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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2025

A N A C T

RELATING TO STATE AFFAIRS AND GOVERNMENT -- DEPARTMENT OF HOUSING  
LAND BANK PROGRAM

Introduced By: Senators Kallman, Bissaillon, DiMario, Mack, Gu, Urso, Pearson,  
Lawson, and Vargas

Date Introduced: January 31, 2025

Referred To: Senate Housing & Municipal Government

It is enacted by the General Assembly as follows:

1 SECTION 1. Title 42 of the General Laws entitled "STATE AFFAIRS AND  
2 GOVERNMENT" is hereby amended by adding thereto the following chapter:

3 CHAPTER 64.35

4 DEPARTMENT OF HOUSING LAND BANK PROGRAM

5 **42-64.35-1. Establishment of housing land bank program.**

6 (a) As used herein:

7 (1) "Department" means the department of housing established pursuant to chapter 64.34  
8 of title 42, except where another department is clearly indicated; and

9 (2) "Housing land bank" or "land bank" means the housing land bank program operated by  
10 the department of housing, and established pursuant to this chapter.

11 (b) There is hereby established a program to be operated by the department of housing (the  
12 "department") called the "housing land bank" in furtherance of the goal to create affordable housing  
13 in the State of Rhode Island. The housing land bank is intended for the purpose of buying, receiving,  
14 and holding real property for the development of housing. Real estate assets held by the land bank  
15 shall be donated or sold for housing to be developed and owned by a public housing authority or  
16 an organization that qualifies under section 501(c)(3) of the Internal Revenue Code (the "code")  
17 and also meets the "public support" test of section 509(a)(2) of the code, except where the  
18 department is disposing of a parcel for the purposes of acquiring a different parcel with the approval

1 of the Rhode Island housing resources commission established in chapter 128 of title 42 ("Rhode  
2 Island housing resources act of 1998").

3 **42-64.35-2. Establishment of account.**

4 The department shall establish an account into which title to real estate assets shall be  
5 deposited and held for disposal according to the purposes described in §42-64.35-1.

6 **42-64.35-3. Acquisition of property and deposit into the land bank.**

7 (a) The department may acquire real property or interests in real property by gift, transfer,  
8 exchange, foreclosure, purchase, or otherwise on terms and conditions and in a manner the  
9 department considers proper and deposit such property into the land bank.

10 (b) The department may use its own funds or funds that it controls to acquire real property  
11 by purchase contracts, lease purchase agreements, installment sales contracts, and/or land contracts,  
12 and may accept donations and transfers from municipalities, other quasi-public entities, nonprofit  
13 entities, or the state upon such terms and conditions as agreed to by the department and the  
14 respective municipality, entity or state. Nothing herein shall prevent the department from accepting  
15 donations from private entities.

16 (c) Notwithstanding any other law to the contrary, any municipality may freely transfer to  
17 the land bank real property and interests in real property of the municipality on such terms and  
18 conditions and according to such procedures as determined jointly by the municipality in which the  
19 property is located and the department.

20 (d) The acquisition of real property by the department pursuant to this section, from entities  
21 other than political subdivisions, shall be limited to real property that is tax delinquent, tax  
22 foreclosed, subject to municipal receivership, vacant or abandoned, or unimproved land or taken  
23 via eminent domain; provided, however, that the land bank shall have authority to enter into  
24 agreements to purchase other real property with the approval of the Rhode Island housing resources  
25 commission established in chapter 128 of title 42 ("Rhode Island housing resources act of 1998").

26 **42-64.35-4. Public inspection of records.**

27 (a) The department shall maintain and make available for public review and inspection a  
28 complete inventory of all property received by the department for deposit into the land bank. Such  
29 inventory shall include:

30 (1) The location of the parcel; the purchase price, if any, for each parcel received;

31 (2) The current value assigned to the property for purposes of real property taxation;

32 (3) The amount, if any, owed to the locality for real property taxation or as a payment in  
33 lieu of taxes;

34 (4) The identity of the transferor; and

1           (5) Any conditions or restrictions applicable to the property.

2           (b) All parcels received by the department and deposited into the land bank shall be listed  
3 on the received inventory established pursuant to subsection (a) of this section within ten (10)  
4 business days of the acquisition and shall remain in such inventory for at least five (5) business  
5 days prior to disposition. Such inventory shall be listed on a website for the department accessible  
6 to the public, including at least the street where the property is located, the size and type of any  
7 structure upon it, and condition of remediation as defined in § 23-19.14-3, if applicable, within  
8 twenty (20) business days of acquisition into the land bank.

