

SUBJECT:	Requiring a study of certain purchases and sales of single-family homes
COMMITTEE:	Licensing & Administrative Procedures — favorable, without amendment
VOTE:	8 ayes — K. King, Walle, Goldman, Harless, Hernandez, Schaefer, Shaheen, S. Thompson 0 nays 3 absent — Herrero, T. King, Patterson
SENATE VOTE:	On final passage (May 3) — 29 - 2
WITNESSES:	None (<i>considered in a formal meeting on May 16</i>)
BACKGROUND:	Concerns have been raised that increases in single-family home purchases by corporate and institutional buyers may make it difficult for median-income families to purchase a home.
DIGEST:	<p>SB 1979 would require the Texas A&M University Real Estate Research Center to conduct an annual study on single-family home purchases and sales by institutional buyers. An "institutional buyer" would be defined 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 purchased or acquired 10 or more single-family homes in Texas in a calendar year.</p> <p>Using available information, the center would be required to annually compile information related to institutional buyers' purchases and sales of single-family homes in Texas. The information would have to include the number of single-family homes purchased by each institutional buyer during the calendar year and of those homes:</p> <ul style="list-style-type: none">• the number acquired through foreclosure;• the number sold by each institutional buyer during the same year;• the number used as rental properties during the same year;

- the city and county where each home was located and the number of homes purchased in each city or county; and
- the appraised value of each single-family home purchased during the year.

The center could compile additional information at the recommendation of the Legislature or that the center determined would be relevant based on market trends.

By June 1 of each year, the center would be required to submit a report to the lieutenant governor, the speaker of the House, and each member of the Legislature. The report would be required to include a summary of the required information compiled for the preceding calendar year and an assessment of any trends or patterns related to the relative number of purchases by institutional buyers, including whether the institutional buyers fell into any readily observable groups based on the number of purchases or other appropriate criteria.

After preparing the initial report, the center could compile information from any calendar year prior to 2023 to create and submit reports that included the required information for those years.

As soon as practicable after the effective date of the bill, the center would be required to take any actions necessary to enable submission of the initial report by June 1, 2024.

The bill would take effect September 1, 2023.