

1.1 Senator moves to amend S.F. No. 3173 as follows:

1.2 Delete everything after the enacting clause and insert:

1.3 "Section 1. **[500.50] SINGLE-FAMILY HOMES; PRIVATE EQUITY OWNERSHIP**
1.4 **PROHIBITED.**

1.5 Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have
1.6 the meanings given.

1.7 (b) "Family entity" means an entity, however organized, that meets the following
1.8 standards:

1.9 (1) all its members are natural persons related to each other within the third degree of
1.10 kindred according to the rules of civil law; and

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

1.12 (c) "Homestead" is a property classified as class 1a under section 273.13, subdivision
1.13 22.

1.14 (d) "Private equity company" means an investor or group of investors who primarily
1.15 engage in the raising or returning of capital and who invest, develop, or dispose of specified
1.16 assets. Private equity company includes publicly or nonpublicly traded entities, real estate
1.17 investment trusts, and any investment firm that buys and manages private companies to
1.18 make a profit. A private equity company does not include the following:

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

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

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

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

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

1.26 (6) a family entity.

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

1.29 (f) "Single-family home" means a residential property consisting of one to four dwelling
1.30 units.

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

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

2.4 (2) makes each single-family home:

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

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

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

2.13 Subd. 3. **Civil penalty; enforcement.** A private entity company that violates this section
2.14 is subject to a civil penalty of \$100,000 per violation. The attorney general may enforce
2.15 this section pursuant to section 8.31. The attorney general must provided written notice of
2.16 the alleged violation under this section to the private equity company at least 90 days before
2.17 filing an enforcement action. Notwithstanding any contrary provision in law, including but
2.18 not limited to section 16A.151, any civil penalty recovered under this subdivision must be
2.19 deposited into the workforce and affordable homeownership account under section 462A.38,
2.20 subdivision 7.

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

2.23 Delete the title and insert:

2.24 "A bill for an act
2.25 relating to housing; prohibiting private equity company ownership of single-family
2.26 homes; providing attorney general enforcement; providing penalties; proposing
2.27 coding for new law in Minnesota Statutes, chapter 500."