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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2012

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A N A C T

RELATING TO STATE AFFAIRS AND GOVERNMENT - TAXATION - TAX SALES

Introduced By: Senators Metts, Jabour, P Fogarty, Pichardo, and Crowley

Date Introduced: February 01, 2012

Referred To: Senate Judiciary

It is enacted by the General Assembly as follows:

1 SECTION 1. Sections 44-9-10, 44-9-21 and 44-9-25 of the General Laws in Chapter 44-9
2 entitled "Tax Sales" are hereby amended to read as follows:
3 **44-9-10. Notice of sale to taxpayer.** -- (a) Whether or not the person or general
4 partnership to whom the estate is taxed as of December 31st prior to the tax sale is a resident of
5 this state, the collector shall, in addition to the foregoing, notify the taxpayer of the time and place
6 of sale first by first-class mail not less than ninety (90) days before the date of sale or any
7 adjournment of the sale, and again by certified mail not less than forty (40) days before the date
8 of sale or any adjournment of the sale, sent postpaid to the street address of the real estate liable
9 for payment of taxes, and, if different, to the taxpayer's address listed with the tax assessor's
10 office of the city or town where the real estate is located or to any other address which the
11 taxpayer designates by written notice to the tax assessor, or to the address of the taxpayer stated
12 on the deed recorded in the land evidence records of the city or town where the real estate is
13 located or to the last known address of the taxpayer or be left at the taxpayer's last known address
14 or personally served on the taxpayer not less than thirty (30) days before the date of sale or any
15 adjournment of the sale, but no notice of adjournments shall be necessary other than the
16 announcement made at the sale. ~~Copies of such notices shall also be sent or hand delivered at the~~
17 ~~same time as prescribed above, to the Rhode Island Housing and Mortgage Finance Corporation.~~
18 The collector shall notify Rhode Island Housing and Mortgage Finance Corporation of the tax
19 sale not less than forty (40) days before the day of sale by providing either an electronic file

1 [encrypted by a commercially available password protected compression process and searchable](#)
2 [upon decompression, or by mail or hand delivery, specifying, for each parcel of real estate liable](#)
3 [for payment of taxes: \(1\) The name of the taxpayer; \(2\) The street address of the real estate; \(3\)](#)
4 [The amount of taxes owed; and \(4\) The address or addresses of the taxpayer to which the notice](#)
5 [of tax sale was sent by the collector.](#) Failure to notify the Rhode Island Housing and Mortgage
6 Finance Corporation as prescribed herein shall nullify any tax sale of any property with respect to
7 which such notice was not given.

8 (b) Persons aged sixty-five (65) years and over or persons suffering from a disability
9 may designate a third party to whom notice may be sent as required pursuant to this section by
10 advising the tax assessor of the name and address of the person.

11 (c) If the estate taxed is a corporation, the notice may be sent either by registered or
12 certified mail to its place of business or left at the business office of the corporation with some
13 person employed there.

14 (d) In the event the person to whom the estate is taxed is listed in the records of the
15 assessor and/or collector as having applied for and been granted a property tax abatement based
16 wholly or partially on the age of the taxpayer, then the collector shall also notify the department
17 of elderly affairs not less than forty (40) days before the date of sale by certified mail or hand
18 delivery as described herein. Failure to notify the department of elderly affairs as prescribed
19 herein shall nullify any tax sale of any property with respect to which such notice was not given.

20 (e) Within ninety (90) days after the end of each calendar year, the department of elderly
21 affairs shall prepare and submit an annual report to the governor, the speaker of the house of
22 representatives, the president of the senate and the secretary of state. The report shall contain
23 information concerning the number of notices received by the department of elderly affairs
24 pursuant to this section of law during the calendar year, and information concerning the identity
25 of the specific parcels that might be sold in each city or town as well as a description of exactly
26 what action followed on each such notice. The report shall conclude by indicating the present
27 status of each case in which the department received such a notice as well as an indication as to
28 whether each such case is open or closed.

