

**Subject** Prohibition on Certain Corporations and Others from Converting Single-Family Homes to Rental Properties

**Authors** Agbaje and Others

**Analyst** Mary Davis

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### Overview

This bill prohibits certain corporations, real estate developers, and residential building contractors from purchasing a single-family home for the purposes of renting the single-family home. The bill allows enforcement through the Minnesota Attorney General's office.

## Summary

Section	Description
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| 1 | <p><b>Single family home rental by corporate entities restricted.</b></p> <p><b>Subd. 1. Purpose.</b> Provides that the purpose of the bill is to encourage homeownership and allow families to increase access to homeownership.</p> <p><b>Subd. 2. Definitions.</b> Provides definitions for terms including: "affordable housing," "corporate entity," "family limited liability company," "family trust," "nonprofit corporation," "real estate developer," and "residential building contractor."</p> <p><b>Subd. 3. Single-family home rental restricted; exemption.</b> Prohibits a corporation, a real estate developer, or a residential building contractor from purchasing a single-family home and converting it into a single-family home rental unit. The definitions exempt corporations that are charitable, made up of only five family members or less, or consist of a family trust. This section allows a corporation or real estate developer or contractor to request an exception from the commissioner of the Minnesota Housing Finance Agency (MHFA) and also requires MHFA to report to the legislature on the exemptions given under this section.</p> <p><b>Subd. 4. Enforcement.</b> Allows the attorney general's office to enforce violations of this section against a corporation, real estate developer, or contractor, including seeking injunctive relief. This section provides that a court order finding a violation of this section may be filed with the county recorder and the violating</p> |
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**Section** **Description**

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entity would have one year to divest from the property. If the violating entity did not divest from the property, then the property may be sold through the foreclosure process in court.



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