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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2013

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A N A C T

RELATING TO PROPERTY - RESIDENTIAL LANDLORD AND TENANT ACT

Introduced By: Senators Pichardo, Jabour, Miller, and Crowley

Date Introduced: February 13, 2013

Referred To: Senate Judiciary

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 34-18-23 of the General Laws in Chapter 34-18 entitled  
2 "Residential Landlord and Tenant Act" is hereby amended to read as follows:

3 **34-18-23. Limitation of liability upon sale or change of management.** -- (a) (1) A  
4 landlord who conveys premises that include a dwelling unit subject to a rental agreement in a  
5 good faith sale to a bona fide purchaser is relieved of liability under the rental agreement and this  
6 chapter as to events occurring after written notice to the tenant of the conveyance. In no event  
7 may the relief from liability predate the conveyance itself.

8 (2) Written notice, for purposes of this section, must include the name(s), address, and  
9 telephone number of the person or persons purchasing the property and assuming liability. To be  
10 effective, the written notice must also certify compliance with section 45-24.3-17 which prohibits  
11 sale or lease of property until any outstanding housing code violations have been corrected or the  
12 seller or lessor has provided to the buyer or lessee, as well as to the enforcing officer, all notices  
13 regarding violations, as required by the statute.

14 (b) A manager of premises that include a dwelling unit is relieved of liability under the  
15 rental agreement and this chapter as to events occurring after written notice to the tenant of the  
16 termination of his or her management. The written notice must include the name(s), address, and  
17 telephone number of the person or persons assuming management and/or the person or persons  
18 within the state exercising ownership or responsibility over the property.

19 (c) Nothing in this section shall be construed to affect the tenant's rights and duties under

1 an existing rental agreement, and the purchaser of property, or any successor in interest to a  
2 mortgagor, takes title subject to the same rights and responsibilities toward the tenant which the  
3 seller or mortgagor had.

4 SECTION 2. Chapter 34-18 of the General Laws entitled "Residential Landlord and  
5 Tenant Act" is hereby amended by adding thereto the following section:

6 **34-18-38.2. Eviction of tenants at sufferance in foreclosed properties only for just**  
7 **cause.** – (a) Unless otherwise specified in this section, the terms defined in subsection (a) of  
8 section 34-18-38.1 shall have the same meaning for purposes of this section.

9 (b) As used in this section, the following words shall, unless the context clearly requires  
10 otherwise, have the following meanings:

11 (1) "Just cause" means one of the following:

12 (i) The tenant at sufferance has failed to pay the reasonable rent, as long as the  
13 foreclosing owner notified the tenant in writing of the amount of rent that was to be paid and to  
14 whom it was to be paid;

15 (ii) The tenant at sufferance has materially violated an express or legally required  
16 obligation or covenant of the tenancy;

17 (iii) The tenant at sufferance is committing a nuisance in the unit; is permitting a nuisance  
18 to exist in the unit; is causing substantial damage to the unit or is creating a substantial  
19 interference with the quiet enjoyment of other occupants;

20 (iv) The tenant is using or permitting the unit to be used for any illegal purpose;

21 (v) The tenant at sufferance has refused after written request or demand by the  
22 foreclosing owner, to execute a written rental agreement at a reasonable rent and on such other  
23 terms that are not inconsistent with this chapter;

24 (vi) The tenant at sufferance has refused the foreclosing owner reasonable access to the  
25 unit for the purpose of making necessary repairs or improvements required by the laws of the  
26 United States, the state of Rhode Island, or any subdivision thereof, or for the purpose of  
27 inspection as permitted or required by agreement or by law or for the purpose of showing the unit  
28 to a prospective purchaser or mortgagee;

29 (vii) The foreclosing owner: (A) Seeks to permanently board up or demolish the premises  
30 because the premises has been cited by a state or local minimum housing code enforcement  
31 agency for substantial violations affecting the health and safety of tenants and it is economically  
32 unfeasible for the foreclosing owner to eliminate the violations; or (B) Seeks to comply with a  
33 state or local minimum housing code enforcement agency that has cited the premises for  
34 substantial violations affecting the health and safety of tenants and it is unfeasible to so comply

1 without removing the tenant at sufferance; or (C) Seeks to correct an illegal occupancy because  
2 the premises has been cited by a state or local minimum housing code enforcement agency or  
3 zoning officials and it is unfeasible to correct such illegal occupancy without removing the tenant  
4 at sufferance; and, provided further, that nothing in this section shall limit the rights of a third-  
5 party owner to evict a tenant at sufferance upon purchasing the unit from a foreclosing owner by  
6 following the procedures for terminating a month to month tenancy set forth in section 34-18-37.

7 (2) "Reasonable rent" means the lesser of:

8 (i) The fair market value as established by the United States department of housing and  
9 urban development pursuant to 42 U.S.C. (c) section 1437(o) as it exists or may be amended, for  
10 a unit of comparable size in the area in which the housing accommodation is located; or

11 (ii) Any other amount agreed as rent between the tenant at sufferance and the foreclosing  
12 mortgagee.

13 (3) "Tenant at sufferance" means any former owner-occupant of property who becomes a  
14 tenant at sufferance as a result of foreclosure.

15 (c) Notwithstanding any law to the contrary, a foreclosing owner shall not evict a tenant  
16 at sufferance except for just cause or unless a binding purchase and sale agreement has been  
17 executed for a bona fide third party to purchase the housing accommodation from a foreclosing  
18 owner and the foreclosing owner has disclosed to the third-party purchaser that said purchaser  
19 may be responsible for evicting the current occupants of the housing accommodation after the  
20 sale occurs.

