

THE CITY OF WARWICK  
STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

CHAPTER 74  
TAXATION

No..... Date.....

Approved.....Mayor

AN ORDINANCE INVOLVING STATE LAW REGARDING UNUTILIZED  
COMMERCIAL PROPERTY

Be it ordained by the City of Warwick:

Section I: Chapter 74, of the City of Warwick Code of Ordinances is hereby amended by adding Article VIII, entitled "Unutilized Commercial Property," as follows:

TITLE

Sec. 74-154. – Authority.

In accordance with the express enabling authority granted by the General Assembly in G.L. 1956 § 44-5.1 there is hereby established in the city a real estate non-utilization tax.

Sec. 74-155. – Definitions.

As used in this article, the following terms shall have the meanings ascribed to them in this section:

Abutter means a neighbor whose property touches the property in question.

Actively marketed means the good faith efforts by the owner of the property to obtain one (1) or more occupants of the property. These good faith efforts may include, without limitation, one (1) or more of the following:

- (1) Making substantial financial expenditures in comparison with the value of the property;
- (2) Listing the property for sale or lease, or both, with one (1) or more real estate brokers, for a price and on terms, or for a rental that is realistic considering the fair market value or fair market rental value of the property; or
- (3) Advertising, using one (1) or more signs on the property and at least one (1) other

1 medium, the availability of the property for sale or rental for a price and on terms, or  
2 at a rental that is realistic considering the fair market value or fair rental value of the  
3 property. Sporadic attempts to sell or lease the property during the privilege year may  
4 be viewed as not constituting a good-faith marketing effort.

5  
6 *Continuously unoccupied* means any property which is listed during the entire privilege  
7 year as vacant in the records of the Department of Planning.

8  
9 *Development plan* means a plan to rehabilitate a vacant and abandoned property within a  
10 set time frame for a use in conformance with the city's comprehensive plan and zoning  
11 ordinances.

12  
13 *New owner* means any person who has purchased the vacant and abandoned property  
14 during the period subsequent to the notice of designation as vacant and abandoned.

15  
16 *Nonprofit housing organization* means any organization exempt from taxation pursuant to  
17 § 501(c)(3) of the Internal Revenue Code (26 U.S.C. § 501(c)(3)) whose exempt purposes  
18 include the provision of affordable housing to low and moderate income households.

19  
20 *Privilege year* means the twelve-month period corresponding to the calendar year.

21  
22 *Reviewing entity* means the administrative officer, designated in accordance with G.L.  
23 1956, § 45-23-55; if no administrative officer has been so designated, then the City Planning  
24 Board.

25  
26 *Housing* means Rhode Island Housing and Mortgage Finance Corporation, a public  
27 corporation created under G.L. 1956, tit. 42, ch. 55.

28  
29 *Vacant and abandoned property* means any property which is:

- 30  
31 (1) A structure that has been determined to be continuously unoccupied by the  
32 Building Department during the privilege year; and  
33 a. Has been under continuous citation by the Building Department and/or  
34 Minimum Housing or  
35 b. Has not been maintained as evidenced by the exterior condition and  
36 structure.  
37 (2) A lot with no existing structure that is littered with trash and obviously  
38 abandoned.

39  
40 Sec. 74-156. – Notice of designation as vacant or abandoned.

- 41  
42 A. The Building Department shall, upon designation of a property as vacant and  
43 abandoned, notify the owner in writing of the date of designation of the property as  
44 vacant and abandoned and the date upon which the non-utilization tax shall be  
45 imposed and said notice shall be immediately sent to the city assessor. The Building  
46 Department shall file the notice of designation as vacant and abandoned with the

1 recorder of deeds.

2  
3 Sec. 74-157. – Imposition.

- 4  
5 A. The city imposes a tax upon the privilege of utilizing property as vacant and abandoned  
6 property within the city during any privilege year commencing with the privilege year  
7 beginning December 31, 2021, and every calendar year thereafter.  
8 B. The city shall, through the office of the city assessor, annually impose upon any property  
9 which is vacant and abandoned, as determined by the Building Department, a non-  
10 utilization tax measured by the assessed value of the real estate at the rate of \$100 for  
11 each \$1,000 of assessed value of the real estate as most recently returned by the tax  
12 assessor of the city.  
13 C. The tax imposed under the authority of this chapter shall be due and payable in the same  
14 manner as other municipal taxes are due in the city.  
15 D. Taxes imposed under the authority of this chapter shall constitute an automatic lien  
16 against the property like any other real estate tax imposed.  
17 (1) The non-utilization tax lien date shall be December 31st annually.  
18 (2) Unpaid non-utilization taxes must be satisfied before a deed transferring the  
19 ownership of the subject property can be recorded with the city clerk.  
20 (3) The city can sell any unpaid non-utilization tax liens through the normal tax sale  
21 process used for unpaid real estate taxes.  
22

