

**Appendix C**  
**Aid to Cities and**  
**Towns**



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## Formula Aid to Cities and Towns

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The Governor's FY 2008 budget recommends formula aid to cities and towns totaling \$284.9 million. This represents a 1.8 percent, or \$5.1 million, increase from the FY 2007 revised level of funding. The tables on the following pages display FY 2007 and FY 2008 recommended levels of funding for formula aid to cities and towns by community. In general, all formula state aid programs were level funded with the exception of the motor vehicle excise tax reimbursement program which was increased by 3.2% to reflect increased valuation of exempted vehicles. The narrative below describes each of the programs included on the tables.

General Revenue Sharing - Beginning in FY 1994, one percent of total state tax revenues from the second prior fiscal year was earmarked for general state aid to cities and towns. Beginning in FY 1999, this percentage was to increase annually until reaching 4.7 percent by FY 2009. These funds are distributed based on a legislated formula encompassing per-capita income and the taxes imposed by each city or town for public purposes, excluding amounts allocated to education expenses. The Governor proposes that funding for this program in FY 2008 be set at \$65.1 million, the same amount as in FY 2007 and to fix future distributions at three percent (3.0%) of tax revenues in FY 2009 and thereafter. For FY 2008, the entitlements by community have been fixed at the same amount as in FY 2007.

Payment in Lieu of Taxes - Legislation creating this program requires the State of Rhode Island to reimburse cities and towns for property taxes that would have been due on certain types of real property that are exempted from taxation by state law. This includes property owned by nonprofit educational institutions, nonprofit hospitals, or any state owned hospital, veteran's facility, or correctional facility. Reimbursement is made for twenty-seven percent of all tax that would have been collected had the property been taxable, prorated to the amount appropriated for a given year. The program has been level funded for FY 2008 and the entitlements by community have been fixed at the same amount as in FY 2007.

Distressed Communities Relief Fund - This program provides state assistance to those Rhode Island communities with the highest property tax burdens relative to the wealth of taxpayers. The Governor proposes to set the amount of funding distributed under this program to the amount enacted in the annual appropriations act, as opposed to the amounts collected from the Real Estate Conveyance Tax. Also, entitlements for FY 2008 by community have been fixed at the same amount as in FY 2007.

State Library Aid - This program provides financial support for local public library services and for the construction and capital improvement of any free public library. A portion of library aid is disbursed directly to local libraries, including private libraries, while other aid is disbursed to the individual cities and towns. Entitlements for FY 2008 by community have been fixed at the same amount as in FY 2007.

Motor Vehicle Excise Tax - Legislation enacted during the 1999 General Assembly provides for a phase-out of the local excise tax on motor vehicles and trailers. This legislation was amended in 2002 to make the full phase out of the tax subject to the annual review and appropriation of the General Assembly. For Fiscal Year 2007, the value of the exemption from local taxes was increased to \$6,000 per vehicle. The FY 2008 budget maintains that \$6,000 exemption and assumes a 3.2% growth in the value of exempted vehicles which will be reimbursed by the state.

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## **Formula Aid to Cities and Towns**

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Public Service Corporation Tax - The tangible personal property of telegraph, cable and telecommunications corporations is exempt from local taxation, but is subject to taxation by the state. Funds collected from this tax are distributed to cities and towns within the state on the basis of the ratio of the city or town population to the population of the state as a whole.

Meals and Beverage Local Sales and Use Tax – During the January 2003 session, the General Assembly enacted a one percent gross receipts tax on retail sales of meals and beverages in or from eating and/or drinking establishments. The taxes are collected by the Division of Taxation and distributed at least quarterly to the city or town where the meals and beverages were delivered. This budget assumes that this pass through aid will increase by 3% for each community.

