

SENATE
STATE OF MINNESOTA
NINETY-FOURTH SESSION

S.F. No. 3173

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DATE	D-PG	OFFICIAL STATUS
04/01/2025	1255	Introduction and first reading Referred to Judiciary and Public Safety
02/26/2026	6421	Withdrawn and re-referred to Housing and Homelessness Prevention
03/09/2026	6544a	Comm report: To pass as amended and re-refer to Judiciary and Public Safety
03/11/2026	6600	Authors added Abeler; Putnam
04/07/2026	7757a	Comm report: To pass as amended and re-refer to Finance

1.1 A bill for an act

1.2 relating to housing; limiting private equity company ownership of single-family

1.3 homes; providing attorney general enforcement; providing penalties; proposing

1.4 coding for new law in Minnesota Statutes, chapter 500.

1.5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.6 Section 1. **[500.50] SINGLE-FAMILY HOMES; PRIVATE EQUITY OWNERSHIP**

1.7 **PROHIBITED.**

1.8 Subdivision 1. Definitions. (a) For purposes of this section, the following terms have

1.9 the meanings given.

1.10 (b) "Family entity" means an entity, however organized, that meets the following

1.11 standards:

1.12 (1) all its members are natural persons related to each other within the third degree of

1.13 kindred according to the rules of civil law; and

1.14 (2) its revenue from rent or any other means is paid directly from one member to another.

1.15 (c) "Homestead" is a property classified as class 1a under section 273.13, subdivision

1.16 22.

1.17 (d) "Private equity company" means an investor or group of investors who primarily

1.18 engage in the raising or returning of capital and who invest, develop, or dispose of specified

1.19 assets. Private equity company includes publicly or nonpublicly traded entities, real estate

1.20 investment trusts, and any investment firm that buys and manages private companies to

1.21 make a profit. A private equity company does not include the following:

1.22 (1) a local, state, or federal unit of government or agency;

2.1 (2) a land trust as defined in section 462A.31;

2.2 (3) a nonprofit organized under chapter 317A that is creating, rehabilitating, or providing
2.3 affordable housing to low- and moderate-income renters or home buyers;

2.4 (4) a corporation primarily engaged in housing development through the construction
2.5 or substantial rehabilitation of single-family homes;

2.6 (5) a mortgage note holder that owns the single-family homes through foreclosure; or

2.7 (6) a family entity.

2.8 (e) "Real estate investment trust" has the meaning given in United States Code, title 26,
2.9 section 856.

2.10 (f) "Single-family home" means a residential property consisting of one to four dwelling
2.11 units, but does not include:

2.12 (1) an assisted living facility with fewer than five dwelling units licensed under chapter
2.13 144G; or

2.14 (2) a residential property with fewer than five dwelling units that is controlled by a
2.15 provider licensed under chapters 245A and 245D and in which residential supports and
2.16 services as defined in section 245D.03, subdivision 1, paragraph (c), clause (3), or integrated
2.17 community support as defined in section 245D.03, subdivision 1, paragraph (c), clause (8),
2.18 are provided.

2.19 (g) "Substantial rehabilitation" means the repair, reconstruction, or improvement of
2.20 existing single-family homes that:

2.21 (1) increases the value of each single-family home by 20 percent or more; and

2.22 (2) makes each single-family home:

2.23 (i) compliant with the State Building Code; and

2.24 (ii) safe, sanitary, and in compliance with the applicable health and safety laws of the
2.25 United States, of the state, and of the local units of government, including ordinances
2.26 regulating rental licensing.

2.27 Subd. 2. **Single-family homes; private equity ownership prohibition.** A private equity
2.28 company is prohibited from having a direct or indirect ownership interest in a single-family
2.29 home. This subdivision does not prohibit a natural person from acquiring an ownership
2.30 interest in a home that is classified as homestead property for tax purposes.

3.1 Subd. 3. **Exemption; disclosure.** (a) This section does not apply to a private equity
3.2 company with an ownership interest in fewer than 100 single-family homes.

3.3 (b) A private equity company must not have an interest in or receive a benefit from a
3.4 private equity company that is subject to the exemption under paragraph (a).

3.5 (c) A private equity company subject to the exemption under paragraph (a) must, upon
3.6 request, disclose the following to the attorney general:

3.7 (1) a description of all persons with an interest in or affiliated with the private equity
3.8 company;

3.9 (2) a description of all persons receiving a benefit from the private equity company;

3.10 (3) a description of all homes the private equity company owns in Minnesota; and

3.11 (4) any other financial disclosures requested by the attorney general.

3.12 Subd. 4. **Civil penalty; enforcement.** A private equity company that violates this section
3.13 is subject to a civil penalty of \$100,000 per violation. The attorney general may enforce
3.14 this section pursuant to section 8.31. The attorney general must provide written notice of
3.15 the alleged violation under this section to the private equity company at least 90 days before
3.16 filing an enforcement action. Notwithstanding any contrary provision in law, including but
3.17 not limited to section 16A.151, any civil penalty recovered under this subdivision must be
3.18 deposited into the workforce and affordable homeownership development account under
3.19 section 462A.38, subdivision 7.

3.20 **EFFECTIVE DATE.** This section is effective August 1, 2026, and applies to interests
3.21 in real property acquired on or after that date.