



April 2, 2025

Honorable Stephen Casey
Chairman, House Committee on Municipal Government and Housing
Rhode Island State House
82 Smith Street
Providence, RI 02903

Re: Support H. 5695 AN ACT RELATING TO TAXATION – LEVY AND ASSESSMENT OF LOCAL TAXES

Dear Chairman Casey and Honorable Members of the Committee:

On behalf of the organizations, industry and business leaders of Rhode Island Business Leaders Alliance, I write today in strong support of H. 5695 AN ACT RELATING TO TAXATION – LEVY AND ASSESSMENT OF LOCAL TAXES. The legislation would grant municipalities the authority to organize local tax amnesty events once every three years. This is a pragmatic and forward-thinking measure that will improve tax compliance, bolster local revenues, and support broader economic development objectives across Rhode Island communities.

Municipalities across the United States have already implemented similar programs with success. Rhode Island has the highest penalty interest rate in the United States and our tax debt is extraordinary for a state our size – it is time for common sense to prevail. Cities and towns are utilizing real estate tax amnesty programs to recover delinquent revenue. Numerous case studies demonstrate that when implemented thoughtfully, amnesty programs can be powerful tools for local governments.

Amnesty programs offer delinquent taxpayers a proactive path to compliance, improving overall property tax collection. Rather than resorting to costly and time-consuming legal actions such as placing liens or initiating foreclosure proceedings, municipalities can recover lost revenue quickly and equitably through amnesty. This approach also reduces the reliance on tax auctions, which are often not cost-effective unless the outstanding liens reach substantial amounts—typically in excess of one million dollars. By providing a more flexible and accessible alternative, municipalities can address delinquency without



incurring the administrative burden and expense of auctions. Furthermore, tax amnesty supports economic development by clearing the tax obligations that prevent the sale, transfer, or redevelopment of encumbered properties. This opens the door for new investment, housing, and revitalization opportunities. In some jurisdictions, amnesty programs have also been used to enhance collections across various revenue streams, bundling property tax relief with harder-to-collect sources such as code enforcement fines and special assessments.

Amnesty initiatives can accelerate the receipt of revenue, enabling municipalities to reinvest those funds into essential services and infrastructure more quickly than would be possible through protracted foreclosure or enforcement processes.

The Alliance feels concerns that amnesty programs might encourage noncompliance—particularly if individuals anticipate future forgiveness, are not supported by data. Further, the bill responsibly limits this authority to once every three years. This restriction ensures the program remains an occasional corrective tool, not a recurring expectation.

In conclusion, H5695 offers municipalities the autonomy to choose when and how to implement tax amnesty programs in a way that aligns with their local needs. It is a common-sense measure that balances fiscal responsibility with compassion and economic foresight.

I respectfully urge the committee to support the passage of H5695.

Thank you for your time and consideration.

Sincerely,

Melissa Travis

Melissa Travis
Chairman
Rhode Island Business Leaders Alliance

