

2023 -- H 5202

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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2023

A N A C T

RELATING TO TAXATION -- COLLECTION OF TAXES GENERALLY

Introduced By: Representative Mary Ann Shallcross Smith

Date Introduced: January 19, 2023

Referred To: House Municipal Government & Housing

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 44-7-25 of the General Laws in Chapter 44-7 entitled "Collection of
2 Taxes Generally" is hereby amended to read as follows:

3 **44-7-25. Sale of rights to uncollected taxes that are due and payable.**

4 [\(a\)](#) The collector, with the approval of the city or town council, is authorized to sell to a
5 bank or other financial institution the rights of the city or town to receive taxes, which are due and
6 payable as of the end of the city or town's fiscal year and are uncollected at the time of the sale.
7 Any agreement executed under this section shall be filed with the city or town clerk, but does not
8 need to be filed or recorded under the Uniform Commercial Code, title 6A. The collector shall act
9 as the sole collecting agent for the bank or financial institution and shall exercise the rights under
10 chapters 7 — 9 of this title as to collection, enforcement of liens, and sale for nonpayment with
11 respect to those taxes.

12 [\(b\) Notwithstanding any provisions to the contrary, no municipality may conduct a tax sale](#)
13 [when litigation is pending which disputes the amount of tax owed on said property.](#)

14 SECTION 2. Chapter 44-9 of the General Laws entitled "Tax Sales" is hereby amended by
15 adding thereto the following section:

16 **44-9-57. Tax sale - Pending litigation.**

17 [Notwithstanding any provision to the contrary, no municipality may conduct a tax sale](#)
18 [when litigation is pending which disputes the amount of tax owed on said property.](#)

1 SECTION 3. 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 prohibit the tax sale of properties when litigation is pending disputing the
2 amount owed.

3 This act would take effect upon passage.

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