

2016 -- S 2315

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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2016

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A N A C T

RELATING TO TAXATION -- TAX SALES

Introduced By: Senators Nesselbush, Crowley, Doyle, and Conley

Date Introduced: February 09, 2016

Referred To: Senate Judiciary

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; the
5 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 names and addresses of all
7 parties who were sent notice in accordance with the provisions of § 44-9-10 and 44-9-11; the
8 residence of the grantee; and if notice of the sale was given to the Rhode Island Housing and
9 Mortgage Finance Corporation and or to the department of elderly affairs under the provisions of
10 § 44-9-10. The deed shall convey the land to the purchaser, subject to the right of redemption.
11 The conveyed title shall, until redemption or until the right of redemption is foreclosed, be held as
12 security for the repayment of the purchase price with all intervening costs, terms imposed for
13 redemption, and charges, with interest, and the premises conveyed, both before and after either
14 redemption or foreclosure, shall also be subject to, and have the benefit of, all easements and
15 restrictions lawfully existing in, upon, or over the land or appurtenant to the land. The deed is not
16 valid unless recorded within sixty (60) days after the sale. If the deed is recorded, it is prima facie
17 evidence of all facts essential to the validity of the title conveyed by the deed. It shall be the duty
18 of the collector to record the deed within sixty (60) days of the sale and to forward said deed
19 promptly to the tax sale purchaser. The applicable recording fee shall be paid by the **redeeming**

1 ~~party~~ purchaser. The purchaser shall be reimbursed for said fee upon redemption by the
2 redeeming party, if any. Except as provided, no sale shall give to the purchaser any right to either
3 the possession, or the rents, or profits of the land until the expiration of one year after the date of
4 the sale, nor shall any sale obviate or transfer any responsibility of an owner of property to
5 comply with any statute of this state or ordinance of any municipality governing the use,
6 occupancy, or maintenance or conveyance of property until the right of redemption is foreclosed.

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

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

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

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

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

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
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1 This act would require the purchaser, instead of the redeeming party, of a tax sale
2 property, to pay the recording fee for the collector's deed, with reimbursement by the redeeming
3 party, if any.

4 This act would take effect upon passage.

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