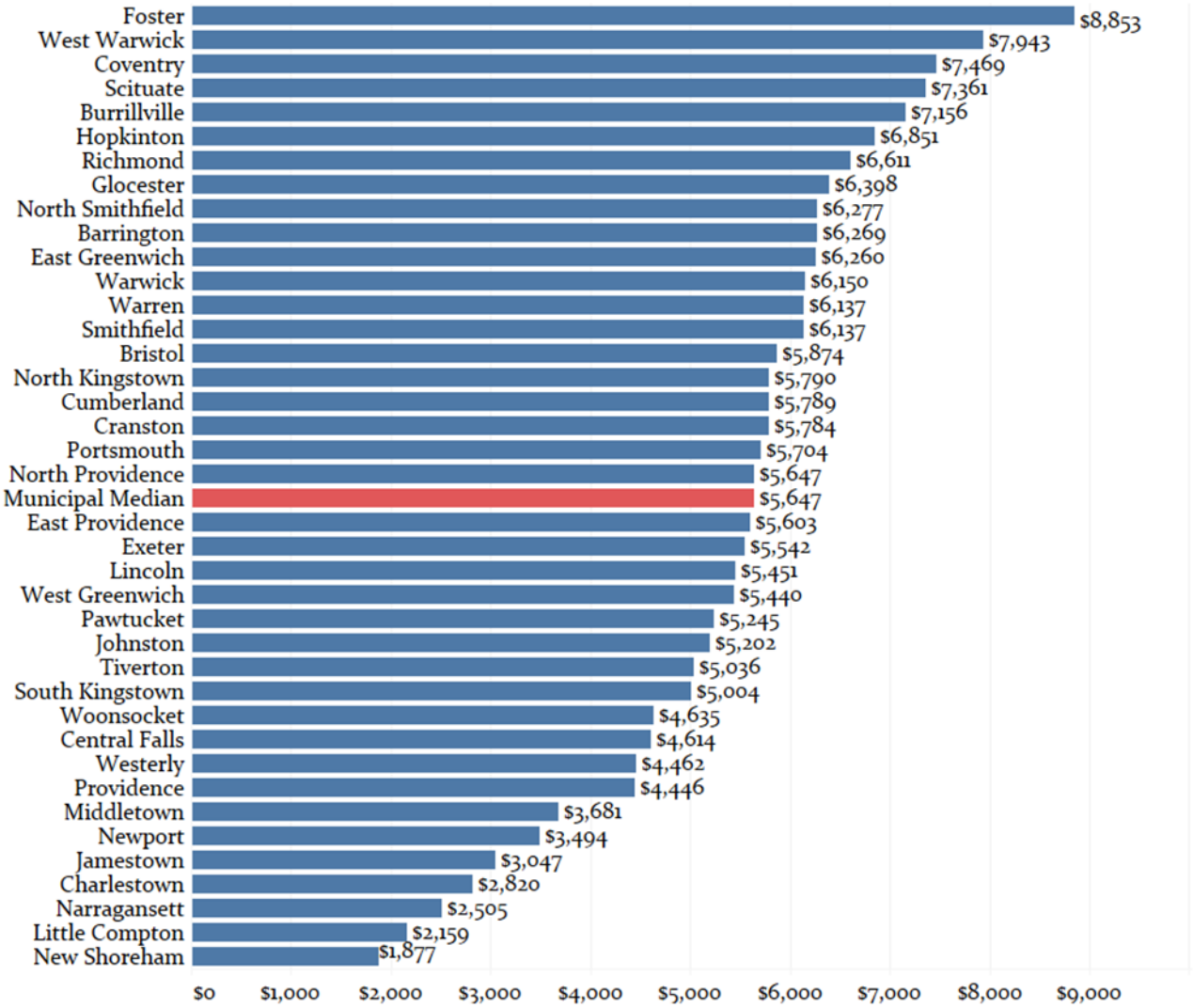
[27] See more on personal exemptions and a list of exemptions offered in each city and town in RIPEC, Shifting Burdens, June 2024.

[28] Rhode Island's municipal median tax burden reflects the median tax burden of the 39 cities and towns. It does not account for the size of cities and towns and so does not reflect the average tax burden of individual Rhode Islanders.

[29] The seven communities with the lowest property tax burden for FY 2025—New Shoreham, Little Compton, Narragansett, Charlestown, Jamestown, Newport, and Middletown—all ranked in the top nine in per capita gross assessed property value for FY 2022. Of the top 8 communities with the highest residential tax burdens, only one (Scituate) had a higher level of per capita property wealth than the statewide total.

At the same time, however, the communities with Rhode Island's very lowest levels of property wealth have low resident homeowner tax burdens relative to most other cities and towns. Central Falls, Woonsocket, Pawtucket, and Providence—representing the four communities with the lowest levels of taxable property wealth per capita—all have a resident homeowner tax burden that is below the statewide municipal median and in the bottom third of cities and towns. Providence ranks eighth lowest, Central Falls ranks tenth, Woonsocket ranks 11th, and Pawtucket ranks 15th.

Figure 7
Resident Homeowner Tax Burden
$425K in Property Value
FY 2025



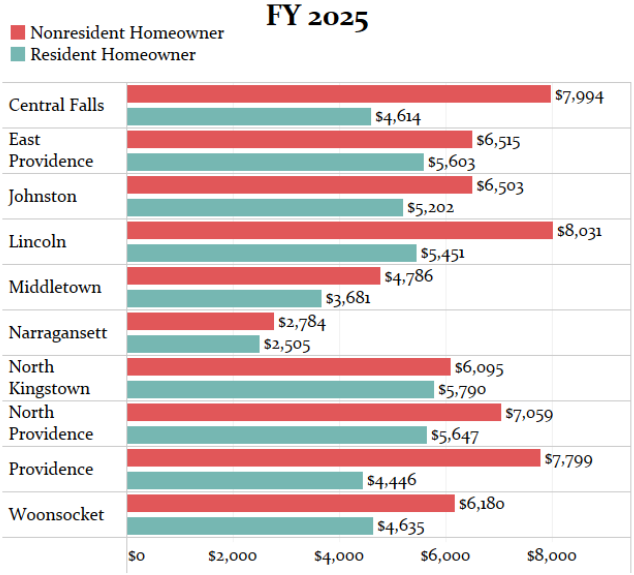
Note: Tax burden for East Providence and Cumberland reflect FY 2024. The most recent available tax rate data was used for for fire disitrcts.
Source: R.I. Division of Municipal Finance, Municipal Finance Tax Rates, Fire District Tax Rates, Report on Veteran, Senior, and Other Tax Exemption Programs; Municipal sources; RIPEC calculations.

Nonresident Homeowner

Figure 8 depicts the tax burden for resident and nonresident homeowners in the ten Rhode Island municipalities that provide exemptions or apply separate rates to owner-occupied residential property. The difference between these two taxpayer categories is relatively minimal for some communities and substantial for others. In Providence, which has the state's most generous homestead exemption, a resident homeowner with $425,000 in assessed property value received a discount of $3,353 on their annual tax bill—reflecting a tax burden that is close to half (57.0 percent) of the tax burden placed on nonresident homeowners.[30] Notably, those communities with the most generous homestead exemptions also have the largest proportions of renter-occupied units statewide, including Central Falls (71.4 percent renter-occupied), Woonsocket (61.9 percent), and Providence (58.8 percent).[31]

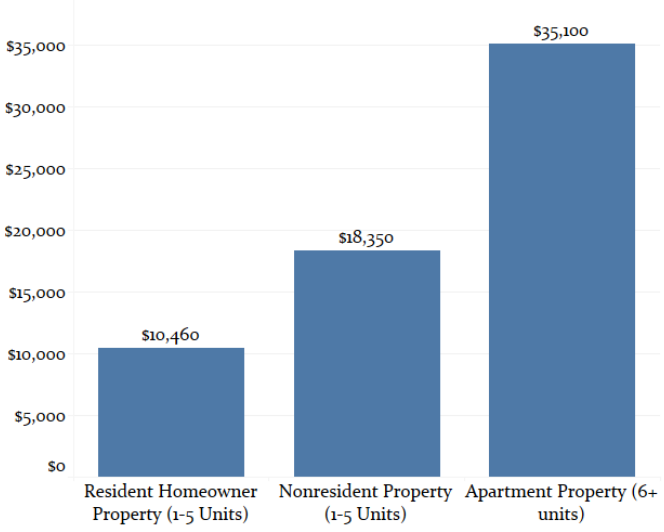
Aside from homestead exemptions, relatively large tax burdens are imposed on landlords, and indirectly on renters, of apartment buildings classified as commercial property (typically more than five units). The difference in tax burden for commercial apartment buildings relative to other residential properties is greatest in Providence. Depicted in Figure 9, a five-unit residential dwelling in Providence valued at $1.0 million would be subject to a tax bill of $10,460 in FY 2025 if owned by a resident and $18,350 if owned by a non-resident. A six-unit dwelling of the same valuation ($1.0 million) would have a tax bill of $35,100—over three times ($24,640) greater than the resident homeowner's property tax bill.

Figure 8
Nonresident vs. Resident Homeowner Tax Burden, $425K in Property Value
FY 2025



Note: Tax burden for East Providence reflects FY 2024.
Source: R.I. Division of Municipal Finance, Municipal Tax Rates, Fire District Tax Rates, Report on Veteran, Senior, and Other Tax Exemption Programs; Municipal sources; RIPEC calculations

Figure 9
Providence Property Tax Burden on $1M in Real Domiciled Property by Classification
FY 2025



