

2013 -- H 5248 SUBSTITUTE A

=====
LC00644/SUB A
=====

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2013

—————
A N A C T

RELATING TO STATE AFFAIRS AND GOVERNMENT - TAXATION - TAX SALES

Introduced By: Representatives Diaz, Slater, Silva, Almeida, and Williams

Date Introduced: February 05, 2013

Referred To: House Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Sections 44-9-10, 44-9-21 and 44-9-25 of the General Laws in Chapter 44-9
2 entitled "Tax Sales" are hereby amended to read as follows:

3 **44-9-10. Notice of sale to taxpayer.** -- (a) Whether or not the person or general
4 partnership to whom the estate is taxed as of December 31st prior to the tax sale is a resident of
5 this state, the collector shall, in addition to the foregoing, notify the taxpayer of the time and place
6 of sale first by first-class mail not less than ninety (90) days before the date of sale or any
7 adjournment of the sale, and again by certified mail not less than forty (40) days before the date
8 of sale or any adjournment of the sale, sent postpaid to the street address of the real estate liable
9 for payment of taxes, and, if different, to the taxpayer's address listed with the tax assessor's
10 office of the city or town where the real estate is located or to any other address which the
11 taxpayer designates by written notice to the tax assessor, or to the address of the taxpayer stated
12 on the deed recorded in the land evidence records of the city or town where the real estate is
13 located or to the last known address of the taxpayer or be left at the taxpayer's last known address
14 or personally served on the taxpayer not less than thirty (30) days before the date of sale or any
15 adjournment of the sale, but no notice of adjournments shall be necessary other than the
16 announcement made at the sale. ~~Copies of such notices shall also be sent or hand delivered at the~~
17 ~~same time as prescribed above, to the Rhode Island Housing and Mortgage Finance Corporation.~~
18 The collector shall notify the Rhode Island Housing and Mortgage Finance Corporation of the tax
19 sale not less than forty (40) days before the day of sale by providing either an electronic file

1 encrypted by a commercially available password protected compression process and searchable
2 upon decompression, or by mail or hand delivery, specifying, for each parcel of real estate liable
3 for payment of taxes:

4 (1) The name of the taxpayer;

5 (2) The street address of the real estate;

6 (3) The amount of taxes owed; and

7 (4) The address or addresses of the taxpayer to which the notice of tax sale was sent by
8 the collector.

9 (b) Failure to notify the Rhode Island Housing and Mortgage Finance Corporation as
10 prescribed herein shall nullify any tax sale of any property with respect to which such notice was
11 not given.

12 ~~(b)~~(c) Persons aged sixty-five (65) years and over or persons suffering from a disability
13 may designate a third party to whom notice may be sent as required pursuant to this section by
14 advising the tax assessor of the name and address of the person.

15 ~~(c)~~(d) If the estate taxed is a corporation, the notice may be sent either by registered or
16 certified mail to its place of business or left at the business office of the corporation with some
17 person employed there.

18 ~~(d)~~(e) In the event the person to whom the estate is taxed is listed in the records of the
19 assessor and/or collector as having applied for and been granted a property tax abatement based
20 wholly or partially on the age of the taxpayer, then the collector shall also notify the department
21 of elderly affairs not less than forty (40) days before the date of sale by certified mail or hand
22 delivery as described herein. Failure to notify the department of elderly affairs as prescribed
23 herein shall nullify any tax sale of any property with respect to which such notice was not given.

24 ~~(e)~~(f) Within ninety (90) days after the end of each calendar year, the department of
25 elderly affairs shall prepare and submit an annual report to the governor, the speaker of the house
26 of representatives, the president of the senate and the secretary of state. The report shall contain
27 information concerning the number of notices received by the department of elderly affairs
28 pursuant to this section of law during the calendar year, and information concerning the identity
29 of the specific parcels that might be sold in each city or town as well as a description of exactly
30 what action followed on each such notice. The report shall conclude by indicating the present
31 status of each case in which the department received such a notice as well as an indication as to
32 whether each such case is open or closed.

