



March 18, 2025

Honorable Robert E. Craven, Sr.  
Chairman, House Judiciary Committee  
Rhode Island State House  
82 Smith Street  
Providence, RI 02903

RE: H5264 - AN ACT RELATING TO PROPERTY - RESIDENTIAL LANDLORD AND  
TENANT ACT

Dear Chairman Craven and Honorable Members of the House Judiciary Committee:

As the Board Chair of Rhode Island Business Leaders Alliance (the “Alliance”), I am grateful for the opportunity to provide the House Judiciary Committee with this written testimony in opposition to H5264 - AN ACT RELATING TO PROPERTY - RESIDENTIAL LANDLORD AND TENANT ACT, which limits rent increases to no more than 4% annually unless the landlord is granted an exemption by the Secretary of Housing and provides tenants with a civil action to recover damages, including an award of attorneys’ fees/punitive damages, for violations.

The Alliance is a coalition of Rhode Island business leaders, trade associations, and educational institutions united by a shared commitment to improving Rhode Island’s business climate and overall economic competitiveness. Year after year, Rhode Island ranks near the bottom of national business climate surveys. In response, the Alliance has come together in an unprecedented effort to revitalize Rhode Island’s struggling economy and create broad-based economic growth and opportunity for all Rhode Islanders. Our goal is to transform Rhode Island into a national model of economic strength and competitiveness.

A substantial number of Rhode Island residents own rental property. By restricting their ability to adjust rents to respond to changing economic conditions (e.g., stubborn inflation, increases in state and local tax rates, double-digit increases in utility costs, etc.), H5264 will limit the financial viability of rental property ownership. If the goal of H5264 is to solve Rhode Island’s chronic housing crisis through rent control, the legislation will have the exact opposite effect. If landlords

cannot make market adjustments to rents, they may decide to take their properties off of the rental market—thereby making the remaining supply of rental units less accessible and more expensive.

Moreover, it is common practice for property owners to take out loans to finance maintenance, repairs, and improvements. Rental adjustments are often necessary to cover the costs associated with these investments. By capping rent increases, H2464 will disincentivize rental property owners from making upgrades, as they may be unable to recover their costs or service their debt. The long-term result will be a deteriorating housing stock and fewer high-quality rental options for tenants. Landlords will perform only the bare minimum maintenance and repairs required by law and will forgo quality of life and beautification improvements that would benefit tenants and enhance the long-term value of the property.

Further, there are many tenants who proactively extend their leases. H5264 fails to address the issue of tenants who have signed leases agreeing to a rental increase of greater than 4%.

Notably, only two states—California and Oregon—have enacted statewide rent control laws. While some states, including New York, New Jersey, and Maryland, allow local governments to implement rent stabilization measures, widespread rent control remains the exception rather than the rule. If H5264 is signed into law, Rhode Island will join California and Oregon as national outliers.

In sum, while H5264 is intended to protect tenants, its practical effect will be to discourage investment in Rhode Island's real estate market. Landlords, particularly those operating in low- to middle-income communities, will be less inclined to improve their properties due to financial hardship, ultimately harming the very communities that the bill sponsors are seeking to help.

Thank you for your time and consideration. Please feel free to contact me to continue this important conversation.

Respectfully submitted by:

*Melissa Travis*

Melissa Travis, Board Chair  
Rhode Island Business Leaders Alliance