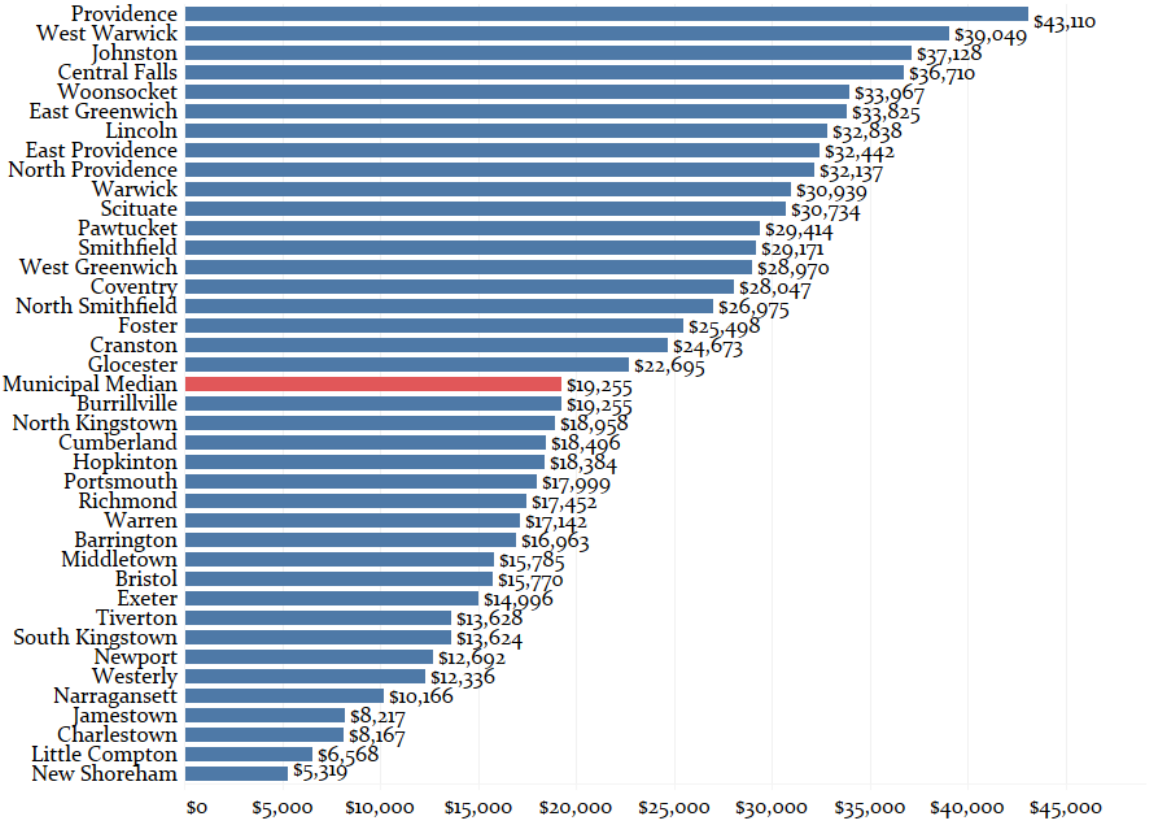
Source: R.I. Division of Municipal Finance, Tax Rates; RIPEC calculations.

[30] Providence nonresident homeowners have the fourth highest tax burden in the state, while resident homeowners rank 32nd highest (or eighth lowest). Likewise, Central Falls, East Providence, Johnston, Lincoln, and Woonsocket have homeowner tax burdens that are lower than the statewide municipal median, and nonresident tax burdens that exceed the median.
[31] Statewide, 36.7 percent of households were renter-occupied in 2023. U.S. Census Bureau, American Community Survey, 2023 Five-Year Estimates; RIPEC calculations.

Businesses

Figure 10 shows the FY 2025 property tax burden for businesses with $1.0 million in assessed commercial real estate value and $200,000 in assessed tangible personal property for each municipality and the Rhode Island municipal median.[32] Figure 10 applies fire district taxes as applicable and incorporates the new statewide exemption on the first $50,000 in assessed tangible property value.

Figure 10
Business Tax Burden
$1.0M in Real and $200K in Tangible Property Value
FY 2025



Note: Tax burden for East Providence and Cumberland reflect FY 2024. The most recent available tax rate data was used for municipalities and for fire disitrcts.
Source: R.I. Division of Municipal Finance, Municipal Finance Tax Rates, Fire District Tax Rates, Report on Veteran, Senior, and Other Tax Exemption Programs; Municipal sources; RIPEC calculations

The municipal median tax burden for a business with $1.0 million in real property and $200,000 in tangible property was $19,225 in FY 2025, with a far greater range among cities and towns than for residential taxpayers. The lowest business tax burden in the state is under $10,000 in four communities, over $30,000 in eleven, and as high as $43,110 in Providence. Most of the municipalities with the highest tax burden on

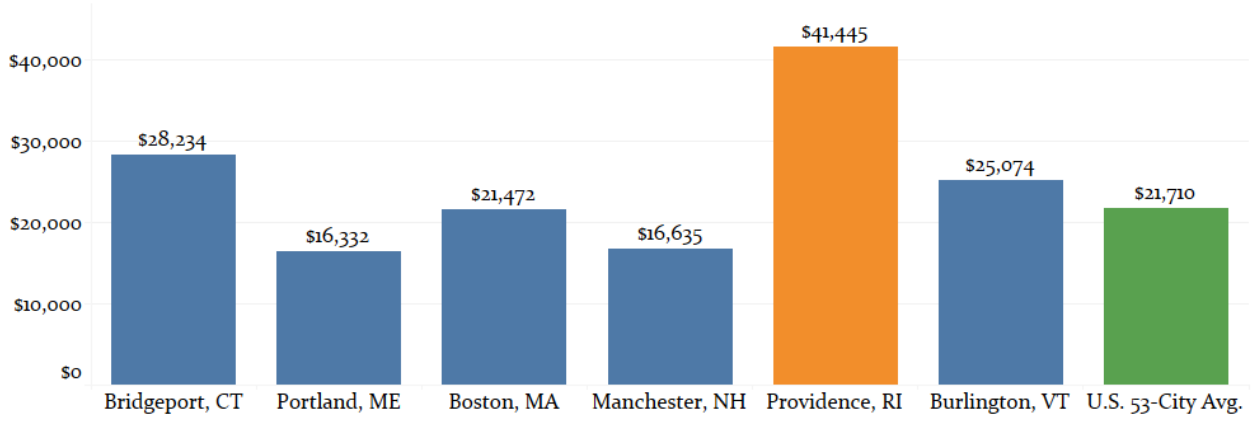
[32] These assessment levels are adopted from those used in the Lincoln Institute of Land Policy and the Minnesota Center for Fiscal Excellence's annual 50-State Property Tax Comparison Study. Lincoln Institute of Land Policy and the Minnesota Center for Fiscal Excellence, 50-State Property Tax Comparison Study for Taxes Paid in 2023, July 2024.

businesses have among the state's lowest levels of property wealth while the communities with the lowest business property tax burden have the state's greatest levels of per capita property tax wealth.[33]

Relative to property value, businesses in cities and towns like Providence, West Warwick, and Johnston, shoulder a much higher property tax burden not only when compared to businesses in other parts of the state, but also when compared to cities across the region and nation. The Lincoln Institute of Land Policy and Minnesota Center for Fiscal Excellence's annual *50-State Property Tax Comparison Study* analyzes effective tax rates across classes of property in the largest city in every U.S. state, Washington D.C., and two additional cities.[34] The most recent edition of this study for FY 2024 found that Providence had the third highest effective commercial tax rate nationwide, after only Chicago and Detroit, while neighboring Boston ranked 27th highest.[35]

Using the most recent edition of the *50-State Property Tax Comparison Study*, Figure 11 shows the scale of the difference in property tax burden for FY 2024 for a business in Providence relative to other New England cities and the U.S. average—with an annual tax bill difference ranging to tens of thousands of dollars for a business with $1.0 million in real property and $200,000 in tangible property. While this difference is most pronounced for Providence, the business property tax burden in about a third of Rhode Island's cities and towns—including those where most of the state's businesses are located—exceed the other New England cities surveyed and the 53-city U.S. average.

Figure 11
Business Tax Burden
$1.0M in Real and $200K in Tangible Property Value
FY 2024



Source: Lincoln Insitute of Land Policy and Minnesota Center for Fiscal Excellence, 50-State Property Tax Comparision Study, July 2024.

[33] Of the five communities with the highest tax burdens, all but Johnston (ranked 11th) had the among the five lowest levels of property tax wealth per capita in FY 2022.
[34] The largest city for each state is based on population size. The second largest cities in Illinois and New York (Aurora and Buffalo) are included because Chicago and New York City have property tax systems which are not reflective of their respective states. Lincoln Institute of Land Policy and the Minnesota Center for Fiscal Excellence, 50-State Property Tax Comparison Study for Taxes Paid in 2023, July 2024.
[35] Providence also ranked high in terms of its apartment property tax burden (16th). The city's residential homeowner tax burden was relatively low on a nationwide basis (ranked 36th).

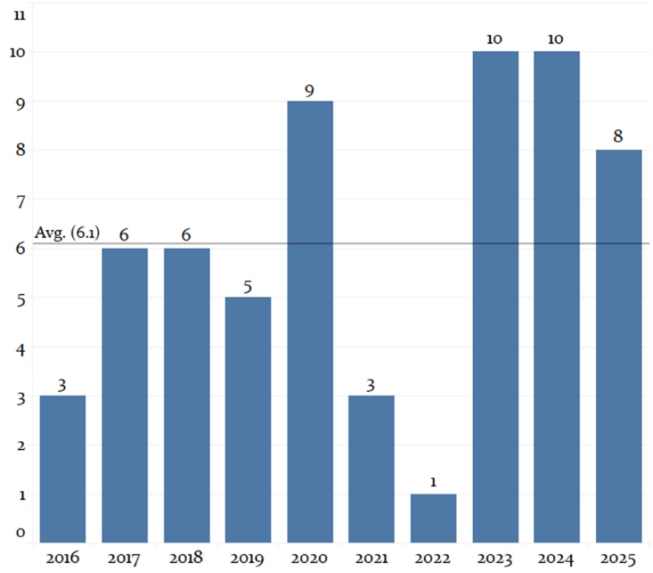
V. Property Tax Growth and K-12 Funding Trends

Municipal Levy Growth

Under Rhode Island state law, cities and towns are limited in the year-over-year growth of their total property tax levy to a maximum rate of 4.0 percent. There are some exemptions to the 4.0 percent cap—all of which include certification of a significant revenue loss or expenditure need by either the Department of Revenue or the Auditor General, as well as a vote in favor of exceeding the cap by four-fifths of the full membership of the respective municipality's governing body.[36] In recent years, including FY 2025, a small number of cities and towns have sought and received an exemption under the law.[37]

Each year, a minority of cities and towns historically have approached or exceeded the 4.0 percent cap. Depicted in Figure 12, an average of 6.1 of the state's 39 municipalities, or about 15 percent of cities and towns, annually increased their levy at or over 3.90 percent between FY 2016 and FY 2025. While still comprising the minority of cities and towns, the number of municipalities to approach or exceed the cap has been relatively higher in the last three fiscal years, reaching an apex of ten municipalities—or about a quarter of cities and towns—in FY 2023 and FY 2024. These increases notably came at the tail end of a period of historically high inflation, and after two years in which very few cities and towns increased their levy at more than 3.90 percent; in FY 2021, three municipalities came close to or exceeded the cap, and in FY 2022 that was true of only one municipality. Figure 25, detailing the annual levy change of each city and town between FY 2016 and FY 2025, is available in the Appendix.

