



# Senate

General Assembly

**File No. 203**

February Session, 2026

Substitute Senate Bill No. 256

*Senate, March 26, 2026*

The Committee on Housing reported through SEN. MARX of the 20th Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

***AN ACT CONCERNING THE PURCHASE OF RESIDENTIAL PROPERTY BY PRIVATE EQUITY ENTITIES.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective October 1, 2026*) (a) For the purposes of this  
2 section:

3 (1) (A) "Private equity entity" means an institutional real estate  
4 investor or an entity that receives funding from an institutional real  
5 estate investor for the purchase of a single-family residence or two-  
6 family residence. A loan provided in exchange for a mortgage of the  
7 residence that is being purchased is not considered funding for the  
8 purposes of this subdivision, provided such mortgage is of a type for  
9 which members of the general public may apply.

10 (B) "Private equity entity" does not include: (i) An organization which  
11 is described in Section 501(c)(3) of the Internal Revenue Code of 1986, or  
12 any subsequent corresponding internal revenue code of the United  
13 States, as amended from time to time, and exempt from tax under

14 Section 501(a) of said Internal Revenue Code, or (ii) a housing land trust  
15 program described in sections 8-214b to 8-214e, inclusive, of the general  
16 statutes.

17 (2) "Institutional real estate investor" means an entity or combined  
18 group that: (A) Owns ten or more single-family residences or two-  
19 family residences; (B) manages or receives funds pooled from investors  
20 and acts as a fiduciary with respect to one or more investors; and (C) has  
21 thirty million dollars or more in net value or assets under its  
22 management on any day during the taxable year. An entity is  
23 considered to own a single-family residence or two-family residence if  
24 it directly owns the single-family residence or two-family residence or  
25 indirectly owns ten per cent or more of the single-family residence or  
26 two-family residence.

27 (3) "Single-family residence" does not include: (A) Any single-family  
28 residence that is to be used as the principal residence of any person who  
29 has an ownership interest in the private equity entity that seeks to  
30 purchase the single-family residence; or (B) any single-family residence  
31 constructed, acquired or operated with federal, state or municipal  
32 appropriated funds.

33 (4) "Two-family residence" does not include: (A) Any two-family  
34 residence in which one of the dwelling units is to be used as the principal  
35 residence of any person who has an ownership interest in the private  
36 equity entity that seeks to purchase the two-family residence; or (B) any  
37 two-family residence constructed, acquired or operated with federal,  
38 state or municipal appropriated funds.

39 (b) (1) No private equity entity may purchase, acquire or offer to  
40 purchase or acquire any interest in a single-family residence or two-  
41 family residence unless the single-family residence or two-family  
42 residence has been listed for sale to the general public for at least ninety  
43 days.

44 (2) The ninety-day waiting period set forth in subdivision (1) of this  
45 subsection shall restart if the seller changes the asking price for the

46 single-family residence or two-family residence, and a private equity  
 47 entity shall be prohibited from purchasing, acquiring or offering to  
 48 purchase or acquire any interest in the single-family residence or two-  
 49 family residence until it has been listed for sale to the general public at  
 50 the new asking price for at least an additional ninety days.

51 (3) A private equity entity seeking to purchase a single-family or two-  
 52 family residence shall be required to submit to the seller, or anyone  
 53 acting as an agent for such seller, prior to the finalizing of such purchase,  
 54 a written notice signed by the purchaser stating the following: (A) The  
 55 purchaser is a private equity entity; (B) private equity entities are  
 56 required to wait until a single-family residence or two-family residence  
 57 has been listed for sale for the general public to purchase for at least  
 58 ninety days before purchasing, acquiring or offering to purchase or  
 59 acquire any interest in the single-family residence or two-family  
 60 residence; and (C) such private equity entity has complied with the  
 61 provisions of this section.

62 (c) Any private equity entity that violates the provisions of this  
 63 section may be subject to civil damages and penalties in an amount not  
 64 exceeding two hundred fifty thousand dollars.

65 (d) The Attorney General may bring a civil action on behalf of the  
 66 state seeking injunctive relief, declaratory relief, civil damages and civil  
 67 penalties against any private equity entity that violates the provisions  
 68 of this section.

