

March 17, 2025

House Committee on Judiciary  
Rhode Island State House  
82 Smith Street  
Providence, RI 02903

Re: Opposition to House Bill No. 5674 – An Act Relating to Property – Residential Landlord and Tenant Act

Dear Members of the House Judiciary Committee,

I am writing to express opposition to House Bill No. 5674, which prohibits landlords from inquiring about the immigration status of tenants, based on factual data concerning Rhode Island's economic challenges, housing shortage, federal funding dependencies, and legal definitions. The following points are grounded in publicly available data and research, not personal opinions, to highlight the potential impacts of this legislation.

#### Rhode Island's Business Climate and Economic Challenges

Rhode Island faces significant economic challenges that could be exacerbated by additional regulatory burdens on landlords, as evidenced by the following data:

According to the Tax Foundation's 2025 State Business Tax Climate Index, Rhode Island ranks 42nd overall in business tax climate, with specific rankings of 41st in corporate taxes, 46th in property taxes, and 47th in unemployment insurance taxes.

WalletHub's 2025 report on the Best & Worst States to Start a Business ranks Rhode Island last (50th), citing high labor costs, low office-space affordability, and limited access to financing.

The U.S. Census Bureau's 2021 data indicates that 99.7% of Rhode Island's business establishments are small businesses, including many small landlords who manage the majority of the state's rental properties.

The Rhode Island Commerce Corporation reported a net loss of 150 small businesses in 2024, reflecting closures outpacing startups.

House Bill No. 5674, by restricting landlords' ability to inquire about immigration status, introduces an additional regulatory constraint on small landlords, who already face significant economic pressures. This could further discourage investment in the rental housing sector, a critical component of Rhode Island's economy, particularly given the state's low business climate rankings.

#### Housing Shortage and Market Pressures

Rhode Island is experiencing a severe housing shortage, which could be intensified by policies that increase demand without addressing supply, as shown by the following data:

A 2024 Rhode Island Housing report identifies a shortage of 24,000 housing units statewide, with a rental vacancy rate of 2.3% in Providence, well below the healthy threshold of 5%.

The same report notes that median rent in Providence increased by 8% from 2023 to 2024, reaching \$1,800 per month, exacerbating affordability challenges for residents.

The U.S. Census Bureau's 2023 American Community Survey reports Rhode Island's poverty rate at 11.6%, slightly above the national average of 11.5%, with urban areas like Providence at 21.7%, indicating significant economic hardship among citizens.

By prohibiting landlords from inquiring about immigration status, House Bill No. 5674 could increase demand for rental housing, particularly among undocumented immigrants, without addressing the underlying supply shortage. This could lead to further rent increases and displacement of low-income citizens, as the housing market operates under zero-sum constraints given the current shortage.

#### Federal Risks and Legal Context

Rhode Island's fiscal situation and dependence on federal funds highlight potential risks associated with policies perceived as limiting cooperation with federal immigration enforcement, as evidenced by the following data:

The Rhode Island Fiscal Year 2025 Budget Summary indicates a projected general fund deficit of \$148 million for the current fiscal year, with projections for the fiscal year 2025-26, beginning July 1, 2025, estimating a deficit of \$398 million, largely due to the drying up of federal COVID-19 relief funds (Providence Journal, October 26, 2024). Federal funds currently comprise 35% of the state's total revenue, or approximately \$4.2 billion, supporting critical programs in healthcare, education, and housing.

Federal law, specifically 8 U.S.C. § 1373, prohibits states and localities from restricting cooperation with federal immigration enforcement, though legal precedents, such as *City of Providence v. Barr* (2020), have upheld cities' rights to limit voluntary cooperation. In this case, the U.S. Court of Appeals for the First Circuit ruled that the Department of Justice's policy to withhold grants from sanctuary cities was invalid, as it was not authorized by Congress and violated the Spending Clause of the U.S. Constitution. However, it is critical to note that this ruling does not legalize undocumented immigration, which remains a federal civil violation under the Immigration and Nationality Act (8 U.S.C. § 1101 et seq.), nor does it eliminate the risk of federal penalties under different administrations or legal interpretations.

