2021 -- S 0668

STATE OF RHODE ISLAND
IN GENERAL ASSEMBLY
JANUARY SESSION, A.D. 2021

A N A C T
RELATING TO PROPERTY – RESIDENTIAL RENT AND MORTGAGE CANCELLATION
ACT OF 2021

Introduced By: Senator Tiara T. Mack

Date Introduced: March 18, 2021

Referred To: Senate Judiciary

It is enacted by the General Assembly as follows:

SECTION 1. Title 34 of the General Laws entitled "PROPERTY” is hereby amended by
adding thereto the following chapter:

CHAPTER 18.3
RESIDENTIAL RENT AND MORTGAGE CANCELLATION ACT OF 2021

34-18.3-1. Short title.
This chapter shall be known and may be cited as the "Residential Rent and Mortgage
Cancellation Act of 2021”.

34-18.3-2. Definitions.
For purposes of this chapter:

(1) "Affordable housing operator” means a nonprofit housing development corporation as
defined in chapter 11.2 of title 42.

(2) "Commissioner” means the limited equity-housing cooperative as defined in chapter
11.2 of title 42.

(3) "Public housing authority” means a mutual housing association as defined in chapter
11.2 of title 42.

(4) "Rent” means the monthly or weekly amount charged in consideration for the use and
occupancy of a dwelling pursuant to a written or oral rental agreement.

(5) "Residential cooperative” means a limited equity-housing cooperative as defined in
chapter 11.2 of title 42.

(6) "Residential tenant" means a person entitled under a rental agreement to occupy a

dwelling unit to the exclusion of others.

(7) "Small homeowner" means an owner of a dwelling with six (6) or fewer units where

such owner resides as a primary residence.

34-18.3-3. Cancellation of rent for residential tenants.

(a) Notwithstanding any other provision of law, the obligation of a residential tenant to pay

rent shall be suspended for a period that shall run from the date of a declared health emergency by

the governor pursuant to chapter 15 of title 30 until the expiration of a period of ninety (90) days

after the governor declares the state of the emergency has ended.

(b) No tenant or tenant household may be charged a fine or fee for nonpayment of rent in

accordance with this section.

(c) The nonpayment of rent by a tenant in accordance with this section shall not be grounds

for any termination of tenancy or eviction proceeding or civil judgment.

(d) No tenant or tenant household may be treated as accruing any debt by reason of

suspension of rent under this section.

(e) No tenant or tenant household may be held liable for repayment of any amount of rent

suspended under this section.

(f) The nonpayment of rent by a tenant pursuant to this section shall not be reported to a

tenant screening agency or a consumer reporting agency nor shall such nonpayment adversely

affect the credit score of a tenant or member of a tenant’s household, nor shall such nonpayment

be grounds for denying any future application for rental housing made by a tenant or a member of

a tenant’s household.

34-18.3-4. Mortgage payment suspension, fees and penalties, credit scores.

(a) Notwithstanding any other provision of law, the obligation of a small homeowner to

make mortgage payments of principal or interest that become due during the period of a declared

health emergency by the governor pursuant to chapter 15 of title 30 until the expiration of a period

of ninety (90) days after the governor declares that the state of emergency has ended, is hereby

suspended.

(b) No mortgagor who is a small homeowner may be held responsible for payment of

mortgage payments suspended under this section or treated as accruing debt by reason of

suspension under this section of the obligation to make mortgage payments.

(c) A mortgagee, or servicer of such mortgagee, under a residential mortgage loan to a

small homeowner may not commence or continue any judicial foreclosure action or non-judicial
foreclosure process or any action for failure to make a payment due under such mortgage that is
suspended pursuant to this action.

(d) No fees, penalties, or additional interest beyond the amounts scheduled or calculated as
if the mortgagor made all contractual payments on time and in full under the terms of the mortgage
contract in effect as of the date of commencement of a declared health emergency suspension period
shall accrue.

(e) The nonpayment of a mortgage payment by a mortgagor pursuant to suspension of the
obligation to make such payment under this section shall not be reported to a consumer reporting
agency nor shall such nonpayment adversely affect a mortgagor's credit score.

(f) Assistance may not be provided under this section with respect to any dwelling for
which assistance is provided pursuant to §§ 34-18.3-6 and 34-18.3-7.

34-18.3-5. Assistance to residential housing cooperatives losing maintenance and
rental income.

(a) Except as modified in this section, any residential housing cooperatives that can
demonstrate they lost maintenance or rental income during the period of a declared health
emergency by the governor pursuant to chapter 15 of title 30 until the expiration of a period of
ninety (90) days after the governor declares that the state of emergency has ended shall be entitled
to a payment of the total amount of maintenance or rental income lost during that period.