Figure 12
Number of Cities and Towns With Annual Municipal Levy Increase Over 3.90 Percent
FY 2016 - FY 2025



Source: R.I. Division of Municipal Finance, Reports on the Property Tax Cap, FY 2016 - FY 2025; RIPEC calculations

Arguably, the relatively low level of property tax increase among cities and towns in FY 2021 and FY

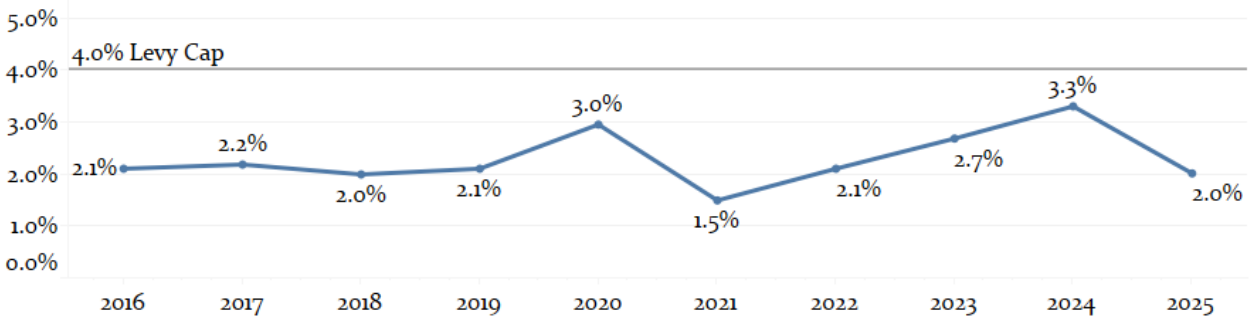
[36] Scenarios include: the forecasted loss of total non-property tax revenues, the anticipation of an "emergency situation," a substantial growth in a municipality's tax base that requires significant infrastructure or school housing and forecasted or real debt services expenditures that exceed the previous year's debt service expenditures by greater than 4.0 percent and which are caused by bonded debt. R.I. Gen. Laws § 44-5-2. For the year the motor vehicle phaseout began (FY 2018), cities and towns were additionally permitted to exceed the levy cap if doing so was solely caused by the exclusion of the motor vehicle tax from the new levy calculation. This exemption applied to two municipalities in FY 2018—Cumberland and Scituate. Cumberland would have experienced a 3.02 percent levy increase if motor vehicle property was included (compared to 4.27 percent) and Scituate would have experienced a 3.97 percent tax levy increase (compared to 4.08 percent). R.I. Division of Municipal Finance, Report on the Property Tax Cap: Fiscal Year 2018.

[37] In FY 2025, Middletown and New Shoreham received authority to exceed the cap because of bonded debt service expenditures that exceeded 4.0 percent. Warren received such authority resulting from an emergency expenditure. New Shoreham raised its levy by 9.4 percent, Middletown by 9.3 percent, and Warren by 5.35 percent. R.I. Division of Municipal Finance, Report on the Property Tax Cap: Fiscal Year 2025.

2022 was primarily the result of an influx of large amounts of federal pandemic aid to local governments. Under the American Rescue Plan Act (ARPA), passed in March 2021, Rhode Island's cities and towns received a total of $536.9 million in flexible aid, intended to aid local governments in recovering from the economic effects of the pandemic.[38] In addition, K-12 schools received a total of $581.5 million in flexible federal Elementary and Secondary School Emergency Relief (ESSER) aid in 2020 and 2021, intended to aid in the safe reopening of schools and to address the pandemic's impacts on learning.[39]

While only a minority of individual cities and towns have annually approached the state levy cap, between FY 2016 and FY 2025, Rhode Island's collective municipal levy increase never exceeded 3.3 percent (in FY 2024) and was as low as 1.5 percent (in FY 2021). In total, Rhode Island's municipal levy increased at an average annual rate of 2.5 percent over the last decade.[40] Figure 13 depicts Rhode Island's total municipal year-over-year levy increase between FY 2016 and FY 2025.

Figure 13
R.I. Municipal Levy Annual Change
FY 2016 - FY 2025

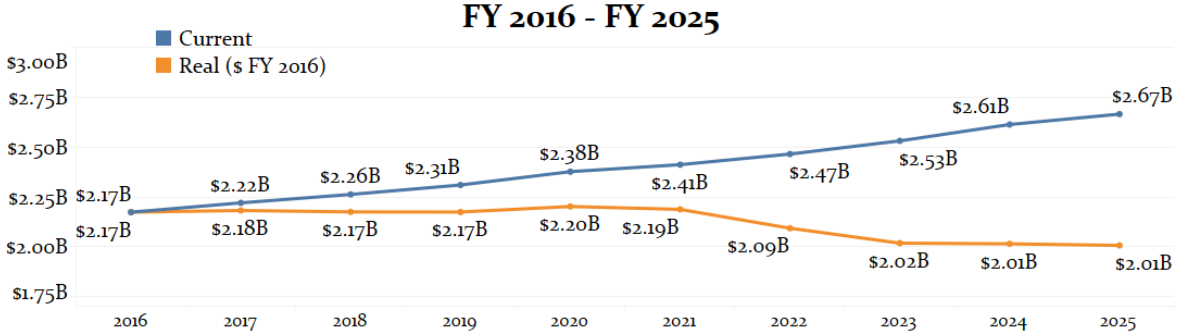


Source: R.I. Division of Municipal Finance, Reports on the Property Tax Cap

Rhode Island's municipal levy growth has not only stayed well under the state's 4.0 percent cap in recent years but has also lagged inflation—which grew at an average annual rate of 3.6 percent between FY 2016 and FY 2025. Depicted in Figure 14, in current dollars Rhode Island's total municipal levy grew from $2.17 billion in FY 2016 to $2.67 billion in FY 2025. When adjusting for inflation, however, the state's total municipal levy shrank by $166.7 million (7.7 percent) over this period. Municipal levy growth generally tracked with and somewhat exceeded inflation between FY 2016 and FY 2021. However, in FY 2022 and FY 2023—when inflation levels spiked at 6.8 percent and 6.5 percent respectively, and local governments and schools received large influxes of federal aid—annual municipal levy increases totaled only 2.1 percent and 2.7 percent, respectively. Despite inflation returning to more historically typical levels of 3.4 percent in FY 2024 and 2.4 percent projected for FY 2025, Rhode Island's total municipal levy has continued to lag inflation.

[38] RIPEC, Rhode Island's FY 2022 Budget Outlook, June 2021; U.S. Dept. of Treasury, State and Local Fiscal Recovery Funds.
[39] Aid was distributed directly to local education agencies, or LEAs, which include local school districts, state schools, and charter public schools. RIPEC, "Rhode Island's Funding Formula After Ten Years: Education Finance in the Ocean State," April 2022; U.S. Dept. of Education, Grants, Elementary and Secondary School Emergency Relief Fund.
[40] R.I. Division of Municipal Finance, Property Assessments and Tax Levies; RIPEC calculations.

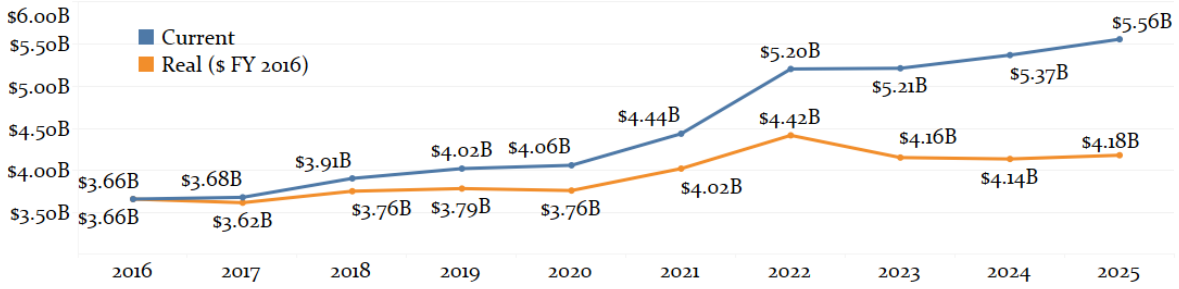
Figure 14
Rhode Island Total Municipal Levy
Current and Real ($ FY 2016)
FY 2016 - FY 2025



Note: For purposes of comparision, motor vehicle is excluded for FY 2016-FY 2023. Inflation rate for FY 2025 is projected.
Source: R.I. Division of Municipal Finance, Municipal Levies; U.S. BLS, CPI Series Report; RIPEC calculations

Rhode Island state government also received a large sum ($1.2 billion) of relatively flexible ARPA aid during this period, but in contrast to local governments, state revenues grew at a relatively high rate.[41] Depicted in Figure 15, Rhode Island state general revenues—which include revenues from income tax, sales and excise taxes, business taxes, lottery revenues, and departmental receipts—have grown substantially, and at levels exceeding inflation, since FY 2016.[42] This increase was not the product of a significant new revenue stream or increases in tax rates, but rather substantial growth in existing revenue streams—particularly sales and income taxes, largely due to increases in income and in consumer spending.[43]

Figure 15
Rhode Island General Revenues
Current and Real ($ FY 2016)
FY 2016 - FY 2025, Actual and Projected



Note: General revenues from FY 2016-FY2023 reflect actual audited amounts. FY 2024 data is preliminary. FY 2025 reflectons made at Rhode Island's November Revenue Estimating Conference.
Source: R.I. OMB, Revenue Estimating Conference Reports; U.S. BLS, CPI Series Report; RIPEC calculations

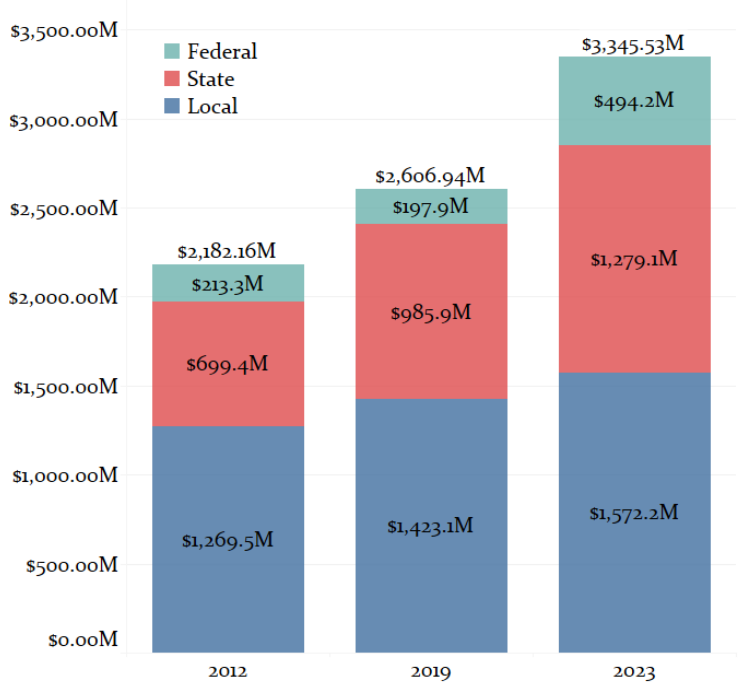
[41] This includes $1.1 billion in State and Local Fiscal Recovery Funds and $112.7 million in Capital Projects Funds. RIPEC, Rhode Island's FY 2022 Budget Outlook, June 2021.
[42] General revenues increased from $3.66 billion to $5.56 billion between FY 2016 and FY 2025 as projected—a total increase of $1.89 billion that amounts to a $519.3 million (14.2 percent) increase above inflation
[43] For instance, personal income taxes, which represent about a third of total general revenues, grew at an average annual rate of 5.5 percent between FY 2019 and FY 2024, and sales and use taxes, which also represent about a third of total revenue revenues, grew at an average annual rate of 7.6 percent in this same period. Rhode Island's General Assembly did enact some tax reductions

