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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2015

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A N A C T

RELATING TO TAXATION - TAX SALES

Introduced By: Senators McCaffrey, and Ciccone

Date Introduced: March 03, 2015

Referred To: Senate Judiciary

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 44-9-11 of the General Laws in Chapter 44-9 entitled "Tax Sales" is
2 hereby amended to read as follows:

3 **44-9-11. Notice to mortgagees and other parties in interest.** -- (a) In case the collector
4 shall advertise for sale any property, real, personal, or mixed, in which any person other than the
5 person to whom the tax is assessed has an interest, it shall not be necessary for the collector to
6 notify the interested party, except for the following interested parties, provided that their interest
7 was of record at least ninety (90) days prior to the date set for the sale: the present owner of
8 record, mortgagees of record and mortgage assignees of record, former fee holders whose right to
9 redeem has not been foreclosed, holders of tax title, federal agencies having a recorded lien on the
10 subject property, holders of life estates of record, and vested remainder whose identity can be
11 ascertained from an examination of the land or probate records of the municipality conducting the
12 sale, and/or their assignees of record who shall be notified by the collector either by registered or
13 certified mail sent postpaid not less than twenty (20) days before the date of sale or any
14 adjournment of the sale, to an agent authorized by appointment or by law to receive service of
15 process, or to the address of the party in interest set forth in the recorded mortgage document or
16 the recorded assignment, or to the last known address of the party in interest, but no notice of
17 adjournments shall be necessary other than the announcement made at the sale. The posting and
18 publication of the notice of the time and place of sale in the manner provided by § 44-9-9 shall be
19 deemed sufficient notice to all other interested parties. This provision shall apply to all taxes

1 levied prior to and subsequent to 1896. This provision shall be subject to the notice requirements
2 of § 44-9-10. It shall not be necessary, however, to provide the names of the mortgagees and
3 other parties in interest under this section to the Rhode Island Housing and Mortgage Finance
4 Corporation or to the department of elderly affairs. In the event that the Rhode Island housing
5 and mortgage finance corporation does in fact pay the tax and acquire a lien on the subject
6 property, then the Rhode Island housing and mortgage finance corporation shall within thirty (30)
7 days of making the tax payment notify those mortgagees of record and mortgagee assignees of
8 record, whose interests in the property was of record at least ninety (90) days prior to the date set
9 for the tax sale, of the fact that the taxes have been paid by the Rhode Island housing and
10 mortgage finance corporation and that a tax lien has been acquired by the Rhode Island housing
11 and mortgage finance corporation.

12 (b) Only a person or entity failing to receive notice in accordance with the provisions of
13 this section and §§ 44-9-9 and 44-9-10 shall be entitled to raise the issue of lack of notice or
14 defective notice to void the tax sale. The right to notice shall be personal to each party entitled to
15 it and shall not be asserted on behalf of another party in interest. If there is a defect in notice, the
16 tax sale shall be void only as to the party deprived of adequate notice, but shall be valid as to all
17 other parties in interest who received proper notice of the tax sale.

18 (c) Once a petition is filed under § 44-9-25, and any party in interest entitled to notice of
19 the tax sale receives actual notice of the pendency of the petition to foreclose, the party must raise
20 the notice defense in accordance with the provisions of § 44-9-31 or be estopped from alleging
21 lack of notice in any action to vacate a final decree entered in accordance with § 44-9-30.

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

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
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1 This act would require the Rhode Island Housing and Mortgage Finance Corporation to
2 notify those mortgagees and mortgage assignees of record within thirty (30) days, that the
3 property tax has been paid and a tax lien has been acquired by said corporation.

4 This act would take effect upon passage.

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