

2024 -- H 8000

LC004872

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2024

A N A C T

RELATING TO STATE AFFAIRS AND GOVERNMENT -- REDUCED HOUSING RENT
PILOT PROGRAM

Introduced By: Representatives Morales, Speakman, Giraldo, Cotter, Stewart, Vella-
Wilkinson, Alzate, Cortvriend, Edwards, and Slater

Date Introduced: March 05, 2024

Referred To: House Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Title 42 of the General Laws entitled "STATE AFFAIRS AND
2 GOVERNMENT" is hereby amended by adding thereto the following chapter:

3 CHAPTER 11.5

4 REDUCED HOUSING RENT PILOT PROGRAM

5 **42-11.5-1. Measuring reduced rent -- Rates.**

6 (a) Reduced rents in Rhode Island shall be set in accordance with the standards found in
7 HUD Title 24 CFR part 92.252 (HOME Rent Limits), for the Rhode Island-Massachusetts metro
8 area, which shall be updated annually.

9 (b) The effective rates are as follows:

10 (1) One thousand one hundred seventy-one dollars (\$1,171) and under for a one-bedroom
11 unit;

12 (2) One thousand four hundred nine dollars (\$1,409) and under for a two-bedroom (2) unit;

13 (3) One thousand six hundred ninety-seven dollars (\$1,697) and under for a three-bedroom
14 (3) unit;

15 (4) One thousand eight hundred seventy-three dollars (\$1,873) and under for a four-
16 bedroom (4) unit; and

17 (5) Two thousand forty-eight dollars (\$2,048) and under for a five-bedroom (5) unit.

18 **42-11.5-2. Tenant eligibility.**

1 Tenants under this program shall meet the following requirements to ensure that the
2 households most susceptible of being cost burdened are benefitting from the program:

3 (1) Eligibility under the program is limited to households earning eighty percent (80%) or
4 below of the statewide area median income (AMI) and/or any Housing Choice Voucher Program
5 Recipient;

6 (2) Eligible tenants under this program shall be living in a legal rental unit with a verifiable
7 residential address; and

8 (3) The eligible tenant shall not be a relative of the landlord.

9 **42-11.5-3. Eligibility standards and responsibilities of the landlord.**

10 In order to be eligible for the program, the landlord shall meet the following standards:

11 (1) The landlord shall live in the same residential building where the landlord is renting
12 units to tenants;

13 (2) The landlord shall follow all existing landlord and tenant laws, including, but not
14 limited to, the provisions of chapter 18 of title 34 ("landlord tenant act") and chapter 24.3 of title
15 45 ("housing maintenance and occupancy code");

16 (3) The landlord shall agree to abide by "just cause" eviction policies which would only
17 permit an eviction for just cause which includes, but is not limited to, nonpayment of rent,
18 disturbing other tenants, creating a nuisance, and/or not permitting a landlord to make repairs; and

19 (4) If a tenant is evicted for just cause during enrollment in the program, the division of
20 taxation shall provide a prorated rebate to the landlord.

21 **42-11.5-4. Tax rebate structure.**

22 A property owner who enters an eighteen (18) month lease agreement with an eligible
23 tenant on or after January 1, 2025, under the reduced rent incentive program under this chapter,
24 shall be eligible for the following program rebates:

25 (1) Four thousand eight hundred dollars (\$4,800) for a reduced rent one-bedroom (1) unit
26 with a rebate installation of one thousand six hundred dollars (\$1,600) every one hundred eighty
27 (180) days;

28 (2) Six thousand dollars (\$6,000) for a reduced rent two-bedroom (2) unit with a rebate
29 installation of two thousand dollars (\$2,000) every one hundred eighty (180) days);

30 (3) Seven thousand five hundred dollars (\$7,500) for a reduced rent three-bedroom (3) unit
31 and plus with a rebate installation of two thousand five hundred dollars (\$2,500) every one hundred
32 eighty (180) days).

33 **42-11.5-5. Governing responsibility.**

34 (a) The state department of housing shall be the managing entity responsible for the design

1 and oversight of this program, including the acceptance of applications into the program and
2 monitoring of projected exhaustion. The department shall be responsible for promulgating the rules
3 and regulations, under chapter 35 of title 42 ("administrative procedures"), related to the application
4 process that a qualifying landlord and tenant would have to complete in order to be approved for
5 the program, including, but not limited to, the following:

6 (1) Verifying property ownership;
7 (2) Proof of lease agreement;
8 (3) Verifiable income from the tenant; and
9 (4) Identity verification, and any additional documentation deemed necessary by the
10 department.

11 (b) The department is authorized to use existing operational funds to contract with an
12 outside vendor and monitoring agent(s) to implement the program.

13 (c) The department may stop receiving and reviewing applications after four hundred (400)
14 applicants have been successfully accepted into the program.

15 (d) If program funds are still available after one hundred eighty (180) days of the first
16 accepted application, the department of housing shall be authorized to begin accepting applications
17 from property owners who own six (6) residential units or less and without the requirement that
18 their units be owner-occupied.

19 (e) The department shall gather utilization data and trends relative to the pilot program and
20 report back to the governor, speaker of the house, and senate president by January 10, 2026.

21 **42-11.5-6. Tax rebates.**

22 (a) The division of taxation shall be responsible for the issuance of a tax rebate after being
23 authorized by the department of housing. Following an approved application, the applicant shall
24 receive a rebate installment from the division every one hundred eighty (180) days until the lease
25 is finalized.

26 (b) The division of taxation is authorized to promulgate rules and regulations necessary to
27 carry out the provisions of this chapter.

28 **42-11.5. Funding for pilot program -- Appropriation.**

29 In order to measure the impact and participation of this pilot program, there is hereby
30 appropriated out of money in the treasury not otherwise appropriated for the fiscal year 2024-2025,
31 the sum of three million dollars (\$3,000,000) for the administration of the program and the
32 distribution of rebates under this chapter.

1 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 -- REDUCED HOUSING RENT
PILOT PROGRAM

1 This act would establish and fund an incentive program for landlords to offer reduced rents
2 to eligible tenants. The program would be administered by the state department of housing with an
3 appropriation of three million dollars (\$3,000,000) for fiscal year 2024-2025.

4 This act would take effect upon passage.

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