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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2019

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A N A C T

RELATING TO TAXATION -- TAX SALES

Introduced By: Senator Harold M. Metts

Date Introduced: March 14, 2019

Referred To: Senate Judiciary

It is enacted by the General Assembly as follows:

1           SECTION 1. Sections 44-9-8.3 and 44-9-25 of the General Laws in Chapter 44-9 entitled  
2 "Tax Sales" are hereby amended to read as follows:

3           **44-9-8.3. Sale of owner-occupied residential property to housing agency.**

4           (a) Where the property subject to tax sale is owner-occupied residential and contains  
5 three (3) or less units, the Rhode Island Housing and Mortgage Finance Corporation shall have a  
6 right of first refusal to acquire the tax lien at tax sale, and may assist the owner to discharge the  
7 lien or take title and acquire the property in its own name pursuant to regulations to be developed  
8 by the corporation, consistent with its purposes. The corporation shall notify the collector of its  
9 intention to exercise this right by the later of: (i) thirty (30) days from its receipt of the certified  
10 mail notice set forth in § 44-9-10; or (ii) ten (10) days before the date of sale or any adjournment  
11 of the sale. Failure of the corporation to notify the collector as provided herein shall extinguish  
12 the right of first refusal provided in this section.

13           (b) There shall be an advisory board consisting of six (6) members: one person appointed  
14 by the Rhode Island League of Cities and Towns; one person appointed by the ~~Consumer Credit~~  
15 ~~Counseling Services of Rhode Island~~ Rhode Island Housing Resources Commission; one person  
16 appointed by Rhode Island Legal Services; one person appointed by the Housing Network of  
17 Rhode Island, one appointed by the ~~Urban League of Rhode Island~~ Omni Development  
18 Corporation and one appointed by the Center for Hispanic Policy and Advocacy. The advisory  
19 committee shall provide advice and recommendations to the governing board of the Rhode Island

1 Housing and Mortgage Finance Corporation regarding that corporation's activities under this  
2 section. The members of the advisory board shall receive no compensation for the performance of  
3 their duties, but may be reimbursed for reasonable expenses incurred in carrying out their duties.

4 **44-9-25. Petition for foreclosure of redemption.**

5 (a) After one year from a sale of land for taxes, except as provided in §§ 44-9-19 -- 44-9-  
6 22, whoever then holds the acquired title may bring a petition in the superior court for the  
7 foreclosure of all rights of redemption under the title. The petition shall set forth a description of  
8 the land to which it applies, with its assessed valuation, the petitioner's source of title, giving a  
9 reference to the place, book, and page of record, and other facts as may be necessary for the  
10 information of the court. Two (2) or more parcels of land may be included in any petition brought  
11 by any purchaser of a title or titles, if the parcels are in the same record ownership at the time of  
12 bringing the petition (Form 5).

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

17 (c) Notwithstanding the provisions of subsection (a) of this section, no petition for  
18 foreclosure of redemption shall be filed or entertained by any court with respect to any property  
19 or title acquired by the Rhode Island Housing and Mortgage Corporation pursuant to § 44-9-8.3  
20 of the general laws until after five (5) years from the sale of said property or title for taxes.

21 (d) Notwithstanding the provisions of subsection (c) of this section, Rhode Island  
22 Housing and Mortgage Finance Corporation may bring a petition for the foreclosure of  
23 redemption after one year from the sale of the property for taxes where:

24 (1) Subsequent to or within sixty (60) days prior to the Rhode Island Housing and  
25 Mortgage Finance Corporation's acquisition of the property or title, the interest of the owner-  
26 occupant in the property has been foreclosed by a mortgagee and a foreclosure deed has been  
27 entered in the records of land evidence for the municipality where the property is located and the  
28 property is no longer owner-occupied or occupied by a lawful tenant; or

29 (2) The property has been abandoned, as determined in accordance with § 34-44-.

30 SECTION 2. Section 44-5.1-3 of the General Laws in Chapter 44-5.1 entitled "Real  
31 Estate Nonutilization Tax" is hereby amended to read as follows:

32 **44-5.1-3. Imposition of tax.**

33 (a) Providence. The city of Providence is empowered to impose a tax upon the privilege  
34 of utilizing property as vacant and abandoned property within the city during any privilege year

1 commencing with the privilege year beginning January 1, 1984, and every privilege year  
2 thereafter. The tax shall be in addition to any other taxes authorized by the general or public laws.

