

## **BILL ANALYSIS**

Senate Research Center

S.B. 1979  
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State Affairs  
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As Filed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

Housing prices continue to rise, and that rise will likely accelerate further when interest rates cool. Part of this rise is based on the relatively recent increase in single-family residential home purchases by corporate or institutional buyers. This can be a benefit to sellers, but makes it extremely difficult for median-income Texans to buy a house and begin to build equity.

S.B. 1979 will provide more information on the volume of purchases being made by these buyers so that policymakers can respond if needed. The bill requires a business that buys more than 10 single-family residential properties per year to file a report with the Texas Real Estate Commission (TREC) providing the public with information on those market participants. It also requires TREC to report the collective data so the public and the legislature know how much of the housing market is being impacted by these participants.

Home ownership is a foundational part of the American dream, and that dream is becoming less and less accessible.

As proposed, S.B. 1979 amends current law relating to requiring certain entities to report purchases of single-family homes.

### **RULEMAKING AUTHORITY**

Rulemaking authority is expressly granted to the Texas Real Estate Commission in SECTION 2 of this bill.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Title 3, Property Code, by adding Chapter 16, as follows:

#### **CHAPTER 16. MANDATORY REPORTING ON SINGLE-FAMILY HOMES**

Sec. 16.001. DEFINITIONS. Defines "commission" and "institutional buyer."

Sec. 16.002. REPORTING ON SINGLE-FAMILY HOME PURCHASES. Requires an institutional buyer to file a report with the Texas Real Estate Commission (TREC). Requires that a report filed under this section include:

- (1) the number of single-family homes purchased during the calendar year for which the report is required;
- (2) the number of single-family homes purchased during the calendar year that the institutional buyer sold in the same year;
- (3) the number of single-family homes purchased during the calendar year that are used as rental properties;
- (4) each city and county where the single-family homes are located, and the number of homes purchased in each city and county;

(5) the appraised value of each single-family home purchased during the calendar year; and

(6) the institutional buyer's name, dba, type, registered office address, telephone number, and registered agent, as applicable.

Sec. 16.003. REPORT BY THE COMMISSION. (a) Requires an institutional buyer required to submit a report under this chapter to submit the report to TREC not later than January 15th of the year following the calendar year for which the report is required. Requires TREC to make the reported data available on its website in a conspicuous location not later than seven days after the report is submitted.

(b) Requires TREC to compile all submitted reports into a single final report showing the cumulative data from each category described in Section 16.002, and to make the final report available on TREC's website.

SECTION 2. Requires TREC to adopt rules as necessary to implement the provisions added by this Act.

SECTION 3. Provides that this Act applies to a purchase of a single family home that occurs during the calendar year in which this Act takes effect.

SECTION 4. Effective date: September 1, 2023.