(b)(1) The commissioner shall promulgate rules and regulations establishing an application
procedure for a residential housing cooperative seeking payment of lost maintenance or rental
income.

(2) Such regulations shall provide that as a condition of such assistance payments, a
residential housing cooperative shall agree and shall be obligated, through executing an instrument
in a form specified in the regulations issued pursuant to this section to provide any tenants residing
in the housing cooperative with a renewal lease of at least one year, at the same rental amount
actually charged and collected six (6) months prior to the application for relief.

(3) Such regulations shall further provide that any rental housing cooperative shall not be
eligible for the relief provided herein for rental or maintenance income imputable to any illegal unit
or unit occupied in violation of the cooperative's bylaws or for rental income imputable to a unit
containing, as of the time of the application, uncorrected immediately hazardous violations of a
state or local housing or building code that existed prior to the date of a declared health emergency
and which are the housing cooperative's legal duty to remedy.

(c) Any residential cooperative that receives payment for unpaid maintenance under this
section shall waive all rights to receive said maintenance payments from the cooperative
shareholder of the dwelling unit for which payment was received.

34-18.3-6. Assistance to affordable housing operators losing rental income.

(a) Except as modified in this section, any affordable housing operator that can demonstrate
it lost rental income during the period running from the date of a declared health emergency by the
governor pursuant to chapter 15 of title 30 until the expiration of a period of ninety (90) days after
the governor declares that the state of emergency has ended shall be entitled to a payment of the
total amount of rental income lost during that period.

(b) The commissioner shall promulgate rules and regulations establishing an application
procedure for an affordable housing operator seeking payment of lost rental income.

(c) The commissioner may provide a payment under this section only with respect to rental
dwellings that meet all the following requirements:

(1) The affordable housing operator of the rental dwelling has made such certifications to,
and entered into such binding agreements with the commissioner as the commissioner considers
necessary to ensure that during the five (5) year period beginning upon initial receipt of such
affordable housing operator of payment under this section for such dwelling, such dwelling shall
be subject to the following requirements:

(i) The monthly rental amounts for the rental units within the property may not be increased
from the amount of such rent charged as of the date of the enactment of this chapter;

(ii) Tenants of the rental units may be evicted only for the following reasons:

(A) The tenant is violating a substantial obligation of their tenancy other than the obligation
to surrender possession of such housing accommodation and has failed to cure such violation after
written notice by the landlord that the violation cease within twenty (20) days, or within the three
(3) month period immediately prior to the commencement of the proceeding the tenant has willfully
violated such an obligation inflicting serious and substantial injury to the landlord;

(B) The tenant is committing or permitting a nuisance in such housing accommodation or
is maliciously or by reason of gross negligence substantially damaging the housing
accommodations, or the tenant's conduct is such as to interfere substantially with the comfort or
safety of the landlord or other tenants or occupants of the same or other adjacent building or
structure;

(C) Occupancy of the housing accommodations by the tenant is illegal because of the
requirements of law, and the landlord is subject to civil or criminal penalties therefor, or both;

(D) The tenant is using or permitting such housing accommodation to be used for an illegal
purpose;

(E) The tenant who had a written lease or other written rental agreement which terminates
on or after the effective date of this chapter, has refused upon demand of the landlord to execute a
written extension or renewal thereof for a further term of like duration not in excess of one year but
otherwise on the same terms and conditions as the previous lease except in so far as such terms and
conditions are inconsistent with this chapter; or

(F) The tenant has unreasonably refused the landlord access to the housing
accommodations for the purposes of making necessary repairs or improvements required by law or
for the purpose of inspection or of showing the accommodations to a prospective purchaser,
mortgagee or prospective mortgagee, or other person having a legitimate interest therein; provided,
however, that in the latter event such refusal shall not be grounds for removal of eviction if such
inspection or showing of the accommodations is contrary to the provisions of the tenant's lease or
other rental agreement:

(iii) The rental dwelling shall not have any outstanding violations for hazardous or
immediately hazardous conditions;

(iv) The affordable housing operator may not refuse to rent any rental dwelling unit, or
discriminate in the renting of any rental dwelling unit, to a household based on the source of income
of such household, inclusive of income under the program under section 8(o) of the United States
Housing Act of 1937 (42 U.S.C. 1437f(0)) or any similar tenant-based rental assistance program;

(v) The affordable housing operator may not restrict tenancy of the dwelling unit on the
basis of sexual identity or orientation, gender identity or expression, conviction or arrest record,
credit history, or immigration status;

(vi) The affordable housing operator may not retaliate in any way against a tenant of the
dwelling unit; and

(vii) The affordable housing operator may not report the tenant of the dwelling unit or
provide any adverse information regarding the tenant to any credit reporting or tenant screening
agency.

