

By: Talarico

H.B. No. 2968

A BILL TO BE ENTITLED

AN ACT

relating to single-family homes held by corporate owners for rental purposes; requiring information by and registration of certain corporate owners; authorizing a fee and civil penalty.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subtitle C, Title 5, Business & Commerce Code, is amended by adding Chapter 121 to read as follows:

CHAPTER 121. REGISTRATION REQUIREMENT FOR CORPORATE OWNERS OF
MULTIPLE SINGLE-FAMILY HOMES

Sec. 121.001. DEFINITIONS. In this chapter:

(1) "Corporate owner" means 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 holds an interest in multiple single-family homes in this state that are offered or used as a rental property to produce income directly or indirectly from a residential tenant. The term includes an entity engaged in the business of investing the pooled capital of investors in financial securities.

(2) "Governing authority" has the meaning assigned by Section 1.002, Business Organizations Code.

(3) "Officer" has the meaning assigned by Section 1.002, Business Organizations Code.

(4) "Rental property" means real property used or

1 intended to be used:

2 (A) as a primary residence for 30 or more
3 consecutive days by a residential tenant under an oral or written
4 lease or rental agreement; or

5 (B) for occupancy for tourist or transient
6 accommodations for fewer than 30 consecutive days, where the
7 property does not serve as a residential tenant's primary
8 residence.

9 (5) "Residential tenant" means any person who does not
10 own but is authorized to use a single-family home in exchange for
11 consideration paid to a corporate owner or to a third-party lessor,
12 sublessor, management company, managing agent, or operator of a
13 hosting platform that derives revenues, including booking fees or
14 advertising revenues, from providing or maintaining a marketplace
15 that is used to facilitate the rental of a single-family home.

16 (6) "Single-family home" means a residential
17 structure with a yard or public way on not less than two sides that
18 is separated from any adjacent housing unit by a ground-to-roof
19 wall, does not share a heating, air-conditioning, or utility system
20 or a backyard, and does not have a housing unit located above or
21 below. The term does not include a mobile home or manufactured
22 home.

23 Sec. 121.002. REGISTRATION STATEMENT. (a) A corporate
24 owner that owns single-family homes in this state that are used or
25 offered for use as a rental property shall register with the
26 secretary of state by filing a registration statement that
27 contains:

1 (1) the name under which the corporate owner conducts
2 business and the address of the corporate owner;

3 (2) the state or country of incorporation, formation,
4 registration, or organization;

5 (3) the location of the headquarters or principal
6 office of the corporate owner;

7 (4) the type of business entity of the corporate
8 owner;

9 (5) the number of single-family homes in this state
10 the corporate owner owns; and

11 (6) the name and mailing address of an officer or
12 person serving as part of the governing authority of the corporate
13 owner.

14 (b) The secretary of state may charge a reasonable fee for
15 issuance of a certificate acknowledging registration under this
16 section.

17 (c) A registration certificate expires on the first
18 anniversary of its date of issuance. A corporate owner may renew a
19 registration certificate by filing a renewal application, in the
20 form prescribed by the secretary of state, and paying a reasonable
21 renewal fee in an amount set by the secretary of state.

22 Sec. 121.003. UPDATE OF REGISTRATION STATEMENT. A
23 corporate owner shall update information contained in the
24 registration statement not later than the 60th day after the date on
25 which the information changes.

26 Sec. 121.004. CIVIL PENALTY. (a) A corporate owner who
27 fails to comply with this chapter is liable to this state for a

1 civil penalty in the amount of \$500 for each day of the violation.

2 (b) The attorney general may bring an action to recover a
3 civil penalty under this section.

4 Sec. 121.005. REGISTRY. (a) The secretary of state shall
5 establish and post on the secretary's Internet website a searchable
6 registry of corporate owners registered under Section 121.002(a).

7 (b) The registry must include:

8 (1) a search feature that allows a person searching
9 the registry to identify a specific corporate owner; and

10 (2) for each corporate owner, the information in the
11 registration statement filed under Section 121.002(a).

12 Sec. 121.006. RULES. The secretary of state shall adopt the
13 rules necessary to implement this chapter.

14 SECTION 2. Subchapter C, Chapter 86, Education Code, is
15 amended by adding Section 86.531 to read as follows:

16 Sec. 86.531. ANNUAL STUDY AND REPORT ON SINGLE-FAMILY HOME
17 PURCHASES, RENTALS, AND SALES BY CERTAIN CORPORATE OWNERS. (a) In
18 this section, "corporate owner," "rental property," and
19 "single-family home" have the meanings assigned by Section 121.001,
20 Business & Commerce Code.

