

Spot Assessments

2021 Legislative Agenda

House Bill: H 5410

Sponsored by Representatives O'Brien, Corvese

Senate Bill: S 96

Sponsored by Senators DiPalma, Euer, Paolino, Felag, Burke

Legislative Explanation

[H 5410](#) and [S 96](#) prohibits cities and towns from performing spot assessments that increase the assessment value of properties that have sold, except in accordance with their revaluation or update schedule.

Issue Background

Local assessors set current market real estate values or assessments. Rhode Island General Law § 44-5-11.6 requires cities and towns to conduct a revaluation of real property within nine years of the date of the prior revaluation and a statistical update every three years from the last revaluation. RIAR members and homeowners have been informed that some municipalities have attempted to circumvent this schedule and reassess homes after title transfer. This tax policy known as spot assessing, can have a negative impact on property valuations in a neighborhood, while imposing higher taxes on new constituents who did not anticipate a change in anticipated taxes due.

Please let your Representatives and Senators Know:

Rhode Island Continues to Lag Behind

- Spot assessments patently treat new homebuyers unfairly and speak to our State's poor national standing relative to local property taxes.
- According to a new study conducted by WalletHub, Rhode Island ranks 42nd for annual taxes on homes priced at the state's median value.

Legal Costs Can Pile Up for Homeowners and Municipalities

- In recent years, some cities and towns like Barrington have attempted to spot assess homes after the transfer of real property, imposing higher taxes without any notification.
- Barrington's town solicitor wrote that the assessor's new policy would most likely be overturned by the court in favor of taxpayers who appealed the tax scheme.
- Residents would have to bear the legal costs of defense for the misinterpretation of state statute.

Tax Policy Should be Fair and Equitable

- Fairness and equitability must be integral to any property tax system.
- Properties to reassess should not be handpicked.
- Cities and towns must learn to live with the revenue from existing budgeted assessments and work with the Rhode Island Association of REALTORS® (RIAR) and tax experts on policies that make Rhode Island an attractive place to purchase a home.
- Appraisers, real estate professionals, and property owners should know the legal basis for fair taxation and how spot assessments could impact tax bills in the future.