3 (b) Pawtucket. The city of Pawtucket is empowered to impose a tax upon the privilege of  
4 utilizing property as vacant and abandoned property within the city during any privilege year  
5 commencing with the privilege year beginning January 1, 1997, and every privilege year  
6 thereafter. The tax shall be in addition to any other taxes authorized by the general or public laws.

7 (c) Cranston. The city of Cranston is empowered to impose a tax upon the privilege of  
8 utilizing property as vacant and abandoned property within the city during any privilege year  
9 commencing with the privilege year beginning January 1, 1997, and every privilege year  
10 thereafter. The tax shall be in addition to any other taxes authorized by the general or public laws.

11 (d) North Providence. The town of North Providence is empowered to impose a tax upon  
12 the privilege of utilizing property as vacant and abandoned property within the town during any  
13 privilege year commencing with the privilege year beginning January 1, 2001, and every  
14 privilege year thereafter. The tax shall be in addition to any other taxes authorized by the general  
15 or public laws.

16 (e) East Providence. The city of East Providence is empowered to impose a tax upon the  
17 privilege of utilizing property as vacant and abandoned property within the city during any  
18 privilege year commencing with the privilege year beginning January 1, 2000, and every  
19 privilege year thereafter. The tax shall be in addition to any other taxes authorized by the general  
20 or public laws.

21 (f) Woonsocket. The city of Woonsocket is empowered to impose a tax upon the  
22 privilege of utilizing property as vacant and abandoned property within the city during any  
23 privilege year commencing with the privilege year beginning January 1, 2000, and every  
24 privilege year thereafter. The tax shall be in addition to any other taxes authorized by the general  
25 or public laws.

26 (g) Cities and towns. Any city or town not previously empowered is empowered to  
27 impose a tax upon the privilege of utilizing vacant and abandoned property within the city or  
28 town during any privilege year commencing with the privilege year beginning January 1, 2002,  
29 and every privilege year thereafter. The tax shall be in addition to any other taxes authorized by  
30 the general or public laws.

31 (h) Implementing ordinance. Cities and towns that are empowered to impose this tax and  
32 who choose to impose this tax shall adopt an implementing ordinance. The ordinance shall:

33 (1) Designate a municipal entity responsible for determining which properties are vacant  
34 and abandoned;

1 (2) Establish the mechanism by which the tax is imposed and how the tax is removed  
2 from the property once the property has been rehabilitated;

3 (3) Designate a reviewing entity to review and approve a development plan submitted by  
4 a nonprofit housing organization or an abutter;

5 (4) Empower the tax assessor to abate the tax if it is imposed in error or if a nonprofit  
6 housing organization or an abutter acquires the property for rehabilitation and submits a  
7 development plan that complies with the provisions of subdivision (i)(2) of this section;

8 (i) Exemptions [for abutters and nonprofit housing organizations](#).

9 (1) The non-utilization tax authorized by this chapter shall not be imposed on property  
10 owned by an abutter or a nonprofit housing organization if:

11 (i) The abutter or nonprofit housing organization submits a proposed development plan  
12 which has been approved by the Rhode Island housing resources commission or Rhode Island  
13 housing and mortgage finance corporation to the reviewing entity;

14 (ii) The proposed development plan contains a reasonable timetable for the development  
15 or reuse of the property; and

16 (iii) The reviewing entity determines that the proposed development plan is in accordance  
17 with the approved comprehensive plan of the city or town and approves it.

18 (2) The reviewing entity shall deliver a copy of the approved development plan to the tax  
19 assessor who shall certify the property as exempt from the non-utilization tax.

20 (3) Failure of the nonprofit housing organization or abutter, without good cause, to carry  
21 out the development or reuse of the property in accordance with the timetable set forth in the  
22 approved development plan shall result in the property being subject to the non-utilization tax as  
23 of the first date of assessment following the expiration of the timetable in the approved  
24 development plan.

25 (4) The decision of the reviewing entity denying approval of a development plan may be  
26 appealed as provided in § 44-5.1-6.

27 [\(j\) Exemption for housing agency. The non-utilization tax authorized by this section shall](#)  
28 [not be imposed on property on which the Rhode Island housing and mortgage finance corporation](#)  
29 [holds an interest pursuant to § 44-9-8.3.](#)

30 SECTION 3. This act shall take effect upon passage.

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

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1           This act would give the Rhode Island housing and mortgage finance corporation  
2 (RIHMFC) the authority to bring foreclosure petitions after one year from the sale of property for  
3 taxes if the property is foreclosed and no longer owner-occupied or has been abandoned, and  
4 changes members of the advisory board which provides advice to RIHMFC and exempts  
5 RIHMFC owned property from being assessed a non-utilization tax.

6           This act would take effect upon passage.

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