This act shall take effect as follows and shall amend the following sections:		
Section 1	October 1, 2026	New section

**Statement of Legislative Commissioners:**

Subsec. (b)(3) was reworded for clarity.

**HSG**      *Joint Favorable Subst.*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

**OFA Fiscal Note**

**State Impact:**

Agency Affected	Fund-Effect	FY 27 \$	FY 28 \$
Resources of the General Fund	GF - Potential Revenue Gain	See Below	See Below

Note: GF=General Fund

**Municipal Impact:** None

**Explanation**

The bill prohibits private equity companies from purchasing or acquiring certain residences and subjects violators to civil damages and penalties of up to \$250,000 resulting in a potential revenue gain to the state to the extent violations occur.

The bill also allows the Office of the Attorney General (OAG) to bring a civil action on behalf of the state resulting in no fiscal impact as the OAG has the expertise and resources to meet the requirements of the bill.

**The Out Years**

The annualized ongoing fiscal impact identified above would continue into the future subject to the number of violations.

**OLR Bill Analysis****sSB 256*****AN ACT CONCERNING THE PURCHASE OF RESIDENTIAL PROPERTY BY PRIVATE EQUITY ENTITIES.*****SUMMARY**

This bill prohibits private equity entities from purchasing or acquiring (or offering to do so) any interest in a single- or two-family residence, with certain exceptions, unless it has first been listed for sale to the general public for at least 90 days. The 90-day waiting period restarts if a seller changes the residence's asking price.

Under the bill, a "private equity entity" is an (1) institutional real estate investor meeting certain criteria (such as owning at least 10 single- or two-family residences and managing at least \$30 million in assets) or (2) entity that receives funding from one for purchasing a single- or two-family residence, excluding a residential mortgage loan of the type for which members of the public can apply. But the term does not include a 501(c)(3) nonprofit organization or an entity operating under the state's housing land bank and land trust program.

The bill's waiting period requirement does not apply to a single- or two-family residence that (1) will be used as the principal residence of a person with an ownership interest in the private equity entity seeking to buy it or (2) is built, acquired, or operated with federal, state, or municipal appropriated funds. (For a two-family residence, one of the units must be used as a principal residence.)

Before finalizing the purchase of a single- or two-family residence, the bill requires a private equity entity to give the seller or seller's agent a signed written notice stating that the purchaser is a private equity entity subject to the 90-day waiting period described above and has complied with this requirement.

The bill authorizes the attorney general to bring a civil action on the state's behalf seeking injunctive and declaratory relief and civil damages and penalties against a private equity entity that violates the bill's provisions. Violators may be subject to civil damages and penalties of up to \$250,000.

EFFECTIVE DATE: October 1, 2026

### **INSTITUTIONAL REAL ESTATE INVESTORS**

Under the bill, an "institutional real estate investor" is an entity or combined group that:

1. owns at least 10 single- or two-family residences (either directly or by owning at least 10% of a residence),
2. manages or receives pooled investor funds and acts as a fiduciary to at least one investor, and
3. manages at least \$30 million in net value or assets on any day during the taxable year.

### **BACKGROUND**

#### ***January 2026 Executive Order***

On January 20, 2026, the president issued an executive order that, among other things, directed certain federal agencies to issue guidance:

1. generally preventing agencies and government-sponsored entities from taking certain actions that facilitate large institutional investors' acquisition of single-family homes and
2. promoting sales to owner-occupants, including through anti-circumvention provisions, first-look policies, and disclosure requirements.

#### ***H.R. 6644: 21st Century ROAD to Housing Act***

On March 12, 2026, the U.S. Senate passed H.R. 6644, which, among other things, (1) prohibits large institutional investors, with certain exceptions, from purchasing (or entering into a contract to directly or

indirectly purchase) any single-family home and (2) establishes various requirements related to divestment. The legislation will return to the U.S. House of Representatives for further consideration.

**COMMITTEE ACTION**

Housing Committee

Joint Favorable Substitute

Yea 13 Nay 6 (03/10/2026)