

HOUSE BILL NO. 3191

103RD GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE HAUSMAN.

6881H.011

JOSEPH ENGLER, Chief Clerk

AN ACT

To amend chapter 135, RSMo, by adding thereto one new section relating to ownership of single-family residential property, with penalty provisions.

Be it enacted by the General Assembly of the state of Missouri, as follows:

Section A. Chapter 135, RSMo, is amended by adding thereto one new section, to be
2 known as section 135.1675, to read as follows:

135.1675. 1. As used in this section, the following terms mean:

- 2 (1) "Affiliate entity", any entity directly or indirectly controlling, controlled by,
3 or under common control with another entity including through beneficial ownership or
4 contractual control;
- 5 (2) "Control", ownership of ten percent or more of voting interests, profit
6 interests, or the power to direct management or policies of an entity;
- 7 (3) "Covered institutional investor":
- 8 (a) A hedge fund;
- 9 (b) A private equity fund;
- 10 (c) A real estate investment trust (REIT); or
- 11 (d) An investment vehicle, partnership, trust, or corporation that:
- 12 a. Pools capital from investors;
- 13 b. Is managed by an investment advisor or sponsor; and
- 14 c. Acquires residential real estate primarily for rental income or asset
15 appreciation;
- 16 (4) "Department", the department of revenue;

EXPLANATION — Matter enclosed in bold-faced brackets **[thus]** in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

17 **(5) "Single-family residential real estate property", a detached residential**
18 **structure designed for occupancy by one household, including a condominium or**
19 **townhome classified as a single-family dwelling but excluding duplexes, triplexes,**
20 **apartment buildings, and other multifamily residential property.**

21 **2. (1) A covered institutional investor shall be prohibited from purchasing or**
22 **acquiring any interest in single-family residential real estate located in this state on or**
23 **after January 1, 2027. Such prohibition applies to purchases made directly or indirectly**
24 **including through subsidiaries or affiliates, special-purpose entities, nominee**
25 **purchasers, or any structure created to evade the prohibition on purchasing single-**
26 **family residential real estate.**

27 **(2) The attorney general, on behalf of the state of Missouri, may void any**
28 **transaction entered into by a covered institutional investor in violation of this**
29 **subsection.**

30 **3. Covered institutional investors that lawfully own single-family residential real**
31 **estate in Missouri prior to January 1, 2027:**

32 **(1) May continue to own and manage such property, subject to the penalty**
33 **provisions in subsection 4 of this section; and**

34 **(2) Shall not be required to divest their interest in the property.**

35 **4. (1) Beginning January 1, 2027, any covered institutional investor that owns**
36 **one or more single-family residential real estate properties in Missouri shall be subject**
37 **to an annual civil penalty assessed against each property by the department, as follows:**

38 **(a) For ownership of one to fifty single-family residential real estate properties,**
39 **two thousand five hundred dollars per home;**

40 **(b) For ownership of fifty-one to one hundred single-family residential real**
41 **estate properties, three thousand seven hundred fifty dollars per home; and**

42 **(c) For ownership of one hundred one or more single-family residential real**
43 **estate properties, five thousand dollars per home.**

44 **(2) Covered institutional investors may reduce or eliminate future penalty**
45 **assessments through divestment of single-family residential real estate properties.**

46 **(3) Existing owners shall not expand their Missouri single-family residential real**
47 **estate property portfolio on or after January 1, 2027.**

48 **5. The department of revenue is hereby authorized to assess the annual penalties**
49 **under subsection 4 of this section which are payable by the covered institutional**
50 **investors regardless of whether the property subject to the assessment is occupied,**
51 **rented, or vacant.**

52 **6. The provisions of this section shall not apply to:**

53 **(1) Individuals purchasing a primary residence;**

54 **(2) Family-owned businesses where Missouri residents have a majority-**
55 **ownership interest;**

56 **(3) Nonprofit housing organizations;**

57 **(4) Entities engaged solely in construction of new single-family residential real**
58 **estate properties intended for sale to owner-occupants;**

59 **(5) Transfers of single-family residential real estate property acquired by**
60 **inheritance; or**

61 **(6) Transfers of single-family residential real estate property based upon**
62 **foreclosure or deed in lieu of foreclosure.**

63 **7. Each covered institutional investor that owns single-family residential real**
64 **estate property in Missouri shall file an annual report certified under penalty of perjury**
65 **with the department before January fifteenth of each year, in the manner and format**
66 **determined by the department through rule. The report shall include, but not be**
67 **limited to:**

68 **(1) The number and location of the single-family residential real estate**
69 **properties owned;**

70 **(2) Ownership of the single-family residential real estate properties by a covered**
71 **institutional investor or affiliate entity;**

72 **(3) Identification of the ownership by beneficial owners who have majority**
73 **control; and**

74 **(4) Any other information that the department in coordination with the attorney**
75 **general determines is necessary for inclusion in the report.**

76 **8. The department and the attorney general's office are vested with concurrent**
77 **authority to enforce this section.**

78 **9. The attorney general is authorized to bring a civil action in a court of**
79 **competent jurisdiction in the county where all or part of the real estate property that is**
80 **the subject of the violation is located. The attorney general has discretionary authority**
81 **to aggregate transactions across affiliated entities for enforcement purposes.**

82 **10. Any permanent injunction, judgment, or order of the court shall be prima**
83 **facie evidence in an action brought under this section that the defendant used or**
84 **engaged in an action or practice that is contrary to the provisions of this section.**

85 **11. An institutional investor or affiliated entity that a court determines in an**
86 **action brought under subsection 9 of this section to have violated the provisions of this**
87 **section, is subject to:**

88 **(1) A civil penalty or fine of fifty thousand dollars per prohibited transaction**
89 **relating to ownership of single-family residential real estate; and**

90 **(2) Disgorgement of profits derived from the acquisition of single-family**
91 **residential real estate purchased on or after January 1, 2027, in violation of this section.**

92 **12. The department shall promulgate all necessary rules and regulations for the**
93 **administration of this section. Any rule or portion of a rule, as that term is defined in**
94 **section 536.010, that is created under the authority delegated in this section shall**
95 **become effective only if it complies with and is subject to all of the provisions of chapter**
96 **536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable**
97 **and if any of the powers vested with the general assembly pursuant to chapter 536 to**
98 **review, to delay the effective date, or to disapprove and annul a rule are subsequently**
99 **held unconstitutional, then the grant of rulemaking authority and any rule proposed or**
100 **adopted after August 28, 2026, shall be invalid and void.**

101 **13. This section shall become effective on January 1, 2027.**

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