State and Local K-12 Funding

The sluggish growth in Rhode Island's total municipal property tax levy relative to state general revenue has occurred alongside a continued shift in how elementary and secondary education is funded in Rhode Island. In FY 2012, Census Bureau survey data showed that Rhode Island's public K-12 system was significantly more dependent on local sources of revenue, and less dependent on state revenue, as compared to the U.S. overall, in which state and local funding for K-12 was nearly evenly divided.[44] That same year, the state began a ten-year phase-in of a new education funding formula, established around the principles that funding should follow the student, that the state should establish necessary cost, and that the formula should determine a state/local funding ratio based on the relative levels of property wealth and childhood poverty of each community.[45] While local sources still represent a larger proportion of K-12 school funds than state sources, the most recent data available from Rhode Island's Uniform Chart of Accounts for FY 2023 shows a major transformation in Rhode Island's overall K-12 funding mix, in large part due to the formula.

Figure 16 depicts funding for K-12 by source for FY 2012, FY 2019, and FY 2023, and highlights the large growth in state revenue sources relative to local sources during the implementation of the funding formula, and since FY 2019—the last year unaffected by the massive influx of federal pandemic aid to schools. Similarly, Figure 17 captures the total nominal average

Figure 16
Rhode Island K-12 Funding by Source
FY 2012, FY 2019, FY 2023



Source: RIDE, UCOA data

during this period, though they were limited in scope relative to national trends. Rhode Island's general revenue increases have largely mirrored national trends in recent years. More in: RIPEC, "Rhode Island State Budget Outlook for FY 2026," January 2025.

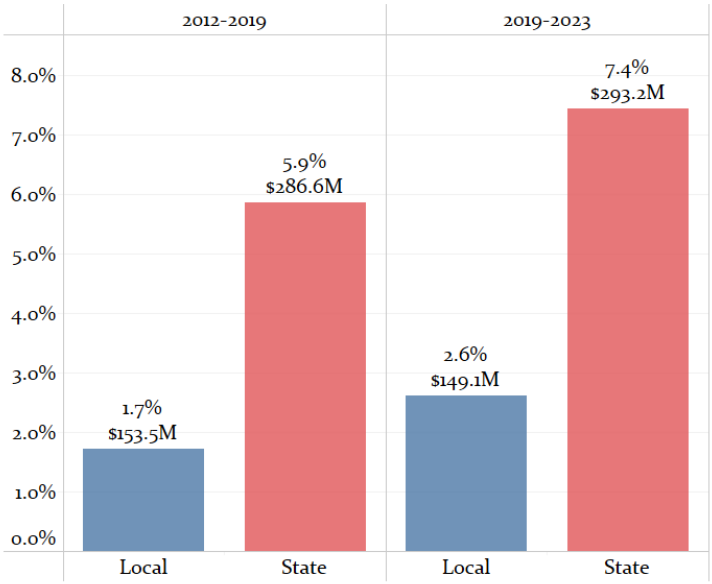
[44] In FY 2012, 45.5 percent of total K-12 revenues nationwide were from state sources and 44.5 percent were from local sources. Initial estimates for FY 2023 show the U.S. as somewhat less reliant on local sources (42.7 percent of total revenues) than state sources (44.4 percent of total revenues). Over half (55.2 percent) of Rhode Island's K-12 revenues were derived from state sources and 35.5 percent were from state sources in FY 2012, according to U.S. Census Bureau data. Rhode Island Uniform Chart of Accounts (UCOA) data, used in the remainder of this analysis, show an even greater local revenue reliance than does Census Bureau data (58.2 percent local vs. 32.0 percent state in FY 2012). U.S. Census Bureau, Annual Survey of School System Finances; RIDE, UCOA Segment Review Revenue Worksheets; RIPEC calculations.

[45] The formula was phased in over ten years in part due to redistribution of aid away from certain communities that no longer qualified for the same level of state support under the new formula. For the districts receiving less state aid under the formula, reductions were phased in over the full ten-year period. For districts receiving more state aid under the formula, increases were phased in over a seven-year period. Kenneth K. Wong, "The Design of the Rhode Island School Funding Formula: Toward a Coherent System of Allocating State Aid to Public Schools," August 2011; R.I. House Fiscal Advisory Staff, Rhode Island Education Aid, September 2021.

annual percentage increase in funds from state and local sources during these two periods. Nearly all revenues from state sources are attributable to the school funding formula and other unrestricted grants in state aid, while local sources of revenue are mostly attributable to municipal tax revenues.[46]

Compared to other sources, local aid has grown at a relatively slow pace since FY 2012. Increasing by a total of $302.7 million (23.8 percent) over eleven years. Relative to the first seven years of the funding formula (FY 2012-FY 2019), increases in local aid picked up somewhat between FY 2019 and FY 2023, increasing at an average annual rate of 2.6 percent, but still well below the average annual inflation rate in the same four-year period of 4.5 percent.[47]

Figure 17
Rhode Island Avg. Annual Percent and Total Nominal Change in K-12 Education State and Local Revenue FY 2012-2019 vs. FY 2019-2023



Source: RIDE, UCOA data; RIPEC calculations

In contrast, state aid has been growing at a rate higher than inflation. K-12 revenues from the state grew by a total of $579.8 million (82.9 percent) between FY 2012 and FY 2023, and as with local aid, increased at a faster rate between FY 2019 and FY 2023 than during the first seven years of the formula—growing at an average annual rate of 7.4 percent over four years, nearly three times the rate of increase in local sources of funding during the same period. As RIPEC has previously found, however, due in part to recent changes to the funding formula, a smaller share of state aid increases has been directed to Rhode Island's urban core communities in the last few years than in the first ten years of the formula.[48]

Unlike local and state aid, federal sources of K-12 funding shrank somewhat between FY 2012 and FY 2019, falling by $15.3 million (7.2 percent) over that seven-year period. However, due to the infusion of one-time ESSER dollars, federal aid ballooned from $197.9 million in FY 2019 to $494.2 million in FY 2023, a four-year increase of 149.7 percent and an annual average increase of 37.4 percent. This extraordinary growth was temporary, with local education agencies required to obligate ESSER aid by September 30, 2024.[49]

---

[46] In FY 2023, unrestricted grant aid from the state represented 97.1 percent of all revenue from state sources. Other revenues from state sources include restricted reimbursements and restricted grants. In terms of revenue from local sources, 97.1 percent of all revenue is represented by revenues from local government and tuition from other public schools. Other revenues from local sources include investment income, food services, district activities, revenue from Community Service Activities, and transportation fees. RIDE, UCOA data, FY 2023; UCOA Accounting Manual, 2022; RIPEC calculations.

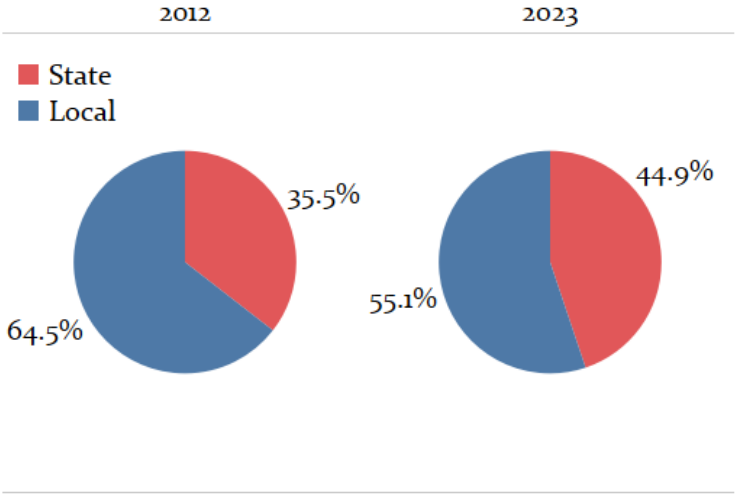
[47] U.S. BLS, CPI Series Report; RIPEC calculations.

[48] From FY 2021 to FY 2025, urban core districts received 50.9 percent of all new state aid, compared to 59.3 percent between FY 2012 and FY 2021. RIPEC defines the urban core as including Central Falls, Pawtucket, Providence, West Warwick, and Woonsocket because they have both among the lowest levels of property value and the highest proportions of students in poverty. For example, see RIPEC, Rhode Island State Budget Outlook for FY 2026, January 2025.

[49] U.S. Dept. of Education, ARP ESSER Interim Final Rule.

Leaving aside this large but temporary increase in the federal contribution to K-12 education, Figure 18 shows that, with the larger rates of increase of state education aid relative to local aid, the Ocean State has come far closer to an evenly divided mix of state and local aid and has therefore become more reflective of the U.S. overall. Between FY 2012 and FY 2023, the local share of total K-12 funding decreased by over nine percentage points and the state share grew by the same amount.