33 **44-9-21. Redemption from purchaser other than city or town. --** Any person may
34 redeem by paying or tendering to a purchaser, other than the city or town, his or her legal

1 representatives, or assigns, or to the person to whom an assignment of a tax title has been made
2 by the city or town, at any time prior to the filing of the petition for foreclosure, in the case of a
3 purchaser the original sum and any intervening taxes which have been paid to the municipality
4 plus interest thereon at the rate of one percent (1%) per month and costs paid by him or her, plus
5 a penalty as provided in section 44-9-19, or in the case of an assignee of a tax title from a city or
6 town, the amount stated in the instrument of assignment, plus the above-mentioned penalty; and
7 with respect to properties acquired by the Rhode Island Housing and Mortgage Finance
8 Corporation pursuant to section 44-9-8.3, the original sum plus interest and penalties, as provided
9 in section 44-9-19, plus any intervening taxes and costs which have been paid to the municipality
10 by the Rhode Island Housing and Mortgage Finance Corporation. He or she may also redeem the
11 land by paying or tendering to the treasurer the sum which he or she would be required to pay to
12 the purchaser or to the assignee of a tax title, in which case the city or town treasurer shall be
13 constituted the agent of the purchaser or assignee. The right of redemption may be exercised only
14 by those entitled to notice of the sale pursuant to sections 44-9-10 and 44-9-11.

15 **44-9-25. Petition for foreclosure of redemption.** -- (a) After one year from a sale of
16 land for taxes, except as provided in sections 44-9-19 -- 44-9-22, whoever then holds the acquired
17 title may bring a petition in the superior court for the foreclosure of all rights of redemption under
18 the title. The petition shall set forth a description of the land to which it applies, with its assessed
19 valuation, the petitioner's source of title, giving a reference to the place, book, and page of record,
20 and other facts as may be necessary for the information of the court. Two (2) or more parcels of
21 land may be included in any petition brought by any purchaser of a title or titles, if the parcels are
22 in the same record ownership at the time of bringing the petition (Form 5).

23 (b) No more than one foreclosure petition may be filed for each tax deed regardless of
24 the number of tax title holders having an interest under such deed. If more than one petition is
25 filed, the petitions shall be consolidated for hearing by the court. The court shall not award more
26 than one attorneys' fee to the petitioners.

27 (c) Notwithstanding the provisions of subsection (a) of this section, no petition for
28 foreclosure of redemption shall be filed or entertained by any court with respect to any property
29 or title acquired by the Rhode Island Housing and Mortgage Corporation pursuant to section 44-
30 9-8.3 of the general laws until after five (5) years from the sale of said property or title for taxes;
31 provided, however, that a petition for foreclosure of redemption may be brought after one year
32 from the sale of the property for taxes where:

33 (1) Subsequent to or within sixty (60) days prior to the Rhode Island Housing and
34 Mortgage Corporation's acquisition of the property or title, the interest of the owner-occupant in

1 the property has been foreclosed by a mortgagee and a foreclosure deed has been entered in the
2 records of land evidence for the municipality where the property is located; or

3 (2) The property has been abandoned, as determined in accordance with section 34-44-2
4 of the general laws.

5 (d) Notwithstanding the provisions of section 42-55-24 of the general laws, following
6 foreclosure of the right of redemption under this section for any property for which it acquired an
7 interest pursuant to section 44-9-8.3, and subsequent sale to a third party, the Rhode Island
8 Housing and Mortgage Finance Corporation shall remit to the tax collector of the municipality in
9 which the property is located an amount equal to the lesser of:

10 (1) The property taxes that would have been due and owing for the period following
11 foreclosure of redemption during which the Rhode Island Housing and Mortgage Finance
12 Corporation held title to such property, plus an amount equal to one percent (1%) of the taxes due
13 and owing for such period; or

14 (2) The net sales proceeds realized from the sale, excluding all costs incurred by the
15 Rhode Island Housing and Mortgage Finance Corporation in acquiring its interest in the property
16 and foreclosing the right of redemption.

17 (e) Any sums due under this subsection shall be paid within thirty (30) days of the sale of
18 the property to a third party.

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

=====
LC00644/SUB A
=====

EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

A N A C T

RELATING TO STATE AFFAIRS AND GOVERNMENT - TAXATION - TAX SALES

1 This act would provide that in the event of a tax sale of real property, the tax collector
2 would notify Rhode Island Housing and Mortgage Finance Corporation not less than forty (40)
3 days prior to the date of sale. Property obtained by Rhode Island Housing and Mortgage Finance
4 Corporation at a tax sale would be redeemed from Rhode Island Housing and Mortgage Finance
5 Corporation by paying the original sum plus interest and penalties as provided in section 44-9-19,
6 plus any intervening taxes and costs which have been paid to the municipality by the Rhode
7 Island Housing and Mortgage Finance Corporation. The act would also decrease the time period
8 that the Rhode Island Housing and Mortgage Finance Corporation has to wait to foreclose an
9 owner's right of redemption from five (5) years to one year under certain circumstances.

10 This act would take effect upon passage.

=====
LC00644/SUB A
=====