23 Sec. 74-158. – Exceptions.

- 24  
25 A. The non-utilization tax authorized by this article shall not be imposed on property:  
26  
27 (1) Owned by an abutter, a new owner, or a nonprofit housing organization if:  
28 a. The abutter, new owner, or nonprofit housing organization submits a proposed  
29 development plan to the administrative officer, designated in accordance with  
30 G.L. 1956, § 45-23-55; if no administrative officer has been so designated,  
31 then to the city Planning Department.  
32 b. The administrative officer, in accordance with G.L. 1956, § 45-23-55, or if no  
33 administrative officer, then the city Planning Department, determines that the  
34 proposed development plan contains a reasonable timetable for the  
35 development or reuse of the property;  
36 c. The administrative officer, in accordance with G.L. 1956, § 45-23-55, or if no  
37 administrative officer, then the city planning commission, determines that the  
38 abutter, new owner, or nonprofit housing organization has obtained adequate  
39 funding for the development plan; and  
40 d. The administrative officer, in accordance with G.L. 1956, § 45-23-55, or if no  
41 administrative officer, then the city Planning Department determines that the  
42 proposed development plan is in accordance with the approved  
43 comprehensive plan and zoning ordinances of the city and approves it.  
44 (2) The administrative officer, in accordance with G.L. 1956, § 45-23-55, or if no  
45 administrative officer, then the city planning commission, shall deliver a copy of the  
46 approved development plan to the tax assessor who shall certify the property as

1 exempt from the non-utilization tax.

- 2 a. Failure of the nonprofit housing organization, new owner or abutter, without  
3 good cause, to carry out the development or refuse of the property in  
4 accordance with the timetable set forth in the approved development plan  
5 shall result in the property being subject to the non-utilization tax as of the  
6 first date of assessment following the expiration of the timetable in the  
7 approved development plan.  
8 b. The decision of the administrative officer, or the city planning commission,  
9 denying approval of a development plan may be appealed as provided in  
10 Section 74-160 of this article.

11 B. The non-utilization tax authorized by this article shall not be imposed on property for  
12 which RI Housing:

- 13  
14 (1) Holds an interest on the property pursuant to G.L. 1956, § 44-9-8.3;  
15 (2) Holds a first mortgage on the property, which mortgage is insured under any federally  
16 sponsored mortgage insurance program, including, without limitation, programs  
17 sponsored by the Federal Housing Administration (FHA), the Federal Home Loan  
18 Mortgage Administration (Freddie Mac) or the Government National Mortgage  
19 Association (Fannie Mae); or  
20 (3) Owns the property under the RI Housing land bank program, which property is  
21 intended for development into housing for low or moderate-income households.  
22

23 Section 74-159. – Abatement of tax.

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25 The tax assessor is empowered to abate the non-utilization tax if it is imposed in error.  
26

27 Section 74-160. – Appeals.  
28

- 29 A. If any appeal from the imposition of the tax set forth in this article, the board of  
30 assessment review shall find in favor of an appellant who shows that the property  
31 assessed;  
32  
33 (1) Was actively marketed during the privilege year; or  
34 (2) Was occupied for substantial portions of the privilege year, notwithstanding its  
35 designation by the Building Department  
36 (3) Was exempt pursuant to Section 74-158(A)(2) of this article from the imposition of  
37 the tax as set forth in that section.  
38  
39 B. Appeals of the non-utilization tax must be made within the same statutorily mandated  
40 time constraints required for other real estate tax appeals.  
41  
42 C. Nothing contained in this article shall be deemed to enlarge or diminish any other right of  
43 appeal that an appellant may possess pursuant to the general or public laws or city  
44 ordinances. Appeals of the non-utilization tax must be made within the same statutorily  
45 mandated time constraints as required for any other real estate tax appeals.  
46

1 Section 74-161. – Use of collected taxes.

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3 All taxes collected under the provisions of this Article shall be allocated to economic  
4 development.

5

6 Section 74-162. – Reserved.

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8 Section II. This Ordinance shall take effect immediately upon its passage.

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SPONSORED BY: COUNCILMAN SINAPI

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COMMITTEE: FINANCE

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