During the first Trump administration (2017–2021), the federal government threatened to withhold certain grants from jurisdictions perceived as “sanctuary” cities, though these efforts were largely blocked by courts. The current Trump administration, which took office in January 2025, has promised heightened immigration enforcement, including mass deportations,

increasing the risk of renewed attempts to penalize states or cities with policies perceived as limiting cooperation with ICE, though specific actions and their legal viability remain uncertain.

While House Bill No. 5674 includes language stating it is “subject to any federal laws or regulations,” its alignment with broader policies, such as the Providence Community-Police Relations Act (enacted in 2017 and reissued in 2024), could contribute to perceptions of Rhode Island as a sanctuary jurisdiction. The Providence Community-Police Relations Act prohibits police from inquiring about immigration status and limits cooperation with ICE, and recent amendments proposed by City Councilor Justin Roias in January 2025 aim to further restrict data sharing with federal immigration authorities, potentially amplifying these perceptions. The Migration Policy Institute estimates that approximately 49,000 undocumented immigrants resided in Rhode Island as of 2019, constituting 4.5% of the state’s population, highlighting the scale of the population affected by such policies. Given Rhode Island’s projected \$398 million deficit for FY 2025-26, any reduction in federal funding could significantly exacerbate fiscal challenges, potentially leading to cuts in social services that disproportionately affect low-income citizens.

#### Legal Definition of Undocumented Residents

The legal status of individuals affected by House Bill No. 5674 is a critical factual consideration, as defined by federal law:

According to the U.S. Department of Homeland Security and the Immigration and Nationality Act (8 U.S.C. § 1101 et seq.), an “undocumented immigrant” is a foreign national residing in the United States without lawful immigration status, meaning they entered without authorization or overstayed a visa, thereby violating federal immigration law.

The Migration Policy Institute estimates that approximately 49,000 undocumented immigrants resided in Rhode Island as of 2019, constituting about 4.5% of the state’s population.

House Bill No. 5674, by protecting individuals who are in the country in violation of federal immigration law, could be perceived as conflicting with federal priorities, even if it does not directly violate 8 U.S.C. § 1373. This legal definition underscores the distinction between legal and undocumented residents, a factual basis for considering the prioritization of housing resources.

#### Prioritization of Rhode Island Citizens

Rhode Island’s economic challenges highlight the need to prioritize housing and resources for citizens, as supported by the following data:

The U.S. Census Bureau’s 2023 American Community Survey indicates that 11.6% of Rhode Island residents live in poverty, with urban areas like Providence at 21.7%, and the Rhode Island Department of Labor and Training reports a 4.3% unemployment rate in January 2025, above the national average of 4.1%.

The Rhode Island Housing report (2024) notes that 48% of renters in the state are cost-burdened, spending more than 30% of their income on housing, a figure that rises to 60% in Providence.

Given these economic hardships, policies that could increase housing demand without addressing supply may disproportionately affect citizens, particularly low-income residents, by intensifying competition for scarce rental units. While House Bill No. 5674 does not directly allocate state resources, its potential to increase housing demand could indirectly exacerbate affordability challenges for citizens, as the housing market operates under current supply constraints.

Based on the factual data presented—Rhode Island’s poor business climate, severe housing shortage, projected \$398 million deficit for FY 2025-26, dependence on federal funds, legal definitions, and economic challenges facing citizens—I urge the House Judiciary Committee to reject House Bill No. 5674. The bill’s restrictions on landlord inquiries into immigration status could exacerbate existing economic and housing pressures, contribute to perceptions of non-compliance with federal priorities, and fail to prioritize the urgent needs of Rhode Island’s citizens.

Respectfully,

Pyara Meyer

Concerned Citizen

Sources: The data cited in this letter is drawn from the following publicly available sources, which you can review for further detail:

Tax Foundation’s State Business Tax Climate Index (2025)

WalletHub’s Best & Worst States to Start a Business (2025)

U.S. Census Bureau’s American Community Survey (2023)

Rhode Island Commerce Corporation Annual Report (2024)

Rhode Island Housing Reports (2024)

Rhode Island Fiscal Year 2025 Budget Summary

Providence Journal, “Rhode Island faces \$398 million budget deficit in 2025-26 fiscal year as COVID funds dry up,” October 26, 2024

Migration Policy Institute (2019)

U.S. Department of Homeland Security and Immigration and Nationality Act

Rhode Island Department of Labor and Training (January 2025)

Legal cases and federal statutes (e.g., City of Providence v. Barr, 8 U.S.C. § 1373)