Figure 18
Rhode Island State and Local K-12 Funding by Source
FY 2012 vs. FY 2023



Source: RIDE, UCOA data; RIPEC calculations

The rate of increase in local funding as compared to state funding differed significantly among districts. In fact, despite a total statewide funding increase of $293.2 million between FY 2019 and FY 2023, nine of the state's 37 districts saw slight decreases in total state aid. These districts experienced a cumulative loss of $4.2 million in reduced state aid over four years. For several districts, this resulted in part from sharp declines in student enrollment; district enrollment fell by 7.5 percent for all school districts between FY 2019 and FY 2023, and by as much as 18.4 percent in Jamestown. However, not all such districts saw enrollment drops, and many of the state's remaining 19 districts—where revenue from state sources have grown at a greater pace than revenue from local sources—also experienced enrollment declines. Indeed, a range of formula factors, including relative property wealth, student poverty levels, and temporary hold harmless funding for enrollment decline also factor into changes in state formula aid.[50]

In several districts, including some of Rhode Island's largest districts, increases in state aid far outpaced local increases due to particularly low levels of additional local aid contributions. Figure 19 highlights this, showing the difference in local and state revenues between FY 2019 and FY 2023, as well as changes in enrollment, for the state's 15 largest school districts, which collectively represent 65.5 percent of the state's public school students. Figure 19 does not capture all additional state and local dollars used to support all resident students in these districts; state aid and local tuition payments for resident students who attend a public school out of district—whether a charter public school, state school, or other district school—are counted as resources for the local education agency where the student is enrolled.[51]

[50] RIDE, UCOA data, Per Pupil Expenditure Charts, FY 2019, FY 2023; RIPEC calculations. For more on how funding formula aid to districts is determined, see: RIPEC, "Rhode Island's Funding Formula After Ten Years," April 2022; Rhode Island's Education Funding Formula Revised, July 2023; "Rhode Island State Budget Outlook For FY 2026," January 2025. All but nine districts experienced a decline in enrollment between FY 2019 and FY 2023.

[51] In FY 2023, 13.8 percent ($177.1 million) of all state sources of funding and 4.8 percent ($75.0 million) of all local sources of funding were attributed to charter public schools and state schools. RIDE, UCOA data, RIDE. UCOA Segment Review Revenue Worksheets,

Figure 19
Change in Local and State Revenues and Enrollment
Rhode Island's 15 Large Districts
FY 2019 - FY 2023

District	Revenue Source Change				Enrollment Change	
	Local Revenue		State Revenue			
	Nominal ($ Mil.)	Avg. Annual %	Nominal ($ Mil.)	Avg. Annual %	Nominal	%
Providence	$ 7.68	1.4%	$ 25.93	2.5%	-2,739	-11.9%
Cranston	$ 6.19	1.6%	$ 11.75	4.8%	-175	-1.7%
Pawtucket	$ 1.50	1.1%	$ 12.94	3.5%	-828	-9.4%
Warwick	$ 11.56	2.3%	$ 5.07	3.3%	-738	-8.5%
Woonsocket	$ 0.01	0.0%	$ 9.85	3.9%	-415	-6.9%
East Providence	$ 6.89	3.6%	$ 4.41	2.8%	-139	-2.6%
Cumberland	$ 5.41	2.9%	$ 1.97	2.4%	107	2.3%
Coventry	$ 4.30	2.2%	$ 2.21	2.4%	-462	-10.0%
North Kingstown	$ 8.43	3.6%	$ 2.09	5.1%	-162	-4.1%
North Providence	$ 0.97	0.7%	$ 4.88	5.2%	-30	-0.9%
West Warwick	$ 1.96	1.5%	$ 8.30	7.9%	-92	-2.6%
Barrington	$ 5.37	2.9%	$ 3.54	16.0%	27	0.8%
Lincoln	$ 2.94	1.7%	$ 4.81	9.4%	169	5.5%
Johnston	$ 1.79	1.2%	$ 2.79	3.8%	-118	-3.7%
Chariho	$ 2.49	1.3%	$ 1.75	2.8%	-148	-4.7%

Note: Enrollment is determined by average daily membership for the school years corresponding to FY 2019-FY 2023 (2018-19 - 2022-23). Figure does not include change in state or local aid for students residing in these districts who attend public school out of district

Source: RIDE, UCOA data, RIPEC calculations

Of the state's 15 largest districts, nine—including the state's three largest (Providence, Cranston, and Pawtucket)—saw local revenue increase at an average annual rate below 2.0 percent between FY 2019 and FY 2023, and two, North Providence and Woonsocket, saw local revenue grow at an average rate of under 1.0 percent per year. The City of Woonsocket increased its local contribution to the school district by a total of less than $10,000 in this four-year period, an average annual increase of 0.01 percent, while revenues from state sources grew by $9.9 million, an average annual increase of 3.9 percent. Notably, total per pupil expenditures for Woonsocket Public Schools in FY 2023 trailed the statewide total, despite that greater resources are widely recognized to be required for students in high-poverty districts.[52]

Some of the state's largest 15 districts also saw relatively low levels of increase in state revenues, though only two experienced higher jumps in local revenues relative to state sources: East Providence and

[52] Bruce D. Baker and David Knight, "Does Money Matter in Education?," Albert Shanker Institute, January 2025.

Cumberland. Providence, which has been under the administrative control of the state since November 2019, saw local aid increase by $7.7 million between FY 2019 and FY 2023, an average annual rate of 1.4 percent. State revenues grew by $25.9 million in this same period, representing a greater—but still relatively sluggish—average annual rate of 2.5 percent. Under a recent court agreement, the City of Providence has since substantially increased local funding for its district schools.[53]

Figure 26, showing the nominal and percentage change in state and local sources of revenue, as well as enrollment, for all 37 districts between FY 2019 and FY 2023 is available in the Appendix. Figure 27 in the Appendix shows district-level per pupil expenditures in FY 2023.

[53] Per a court agreement reached in November 2024, the city is required to contribute an additional $4 million in FY 2024 (a 3.1 percent increase) and $11 million in FY 2025 (9.3 percent increase). For FY 2026, the city must have a total contribution of $147 million and thereafter maintain increases at a rate which matches total proportional increases in state aid. RIDE, Press Releases, "Rhode Island Department of Education, Providence Public Schools, City of Providence Reach Agreement for Increased Municipal Funding for Schools," November 22, 2024.

VI. RIPEC Comments

In some respects, property tax data for Rhode Island's current fiscal year (FY 2025) show the continuation of the status quo; wide differences in property tax systems among municipalities, enabled by the General Assembly, and large variations in property tax wealth across Rhode Island cities and towns, have combined to create a highly inequitable property tax system. Rhode Island has moved far beyond an ideally constructed property tax system in which taxes correspond to the value of the property subject to tax. Instead, property taxes in Rhode Island significantly depend on the city or town where the property is located and how the property is classified.

These differences among municipalities and classes of property have become very large. The owner of a small- to medium-sized business with $1 million in real estate and $200,000 in tangible in Providence, Central Falls, Johnston, or West Warwick has an annual property tax bill that is more than $20,000 greater than that of a business with the same property value in Rhode Island communities like Narragansett or Newport, and substantially greater than for a similarly valued business in major cities across the region. Similarly, the owner of a $1.0 million apartment property in Providence with six or more units may face an annual tax bill nearly $25,000 larger than another Providence apartment property of the same value, but with five units and a resident homeowner. These differences have a large effect on individual taxpayers and more broadly affect economic growth, housing affordability, and the development of commercial and apartment property.

The extent to which inequities between classes of taxpayer grew in FY 2025 reflects that Rhode Island continues to move in the wrong direction. Since FY 2022, every city and town has undergone one property revaluation, adding nearly $50 billion in assessed property value—a 12.4 percent average annual increase. With residential property values growing at more than twice the rate of all other property, cities and towns overall have moved to significantly limit tax bill increases for resident homeowners, sharply reducing the tax rates applied to residential property, and creating a wider gap between residential and commercial taxpayers in terms of the amount of tax owed relative to the property value they possess. In total, since FY 2022, the difference in the statewide effective tax rate applied to commercial real estate compared to residential real estate has grown from 41.3 percent to 51.8 percent, and the difference in the rate applied to tangible property relative to residential property has grown from 80.2 percent to 101.3 percent.

Despite large increases in property values as well as high inflation, Rhode Island's cities and towns have broadly held the line in terms of tax increases, a decision made possible due to large increases in federal and state aid. During this period, Rhode Island's total municipal tax levy—increasing at a rate of 2.0 percent in FY 2025 and at an average annual rate of 2.5 percent between FY 2016 and FY 2025—has been well below Rhode Island's 4.0 percent cap on annual levy increases. And while local tax increases overall generally kept pace with inflation between FY 2016 and FY 2021, since FY 2022, the growth in the statewide municipal levy has lagged inflation. This trend continued in FY 2025 despite inflation having returned to levels which are typical and well below the 4.0 percent cap.

While growth in the property tax levy of Rhode Island's cities and towns has lagged the inflation rate, state general revenues have grown, driven by increases in incomes and consumer spending. Notably, this

increase in general revenues was not the result of new taxes or increases in tax rates, but rather maintaining tax rates at the same level as the tax base of income and sales increased. In contrast, while the value of the local property tax base ballooned, cities and towns chose to dramatically cut tax rates, overall well below the 4.0 percent rate cap, thereby limiting the growth in local tax revenues.

As the state's revenue increases have surged ahead of local revenues, increases in state aid to K-12 education have outpaced local contributions to K-12 schools. Rhode Island's cities and towns overall continue to represent a larger share of K-12 funding than the state and fund a larger share of K-12 than local governments nationwide. However, that gap has narrowed markedly since the introduction of the state's education funding formula in FY 2012 and continues to shrink; between FY 2019 and FY 2023, state aid to schools grew at an average annual rate of 7.4 percent—nearly three times the 2.6 percent average annual increase in local aid. Despite the state's overall generous level of education funding, the proportion of new state funds directed towards the districts with the greatest need has decreased in the last few years, with the state's urban core districts experiencing relatively lower levels of annual revenue increases from state sources, and even lower increases from local sources, between FY 2019 and FY 2023.

Based on this analysis, RIPEC offers the following recommendations for consideration by state and local policymakers:

State policymakers should consider comprehensive reforms to Rhode Island's education funding formula. The state's education funding formula has helped contribute to substantial increases in state funding for K-12 schools, but has ultimately failed to deliver equitable funding among cities and towns with highly uneven levels of property wealth, leaving students in property-poor communities with fewer resources. While state funding overall has increased, the allocation of this funding should be targeted more heavily toward communities with relatively low property wealth and high concentrations of students in poverty. The state funding formula also must require meaningful contributions from local governments; local funding increases for schools statewide have not kept pace with inflation and have significantly trailed increases in state education aid.

The state should adopt a constitutional amendment that sets guardrails limiting effective tax rate differentials across property classes. Through classification differences and homestead exemptions, cities and towns have continued to widen the gap between resident homeowners, nonresident homeowners, and business property owners—making it harder for businesses to form and expand, limiting access to affordable housing, and exacerbating unfairness among taxpayers. Rhode Island has a state classification plan that sets limits to these tax differentials, but most cities and towns have an exemption, or an individual statute, allowing deviation from that plan. Ultimately, state statutes have proven ineffective at reducing, or even maintaining, current tax rate differentials.

The state should maintain the 4.0 percent levy cap. While recent history has seen a period of relatively low tax increases by Rhode Island's cities and towns, there likely will be more pressure to raise taxes as abundant federal funding has expired and state resources become more constrained. State policymakers should maintain this important protection for taxpayers against sharp and sudden increases to their tax bills.