29 **44-9-21. Redemption from purchaser other than city or town.** -- Any person may
30 redeem by paying or tendering to a purchaser, other than the city or town, his or her legal
31 representatives, or assigns, or to the person to whom an assignment of a tax title has been made
32 by the city or town, at any time prior to the filing of the petition for foreclosure, in the case of a
33 purchaser the original sum and any intervening taxes which have been paid to the municipality
34 plus interest thereon at the rate of one percent (1%) per month and costs paid by him or her, plus

1 a penalty as provided in section 44-9-19, or in the case of an assignee of a tax title from a city or
2 town, the amount stated in the instrument of assignment, plus the above-mentioned penalty; and
3 with respect to properties acquired by Rhode Island Housing and Mortgage Finance Corporation
4 pursuant to section 44-9-8.3, any intervening taxes which have been paid to the municipality plus
5 interest thereon at the rate of one percent (1%) per month and costs paid by Rhode Island
6 Housing and Mortgage Finance Corporation, plus the above-mentioned penalty. He or she may
7 also redeem the land by paying or tendering to the treasurer the sum which he or she would be
8 required to pay to the purchaser or to the assignee of a tax title, in which case the city or town
9 treasurer shall be constituted the agent of the purchaser or assignee. The right of redemption may
10 be exercised only by those entitled to notice of the sale pursuant to sections 44-9-10 and 44-9-11.

11 **44-9-25. Petition for foreclosure of redemption.** -- (a) After one year from a sale of
12 land for taxes, except as provided in sections 44-9-19 -- 44-9-22, whoever then holds the acquired
13 title may bring a petition in the superior court for the foreclosure of all rights of redemption under
14 the title. The petition shall set forth a description of the land to which it applies, with its assessed
15 valuation, the petitioner's source of title, giving a reference to the place, book, and page of record,
16 and other facts as may be necessary for the information of the court. Two (2) or more parcels of
17 land may be included in any petition brought by any purchaser of a title or titles, if the parcels are
18 in the same record ownership at the time of bringing the petition (Form 5).

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

23 (c) Notwithstanding the provisions of subsection (a) of this section, no petition for
24 foreclosure of redemption shall be filed or entertained by any court with respect to any property
25 or title acquired by the Rhode Island Housing and Mortgage Corporation pursuant to section 44-
26 9-8.3 of the general laws until after five (5) years from the sale of said property or title for taxes;
27 provided, however, that a petition for foreclosure of redemption may be brought after one year
28 from the sale of the property for taxes where: (1) Subsequent to or within sixty (60) days prior to
29 Rhode Island Housing and Mortgage Corporation's acquisition of the property or title, the interest
30 of the owner-occupant in the property has been foreclosed by a mortgagee and a foreclosure deed
31 has been entered in the records of land evidence for the municipality where the property is
32 located; or (2) The owner-occupant has failed to contact Rhode Island Housing and Mortgage
33 Finance Corporation after having been mailed written notice by certified return receipt requested
34 at the address of the property on two (2) separate occasions at least thirty (30) days apart; or (3)

1 The property has been abandoned, as defined in section 34-44-2 of the general laws.
2 (d) Notwithstanding the provisions of section 42-55-24 of the general laws, following
3 foreclosure of the right of redemption under this section for any property for which it acquired an
4 interest pursuant to section 44-9-8.3, and subsequent sale to a third party, Rhode Island Housing
5 and Mortgage Finance Corporation shall remit to the tax collector of the municipality in which
6 the property is located an amount equal to the lesser of: (1) The property taxes that would have
7 been due and owing for the period during which the Rhode Island Housing and Mortgage Finance
8 Corporation held title to such property; and (2) The net sales proceeds realized from the sale,
9 excluding all costs incurred by the Rhode Island Housing and Mortgage Finance Corporation in
10 acquiring its interest in the property and foreclosing the right of redemption. Any sums due under
11 this subsection shall be paid within thirty (30) days of the sale of the property to a third party.

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

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

A N A C T

RELATING TO STATE AFFAIRS AND GOVERNMENT - TAXATION - TAX SALES

1 This act would provide that in the event of a tax sale of real property, the tax collector
2 would notify RIHMFC not less than forty (40) days prior to the date of sale. Property obtained by
3 RIHMFC at a tax sale would be redeemed from RIHMFC by paying intervening taxes plus
4 interest at a rate of one percent (1%) per month plus a penalty. The act would also decrease the
5 time period that RIHMFC has to wait to foreclose an owner's right of redemption from five (5)
6 years to one year under certain circumstances.

7 This act would take effect upon passage.

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