## Fiscal Year 2007 State Aid to Cities and Towns

City or Town	General Revenue Sharing	Payment In Lieu of Tax Exempt Property	Distressed Community Relief Fund	State Library Aid	Motor Vehicle Excise Tax Reimbursement Value of Exemption	FY 2007 Total Appropriated State Aid
Barrington	243,363	53,865	-	314,971	2,963,073	3,575,271
Bristol	991,817	560,835	-	57,181	1,528,419	3,138,252
Burrillville	706,306	78,891	305,033	79,855	2,801,257	3,971,342
Central Falls	1,693,857	-	298,278	66,132	1,539,089	3,597,356
Charlestown	407,811	-	-	45,568	528,671	982,050
Coventry	1,014,646	-	-	167,177	2,973,702	4,155,525
Cranston	5,428,521	3,583,905	-	548,485	12,438,045	21,998,956
Cumberland	1,560,119	139	-	240,606	2,501,966	4,302,831
East Greenwich	176,808	7,940	-	102,399	1,372,315	1,659,462
East Providence	2,681,452	61,629	-	499,380	6,540,646	9,783,107
Exeter	90,542	-	-	28,066	1,000,288	1,118,896
Foster	310,304	270	-	29,271	841,121	1,180,966
Glocester	567,421	-	-	64,709	1,200,899	1,833,028
Hopkinton	225,882	-	-	31,238	830,371	1,087,491
Jamestown	146,604	-	-	70,379	433,765	650,749
Johnston	2,554,218	-	-	121,452	5,181,863	7,857,533
Lincoln	959,290	-	-	172,879	2,965,033	4,097,202
Little Compton	105,828	-	-	25,425	296,598	427,851
Middletown	979,346	-	-	149,936	1,117,039	2,246,321
Narragansett	882,212	-	-	111,496	1,258,557	2,252,265
Newport	1,846,695	658,326	-	346,433	1,875,054	4,726,508
New Shoreham	91,497	-	-	88,246	86,694	266,437
North Kingstown	890,042	6,836	-	234,608	2,891,033	4,022,518
North Providence	2,404,365	533,146	1,070,479	174,550	5,051,642	9,234,182
North Smithfield	656,282	38,817	-	60,768	2,014,607	2,770,474
Pawtucket	5,476,767	330,377	1,527,880	395,734	10,214,303	17,945,060
Portsmouth	654,697	-	-	109,462	1,573,181	2,337,339
Providence	15,536,990	20,124,158	5,398,068	1,285,939	23,360,791	65,705,946
Richmond	148,322	627	-	22,769	816,384	988,102
Scituate	452,695	-	-	93,610	1,572,931	2,119,235
Smithfield	1,867,355	437,602	-	240,145	3,576,955	6,122,057
South Kingstown	1,015,804	121,138	-	194,843	2,165,338	3,497,122
Tiverton	646,245	-	-	87,145	1,417,030	2,150,420
Warren	502,159	-	-	46,087	1,138,943	1,687,189
Warwick	4,872,914	862,977	-	666,767	14,083,144	20,485,802
Westerly	757,697	132,288	-	287,135	3,006,991	4,184,111
West Greenwich	223,293	-	-	21,394	567,247	811,934
West Warwick	1,473,614	-	945,155	196,189	3,170,604	5,785,562
Woonsocket	3,868,095	173,199	839,562	219,987	5,458,017	10,558,859
<b>Subtotal</b>	<b>\$65,111,876</b>	<b>\$27,766,967</b>	<b>10,384,458</b>	<b>\$7,698,411</b>	<b>134,353,606</b>	<b>\$245,315,315</b>
Statewide Reference Library Resource Grant (Providence)				970,322		970,322
Library Construction Reimbursement				2,849,447		2,849,447
Motor Vehicle Excise Tax Reimbursement - Fire Districts					1,875,837	1,875,837
Overpayment in FY 2006 <sup>(1)</sup>			(230,272)			
<b>Total</b>	<b>\$65,111,876</b>	<b>\$27,766,967</b>	<b>\$10,154,186</b>	<b>\$11,518,180</b>	<b>\$136,229,443</b>	<b>\$251,010,921</b>

<sup>(1)</sup> The August 2006 payment from the Distressed Communities Relief Fund, which is supposed to be based on Real Estate Conveyance Tax revenues for the period of January to June, was instead based upon the enacted appropriation and resulted in an overpayment to communities of \$230,272.