State policymakers should consider implementing an annual property revaluation schedule. The more frequently property is assessed, the more accurately assessments reflect market value. Currently, and not for the first time, Rhode Island is experiencing large swings in valuation that make a three-year-old assessment highly inaccurate. This creates another layer of unfairness among taxpayers, and also may result in policy decisions being influenced by price shock. State policymakers should explore whether Rhode Island should join a majority of states in adopting an annual property revaluation schedule.

Local policymakers should consider adopting or expanding targeted methods of property tax relief. When broad relief is provided to all homeowners without regard for ability to pay, property tax systems become distortive, and renters and businesses take on the larger share of the property tax burden. However, given that property is a non-liquid asset, property tax increases based solely on property value can be particularly burdensome to some taxpayers. Targeted forms of tax relief can thus serve as an important tool for cities and towns in developing their tax rates. Most cities and towns already make use of means-tested tax relief programs—such as tax freezes, deferrals, and credits—and expanded use of these tools would better enable local governments to target tax relief. Cities and towns could also target tax relief to renters by adopting separate and lower tax rates for apartment properties currently classed as commercial property.

Appendix

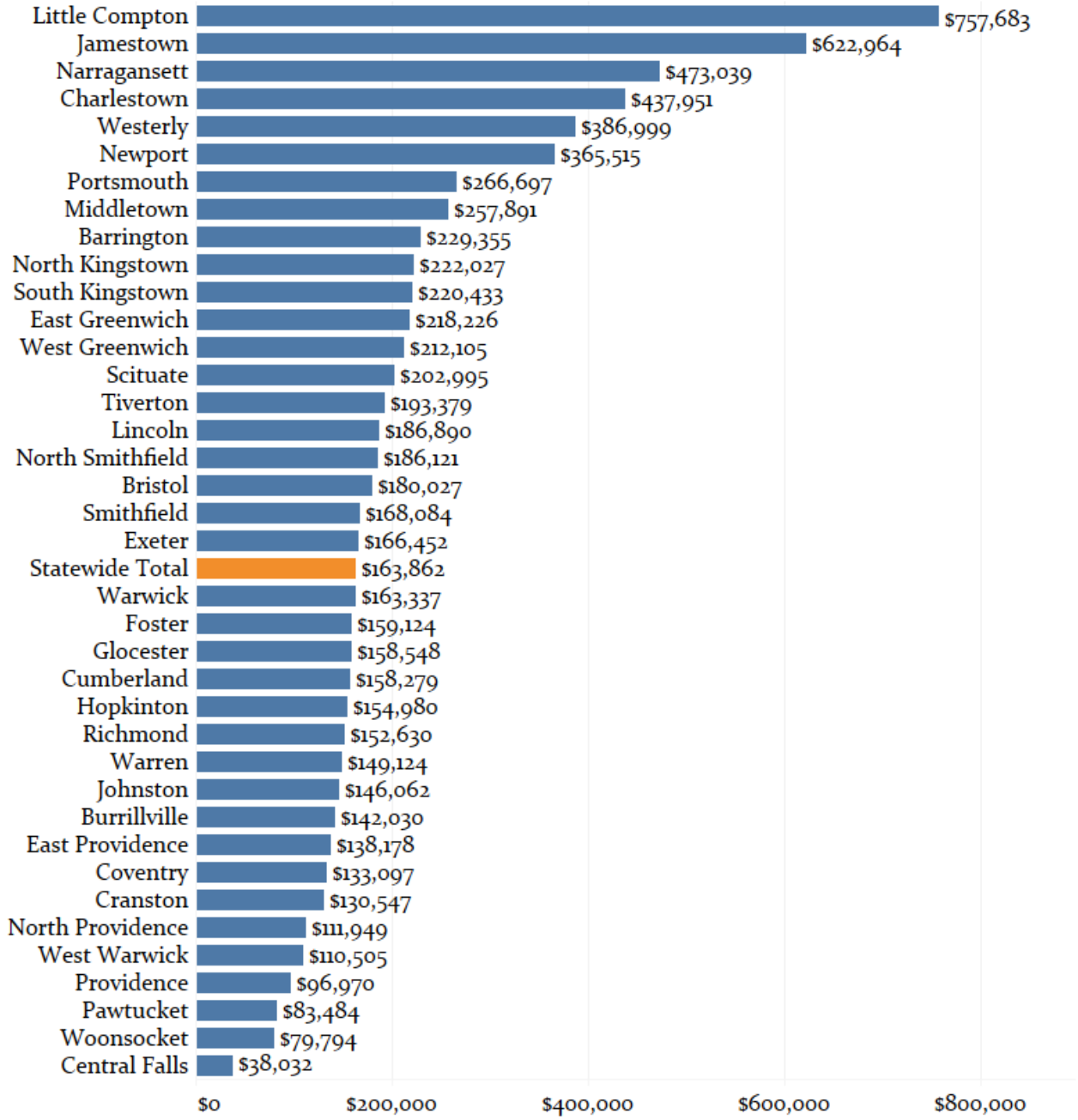
Figure 20
Change in Total Net Assessed Value by Municipality
FY 2022-FY 2025
$ Millions

Municipality	Net Assessed Value		Change		Most Recent Reval. Or Update as of December 31
	FY 2022	FY 2025	Nominal	Percent	
Barrington	$ 3,396.6	$ 4,889.2	$ 1,492.7	43.9%	2023
Bristol	3,133.3	3,622.0	488.7	15.6%	2021
Burrillville	1,843.7	2,180.5	336.8	18.3%	2021
Central Falls	552.3	858.7	306.4	55.5%	2021
Charlestown	2,801.0	4,187.4	1,386.3	49.5%	2022
Coventry	3,850.8	5,074.6	1,223.8	31.8%	2022
Cranston	8,883.9	12,349.1	3,465.2	39.0%	2023
Cumberland	4,356.5	5,726.9	1,370.4	31.5%	2022
East Greenwich	2,683.7	3,795.0	1,111.4	41.4%	2023
East Providence	4,261.1	5,914.6	1,653.5	38.8%	2022
Exeter	978.0	1,312.8	334.8	34.2%	2023
Foster	633.7	752.3	118.7	18.7%	2023
Glocester	1,120.9	1,789.9	669.0	59.7%	2022
Hopkinton	1,033.1	1,349.0	315.9	30.6%	2022
Jamestown	2,641.8	3,426.0	784.2	29.7%	2021
Johnston	2,649.4	3,862.7	1,213.3	45.8%	2022
Lincoln	2,414.6	2,952.7	538.0	22.3%	2021
Little Compton	2,215.7	2,762.8	547.1	24.7%	2021
Middletown	3,577.8	5,315.3	1,737.5	48.6%	2023
Narragansett	6,014.6	8,929.4	2,914.8	48.5%	2023
New Shoreham	1,689.5	2,467.3	777.9	46.0%	2022
Newport	7,815.4	10,583.8	2,768.4	35.4%	2023
North Kingstown	4,649.5	5,930.1	1,280.6	27.5%	2021
North Providence	2,594.6	3,524.3	929.7	35.8%	2022
North Smithfield	1,767.2	2,045.6	278.4	15.8%	2021
Pawtucket	5,115.9	7,158.1	2,042.1	39.9%	2023
Portsmouth	3,773.0	4,851.3	1,078.2	28.6%	2022
Providence	11,282.8	18,406.9	7,124.1	63.1%	2021
Richmond	972.3	1,388.5	416.2	42.8%	2022
Scituate	1,632.7	1,896.3	263.5	16.1%	2021
Smithfield	2,944.2	3,646.5	702.3	23.9%	2021
South Kingstown	5,125.8	6,938.2	1,812.4	35.4%	2021
Tiverton	2,748.1	3,814.8	1,066.6	38.8%	2022
Warren	1,373.6	1,906.0	532.4	38.8%	2023
Warwick	10,210.8	13,407.4	3,196.6	31.3%	2022
West Greenwich	870.0	1,230.1	360.1	41.4%	2023
West Warwick	2,424.6	3,051.6	627.0	25.9%	2021
Westerly	6,454.1	8,049.2	1,595.1	24.7%	2021
Woonsocket	1,801.1	2,778.3	977.2	54.3%	2021
Municipal Total	**$ 134,287.7**	**$ 184,125.0**	**$ 49,837.39**	**37.1%**	

Note: FY 2022 totals exclude motor vehicle property. Reflects FY 2024 for East Providence and Cumberland.

Source: R.I. Division of Municipal Finance, Assessed Values, Municipal Revaluation Schedule 2018-2031; RIPEC calculations

Figure 21
Gross Assessed Value Per Capita
FY 2022



Note: New Shoreham, excluded for purposes of scale, had a gross assessed value per capita of $1,904,594
Source: R.I. Division of Municipal Finance; U.S. Census Bureau; RIPEC calculations.

Figure 22
Municipal Tax Rates by Class of Property ($ per $1,000)
FY 2025

Municipality	Effective Owner-Occupied Residential	Residential	Commercial	Tangible
Barrington		$14.75	$14.75	$14.75
Bristol		$13.82	$13.82	$13.00
Burrillville		$14.98	$14.98	$14.39
Central Falls	$12.55	$18.81	$30.96	$38.33
Charlestown		$5.78	$5.78	$5.74
Coventry		$15.84	$22.26	$20.65
Cranston		$13.61	$20.42	$28.35
Cumberland		$11.95	$11.95	$30.88
East Greenwich		$14.73	$27.00	$45.50
East Providence	$13.18	$15.33	$23.92	$56.81
Exeter		$11.49	$11.49	$11.49
Foster		$20.83	$20.83	$31.12
Glocester		$13.86	$16.63	$28.50
Hopkinton		$15.06	$15.06	$14.66
Jamestown		$7.17	$7.17	$6.98
Johnston	$12.24	$15.30	$27.43	$64.65
Lincoln	$11.28	$17.35	$26.03	$30.07
Little Compton		$5.08	$5.08	$9.92
Middletown	$8.66	$11.26	$12.98	$18.70
Narragansett	$5.90	$6.55	$8.84	$8.84
New Shoreham		$5.52	$5.52	$6.02
Newport		$8.22	$10.46	$14.88
North Kingstown	$13.62	$14.34	$16.28	$17.85
North Providence	$13.29	$16.61	$23.35	$58.58
North Smithfield		$14.77	$20.43	$43.63
Pawtucket		$12.34	$21.60	$52.09
Portsmouth		$13.18	$15.65	$15.65
Providence	$10.46	$18.35	$35.10	$53.40
Richmond		$14.67	$14.67	$14.76
Scituate		$17.32	$25.38	$35.69
Smithfield		$14.44	$20.21	$59.74
South Kingstown		$11.05	$11.05	$11.05
Tiverton		$11.05	$11.05	$11.05
Warren		$14.44	$14.44	$18.01
Warwick		$14.47	$25.32	$37.46
West Greenwich	$12.80	$16.00	$23.75	$34.80
West Warwick		$18.69	$32.00	$46.99
Westerly		$9.81	$9.81	$11.59
Woonsocket	$10.91	$14.54	$26.98	$46.58

Note: Effective owner-occupied residential rate reflects the owner-occupied rate in Central Falls, Middletown, and Providence. For the remaining communities, the effective rate was calculated by multiplying the percentage of assessed value not made exempt by the residential tax rate. The effective rate assumes a single-family unit in Johnston and Woonsocket, which provide tiered exemptions by dwelling size. The effective rate does not include the flat reduction utilized by Central Falls. West Warwick applies four different rates across different types of real property. The rate listed here reflects the rate for single family and owner-occupied two family homes. East Providence and Cumberland rates reflect FY 2024.

