

2025 -- H 5955

LC002033

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: Representatives Speakman, Giraldo, Voas, and Alzate

Date Introduced: February 28, 2025

Referred To: House Municipal Government & Housing

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 55.2

4 DEPARTMENT OF HOUSING LAND BANK PROGRAM

5 **42-55.2-1. Establishment of program.**

6 There is hereby established a program to be operated by the department of housing called
7 the "housing land bank".

8 **42-55.2-2. Establishment of account.**

9 The department shall establish an account into which title to real estate assets shall be
10 deposited and held for use for the purpose of developing residential housing.

11 **42-55.2-3. Acquisition of property and deposit into the land bank.**

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

15 (b) The department may use its own funds or funds in the housing development fund
16 created pursuant to this title to acquire real property by purchase contracts, lease purchase
17 agreements, installment sales contracts, and/or land contracts, and may accept transfers from
18 municipalities, other quasi-public entities, nonprofit entities or the state upon such terms and

1 conditions as agreed to by the department and the municipality, entity or state.

2 (c) Notwithstanding any other law to the contrary, any municipality may freely transfer to
3 the land bank real property and interests in real property of the municipality on such terms and
4 conditions and according to such procedures as determined jointly by the municipality and the
5 department.

6 (d) The acquisition of real property by the department pursuant to this section, from entities
7 other than political subdivisions, shall be limited to real property that is tax delinquent, tax
8 foreclosed, subject to municipal receivership, vacant or abandoned, or unimproved land; provided,
9 however, that the land bank shall have authority to enter into agreements to purchase other real
10 property consistent with a development plan approved by the director of the department of housing.

11 **42-55.2-4. Public inspection of records.**

12 (a) The department shall maintain and make available for public review and inspection a
13 complete inventory of all property received by the department for deposit into the land bank. Such
14 inventory shall include: the location of the parcel; the purchase price, if any, for each parcel
15 received; the current value assigned to the property for purposes of real property taxation; the
16 amount, if any, owed to the locality for real property taxation or as a payment in lieu of taxes; the
17 identity of the transferor; and any conditions or restrictions applicable to the property.

18 (b) All parcels received by the department and deposited into the land bank shall be listed
19 on the received inventory established pursuant to subsection (a) of this section within one week of
20 acquisition and shall remain in such inventory for one week prior to disposition. Such inventory
21 shall be listed on a website for the department accessible to the public.

22 **42-55.2-5. Departmental authority to reject proposed transfers of property.**

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

27 **42-55.2-6. Property in the land bank exempt from legal process.**

28 (a) Any land deposited into the land bank shall not be subject to attachment, execution or
29 any judicial or administrative process during the period it is held by the department, unless that
30 parcel or asset is pledged as security for any loan agreement made for funding improvements related
31 to that parcel in which case such process shall be available against that asset only, and no liens,
32 finances, penalties, assessments or other charges shall be made against the property, the land bank, the
33 department or the state for any reason during the period it is held in the land bank.

34 (b) In the event there is a division in the freehold interest where only a portion of the rights

1 related to the property is located in the land bank, the remainder may be made subject to legal
2 process as long as such process does not act to divest the land bank of any of its attributes of
3 ownership or ability to develop the property.

4 (c) In the event of a divided ownership where a portion of the fee or property interest is
5 held by the land bank or any other conflict in ownership which may arise under this section, the
6 department may petition the superior court for partition in which after the required notice and
7 service of process is completed upon confirmatory motion, the land bank shall be awarded and
8 receive the whole fee simple interest by way of an interim order or a final judgment. An interim
9 order or a final judgment constitutes a recordable order which shall be considered binding in the
10 chain of title and any of the remainder portion claimed by another owner or creditor shall be subject
11 to owelty under the law or in equity based on the value of the interest transferred to the land bank.
12 Neither the department nor any land subject to such a partition action shall be restrained nor
13 enjoined and no equitable order shall issue to prevent the development of the property by the
14 department or its applicant or assignee.

15 **42-55.2-7. Required review of surplus land by state and municipal entities.**

16 (a) Conduct of required review. All state and municipal public bodies and quasi-public
17 entities shall conduct a review of real estate assets owned by or under the control of the body or
18 quasi-public entity and determine which real estate assets are not under current use or planned use
19 by June 30, 2026, and annually thereafter.

20 (b) Real estate asset planning. Each state and municipal public body and quasi-public entity
21 shall create a long-term plan for those real estate assets not in current use. Such a plan shall provide
22 an estimated date when each real estate asset will be employed for use by the agency, what the
23 proposed use will be, and if known, the estimated costs to develop the land for the proposed use.

24 (c) A list of all real estate assets which are not in use shall be submitted to the department
25 along with a list of those parcels for which there are plans to put said parcel to use within ten (10)
26 years and evidence of what that use will be.

27 (d) The department will evaluate each parcel submitted to the department, along with the
28 proposed use for each parcel so denominated by each public body, for the appropriateness for
29 development into residential housing units. A copy of the list shall also be provided to the state
30 properties committee.

31 (e) Notice to the department. If the department determines that a particular parcel listed on
32 any list required in subsections (b) and (c) of this section is determined to be appropriate for
33 residential real estate development, the department shall provide notice to the state or municipal
34 public body or quasi-public agency that is in control of or owns the parcel.

1 (f) Donation or sale prior to disposition. Prior to any disposition of any real estate asset by
2 any state or municipal public body or quasi-public agency through sale, long-term lease of more
3 than five (5) years, surplus of property, auction, donation or other method, notice shall be provided
4 to the department along with the opportunity to timely evaluate the property and decide whether to
5 exercise an option to purchase or decline to purchase the parcel which shall not be less than forty-
6 five (45) days. Notice of the proposed auction date, sale date or date of the disposition shall be
7 provided to the department. Unless a public auction or sale is required pursuant to other law or
8 judicial order, the department shall have the right of first refusal for purchase of the real estate asset
9 by the land bank at:

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

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

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

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

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

A N A C T

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

- 1 This act would create the department of housing land bank program to allow for the deposit
- 2 of title to real estate assets for the purpose of developing residential housing.
- 3 This act would take effect upon passage.

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