21 (d) Within thirty (30) days of the foreclosure, the foreclosing owner shall deliver to the  
22 tenant at sufferance a written notice stating the names, addresses, telephone numbers and  
23 telephone contact information of the foreclosing owner, the building manager or other  
24 representative of the foreclosing owner responsible for the management of such building and  
25 entering into a written rental agreement at a reasonable rent and on such other terms permitted by  
26 this section, stating the amount of reasonable rent to be paid and the address to which rental  
27 payments shall be sent. This requirement shall be satisfied if the foreclosing owner or someone  
28 acting on his or her behalf has:

29 (1) Posted in a prominent location in the building;

30 (2) Mailed by first class mail to each unit; and

31 (3) Slid under the door of the unit occupied by the tenant at sufferance a written notice  
32 containing the information required by this paragraph.

33 (e) A foreclosing owner shall not evict a tenant at sufferance for actions that constitute  
34 just cause: and:

1           (1) A foreclosing owner shall not evict a tenant at sufferance for the following actions  
2 that constitute just cause until thirty (30) days after the notice required by subsection (d) of this  
3 section is posted and delivered:

4           (i) The tenant at sufferance has failed to pay the reasonable rent, as long as the  
5 foreclosing owner notified the tenant at sufferance in writing of the amount of reasonable rent  
6 that was to be paid and to whom it was to be paid;

7           (ii) The tenant at sufferance has materially violated an express or legally required  
8 obligation or covenant of the tenancy;

9           (iii) The tenancy at sufferance has refused, after written request or demand by the  
10 foreclosing owner, to execute a written rental agreement at a reasonable rent and on such terms  
11 that are not inconsistent with this section; and

12           (iv) The foreclosing owner: (A) Seeks to permanently board up or demolish the premises  
13 because the premises has been cited by a state or local minimum housing code enforcement  
14 agency for substantial violations affecting the health and safety of tenants and it is economically  
15 unfeasible for the foreclosing owner to eliminate the violations; or (B) Seeks to comply with a  
16 state or local minimum housing code enforcement agency that has cited the premises for  
17 substantial violations affecting the health and safety of tenants and it is unfeasible to so comply  
18 without removing the tenant at sufferance; or (C) Seeks to correct an illegal occupancy because  
19 the premises has been cited by a state or local minimum housing code enforcement agency or  
20 zoning officials and it is unfeasible to correct such illegal occupancy without removing the tenant  
21 at sufferance.

22           (2) A foreclosing owner shall not evict a tenant at sufferance for the following actions  
23 that constitute just cause until the notice required by subsection (d) is posted and delivered:

24           (i) The tenant at sufferance is committing a nuisance in the unit; is permitting a nuisance  
25 to exist in the unit; is causing substantial damage to the unit or is creating a substantial  
26 interference with the quiet enjoyment of other occupants;

27           (ii) The tenant at sufferance is using or permitting the unit to be used for any illegal  
28 purpose; and

29           (iii) The tenant at sufferance has refused the foreclosing owner reasonable access to the  
30 unit for the purpose of making necessary repairs or improvements required by the laws of the  
31 United States, the state of Rhode Island or any subdivision thereof, or for the purpose of  
32 inspection as permitted or required by agreement or by law or for the purpose of showing the unit  
33 to a prospective purchaser or mortgagee.

34           (f) The following procedures shall be followed for the eviction of a tenant pursuant to

1 subsection (e) of this section:

2 (1) For evictions brought pursuant to paragraph (e)(1)(i), the foreclosing owner shall  
3 follow section 34-18-35;

4 (2) For evictions brought pursuant to paragraph (e)(1)(ii) or subdivision (e)(2), the  
5 foreclosing owner shall follow section 34-18-36; and

6 (3) For evictions brought pursuant to paragraphs (e)(1)(iii) or (e)(1)(iv) or for evictions  
7 brought where a binding purchase and sale agreement has been executed for a bona fide third  
8 party to purchase the housing accommodation from a foreclosing owner, the foreclosing owner  
9 shall follow the procedures for terminating a month to month tenancy set forth in section 34-18-  
10 37.

11 SECTION 3. Section 34-18.1-1 of the General Laws in Chapter 34-18.1 entitled  
12 "Commercial Leasing and Other Estates" is hereby amended to read as follows:

13 **34-18.1-1. Purpose.** -- This chapter shall apply to all commercial properties and other  
14 estates, excluding residential properties governed by the Residential Landlord and Tenant Act,  
15 chapter 18 of this title.

16 This chapter shall apply to all commercial properties and other estates, excluding  
17 residential properties governed by the Residential Landlord and Tenant Act, chapter 18 of this  
18 title.

19 This chapter shall not apply to the continued occupancy of property by any former owner  
20 occupant of property who becomes a tenant at sufferance as a result of a foreclosure of any  
21 mortgage on the property by sale of the property pursuant to a power of sale in a mortgage, as  
22 described in section 34-11-22; said continued occupancy to be governed by chapter 18 of this  
23 title.

24 SECTION 4. This act shall take effect upon passage.

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EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF

A N A C T  
RELATING TO PROPERTY - RESIDENTIAL LANDLORD AND TENANT ACT

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1           This act would provide a former owner of a foreclosed property greater protection against  
2   eviction.

3           This act would take effect upon passage.

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