Source: R.I. Division of Municipal Finance, Tax Rates; Municipal sources; RIPEC calculations

Figure 23
Homestead Exemptions in Rhode Island, FY 2025

Municipality	Exemption	Dwelling Size	Notes
Central Falls	Reduced rate of $12.55 (vs. $18.81 non-owner occupied) and $720 flat reduction	1-5 Units	Includes condominiums; Mixed-use properties are eligible if no more than one unit is commercial
East Providence	14% of Assessed Value	1-3 Units	Includes condominiums
Johnston	20% of Assessed Value 10% of Assessed Value 6.67% of Assessed Value	Single Family Two Family Three Family	
Lincoln	35% of Assessed Value	1-5 Units	
Middletown	Reduced rate of $8.66 (vs. $11.26 non-owner occupied)	1-5 Units	
Narragansett	10% of Assessed Value	1-4 Units	Homeowners who rent additional units are ineligible; mixed-use properties are eligible
North Kingstown	5% of Assessed Value	1-5 Units	
North Providence	20% of Assessed Value	1-5 Units	Mixed-use properties are eligible for a reduced exemption of 10% of assessed value
Providence	Reduced rate of $10.46 (vs. 18.35 non-owner occupied)	1-5 Units	
West Greenwich	20% of Assessed Value	1-4 Units	Includes condominiums; Applies to all residential property (including nonresident)
Woonsocket	25% of Assessed Value 10% of Assessed Value 5% of Assessed Value	Single Family Two Family Three Family	Includes condominiums in the case of single family units

Source: R.I. Division of Municipal Finance, Report on the Veteran, Senior, and Other Tax Exemption Programs; RI Gen. Laws, § 44-3, § 44-5; municipal websites

Figure 24
Rhode Island Fire District Services and Tax Rates by Municipality

Municipality	Fire District	Fire Services Provided	Tax Rates (Per $1K of Property)			
			Residential	Commercial	Tangible	Fiscal Year
Burrillville	Harrisville	Fire services	$2.0300	$2.0300	$2.0300	2025
	Nasonville East Burrillville**	Fire services	$1.2900	$1.2900	$1.2900	2022
	Oakland-Mapleville	Fire services	$2.2500	$2.2500	$2.2500	2022
	Pascoag	Fire services	$1.8600	$1.8600	$1.8600	2025
Charlestown	Charlestown	Fire services	$0.3170		$ -	2025
	Dunn's Corner*	Fire services	$0.3965		$ -	2025
	Quonochontaug	Fire services provided by another district	$1.2330		$ -	2025
	Shady Harbor	Fire services provided by another district	$1.4710	$1.4710	$1.4710	2022
Coventry	Central Coventry	Fire services	$1.4580	$2.1870	$1.4580	2024
	Coventry	Fire services	$1.8800	$2.8200	$2.8200	2024
	Hopkins Hill	Fire services	$1.9500	$2.9300	$1.9500	2025
	Western Coventry	Fire services	$1.6500	$1.6500	$1.5800	2025
Cumberland	Cumberland	Fire services	$1.6720	$1.6720	$1.6140	2025
Exeter	Exeter	Fire services	$1.5500	$1.5500	$1.5500	2025
Glocester	Chepachet	Fire services	$0.9000		$0.9000	2025
	Harmony	Fire services	$1.5300	$1.5300	$1.4400	2025
	West Glocester	Fire services	$1.1500	$1.7000	$1.1500	2025
Hopkinton	Ashaway	Fire services	$1.2500	$1.2500	$ -	2022
	Hope Valley/Wyoming*	Fire services	$0.8700	$0.8700	$0.8700	2025
Lincoln	Lime Rock	Fire services	$2.0500	$2.0500	$2.0500	2025
	Lincoln	Fire services	$1.2400	$1.9550	$3.1500	2024
	Manville	Fire services	$1.5200		$1.3300	2025
	Quinnville	Fire services	$1.3800		$1.3300	2025
Narragansett	Bonnet Shores	None	$0.6592	$0.6592	$-	2023
North Kingstown	Pojac Point	None	$0.8800	$0.8800	$-	2023
Portsmouth	Portsmouth Water & Fire	None (water services only)	$0.2400		$-	2025
Richmond	Hope Valley/Wyoming*	Fire services	$0.8700	$0.8700	$0.8700	2025
	Richmond-Carolina	Fire services	$0.9000	$-	$0.9000	2025
South Kingstown	Indian Lake Shores	Fire services provided by another district	$0.8500	$0.8500	$-	2024
	Kingston	Fire services	$0.7500		$0.7500	2025
	Union	Fire services	$0.5700		$0.5700	2025
Tiverton	North Tiverton	None (water services only)	$0.9400	$0.9400	$0.9400	2023
	Stone Bridge	None (water services only)	$0.6600	$0.6600	$0.6600	2023
Warwick	Buttonwoods	None	$1.6700	$1.6700	$-	2023
Westerly	Bradford	Fire services provided by another district	$0.4900		$ -	2025
	Dunn's Corners*	Fire services	$0.3965		$ -	2025
	Misquamicut	Fire services	$0.9100	$0.9100	$ -	2024
	Shelter Harbor	Fire services provided by another district	$1.0500	$1.0500	$ -	2024
	Watch Hill	Fire services	$0.6250	$0.6250	$ -	2021
	Weekapaug	Fire services provided by another district	$0.7000	$0.7000	$ -	2024
	Westerly	Fire services	$0.6500	$0.6500	$ -	2024

* Boundaries overlap two municipalities

** East Burrillville Fire District was created as a new entity by the merger of Nasonville and Oakland Mapleville Fire Districts -- Rates have not been reported

Source: R.I. Division of Municipal Finance, Report on Rhode Island Fire Districts, 2014; R.I. Division of Municipal Finance, Fire District Tax Rates; Fire District websites

Figure 25
Year-Over-Year Property Tax Levy Increase by Municipality
FY 2016 - FY 2025

Municipality	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Barrington	1.89%	1.70%	9.13%	2.92%	3.32%	4.11%	1.67%	2.80%	3.94%	3.77%
Bristol	3.97%	6.00%	1.76%	3.71%	3.79%	2.23%	3.03%	4.00%	3.19%	3.38%
Burrillville	3.15%	3.04%	3.83%	3.85%	1.40%	0.57%	3.28%	1.53%	3.02%	2.82%
Central Falls	2.63%	1.00%	1.77%	0.32%	8.95%	2.04%	-0.03%	3.97%	3.98%	2.44%
Charlestown	2.35%	1.59%	1.09%	1.34%	-3.89%	0.78%	0.13%	0.71%	3.69%	1.15%
Coventry	2.74%	4.00%	3.39%	4.00%	3.57%	0.00%	2.99%	2.30%	3.59%	3.76%
Cranston	1.88%	1.11%	2.69%	0.29%	2.63%	0.37%	0.45%	3.09%	2.90%	-0.84%
Cumberland	1.01%	1.71%	4.27%	2.65%	3.45%	2.38%	2.89%	2.35%	2.79%	2.81%
East Greenwich	3.93%	2.84%	-1.25%	-0.08%	1.84%	2.34%	3.25%	3.06%	3.96%	3.99%
East Providence	1.09%	0.45%	2.50%	2.99%	3.49%	3.50%	1.97%	1.83%	3.50%	2.12%
Exeter	3.25%	4.07%	2.56%	2.70%	2.66%	0.38%	2.68%	3.98%	3.96%	3.99%
Foster	4.00%	3.40%	2.94%	3.97%	3.98%	1.26%	3.88%	4.05%	3.98%	3.76%
Glocester	1.50%	2.25%	-0.62%	2.07%	3.59%	1.61%	2.43%	13.22%	4.00%	3.57%
Hopkinton	-0.45%	2.32%	3.62%	2.31%	4.00%	3.36%	2.17%	1.62%	2.00%	2.31%
Jamestown	1.16%	0.89%	1.90%	2.96%	3.05%	2.51%	3.37%	3.88%	4.00%	4.00%
Johnston	3.68%	1.24%	0.08%	0.58%	3.39%	1.61%	2.55%	0.63%	3.88%	1.75%
Lincoln	0.97%	0.98%	1.82%	3.01%	1.92%	3.21%	1.21%	4.99%	1.63%	3.17%
Little Compton	2.67%	3.94%	3.95%	3.43%	3.76%	2.41%	2.46%	-0.08%	2.69%	3.99%
Middletown	2.08%	3.12%	0.76%	0.91%	0.04%	0.93%	2.48%	4.06%	5.89%	9.27%
Narragansett	1.93%	2.02%	2.62%	2.76%	3.98%	2.60%	2.14%	2.22%	3.90%	3.14%
New Shoreham	3.88%	2.85%	3.61%	2.08%	3.53%	3.87%	5.82%	6.03%	3.90%	9.44%
Newport	1.43%	2.92%	2.83%	3.63%	3.12%	0.81%	2.49%	3.43%	3.41%	3.66%
North Kingstown	3.04%	1.64%	3.61%	3.59%	3.15%	1.66%	3.63%	3.62%	3.18%	0.47%
North Providence	0.89%	1.10%	3.03%	-0.16%	3.61%	1.14%	1.23%	1.18%	-0.70%	0.59%
North Smithfield	2.26%	6.34%	2.24%	1.81%	3.88%	3.75%	2.64%	1.83%	3.37%	1.26%
Pawtucket	3.17%	1.36%	3.97%	2.70%	3.93%	0.71%	1.66%	1.38%	2.89%	0.55%
Portsmouth	1.28%	2.32%	3.30%	3.95%	3.60%	3.59%	2.86%	3.32%	3.76%	3.76%
Providence	1.55%	3.53%	0.82%	0.39%	2.34%	0.63%	2.95%	3.98%	2.72%	4.00%
Richmond	0.96%	3.03%	5.30%	3.95%	3.97%	3.96%	2.58%	1.58%	-0.04%	0.08%
Scituate	1.51%	2.48%	4.08%	3.12%	3.98%	2.70%	3.77%	4.00%	28.60%	-16.80%
Smithfield	2.47%	1.88%	3.83%	1.84%	4.60%	1.09%	2.30%	3.08%	3.97%	1.36%
South Kingstown	1.33%	2.76%	1.81%	3.43%	3.92%	1.00%	0.50%	1.17%	1.74%	0.56%
Tiverton	0.86%	0.90%	0.33%	-0.49%	-0.12%	3.44%	3.90%	3.18%	3.21%	0.94%
Warren	-0.26%	1.17%	0.05%	0.50%	2.50%	3.93%	3.90%	3.81%	3.86%	5.35%
Warwick	3.01%	1.78%	-0.37%	3.34%	3.53%	0.62%	0.28%	0.89%	3.34%	0.89%
West Greenwich	0.02%	1.28%	3.12%	6.96%	3.39%	0.89%	2.58%	2.03%	2.00%	1.42%
West Warwick	3.28%	4.00%	2.66%	3.34%	3.45%	1.58%	2.68%	1.97%	1.47%	0.68%
Westerly	2.59%	2.49%	2.93%	3.54%	3.81%	1.77%	2.55%	1.85%	1.54%	2.89%
Woonsocket	2.52%	-2.26%	-3.25%	0.34%	-1.20%	-0.50%	-0.05%	1.19%	1.03%	-0.71%
Statewide Total	**2.10%**	**2.18%**	**1.99%**	**2.10%**	**2.95%**	**1.49%**	**2.10%**	**2.68%**	**3.30%**	**2.01%**

