

2014 -- H 7905

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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2014

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A N A C T

RELATING TO TAXATION - TAX SALES

Introduced By: Representatives Gallison, Lally, and Keable

Date Introduced: March 11, 2014

Referred To: House Municipal Government

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 44-9-12 of the General Laws in Chapter 44-9 entitled "Tax Sales" is
2 hereby amended to read as follows:
3 **44-9-12. Collector's deed -- Rights conveyed to purchaser -- Recording. --** (a) The
4 collector shall execute and deliver to the purchaser a deed of the land, stating the cause of sale,
5 the price for which the land was sold, the places where the notices were posted, the name of the
6 newspaper in which the advertisement of the sale was published, the residence of the grantee, and
7 if notice of the sale was given to the Rhode Island Housing and Mortgage Finance Corporation
8 and or to the department of elderly affairs under the provisions of section 44-9-10, the collector
9 shall include an affirmative certification as to which entity/entities received notice and the date(s)
10 on which each such notice was given which shall set forth in the collector's deed. The deed shall
11 convey the land to the purchaser, subject to the right of redemption. The conveyed title shall, until
12 redemption or until the right of redemption is foreclosed, be held as security for the repayment of
13 the purchase price, with all intervening costs, terms imposed for redemption, and charges, with
14 interest, and the premises conveyed, both before and after either redemption or foreclosure, shall
15 also be subject to and have the benefit of all easements and restrictions lawfully existing in, upon,
16 or over the land or appurtenant to the land. The deed is not valid [against intervening interests](#)
17 unless recorded within sixty (60) days after the sale-, [unless the collector's return required in § 44-](#)
18 [9-13 shall have been recorded in a timely manner.](#) If the deed is recorded it is prima facie
19 evidence of all facts essential to the validity of the title conveyed by the deed. It shall be the duty

1 of the collector to record the deed ~~within sixty (60) days of the sale~~ and to forward said deed
2 promptly to the tax sale purchaser. The applicable recording fee shall be paid by the redeeming
3 party. Except as provided, no sale shall give to the purchaser any right to either the possession, or
4 the rents, or profits of the land until the expiration of one year after the date of the sale, nor shall
5 any sale obviate or transfer any responsibility of an owner of property to comply with any statute
6 of this state or ordinance of any municipality governing the use, occupancy, or maintenance or
7 conveyance of property until the right of redemption is foreclosed.

8 (b) The rents to which the purchaser shall be entitled after the expiration of one year and
9 prior to redemption shall be those net rents actually collected by the former fee holder or a
10 mortgagee under an assignment of rents. Rents shall not include mere rental value of the land, nor
11 shall the purchaser be entitled to any rent for owner-occupied single-unit residential property. For
12 purposes of redemption, net rents shall be computed by deducting from gross rents actually
13 collected any sums expended directly or on behalf of the tenant from whom the rent was
14 collected. Such expenditure shall include utilities furnished, repairs made to the tenanted unit, and
15 services provided for the benefit of the tenant. However, mortgagee payments, taxes and sums
16 expended for general repair and renovation (i.e. capital improvements) shall not be deductible
17 expenses in the computation of the rent.

18 (c) This tax title purchaser shall not be liable for any enforcement or penalties arising
19 from violations of environmental or minimum housing standards prior to the expiration of one
20 year from the date of the tax sale, except for violations which are the result of intentional acts by
21 the tax sale purchaser or his or her agents.

22 (d) Upon the expiration of one year after the date of the sale, the tax title holder shall be
23 jointly and severally liable with the owner for all responsibility and liability for the property and
24 shall be responsible to comply with any statute of this state or ordinance of any municipality
25 governing the use, occupancy, or maintenance or conveyance of the property even prior to the
26 right of redemption being foreclosed. Nothing in this section shall be construed to confer any
27 liability upon a city or town, which receives tax title as a result of any bids being made for the
28 land offered for sale at an amount equal to the tax and charges.

29 (e) In the event that the tax lien is acquired by the Rhode Island Housing and Mortgage
30 Finance Corporation, and said corporation has paid the taxes due, title shall remain with the
31 owner of the property, subject to the right of the corporation to take the property in its own name,
32 pursuant to applicable statutes and any regulations duly adopted by the corporation. Upon such
33 notice by the corporation, the collector shall execute and deliver a deed to the corporation as
34 herein provided.

1 SECTION 2. This act shall take effect upon passage, and shall apply to all tax sales held
2 following the effective date of the most recent amendment to § 44-9-13 [July 17, 2003].

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
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1 This act would amend the wording of the statute governing the recording of tax deeds to
2 interface with the statute governing the recording of tax collectors' returns, and would also restore
3 wording inadvertently omitted when the statute was last amended.

4 This act would take effect upon passage, and would apply to all tax sales held following
5 the effective date of the most recent amendment to § 44-9-13 [July 17, 2003].

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