



March 12, 2024

The Honorable Stephen Casey
Chair, House Committee on Municipal Government and Housing
Rhode Island State House

Re: Support of H7651

Dear Chairman Casey and Members of the House Municipal Government and Housing Committee:

On behalf of the Housing Network of Rhode Island, our member agencies, and the thousands of low income Rhode Island renter households we serve, I write to offer our support of **H7651**, legislation that seeks to provide clarification as to when the 8% law is applied and outlines a process by which a developer may apply for it.

H7651 amends the current law to clarify that only residential rental units under specific conditions are eligible for the 8% tax treatment. It also clarifies the procedure for applying the 8% standard in mixed income or mixed use scenarios. These clarifications are helpful in ensuring that there is consistent treatment across municipalities, improving predictability for affordable housing developers and minimizing the need to litigate misinterpretations.

R.I General Law §44-5-12 establishes that real estate be taxed at its "full and fair cash value", and the existing 8% law was the mechanism established that defines how rental properties encumbered by affordability restrictions are to be taxed at their "full and fair cash value." This law has been upheld numerous times by the Rhode Island court system. The requirements for utilization of the 8% law laid out in R.I General Law §44-5-13 is not about incentivizing affordable housing development, but rather defining how they receive fair treatment under the law. **H7651** is intended to be more explicit about the application of the 8% tax treatment.

Thank you for your consideration of **H7651**. I am available to answer any questions you might have and can be reached at 401-721-5680 ext. 104 or mlodge@housingnetworkri.org.

Respectfully submitted,

A handwritten signature in cursive script that reads "Melina Lodge".

Melina Lodge
Executive Director