(2) Assistance may not be provided under this section with respect to any dwelling unit for
which assistance is provided pursuant to §§ 34-18.3-4, 34-18.3-5 or 34-18.3-7.

(d)(1) Subject to subsection (d)(2) of this section, the amount of a payment under this
section with respect to a rental dwelling may not exceed the aggregate amount of rent for the rental
dwelling suspended pursuant to § 34-18.3-3(a) and attributable only to days from the date of a
declared health emergency by the governor until the expiration of a period of ninety (90) days after
the governor declares that the state of emergency has ended during which the dwelling unit was
occupied by a tenant otherwise required to pay rent for such occupancy.

(2) In making payments under this section with respect to any rental dwelling unit for which
a tenant made a payment of rent during the period running from the date of a declared health emergency by the governor until the expiration of a period of ninety (90) days after the governor declares that the state of emergency has ended the commissioner shall:

(i) Reduce the amount of payment to the affordable housing operator under subsection (d)(1) of this section by the amount of any such rent paid; and

(ii) Make a payment to such tenant in the amount of any such rent paid.

(3) In making payments under this section with respect to any dwelling for which the affordable housing operator received mortgage payment relief under § 34-18.3-4 the commissioner shall reduce the amount of the payment to the affordable housing operator for lost rent by the amount of mortgage payment relief received under § 34-18.3-4.

(c) If an affordable housing operator violates any requirement with respect to a covered rental dwelling unit under any certification or agreement entered into pursuant to subsection (c)(1) of this section, the commissioner shall recapture from the affordable housing operator an amount equal to the entire amount of assistance provided under this section that is attributable to such dwelling unit and ensure that such amount is recaptured.

(f) There is hereby authorized to be appropriated such sums as may be necessary to reimburse all affordable housing operators for all rent payments suspended pursuant to § 34-18.3-3(a).

(g)(1) Any affordable housing operator may apply for an exemption from one or more of the requirements set forth in subsection (c) of this section and the commissioner shall grant exemptions from the requirements set forth in subsection (c) of this section upon determination that the affordable housing operator would otherwise suffer undue financial hardship resulting from the requirements for which exemption is sought.

(2) Any affordable housing operator aggrieved by the commissioner's decision on an application under this section or for a hardship exemption pursuant to subsection (g)(1) of this section may, within thirty (30) days of the commissioner’s decision, file a petition with the superior court for review of the decision rendered by the commissioner. In the event that the court may find that the decision of the commissioner constitutes the equivalent of a taking without compensation, it may, at the election of the commissioner, either set aside the decision or order the payment of just compensation by the commissioner.

§ 34-18.3-7. Landlord relief fund, application, fair rental requirements, prohibition on duplication of assistance.

(a) The commissioner shall establish and manage a landlord relief fund, or in this section referred to as (the “fund”), to provide lessors payments under this section to reimburse such lessors
for rent payments cancelled pursuant to § 34-18-3-3(a).

(b) The commissioner shall provide for lessors of rental dwellings to apply for reimbursement payments from the fund, which applications shall include the certifications and binding agreements required pursuant to subsection (c) of this section.

(c) The commissioner may provide a payment under this section only with respect to rental dwellings that meet all of the following requirements:

(1) The lessor of the rental dwelling has made such certifications to, and entered into such binding agreements with, the commissioner as the commissioner considers necessary to ensure that during the five (5) year period beginning upon initial receipt by such lessor of payment under this section for such dwelling, such dwelling shall be subject to the following requirements:

(i) The lessor of the rental dwelling has made such certifications to, and entered into such binding agreements with, the commissioner as the commissioner considers necessary to ensure that during the five (5) year period beginning upon initial receipt by such lessor of payment under this section for such dwelling, such dwelling shall be subject to the following requirements:

(ii) Tenants of the rental units may be evicted only for the following reasons:

(A) The tenant is violating a substantial obligation of his or her tenancy other than the obligation to surrender possession of such housing accommodation and has failed to cure such violation, after written notice by the landlord that the violation cease within twenty (20) days, or within the three (3) month period immediately prior to the commencement of the proceeding, the tenant has willfully violated such an obligation inflicting serious and substantial injury to the landlord;