21 (b) Using existing available data, including data from the
22 secretary of state, and deed records, the center shall compile
23 information related to corporate owners' purchases, rentals, and
24 sales of single-family homes in this state for each calendar year.
25 The information must include:

26 (1) the number of single-family homes each corporate
27 owner had an interest in during the calendar year;

1 (2) the number of single-family homes purchased by
2 each corporate owner during the calendar year and the total number
3 purchased in each county and municipality;

4 (3) the number of single-family homes described by
5 Subdivisions (1) and (2) acquired through foreclosure;

6 (4) the number of single-family homes described by
7 Subdivisions (1) and (2) sold by each corporate owner during the
8 calendar year;

9 (5) the number of single-family homes described by
10 Subdivisions (1) and (2) used as a rental property during the
11 calendar year;

12 (6) the municipality and county in which each
13 single-family home described by Subdivisions (1) and (2) is
14 located;

15 (7) the appraised value of each single-family home
16 described by Subdivisions (1) and (2);

17 (8) the name, assumed name, business association type,
18 registered office address, telephone number, and registered agent
19 of each corporate owner of a single-family home; and

20 (9) the name, address, and contact information for the
21 landlord or third-party lessor, sublessor, management company, or
22 managing agent of each single-family home described by Subdivision
23 (5).

24 (c) In addition to the information required by Subsection
25 (b), the center may compile additional information at the
26 recommendation of the legislature or that the center determines is
27 relevant based on market trends.

1 (d) Not later than June 1 of each year, the center shall
2 submit a report to the lieutenant governor, the speaker of the house
3 of representatives, and each member of the legislature. The report
4 must contain:

5 (1) a summary of the information compiled under
6 Subsection (b) for the preceding calendar year;

7 (2) an assessment of any trends or patterns relating
8 to the relative number of purchases by corporate owners, including
9 whether the corporate owners may be classified into any readily
10 observable groups based on the number of purchases or other
11 appropriate criteria; and

12 (3) an analysis of:

13 (A) the impact of corporate owners on the cost of
14 housing;

15 (B) any advantages and disadvantages corporate
16 owners have over individual buyers in the real estate market;

17 (C) the impact of corporate owners on the cost
18 and availability of single-family home rentals; and

19 (D) the impact of corporate owners on the
20 availability of single-family homes for purchase.

21 (e) After completing the initial report under this section,
22 the center may compile information from any calendar years
23 preceding 2025 to create and submit reports for those years that
24 include the information listed in Subsections (b) and (d).

25 SECTION 3. Chapter 12, Property Code, is amended by adding
26 Section 12.00125 to read as follows:

27 Sec. 12.00125. INSTRUMENTS CONCERNING SINGLE-FAMILY HOMES

1 PURCHASED BY CORPORATE OWNERS. (a) In this section, "corporate
2 owner" and "single-family home" have the meanings assigned by
3 Section 121.001, Business & Commerce Code.

4 (b) If a corporate owner purchases a single-family home in
5 this state, the county clerk in the county in which the
6 single-family home is located may not record an instrument
7 conveying title to the home unless:

8 (1) the corporate owner provides to the county clerk a
9 copy of the registration certificate issued under Section 121.002,
10 Business & Commerce Code;

11 (2) the name of the grantee on the instrument
12 conveying title to the home matches the name of the corporate owner
13 on the registration certificate;

14 (3) the instrument conveying title to the home:

15 (A) contains the name and mailing address of an
16 officer or governing person of the corporate owner; and

17 (B) clearly states that the single-family home is
18 not the primary residence of the grantee; and

19 (4) the corporate owner provides to the county clerk a
20 sworn affidavit signed by a duly authorized officer or agent of the
21 corporate owner stating that the information required to be
22 included in the instrument conveying title under Subdivision (3) is
23 also included in the corporate owner registry established under
24 Section 121.005, Business & Commerce Code.

25 SECTION 4. As soon as practicable after the effective date
26 of this Act, the Texas Real Estate Research Center at Texas A&M
27 University shall take any actions necessary to implement Section

1 86.531, Education Code, as added by this Act, and submit the initial
2 report required under Section 86.531(d), Education Code, as added
3 by this Act, not later than June 1, 2026.

4 SECTION 5. (a) As soon as practicable after the effective
5 date of this Act, the secretary of state shall adopt rules necessary
6 to implement Chapter 121, Business & Commerce Code, as added by this
7 Act.

8 (b) Notwithstanding Section 121.002, Business & Commerce
9 Code, as added by this Act, a corporate owner is not required to
10 comply with that section until January 1, 2026.

11 SECTION 6. (a) Except as provided by Subsection (b) of this
12 section, this Act takes effect September 1, 2025.

13 (b) Section 12.00125, Property Code, as added by this Act,
14 takes effect February 1, 2026.