

MIDDLETOWN LEADS

WHAT IS MIDDLETOWN LEADS?

Middletown Leads is a weekly newsletter intended to connect the Middletown community by providing information about the civic undertakings of the Town.

MIDDLETOWN TAX PROPOSAL

The Middletown Town Council met on Monday, August 19, 2019 when proceedings began with a PowerPoint presentation by John Simmons from the Rhode Island Public Expenditure Council of the report entitled Middletown Property Tax Analysis: Assessing the Impact of the Alternative Property Tax Models on Fiscal Stability and Taxpayer Equity, which drew the following conclusions related to established tax principles:

The Tax Foundation developed a set of principles to help policymakers develop a sound tax policy. They include Simplicity, Transparency, Neutrality, and Stability. The report analyzes the following impacts on the tax principles:

Impact on Tax Code Simplicity and Ease of Administration: Assessed value caps usually make it less costly for governments and easier for taxpayers to understand. However, the state will still require revaluations, and tax code simplicity may be impacted due to complicated reassessment exemptions that accompany value caps.

Impact on Tax Code Transparency and Accountability to Taxpayers: The proposed policies could improve the transparency as they became more predictable. However, as a whole, the policies serve to undermine transparency. The relative tax burden would not be clearly related to the current market value of the property and, because each property would be assessed at a different point in time, the distribution of the tax burden would be less transparent.

Impact on Tax Code Neutrality and Taxpayers' Spending Decisions: Because the market value of property tends to increase, a policy that locks in a property's assessed value incentivizes long-term property ownership, and mobility would be discouraged because property owners could choose to remain in a property they would have otherwise sold. This inefficient use of available resources could have a net-negative effect on the economy.

Impact on Stability and Revenue Collections: Tax collection stability does not guarantee that revenues will be sufficient. Both Models 1 and 2 predict a budget shortfall for Middletown, and raising the levy in Model 3 would require a referendum.

Impact on Taxpayer Equity: Adopting an assessment model based on purchase price uncouples the link between market value and tax resulting in taxpayer equity.

Therefore, it is likely that taxpayers with the most and highest-valued property will generally derive the greatest economic benefit from an assessed value cap.

This policy would also shift the tax burden away from long-term property owners and towards newer property owners, likely shifting the tax burden from older property owners to their younger peers.

Discussion of the report and its implications has yet to take place.

WEST SIDE DEVELOPMENT

The August 19, 2019 Town Council Meeting included a docket item intended to re-open discussions related to the mixed-use development of the Navy land on West Main Rd. The Town Council was asked to approve the hiring of a consultant to assist the Town in preparing an RFP (Request for proposals) from potential developers at a minimal cost of \$12,990, which would have been funded from the General Fund Committed Fund Balance.

The proposal was defeated by a vote of 4 to 3 in a discussion that took no more than 10 mins.

SCHOOL UNIFICATION/REGIONALIZATION

On June 17, 2019, following the 3rd meeting at which dozens of citizens spoke in support of discussions that would provide information to make educated voter decisions, the Middletown Council voted 5 – 2 not to join in the discussion of regionalizing schools requested by Newport Superintendent of Schools Coleen Jermain.

While the meetings were lengthy due to the great number of supportive speakers, a decision was issued by the Town Council following a discussion of less than 10 minutes, **leading some to believe that the position of the counselors reflected embedded personal beliefs rather than the representation of constituents.**

TOWN COUNCIL – DISPROPORTIONATE ATTENTION

While the above docket items had widespread ramifications regarding the community at large and the future of Middletown itself, the Town Council has not given these items the attention they deserved while large quantities of time have been devoted to discussions of irresponsible dog owners, the expense of repairs (e.g., the school tennis courts) due to school department neglect, and other items that should be relegated to town management.

Many such items are within the purview of the Town Administrator and the Departments that answer to him and not deserving of the attention of those who have been elected primarily to institute policy.

It's time for a change.

MIDDLETOWN LEADS MOVES:

This is the final issue of this newsletter, which will move to the following website:
<https://middletownleads.blogspot.com/>