## Fiscal Year 2007 Pass Through Aid to Cities & Towns

City or Town	Public Service Corporation Tax	Meals and Beverage Tax	FY 2007 Total Shared Taxes State Aid	FY 2007 Total Shared & Appropriated Aid
Barrington	165,956	105,637	271,593	3,846,863
Bristol	221,816	274,633	496,449	3,634,701
Burrillville	156,192	156,989	313,181	4,284,523
Central Falls	186,716	113,474	300,190	3,897,547
Charlestown	77,318	111,379	188,697	1,170,747
Coventry	332,049	315,339	647,388	4,802,913
Cranston	782,494	1,284,439	2,066,933	24,065,889
Cumberland	313,933	326,472	640,405	4,943,236
East Greenwich	127,677	377,465	505,142	2,164,604
East Providence	481,518	789,309	1,270,827	11,053,934
Exeter	59,589	48,806	108,395	1,227,291
Foster	42,243	19,349	61,592	1,242,559
Glocester	98,122	60,781	158,903	1,991,931
Hopkinton	77,193	27,158	104,351	1,191,843
Jamestown	55,400	91,209	146,609	797,357
Johnston	278,198	401,472	679,670	8,537,203
Lincoln	205,799	416,001	621,800	4,719,002
Little Compton	35,441	29,518	64,959	492,811
Middletown	171,805	495,171	666,976	2,913,298
Narragansett	161,330	396,317	557,647	2,809,912
Newport	262,039	1,483,439	1,745,478	6,471,986
New Shoreham	9,937	173,696	183,633	450,071
North Kingstown	259,512	367,946	627,458	4,649,976
North Providence	320,185	409,055	729,240	9,963,422
North Smithfield	104,890	178,408	283,298	3,053,772
Pawtucket	720,845	644,647	1,365,492	19,310,552
Portsmouth	169,383	166,318	335,701	2,673,040
Providence	1,712,408	3,909,455	5,621,863	71,327,810
Richmond	70,903	123,387	194,290	1,182,392
Scituate	101,885	37,065	138,950	2,258,185
Smithfield	203,327	473,137	676,464	6,798,522
South Kingstown	275,088	478,915	754,003	4,251,125
Tiverton	150,556	111,686	262,242	2,412,662
Warren	112,258	248,157	360,415	2,047,604
Warwick	847,803	2,334,495	3,182,298	23,668,101
Westerly	226,600	613,081	839,681	5,023,792
West Greenwich	49,855	81,587	131,442	943,376
West Warwick	292,223	398,058	690,281	6,475,843
Woonsocket	427,271	495,342	922,613	11,481,472
<b>Subtotal</b>	<b>\$10,347,757</b>	<b>\$18,568,791</b>	<b>\$28,916,551</b>	<b>\$274,231,866</b>
Statewide Reference Library Resource Grant (Providence)				970,322
Library Construction Reimbursement				2,849,447
Motor Vehicle Excise Tax Reimbursement - Fire Districts				1,875,837
<b>Total</b>				<b>\$279,927,472</b>