(B) The tenant is committing or permitting a nuisance in such housing accommodation or is maliciously or by reason of gross negligence substantially damaging the housing accommodations; or his or her conduct is such as to interfere substantially with the comfort or safety of the landlord or other tenants or occupants of the same or other adjacent building or structure;

(C) Occupancy of the housing accommodations by the tenant is illegal because of the requirements of law, and the landlord is subject to civil or criminal penalties therefore, or both;

(D) The tenant is using or permitting such housing accommodation to be used for an illegal purpose;

(E) The tenant who had a written lease or other written rental agreement which terminates on or after the effective date of this chapter, has refused upon demand of the landlord to execute a written extension or renewal thereof for a further term of like duration not in excess of one year but otherwise on the same terms and conditions as the previous lease except in so far as such terms and conditions are inconsistent with this chapter; or

(F) The tenant has unreasonably refused the landlord access to the housing
accommodations for the purpose of making necessary repairs or improvements required by law or for the purpose of inspection or of showing the accommodations to a prospective purchaser, mortgagee or prospective mortgagee, or other person having a legitimate interest therein; provided, however, that in the latter event such refusal shall not be grounds for removal or eviction if such inspection or showing of the accommodations is contrary to the provisions of the tenant’s lease or other rental agreement.

(iii) The rental dwelling shall not have any outstanding violations for hazardous or immediately hazardous conditions;

(iv) The lessor may not refuse to rent any rental dwelling unit, or discriminate in the renting of any dwelling unit, to a household based on the source of income of such household, including income under the program under section 8(o) of the United States Housing Act of 1937 (42 U.S.C. 1437f(o)) of any similar tenant-based rental assistance program;

(v) The lessor may not restrict tenancy of the dwelling unit on the basis of sexual identity or orientation, gender identity or expression, conviction or arrest record, credit history, or immigration status;

(vi) The lessor may not retaliate in any way against a tenant of the dwelling unit; and

(vii) The lessor may not report the tenant of the dwelling unit or provide any adverse information regarding the tenant to any credit reporting or tenant screening agency.

(2) Assistance may not be provided under this section with respect to any dwelling unit for which assistance is provided pursuant to §§ 34-18.3-4, 34-18.3-5 or 34-18.3-6.

(d)(1) Subject to subsection (d)(2) of this section, the amount of a payment under this section with respect to a rental dwelling may not exceed the aggregate amount of rent for the rental dwelling suspended pursuant to § 34-18.3-3 and attributable only to days from the date of the declared health emergency by the governor pursuant to chapter 15 of title 30 until the expiration of a period of ninety (90) days after the governor declares that the state of emergency has ended during which the dwelling unit was occupied by a tenant otherwise required to pay rent for such occupancy.

(2) In making payments under this section with respect to any rental dwelling unit for which a tenant made a payment of rent during the period running from the date of the declared health emergency by the governor until the expiration of a period of ninety (90) days after the governor declares that the state of emergency has ended the commissioner shall:

(i) Reduce the amount of the payment to the lessor under subsection (d)(1) of this section by the amount of any such rent paid; and

(ii) Make a payment to such tenant in the amount of any such rent paid.
(3) In making payments under this section with respect to any dwelling for which the lessor received mortgage payment relief under § 34-18.3-4 the commissioner shall reduce the amount of the payment to the lessor for lost rent by the amount of mortgage payment relief received under § 34-18.3-4.

c) In making payments under this section, the commissioner shall establish a tiered system for priority for such payments based on assets, revenues and disclosure requirements with respect to lessors. Such system shall provide priority for making payments to eligible small homeowners and lessors having the fewest available amount of assets.

(f) If a lessor violates any requirement with respect to a covered rental dwelling unit under any certification or agreement entered into pursuant to subsection (c)(1) of this section, the commissioner shall recapture from the lessor an amount equal to the entire amount of assistance provided under this section that is attributable to such dwelling unit and ensure that such amount is recaptured into the fund.

(g) There is authorized to be appropriated for the fund established pursuant to this section such sums as may be necessary to reimburse all lessors for all rent payments suspended pursuant to § 34-18.3-3(a).

(h)(1) Any lessor may apply for an exemption from one or more of the requirements set forth in subsection (c) of this section and the commissioner shall grant exemptions from requirements set forth in subsection (c) of this section upon determining that the lessor would otherwise suffer undue financial hardship resulting from the requirements for which exemption is sought.

