

BILL ANALYSIS

S.B. 1979
By: Hughes
Licensing & Administrative Procedures
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Housing prices continue to rise, and that rise will likely accelerate when interest rates decrease. Part of this rise is due to the relatively recent increase in single-family residential home purchases by corporate or institutional buyers. While this trend can benefit sellers, it has become extremely difficult for median-income Texans to buy a house and begin to build equity. Home ownership is a foundational part of the American dream, and that dream is becoming increasingly inaccessible. S.B. 1979 seeks to provide more information on the volume of single-family home purchases by institutional buyers by requiring the Texas A&M University Real Estate Research Center to compile and report certain information on those buyers.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

S.B. 1979 amends the Education Code to require the Texas A&M University Real Estate Research Center to annually compile information related to institutional buyers' purchases and sales of single-family homes in Texas for the calendar year, including the following information:

- the number of single-family homes purchased by each institutional buyer in the calendar year;
- of such single-family homes, the number acquired through foreclosure, the number sold by each institutional buyer during the same year, and the number used as rental properties during the same year;
- the city and county where each applicable single-family home is located and the number of homes purchased in each city or county; and
- the appraised value of each applicable single-family home.

The bill authorizes the center to compile additional information that the center determines is relevant based on market trends or at the recommendation of the legislature.

S.B. 1979 requires the center, not later than June 1 of each year, to submit a report to the lieutenant governor, the speaker of the house of representatives, and each member of the legislature that includes a summary of the compiled information for the preceding calendar year and an assessment of any trends or patterns relating to the relative number of purchases by institutional buyers.

S.B. 1979 defines "institutional buyer" as a corporation, limited or general partnership, limited liability company, business trust, investment asset manager, real estate investment trust, joint venture, joint stock company, or bank that purchases or acquires for consideration 10 or more single-family homes in Texas in a calendar year.

S.B. 1979 requires the center to submit the initial report not later than June 1, 2024, and to take any actions necessary to prepare to implement the bill's provisions as soon as practicable after the bill's effective date. The bill authorizes the center, after completing the initial report, to compile information from any calendar years preceding 2023 to create and submit reports for those years that includes information required to be compiled and reported by the center.

EFFECTIVE DATE

September 1, 2023.