

2017 -- S 0843 SUBSTITUTE A

LC002184/SUB A

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2017

A N A C T

RELATING TO TAXATION -- TAX SALES

Introduced By: Senator Elizabeth A. Crowley

Date Introduced: April 27, 2017

Referred To: Senate Judiciary

(Rhode Island Housing)

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 44-9-12 of the General Laws in Chapter 44-9 entitled "Tax Sales" is
2 hereby amended to read as follows:

3 **44-9-12. Collector's deed -- Rights conveyed to purchaser -- Recording.**

4 (a) The collector shall execute and deliver to the purchaser a deed of the land stating the
5 cause of sale; the price for which the land was sold; the places where the notices were posted; the
6 name of the newspaper in which the advertisement of the sale was published; the names and
7 addresses of all parties who were sent notice in accordance with the provisions of § 44-9-10 and
8 44-9-11; the residence of the grantee; and if notice of the sale was given to the Rhode Island
9 Housing and Mortgage Finance Corporation and/or to the department of elderly affairs under the
10 provisions of § 44-9-10. The deed shall convey the land to the purchaser, subject to the right of
11 redemption. The conveyed title shall, until redemption or until the right of redemption is
12 foreclosed, be held as security for the repayment of the purchase price with all intervening costs,
13 terms imposed for redemption, and charges, with interest; and the premises conveyed, both before
14 and after either redemption or foreclosure, shall also be subject to, and have the benefit of, all
15 easements and restrictions lawfully existing in, upon, or over the land or appurtenant to the land.
16 The deed is not valid unless recorded within sixty (60) days after the sale. If the deed is recorded,
17 it is prima facie evidence of all facts essential to the validity of the title conveyed by the deed. It
18 shall be the duty of the collector to record the deed within sixty (60) days of the sale and to
19 forward said deed promptly to the tax sale purchaser. The applicable recording fee shall be paid

1 by the purchaser. The purchaser shall be reimbursed for said fee upon redemption by the
2 redeeming party, if any. Except as provided, no sale shall give to the purchaser any right to either
3 the possession, or the rents or profits of the land until the expiration of one year after the date of
4 the sale, nor shall any sale obviate or transfer any responsibility of an owner of property to
5 comply with any statute of this state or ordinance of any municipality governing the use,
6 occupancy, or maintenance or conveyance of property until the right of redemption is foreclosed.

7 (b) The rents to which the purchaser shall be entitled after the expiration of one year and
8 prior to redemption shall be those net rents actually collected by the former fee holder or a
9 mortgagee under an assignment of rents. Rents shall not include mere rental value of the land, nor
10 shall the purchaser be entitled to any rent for owner-occupied, single-unit residential property.
11 For purposes of redemption, net rents shall be computed by deducting from gross rents actually
12 collected any sums expended directly or on behalf of the tenant from whom the rent was
13 collected. Such expenditure shall include utilities furnished, repairs made to the tenanted unit, and
14 services provided for the benefit of the tenant. However, mortgagee payments, taxes, and sums
15 expended for general repair and renovation (i.e. capital improvements) shall not be deductible
16 expenses in the computation of the rent.

17 (c) This tax title purchaser shall not be liable for any enforcement or penalties arising
18 from violations of environmental or minimum-housing standards prior to the expiration of one
19 year from the date of the tax sale, or five (5) years from the date of the tax sale if the Rhode
20 Island housing and mortgage finance corporation is the tax title purchaser pursuant to §44-9-8.3,
21 except for violations that are the result of intentional acts by the tax sale purchaser or his or her
22 agents.

23 (d) Upon the expiration of one year after the date of the sale, the tax title holder shall be
24 jointly and severally liable with the owner for all responsibility and liability for the property and
25 shall be responsible to comply with any statute of this state or ordinance of any municipality
26 governing the use, occupancy, or maintenance or conveyance of the property even prior to the
27 right of redemption being foreclosed; except, however, that if the Rhode Island housing mortgage
28 finance corporation is the tax title holder pursuant to §44-9-8.3, then joint and several liability
29 shall arise upon the expiration of five (5) years after the date of the sale. Nothing in this section
30 shall be construed to confer any liability upon a city or town that receives tax title as a result of
31 any bids being made for the land offered for sale at an amount equal to the tax and charges.

32 (e) In the event that the tax lien is acquired by the Rhode Island housing and mortgage
33 finance corporation, and said corporation has paid the taxes due, title shall remain with the owner
34 of the property, subject to the right of the corporation to take the property in its own name,

1 pursuant to applicable statutes and any regulations duly adopted by the corporation. Upon such
2 notice by the corporation, the collector shall execute and deliver a deed to the corporation as
3 herein provided.

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

=====
LC002184/SUB A
=====

EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
A N A C T
RELATING TO TAXATION -- TAX SALES

1 This act would provide that if the Rhode Island housing and mortgage finance
2 corporation is a tax title purchaser pursuant to the corporation's Madeline Walker tax lien
3 program, which provides assistance to owner-occupied one to three (3) family residential
4 properties, then it shall not be responsible for any environmental or minimum housing standards,
5 violations, or any other liability concerning the tax title property, until five (5) years after the date
6 of the tax sale.

7 This act would take effect upon passage.

=====
LC002184/SUB A
=====