



April 28, 2026

**Statement of Support from Pacific Legal Foundation for Senate Bill 2713—  
A bill to end Home Equity Theft in Rhode Island**

Chair LaMountain and Members of the Senate Judiciary Committee:

My name is Jaimie Cavanaugh, and I am Senior State Policy Counsel at Pacific Legal Foundation (PLF). Although “pacific” is in our name, PLF works in every state, including Rhode Island, where we currently represent Johnston property owners in an eminent domain dispute.

As an organization, a large part of our work involves protecting private property rights. Over the past several years, PLF has led a successful nationwide campaign to end home equity theft. Home equity theft occurs when a property owner loses a property to tax foreclosure and the municipality or entity foreclosing the property recoups profits above the amount of taxes owed. For instance, if a property owner loses her house because of a \$10,000 tax debt and the municipality recovers \$50,000 when it sells the property, the municipality may not pocket the excess \$40,000. Instead, the municipality must return the \$40,000 of surplus equity to the former owner.

The U.S. Supreme Court confirmed as much in 2023 in the case *Tyler v. Hennepin County*, 598 U.S. 631 (2023). There, the Court ruled that: “The taxpayer must render unto Caesar what is Caesar’s, but no more.” In response to this ruling from the U.S. Supreme Court, almost every state has reformed their home equity theft laws. PLF maintains a thorough ranking system of each states’ laws at [homeequitytheft.org](https://homeequitytheft.org).

Rhode Island is ranked as a state that needs reform still. Its laws are unnecessarily complicated. Rhode Island currently provides *some* protection for equity, but the law contains a loophole that allows a taxing municipality to take a tax deed for itself for a public use, without any protections for the owner’s right to their equity.

Senate Bill 2713 offers a simple solution for this problem. This bill incorporates the best practices from around the country and modernizes Rhode Island’s tax foreclosure process. The bill also removes the home equity theft loophole that currently exists. Rhode Island would be joining the majority of states that have heeded the Court’s ruling and eliminated the practice of home equity theft.

PLF strongly supports this bill and urges the Committee’s support. As an organization dedicated to protecting private property rights, PLF is committed to reforming the laws that continue to allow home equity theft around the country.

Please reach out if you have any questions.

Rhode Island Senate Judiciary Committee  
April 28, 2026  
Page 2 of 2

Respectfully,

Handwritten signature of Jaimie Cavanaugh in black ink.

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