



May 13, 2025

The Honorable Marvin L. Abney, Chair
House Finance Committee
Rhode Island House
82 Smith Street
Providence, RI 02903

RE: BILL NUMBER H-5756 – A N A C T RELATING TO TAXATION -- REAL ESTATE CONVEYANCE TAX

Chair Abney and Honorable Committee Members,

On behalf of the Rhode Island League of Cities and Towns, we write in support of House Bill 5756, which would enable municipalities to adopt an additional real estate conveyance tax on the portion of consideration exceeding \$900,000, with proceeds dedicated to supporting affordable housing. We appreciate that this legislation is enabling in nature, providing municipalities with the discretion to implement the policy in a manner that aligns with local needs and priorities.

The League strongly supports providing our cities and towns with tools to address the growing housing crisis. H-5756 empowers communities to generate local revenue for the development of affordable housing, and we commend the bill's thoughtful approach in targeting high-value real estate transactions while restricting the use of funds to support residents at or below 80% of area median income (AMI).

To further enhance the effectiveness of this measure, the League respectfully suggests that legislation be amended to expand the allowable uses of revenue to include investments in housing-related infrastructure, such as water, sewer, sidewalks, and other public improvements necessary to support housing development. In many communities, the cost and condition of infrastructure is a significant barrier to building or rehabilitating affordable housing. Expanding the eligible uses in this way would help ensure that municipalities can meet both the construction and foundational needs required to foster vibrant, livable neighborhoods.

We thank the sponsors and the Committee for advancing a flexible, locally driven approach to addressing Rhode Island's housing challenges. We look forward to continuing our work with all stakeholders to strengthen municipal capacity and meet the diverse needs of communities across the state.

Thank you for your time and consideration of our perspective.

Sincerely,

A handwritten signature in dark ink, appearing to read "Randy R. Rossi", is written over a light blue horizontal line.

Randy R. Rossi
Executive Director

Cc: Honorable Members of House Finance Committee