

---

---

## **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)