



March 26, 2026

The Honorable Jacob Bissaillon, Chair  
Senate Housing and Municipal Government  
Rhode Island Senate  
82 Smith Street  
Providence, RI 02903

RE: SENATE BILL 2697 – AN ACT RELATING TO TAXATION -- REAL ESTATE CONVEYANCE TAX

Dear Chair Bissaillon and Honorable Committee Members,

On behalf of the Rhode Island League of Cities and Towns, thank you for the opportunity to provide testimony in support of [Bill Number], which would authorize municipalities to impose an additional conveyance tax on high-value residential property transactions.

The League supports this legislation because it is enabling in nature. The bill does not mandate that municipalities impose the tax but instead provides them with a new, optional tool to generate revenue dedicated to addressing local housing needs. Each city and town may determine whether to adopt the tax, establish an appropriate threshold, and decide whether to administer the funds locally or in partnership with state housing agencies.

This optional tax offers municipalities the opportunity to generate meaningful funding for local housing initiatives, particularly in communities with higher-value real estate markets, while allowing others to opt out if the administrative demands are disproportionate to expected revenue. The flexibility embedded in this proposal appropriately respects the varying needs, capacities, and market conditions across Rhode Island's municipalities.

While the League is supportive of the intent and structure of the bill, we respectfully request consideration of two amendments that would further enhance its effectiveness. First, we encourage the inclusion of language allowing funds to be used not only for housing production, but also for infrastructure improvements necessary to support housing growth, such as water, sewer, and site readiness investments that are often critical to advancing new development.

Second, we respectfully suggest revisiting the current limitation restricting use of funds to households at or below eighty percent (80%) of area median income. Expanding eligibility to support a broader range of affordable housing production would provide municipalities with greater flexibility to address local housing needs, including workforce housing, and improve the practical ability to deploy these funds in a timely and impactful manner.

The League believes this legislation represents a thoughtful, locally controlled approach to supporting housing development and appreciates the opportunity to offer these recommendations to strengthen its impact.

Thank you again for the opportunity to share our perspective.

Sincerely,

A handwritten signature in black ink, appearing to read "R.R.R.", with a stylized flourish at the end.

Randy R. Rossi  
Executive Director

Cc: Honorable Members of Senate Housing and Municipal Government