9           **42-64.35-5. Departmental authority to reject proposed transfers of property.**

10           The department is hereby allowed to reject any proposed transfer of any real estate asset in  
11 control of the land bank for any reason including, but not limited to, polluted, contaminated or  
12 problematic parcels which would, in the judgment of the department, create a harm to the finances,  
13 operations or interests for the land bank, the department or the state.

14           **42-64.35-6. Property in the land bank exempt from legal process.**

15           (a) Any land deposited into the land bank inventory shall not be subject to attachment,  
16 execution or any judicial or administrative process during the period it is held by the department,  
17 unless that parcel or asset is pledged as security for any loan agreement made for funding  
18 improvements related to that parcel in which case such process shall be available against that asset  
19 only, and no liens, fines, penalties, assessments or other charges shall be made against the property,  
20 the land bank, the department or the state for any reason during the period it is held in the land  
21 bank.

22           (b) In the event there is a division in the freehold interest where only a portion of the rights  
23 related to the property is located in the land bank, the remainder may be made subject to legal  
24 process as long as such process does not act to divest the land bank of any of its attributes of  
25 ownership or ability to develop the property.

26           (c) In the event of a divided ownership where a portion of the fee or property interest is  
27 held by the land bank or any other conflict in ownership which may arise under this section, the  
28 department may petition the superior court for partition in which after the required notice and  
29 service of process is completed upon confirmatory motion, the land bank shall be awarded and  
30 receive the whole fee simple interest by way of an interim order or a final judgment. An interim  
31 order or a final judgment constitutes a recordable order which shall be considered binding in the  
32 chain of title and any of the remainder portion claimed by another owner or creditor shall be subject  
33 to owelty under the law or in equity based on the value of the interest transferred to the land bank.  
34 Neither the department nor any land subject to such a partition action shall be restrained nor

1 enjoined and no equitable order shall issue to prevent the development of the property by the  
2 department or its applicant or assignee.

3 **42-64.35-7. Required review of surplus land by state and municipal entities.**

4 (a) Required property review. The state properties committee and all municipal public  
5 bodies and quasi-public entities shall conduct a review of real estate assets owned by or under the  
6 control of the body or quasi-public entity and determine which real estate assets are not under  
7 current use or planned use by June 30, 2026. After that date, the state properties committee shall  
8 provide an updated inventory to the department of housing on December 1 annually. Thereafter,  
9 municipalities and quasi-public entities shall provide an updated inventory to the department of  
10 housing and the state properties committee by August 15, 2027 and every year thereafter.

11 (b) Real estate asset planning.

12 (1) The state properties committee and all municipal public body and quasi-public entity  
13 shall create a long-term plan for those real estate assets not in current use. Such a plan shall provide  
14 an estimated date when each real estate asset will be employed for use by the agency, what the  
15 proposed use will be, and if known, the estimated costs to develop the land for the proposed use.  
16 All vacant school building identified by a municipality shall comply with the provisions set forth  
17 in §45-53-10.

18 (2) A list of all real estate assets, except for school buildings, which are not in use shall be  
19 submitted to the department along with a list of those parcels for which there are plans to put said  
20 parcel to use within ten (10) years and evidence of what that use will be. Evidence may include,  
21 but is not limited to, architectural plans, capital improvement plan budgeting documents, and  
22 comprehensive planning documents.

23 (3) The department shall evaluate each parcel submitted to the department, along with the  
24 proposed use for each parcel so denominated by each public body, for the appropriateness for  
25 development into residential housing units.

26 (c) Notice to the department. If the department determines that a particular parcel listed on  
27 any list required in subsection (b) of this section is appropriate for residential real estate  
28 development, the department shall provide notice to the state or municipal public body or quasi-  
29 public agency that is in control of or owns the parcel.

