



**CITY OF
CENTRAL FALLS**

**STATE OF
RHODE ISLAND**

Office of the City Assessor
580 Broad Street, Central Falls Rhode Island 02863
(401) 727-7430 - Fax (401) 727-7472

GENERAL INFORMATION

TERMS:

PROPERTY TAXES: Primary means by which local government pays for services it provides-i.e. police fire, rescue, roads, library, and parks.

LEVY: Amount of revenue generated by property taxes for the Municipal Budget

AD VALOREM: Based solely on value. The property tax is an ad valorem tax. Your share of the tax burden is based on the value of the property.

MASS APPRAISAL: A systematic appraisal of grouped properties, using standardized procedures and statistical testing to accurately and uniformly estimate fair market value.

REVALUATION: State mandated process where property values are updated every three years to reflect current market conditions. This is done so there is a fair and equitable distribution of the tax burden.

EQUALIZATION: This is the process used to determine the new tax rate after a revaluation. The tax rate is determined by taking the new total assessed value and dividing it into the old levy amount for the appropriate classification (i.e. residential or commercial). No new revenue is generated by this procedure. When values go down, tax rates go up and when values go up, tax rates go down. However, due to shifting values, an individual property owner's tax bill may go up, go down or stay about the same. How much your tax bill will change, depends on how much your assessed value changed compared to the average assessed value change for the appropriate classification.

For example: residential property in Central Falls decreased to .56 of its previous assessed value (a 44% reduction); if your property was previously assessed at 200,000 and now has a new assessed value of 100,000, you divide 100,000 by 200,000 and get a .50 decrease from the previous assessed value. You then divide .50 by the .56 average decrease and you get .89. This means your tax bill would be 11% lower than the previous year. Conversely, if your property was previously assessed at 200,000 and now has a new assessed value of 150,000, you divide 150,000 by 200,000 and get a current assessed value that is .75 of the previous value. You then divide .75 by the .56 average decrease and you get 1.339. This means your tax bill would be 33.9% higher than the previous year.

If you need to raise a certain/specific amount of revenue and one group's value drops (this is a shift in values); the other groups have to share in the responsibility of picking up the shortfall. On the other hand, if one group's values go up, then the other group's share of the burden would decrease.

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The City of Central Falls is an equal opportunity employer/ ADA/EOE Women and Minorities are encouraged to apply.
For assistance call TDD/TTY – 401-727-7450.