## Fiscal Year 2008 State Aid to Cities and Towns

City or Town	General Revenue Sharing	Payment In Lieu of Tax Exempt Property	Distressed Community Relief Fund	State Library Aid	Motor Vehicle Excise Tax Reimbursement Value of Exemption	FY 2008 Total Appropriated State Aid
Barrington	243,363	53,865	-	314,971	3,057,891	3,670,089
Bristol	991,817	560,835	-	57,181	1,577,328	3,187,161
Burrillville	706,306	78,891	305,033	79,855	2,890,897	4,060,982
Central Falls	1,693,857	-	298,278	66,132	1,588,340	3,646,607
Charlestown	407,811	-	-	45,568	545,588	998,968
Coventry	1,014,646	-	-	167,177	3,068,860	4,250,684
Cranston	5,428,521	3,583,905	-	548,485	12,836,062	22,396,974
Cumberland	1,560,119	139	-	240,606	2,582,029	4,382,894
East Greenwich	176,808	7,940	-	102,399	1,416,229	1,703,376
East Providence	2,681,452	61,629	-	499,380	6,749,947	9,992,407
Exeter	90,542	-	-	28,066	1,032,297	1,150,905
Foster	310,304	270	-	29,271	868,037	1,207,882
Glocester	567,421	-	-	64,709	1,239,328	1,871,457
Hopkinton	225,882	-	-	31,238	856,943	1,114,063
Jamestown	146,604	-	-	70,379	447,645	664,629
Johnston	2,554,218	-	-	121,452	5,347,683	8,023,352
Lincoln	959,290	-	-	172,879	3,059,914	4,192,083
Little Compton	105,828	-	-	25,425	306,089	437,342
Middletown	979,346	-	-	149,936	1,152,784	2,282,067
Narragansett	882,212	-	-	111,496	1,298,831	2,292,538
Newport	1,846,695	658,326	-	346,433	1,964,711	4,816,165
New Shoreham	91,497	-	-	88,246	89,468	269,212
North Kingstown	890,042	6,836	-	234,608	2,983,546	4,115,031
North Providence	2,404,365	533,146	1,070,479	174,550	5,213,295	9,395,835
North Smithfield	656,282	38,817	-	60,768	2,094,692	2,850,559
Pawtucket	5,476,767	330,377	1,527,880	395,734	10,541,161	18,271,918
Portsmouth	654,697	-	-	109,462	1,623,523	2,387,681
Providence	15,536,990	20,124,158	5,398,068	1,285,939	24,108,336	66,453,492
Richmond	148,322	627	-	22,769	842,508	1,014,226
Scituate	452,695	-	-	93,610	1,623,265	2,169,569
Smithfield	1,867,355	437,602	-	240,145	3,691,418	6,236,520
South Kingstown	1,015,804	121,138	-	194,843	2,234,629	3,566,413
Tiverton	646,245	-	-	87,145	1,462,375	2,195,765
Warren	502,159	-	-	46,087	1,175,389	1,723,636
Warwick	4,872,914	862,977	-	666,767	14,533,805	20,936,463
Westerly	757,697	132,288	-	287,135	3,103,215	4,280,335
West Greenwich	223,293	-	-	21,394	585,399	830,086
West Warwick	1,473,614	-	945,155	196,189	3,272,063	5,887,022
Woonsocket	3,868,095	173,199	839,562	219,987	5,632,674	10,733,515
<b>Subtotal</b>	<b>\$65,111,876</b>	<b>\$27,766,967</b>	<b>10,384,455</b>	<b>\$7,698,411</b>	<b>138,698,194</b>	<b>\$249,659,903</b>
Statewide Reference Library Resource Grant (Providence)				1,074,987		1,074,987
Library Construction Reimbursement				2,813,141		2,813,141
Motor Vehicle Excise Tax Reimbursement - Fire Districts					1,875,837	1,875,837
<b>Total</b>	<b>\$65,111,876</b>	<b>\$27,766,967</b>	<b>\$10,384,455</b>	<b>\$11,586,539</b>	<b>\$140,574,031</b>	<b>\$255,423,868</b>