Note: Cities and towns may exceed the cap for a variety of reasons, including the forecasted loss of total non-property tax revenues, the anticipation of an "emergency situation," a substantial growth in a municipality's tax base that requires significant infrastructure or school housing and forecasted or real debt services expenditures that exceed the previous year's debt service expenditures by greater than 4.0 percent and which are caused by bonded debt. For FY 2018 cities and towns were additionally permitted to exceed the levy cap if doing so was solely caused by the exclusion of the motor vehicle tax from the new levy calculation. This exemption applied to Cumberland and Scituate.

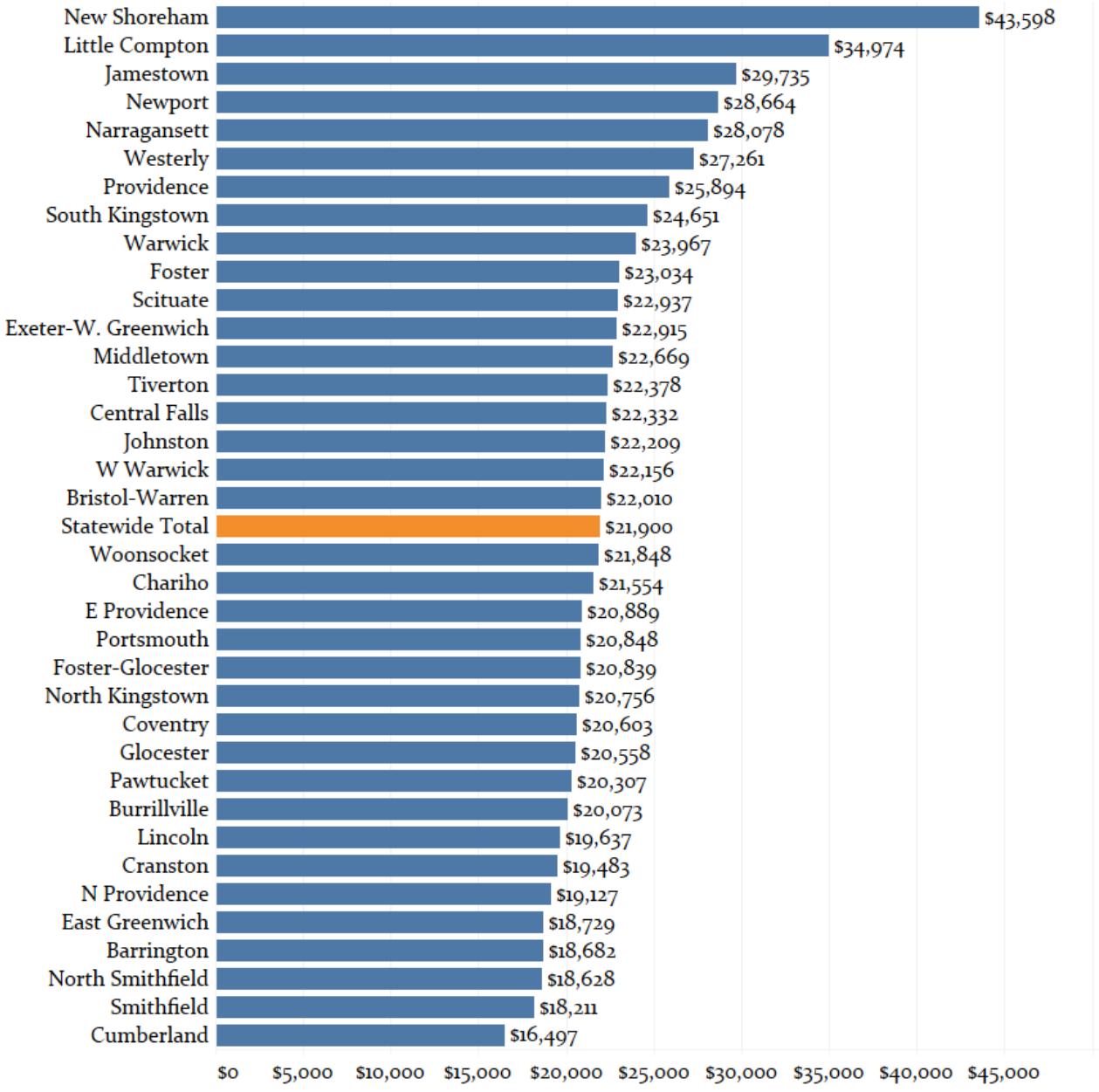
Source: R.I. Division of Municipal Finance, Report on the Property Tax Cap

Figure 26
Change in Local and State Revenues and Enrollment by District
FY 2019 - FY 2023

District	Revenue Source Change				Enrollment Change	
	Local Revenue		State Revenue			
	Nominal ($ Mil.)	Avg. Annual %	Nominal ($ Mil.)	Avg. Annual %	Nominal	%
Barrington	$ 5.37	2.9%	$ 3.54	16.0%	27	0.8%
Bristol-Warren	$ 4.34	2.7%	$ (1.55)	-2.3%	-325	-10.1%
Burrillville	$ 1.24	1.5%	$ 2.34	4.7%	-239	-10.5%
Central Falls	$ 0.18	5.0%	$ 19.70	11.3%	-118	-4.3%
Chariho	$ 2.49	1.3%	$ 1.75	2.8%	-148	-4.7%
Coventry	$ 4.30	2.2%	$ 2.21	2.4%	-462	-10.0%
Cranston	$ 6.19	1.6%	$ 11.75	4.8%	-175	-1.7%
Cumberland	$ 5.41	2.9%	$ 1.97	2.4%	107	2.3%
East Greenwich	$ 4.80	3.3%	$ 1.67	12.5%	3	0.1%
East Providence	$ 6.89	3.6%	$ 4.41	2.8%	-139	-2.6%
Exeter-WG	$ 2.53	2.4%	$ (0.06)	-0.2%	-98	-6.1%
Foster	$ 0.58	4.5%	$ (0.12)	-2.3%	-44	-17.2%
Foster-Glocester	$ 2.78	3.6%	$ 0.49	1.4%	61	4.7%
Glocester	$ 1.13	4.3%	$ 0.26	2.8%	48	9.1%
Jamestown	$ 1.86	3.9%	$ (0.06)	-2.7%	-92	-18.4%
Johnston	$ 1.79	1.2%	$ 2.79	3.8%	-118	-3.7%
Lincoln	$ 2.94	1.7%	$ 4.81	9.4%	169	5.5%
Little Compton	$ 0.95	3.4%	$ 0.11	7.3%	-29	-12.4%
Middletown	$ 3.94	3.6%	$ 0.72	2.2%	-183	-8.5%
Narragansett	$ 3.02	2.8%	$ (0.07)	-0.7%	-138	-10.8%
New Shoreham	$ 0.77	3.9%	$ 0.22	34.7%	-1	-0.8%
Newport	$ 2.06	1.8%	$ 3.19	6.3%	-259	-12.1%
North Kingstown	$ 8.43	3.6%	$ 2.09	5.1%	-162	-4.1%
North Providence	$ 0.97	0.7%	$ 4.88	5.2%	-30	-0.9%
North Smithfield	$ 2.43	3.0%	$ 0.42	1.7%	-40	-2.4%
Pawtucket	$ 1.50	1.1%	$ 12.94	3.5%	-828	-9.4%
Portsmouth	$ 3.36	2.4%	$ (0.36)	-2.1%	-242	-10.0%
Providence	$ 7.68	1.4%	$ 25.93	2.5%	-2,739	-11.9%
Scituate	$ 2.66	3.4%	$ (0.88)	-6.4%	-38	-3.1%
Smithfield	$ 2.13	1.6%	$ (0.22)	-0.7%	35	1.5%
South Kingstown	$ 1.73	0.8%	$ (0.85)	-3.4%	-440	-15.0%
Tiverton	$ 5.06	5.3%	$ 0.64	2.4%	-126	-7.2%
Warwick	$ 11.56	2.3%	$ 5.07	3.3%	-738	-8.5%
West Warwick	$ 1.96	1.5%	$ 8.30	7.9%	-92	-2.6%
Westerly	$ 1.36	0.7%	$ 0.22	0.6%	-421	-15.7%
Woonsocket	$ 0.01	0.0%	$ 9.85	3.9%	-415	-6.9%

Note: Enrollment is determined by average daily membership for the school years corresponding to FY 2019-FY 2023 (2018-19 - 2022-23). Figure does not include change in state or local aid for students residing in these districts who attend public school out of district.
Source: RIDE, UCOA Data, RIPEC calculations.

Figure 27
Rhode Island Net Per Pupil Expenditures by District
FY 2023



Note: Expenditures are net of debt service and capital projects expenditures, as well as tuition to other public schools.
Source: RIDE, FY 2023 Per Pupil Expenditure Chart

RIPEC

About the Rhode Island Public Expenditure Council

The Rhode Island Public Expenditure Council (RIPEC) is a nonpartisan and nonprofit public policy research organization dedicated to advancing fiscally responsible government, competitive tax policies, and economic opportunities for all in Rhode Island.

www.RIPEC.org