30 (d) Required donation or sale to land bank. Upon a determination by the department that a  
31 particular real estate asset listed pursuant to subsection (b)(3) of this section is suitable for  
32 residential real estate development and the department has determined that it desires to acquire the  
33 real estate asset for the land bank, if said parcel is not listed as being planned for use within the  
34 next ten (10) years, the state or municipal public body or quasi-public agency, as applicable, shall

1 be required, upon notice by the department, to enter into a negotiation with the department for the  
2 transfer of the parcel to the land bank. If the department and the state or municipal public body or  
3 quasi-public agency cannot agree on a transfer value, then establishment of a value through binding  
4 arbitration by a panel comprising of three (3) licensed real estate appraisers licensed to appraise the  
5 particular type of property at issue shall be required with one appointed by the department, one by  
6 the owner of the parcel and one ("the neutral appraiser") chosen by the two (2) previously identified  
7 appraisers. The neutral appraiser shall determine the final purchase price subject to acceptance by  
8 the department. If the value is such that the department desires to continue with the purchase, then  
9 the state or municipal public body or quasi-public agency shall be required to consummate the sale.

10 (e) Parcels exempt from the required donation or sale. The following real estate assets shall  
11 be exempt from the required sale procedure in subsection (f) of this section:

12 (1) All real estate assets under the control of the Quonset Development Corporation within  
13 the Quonset business park;

14 (2) All real estate assets under the control of the I-195 redevelopment district commission  
15 within the I-195 redevelopment district;

16 (3) All real estate assets under the control of the Rhode Island airport corporation;

17 (4) All real estate assets under the control of the department of transportation held for  
18 proposed roads, highways, railways or other transportation infrastructure;

19 (5) All real estate assets under the control of the Rhode Island public transit authority;

20 (6) All real estate assets in the immediate vicinity of the state house and state offices in the  
21 capitol district as bounded westerly by Interstate 95, southerly by Memorial Boulevard, northerly  
22 by Orms Street and easterly (from north to south) by Charles Street then by Mill Street and then by  
23 the Moshassuck River;

24 (7) All real estate assets connected with judicial branch activities;

25 (8) All real estate assets controlled by the department of corrections;

26 (9) All real estate assets controlled by the University of Rhode Island;

27 (10) All real estate assets controlled by Rhode Island College that are located in  
28 Providence;

29 (11) All real estate assets controlled by the Community College of Rhode Island;

30 (12) All real estate assets located in Cranston at the John O. Pastore Center or in its  
31 immediate vicinity;

32 (13) All real estate assets controlled by the office of veterans' services in the vicinity of the  
33 Rhode Island veterans' cemetery and the Rhode Island veterans' home;

34 (14) All real estate assets related to Eleanor Slater hospital including, but not limited to,

1 facilities in Cranston and Burrillville;

2 (15) All assets located in a flood zone;

3 (16) All assets located in a wetland designated by the department of environmental  
4 management;

5 (17) All real estate assets which are subject to any farm, forest or open space restriction  
6 against building through the department of environmental management, any agricultural  
7 conservancy trust, or any not-for-profit entity or trust;

8 (18) All state or municipal parks, conservation areas, management areas, beaches, fishing  
9 areas and other sites subject to the management and/or control of the department of environmental  
10 management;

11 (19) All parcels designated by the director of the Rhode Island emergency management  
12 agency as necessary for emergency preparation purposes;

13 (20) Real estate assets owned, controlled or overseen by the Rhode Island historical  
14 preservation & heritage commission; and

15 (21) Any property being operated as a farm, for recreational purposes, open space, or as a  
16 water supply or for the provision of utilities or serves as a buffer to any watershed, water supply or  
17 utility.

18 (f) Donation or sale prior to disposition. Prior to any transfer of ownership of any real estate  
19 asset by any state or municipal public body or quasi-public agency through sale, long-term lease of  
20 more than five (5) years, surplus of property, auction, donation or other method, notice shall be  
21 provided to the department along with the opportunity to timely evaluate the property and decide  
22 whether to exercise an option to purchase or decline to purchase the parcel which shall not be less  
23 than thirty (30) days. Notice of the proposed auction date, sale date or the date of the transfer of  
24 ownership shall be provided to the department. Unless a public auction or sale is required pursuant  
25 to other law or judicial order, the department shall have the right of first refusal for purchase of the  
26 real estate asset by the land bank at:

27 (1) The advertised price, or, if none, then;

28 (2) At the price offered by an alternative buyer, or, if none, then;

29 (3) At the lowest price acceptable to the selling entity if acceptable to the department. The  
30 department shall inform the selling agency of its decision to exercise its right of first refusal prior  
31 to the auction date, sale date or disposition date contained in the original notice.

32 SECTION 2. This act shall take effect upon passage.

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EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF

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RELATING TO STATE AFFAIRS AND GOVERNMENT -- DEPARTMENT OF HOUSING  
LAND BANK PROGRAM

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