## Fiscal Year 2008 Pass Through Aid to Cities & Towns

City or Town	Public Service Corporation Tax	Meals and Beverage Tax	FY 2008 Total Shared Taxes State Aid	FY 2008 Total Shared & Appropriated Aid
Barrington	165,956	108,806	274,762	3,944,851
Bristol	221,816	282,872	504,688	3,691,849
Burrillville	156,192	161,699	317,891	4,378,873
Central Falls	186,716	116,878	303,595	3,950,202
Charlestown	77,318	114,720	192,038	1,191,006
Coventry	332,049	324,799	656,848	4,907,532
Cranston	782,494	1,322,972	2,105,466	24,502,440
Cumberland	313,933	336,266	650,199	5,033,093
East Greenwich	127,677	388,789	516,466	2,219,842
East Providence	481,518	812,988	1,294,506	11,286,914
Exeter	59,589	50,270	109,859	1,260,764
Foster	42,243	19,929	62,173	1,270,055
Glocester	98,122	62,604	160,727	2,032,183
Hopkinton	77,193	27,973	105,166	1,219,229
Jamestown	55,400	93,945	149,345	813,974
Johnston	278,198	413,516	691,714	8,715,066
Lincoln	205,799	428,481	634,280	4,826,363
Little Compton	35,441	30,404	65,845	503,187
Middletown	171,805	510,026	681,832	2,963,898
Narragansett	161,330	408,207	569,537	2,862,075
Newport	262,039	1,527,942	1,789,981	6,606,146
New Shoreham	9,937	178,907	188,844	458,056
North Kingstown	259,512	378,984	638,496	4,753,527
North Providence	320,185	421,327	741,511	10,137,346
North Smithfield	104,890	183,760	288,650	3,139,209
Pawtucket	720,845	663,986	1,384,831	19,656,749
Portsmouth	169,383	171,308	340,691	2,728,372
Providence	1,712,408	4,026,739	5,739,147	72,192,639
Richmond	70,903	127,089	197,992	1,212,218
Scituate	101,885	38,177	140,062	2,309,631
Smithfield	203,327	487,331	690,659	6,927,178
South Kingstown	275,088	493,282	768,370	4,334,784
Tiverton	150,556	115,037	265,593	2,461,357
Warren	112,258	255,602	367,860	2,091,495
Warwick	847,803	2,404,530	3,252,333	24,188,796
Westerly	226,600	631,473	858,074	5,138,408
West Greenwich	49,855	84,035	133,890	963,976
West Warwick	292,223	410,000	702,222	6,589,244
Woonsocket	427,271	510,202	937,473	11,670,989
<b>Subtotal</b>	<b>\$10,347,757</b>	<b>\$19,125,855</b>	<b>\$29,473,615</b>	<b>\$279,133,518</b>
Statewide Reference Library Resource Grant (Providence)				1,074,987
Library Construction Reimbursement				2,813,141
Motor Vehicle Excise Tax Reimbursement - Fire Districts				1,875,837
<b>Total</b>				<b>\$284,897,483</b>



