RESOLUTION of the Town Council of the Town of Portsmouth, Rhode Island re-authorizing and revising tax stabilization in the Enterprise Zone:

The Town Council, acting pursuant to the authority granted under Section 42-64.3-9, General Laws of Rhode Island, 1956, 1993 Reenactment, as amended, hereby resolves that the following regulations authorizing tax stabilization for business located in the Enterprise Zone are established, effective immediately:

**Eligible Facilities:**
All legally permitted commercial and industrial facilities within the Enterprise Zone are eligible. The Enterprise Zone in Portsmouth is composed of Census Tracts 401.03 (Aquidneck Island portion only) and portions of Census Tract 401.01 and 401.02, and may be described generally as the area of Portsmouth on Aquidneck Island:

- All of Island Park;
- West of East Main Road, except North of Route 24 and East of Boyds Lane;
- East of East Main Road from Park Avenue to Hargraves Drive;

No manufacturing or commercial concern relocating from one city or town within the State of Rhode Island to Portsmouth shall be eligible for this program in the year of relocation.

**The Following Tax Schedule is to be used:**
For expansion of an existing facility, renovation of an existing facility, construction of a new facility, or leasehold improvements in the Enterprise Zone, the percentage of new added taxable assessment shall be exempt as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>% Exempt From Tax</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>100%</td>
</tr>
<tr>
<td>2</td>
<td>80%</td>
</tr>
<tr>
<td>3</td>
<td>60%</td>
</tr>
<tr>
<td>4</td>
<td>40%</td>
</tr>
<tr>
<td>5</td>
<td>20%</td>
</tr>
<tr>
<td>6</td>
<td>0%</td>
</tr>
</tbody>
</table>

In year 6 and thereafter, the new value will be taxed at the normal rate for the Town.

**General Rules and Standards:**
Tax Stabilization will not relate to the value of land, but to the value of building improvements only, nor does it change or affect any pre-existing valuation. Tax Stabilization shall apply to all value not assessed as of the previous December 31, regardless of whether the building permit therefore was issued before or after the beginning of the year. New and expanding businesses must apply for designation with the Enterprise Zone Coordinator in the same year as the issuance of a building permit. Tax Assessment and collection practices will be the same as for any other property, except for a final calculation on the portion of exempt from taxes.

In no event shall total assessment on which the exemptions are based exceed the then current assessment on the improvements. Leasehold improvements will be classified as tangible personal property in order to qualify, as long as they are attached to the building.
The only requirements to benefit from this program are for the business to be located in the Enterprise Zone, be current on property tax payments, and be in conformance with the zoning ordinance. There are no thresholds for minimum size or value, or a minimum number of jobs to be created.

Property is eligible for the full term of these Tax Stabilization benefits provided that actual participation and use of the program (not just application) begins during calendar years in which Portsmouth is part of the R.I. Enterprise Zone program.

**Other Conditions of Participation:**
In the event that the applicant defaults on any quarterly tax or other payment due the Town on property receiving exemption hereunder for a period of more than 45 days (real estate, motor vehicle, or personal property), the stabilization shall cease immediately. Notice of delinquency shall be sent to property owner by registered mail not more than 30 days after delinquency.

Tax stabilization is transferable to new owners of eligible property, to the extent that only the remaining balance of eligible time a property may be in the tax stabilization program is transferable, or a pro rata portion of the original property thereof in the case of a conversion and transfer of property to condominium ownership, or other split ownership, provided that payment of property taxes due on said property in the Tax Stabilization program are not delinquent, and that the new and/or prior owner are not delinquent on payment of other taxes to the Town. All transfers of continuing participation must be registered with and approved by the Director of Business Development. The Director of Business Development will forward notice of eligible transfers of participation to the Tax Assessor.

**Procedures:**
1. Business or property owners planning to utilize this program shall, prior to or at the time of obtaining a building permit, register with the Enterprise Zone coordinator, the Director of Business Development.

2. The Building Inspector shall immediately forward a copy of the approved building permit to the Tax Assessor and the Enterprise Zone Coordinator. The Enterprise Zone Coordinator shall immediately notify the Tax Assessor of the applicant’s desired participation in the Tax Stabilization program.

3. The Tax Assessor will thereupon conduct an inspection of the subject property, at his/her discretion, in order to determine assessed valuation of the property prior to improvement.

4. Upon completion of the improvement or December 31, of the tax year, whichever comes first, the Tax Assessor or person designated by him shall inspect the subject property and determine the taxable assessed value added to the property. He will thereupon notify the applicant and the Enterprise Zone Coordinator of the added value and the schedule of phased in taxable value.