(2) Any lessor aggrieved by the commissioner’s decision on an application to the fund or for a hardship exemption pursuant to subsection (h)(1) of this section may, within thirty (30) days of the commissioner’s decision, file a petition with the superior court for review of the decision rendered by the commissioner. In the event that the court may find that the decision of the commissioner constitutes the equivalent of a taking without compensation, it may, at the election of the commissioner, either set aside the decision or order the payment of just compensation by the commissioner.

34-18.3-8. Assistance to public housing authorities.

(a) The commissioner shall establish and manage a public housing relief fund, or in this section referred to as (the “public housing relief fund”), to provide public housing authorities with funds to compensate for expenses related to any health emergency declared by the governor pursuant to chapter 15 of title 30 and unpaid rent that would have been payable by residential tenants pursuant to 42 U.S.C. 1437(a) during the period running from the date of a health
emergency declared by the governor until the expiration of a period of ninety (90) days after the
governor declares that the state of emergency has ended.

(b) The commissioner shall provide for public housing authorities to apply for payments
from the public housing relief fund and shall promulgate regulations establishing the procedural
requirements for such applications.

(c) It is hereby declared to be the intent of the legislature that to the extent that any part of
this section if inconsistent with chapter 11.2 of title 42, this statute will prevail.

34-18.3-9. Civil action.

(a) Any individual aggrieved by an adverse action taken by a lessor, affordable housing
operator, public housing authority, or mortgagee for exercising rights under §§ 34-18.3-3 or 34-
18.3-4 may commence a civil action under this section against the lessor, affordable housing
operator, public housing authority, or mortgagee violating such section in the superior court not
later than two (2) years after such violation occurs for damages under subsection (b) of this section.

(b) Any lessor or mortgagee found to have taken adverse action against any lessee or
mortgagor for exercising rights under §§ 34-18.3-3 or 34-18.3-4 shall be liable:

(1) To the individual aggrieved by such violation, for any actual damages as a result of
such adverse action; and

(2) For a fine in the amount of:

(i) Ten thousand dollars ($10,000) for a first violation by such lessor or mortgagee;

(ii) Twenty thousand dollars ($20,000) for a second violation by such lessor or mortgagee;

and

(iii) One hundred thousand dollars ($100,000) or forfeiture of the property, for a third or
subsequent violation by such lessor or mortgagee.

(c) In an action brought under this section, the court:

(1) May award preventative relief, including a permanent or temporary injunction or other
order, to ensure the full rights granted by §§ 34-18.3-3 or 34-18.3-4; and

(2) Shall award any prevailing plaintiff reasonable attorneys' fees and costs.

(d) The attorney general may bring a civil action in any appropriate court against any
individual or entity which violates §§ 34-18.3-3 or 34-18.3-4 for fines under subsection (b)(2) of
this section.

34-18.3-10. Non-severability clause.

If § 34-18.3-3 is adjudged by a court of competent jurisdiction to be invalid, then §§ 34-
18.3-5, 34-18.3-6 and 34-18.3-7 shall also be deemed invalid and it is hereby declared to be the
intent of the legislature that §§ 34-18.3-5, 34-18.3-6 and 34-18.3-7 would not have been enacted if
§ 34-18.3-3 had not been included herein.

34-18.3-11. Severability clause.

Subject to the provisions of § 34-18.3-10, any provisions or provisions of this chapter, or the application of this chapter to any person or circumstance is held invalid by a court of competent jurisdiction, that invalidity does not affect other provisions or applications of this chapter which can be given effect without that invalid provision or provisions or application of the provision or provisions, and to this end the provisions of this chapter are declared to be separable and severable.

SECTION 2. This act shall take effect upon passage and shall apply to any declared health emergency, including, but not limited to, COVID-19, in effect on the date of passage.
This act would forgive rent for tenants and mortgage payment for small homeowners from
the period running from the date of a health emergency declared by the governor pursuant to chapter
15 of title 30 until a period of ninety (90) days after the governor declares the state of emergency
has ended, including the COVID-19 pandemic. This act would further preclude landlords from
filing evictions for nonpayment of rent and preclude the landlords from affecting tenant’s credit or
assessing late fees or fines to the tenant during the rent forgiveness period. This act would further
allow housing co-operatives that are able to demonstrate financial distress to apply for assistance.
This act would also establish a "Landlord Relief Rent Fund" allowing qualifying landlords to be
reimbursed for all rent payments cancelled as long as they agree to a five (5) year freeze on rent
increases for tenants and not to evict the tenant without good cause.

This act would take effect upon passage and would apply to any declared health emergency,
including, but not limited to, COVID-19, in effect on the date of passage.