## Changes in Formula Aid - FY 2008 vs. FY 2007

City or Town	General Revenue Sharing	Payment In Lieu of Tax Exempt Property	Distressed Community Relief Fund	State Library Aid	Motor Vehicle Excise Tax Reimbursement	Total Appropriated Difference
Barrington	-	-	-	-	94,818	94,818
Bristol	-	-	-	-	48,909	48,909
Burrillville	-	-	-	-	89,640	89,640
Central Falls	-	-	-	-	49,251	49,251
Charlestown	-	-	-	-	16,917	16,917
Coventry	-	-	-	-	95,158	95,158
Cranston	-	-	-	-	398,017	398,017
Cumberland	-	-	-	-	80,063	80,063
East Greenwich	-	-	-	-	43,914	43,914
East Providence	-	-	-	-	209,301	209,301
Exeter	-	-	-	-	32,009	32,009
Foster	-	-	-	-	26,916	26,916
Glocester	-	-	-	-	38,429	38,429
Hopkinton	-	-	-	-	26,572	26,572
Jamestown	-	-	-	-	13,880	13,880
Johnston	-	-	-	-	165,820	165,820
Lincoln	-	-	-	-	94,881	94,881
Little Compton	-	-	-	-	9,491	9,491
Middletown	-	-	-	-	35,745	35,745
Narragansett	-	-	-	-	40,274	40,274
Newport	-	-	-	-	89,657	89,657
New Shoreham	-	-	-	-	2,774	2,774
North Kingstown	-	-	-	-	92,513	92,513
North Providence	-	-	-	-	161,653	161,653
North Smithfield	-	-	-	-	80,085	80,085
Pawtucket	-	-	-	-	326,858	326,858
Portsmouth	-	-	-	-	50,342	50,342
Providence	-	-	-	-	747,545	747,545
Richmond	-	-	-	-	26,124	26,124
Scituate	-	-	-	-	50,334	50,334
Smithfield	-	-	-	-	114,463	114,463
South Kingstown	-	-	-	-	69,291	69,291
Tiverton	-	-	-	-	45,345	45,345
Warren	-	-	-	-	36,446	36,446
Warwick	-	-	-	-	450,661	450,661
Westerly	-	-	-	-	96,224	96,224
West Greenwich	-	-	-	-	18,152	18,152
West Warwick	-	-	-	-	101,459	101,459
Woonsocket	-	-	-	-	174,657	174,657
<b>Subtotal</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$4,344,585</b>	<b>\$4,344,589</b>
Statewide Reference Library Resource Grant (Providence)				104,665	-	104,665
Library Construction Reimbursement				(36,306)	-	(36,306)
Motor Vehicle Excise Tax Reimbursement - Fire Districts				-	-	-
<b>Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$68,359</b>	<b>\$4,344,585</b>	<b>\$4,412,948</b>

## Changes in Pass Through and All Aid - FY 2008 vs. FY 2007

City or Town	Public Service Corporation Tax	Meals and Beverage Tax	Total Pass Through State Aid Difference	Total All State Aid Difference
Barrington	-	3,169	3,169	97,987
Bristol	-	8,239	8,239	57,148
Burrillville	-	4,710	4,710	94,350
Central Falls	-	3,404	3,404	52,655
Charlestown	-	3,341	3,341	20,259
Coventry	-	9,460	9,460	104,619
Cranston	-	38,533	38,533	436,551
Cumberland	-	9,794	9,794	89,857
East Greenwich	-	11,324	11,324	55,238
East Providence	-	23,679	23,679	232,980
Exeter	-	1,464	1,464	33,473
Foster	-	580	580	27,496
Glocester	-	1,823	1,823	40,252
Hopkinton	-	815	815	27,387
Jamestown	-	2,736	2,736	16,617
Johnston	-	12,044	12,044	177,864
Lincoln	-	12,480	12,480	107,361
Little Compton	-	886	886	10,377
Middletown	-	14,855	14,855	50,600
Narragansett	-	11,890	11,890	52,163
Newport	-	44,503	44,503	134,160
New Shoreham	-	5,211	5,211	7,985
North Kingstown	-	11,038	11,038	103,551
North Providence	-	12,272	12,272	173,924
North Smithfield	-	5,352	5,352	85,437
Pawtucket	-	19,339	19,339	346,197
Portsmouth	-	4,990	4,990	55,331
Providence	-	117,284	117,284	864,829
Richmond	-	3,702	3,702	29,826
Scituate	-	1,112	1,112	51,446
Smithfield	-	14,194	14,194	128,657
South Kingstown	-	14,367	14,367	83,658
Tiverton	-	3,351	3,351	48,696
Warren	-	7,445	7,445	43,891
Warwick	-	70,035	70,035	520,695
Westerly	-	18,392	18,392	114,616
West Greenwich	-	2,448	2,448	20,600
West Warwick	-	11,942	11,942	113,401
Woonsocket	-	14,860	14,860	189,517
<b>Subtotal</b>	-	<b>\$557,062</b>	<b>\$557,064</b>	<b>\$4,901,652</b>
Statewide Reference Library Resource Grant (Providence)				104,665
Library Construction Reimbursement				(36,306)
Motor Vehicle Excise Tax Reimbursement - Fire Districts				-
<b>Total</b>		<b>\$557,062</b>	<b>\$557,064</b>	<b>\$4,970,011</b>