



Rhode Island Association of REALTORS® & State-Wide MLS

March 2, 2021

The Honorable Joseph J. Solomon, Jr.  
Chairman  
House Committee on Corporations

***RE: H 5276– “An Act Relating to Health and Safety – the Rhode Island Cesspool Act of 2007”***

Dear Chairman Solomon and Committee Members:

On behalf of the more than 6,000 members of the Rhode Island Association of REALTORS® (RIAR), thank you for accepting testimony and affording our organization with the opportunity to comment on H 5276.

REALTORS® across Rhode Island appreciate the State’s commitment over the last two years to improving access to homeownership and affordable housing. The foundation of our economy is housing. According to the National Association of REALTORS®, the real estate industry accounted for nearly \$12 billion or 18.2% of the gross state product in 2019.<sup>1</sup>

Our association supports H 5276—Relating to Health and Safety—the Rhode Island Cesspool Act of 2007— since it would balance the needs of homeowners with environmental protection.

Existing law requires a cesspool to be replaced with an on-site wastewater disposal system or connected to a sewer system, if available, within one year after the home is transferred. The law gave affected homeowners a longer grace period to act if their property was located in cities, such as Warwick, where sewers were in the process of being extended. The homeowner and municipality were responsible for submitting documentation that sewers were imminent.

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<sup>1</sup> <https://www.nar.realtor/sites/default/files/documents/2019-state-economic-impact-of-real-estate-activity-ri-04-14-2020.pdf>

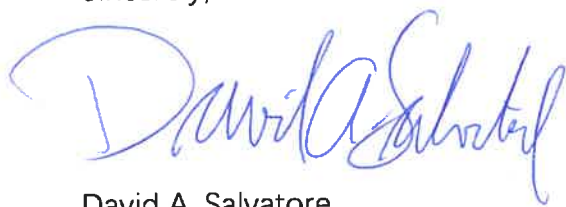
However, this grace period expired on January 1, 2020. H 5276 would authorize the Rhode Island Department of Environmental Management (DEM) to extend the deadline to install sewers to January 1, 2026 as long as the city or town can document to DEM’s satisfaction that the municipality is making reasonable efforts to extend its sewer system.

Without this legislation, homeowners or prospective homebuyers in affected neighborhoods would be required to spend thousands of dollars to install a septic system or other type of onsite wastewater treatment system. The homeowner would then be required to either pay sewer usage fees to connect to a sewer system once it is installed or penalties for failure to connect to the sewer system. Some buyers have already faced difficulty securing financing to purchase a home unless the buyer can afford a large enough down payment to justify a construction loan and future sewer fees.

Please consider the impact these high costs have on our local economy and low- and moderate-income homeowners who are struggling in a challenging economy. For these reasons, the Rhode Island Association of REALTORS® urges passage of H 5276.

Thank you for your consideration.

Sincerely,



David A. Salvatore  
Government Affairs Director