



K&L GATES

# REBO QUARTERLY

## ISSUE HIGHLIGHTS

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Ownership of Real Estate

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ownership of residential  
real property by corporate  
entities.*



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# What's Inside

In this second edition of REBO Quarterly, we highlight the legislative trends, industry shifts, and new restrictions governing the 2025 beneficial ownership legislative landscape, including a summary of the hundreds of bills introduced so far at both the state and federal levels, as well as the examination of a handful that have been enacted in the first quarter of 2025. This volume also looks at another component of real estate beneficial ownership restrictions that has gained steam in recent years: restrictions or prohibitions on the corporate ownership of residential real property.

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# State-Level Restrictions on Beneficial Ownership of Real Estate

During the first three months of 2025, legislatures around the country continued to show elevated interest in considering policies aimed at restricting or prohibiting the ownership of real property. The pace of bill introductions was even quicker than in 2024, and the variety of states introducing such policies was more varied—so far, there have been over 120 bills introduced in 33 states that affect the beneficial ownership of real property.

Many of the laws restricting the ownership of real property are fairly new—most from within the previous three years—and, as such, we have seen some states enacting “clean-up” bills in 2025 aimed at further clarifying the previously enacted statutes.

Already, 12 legislatures around the country are no longer in session, and a majority of other state legislatures are set to adjourn in April or May, leaving limited time remaining to debate and pass bills.

## Successfully Enacted Bills

The following bills impacting the beneficial ownership of real property have been approved by state legislatures in 2025 through the end of March:

### Georgia HB 358

Georgia law currently prohibits any nonresident alien from acquiring directly or indirectly any possessory interest in agricultural land or land within a 10-mile radius of any military base, military installation, or military airport. The statute does not define “military installation.” HB 358 adds a definition of “military installation” to the law that includes any facility owned and operated by the US Army, Air Force, Navy, Marines, Space Force, or Coast Guard that shelters military equipment and personnel and facilitates training and operations for such organizations. The legislature passed HB 358 on 31 March, and the bill is awaiting a signature by the state’s governor.

### Kansas SB 9

As introduced, SB 9 extended the amount of time required for reports to be filed with the state historical society for certain US public land surveys from 30 to 90 days. The Kansas House of Representatives amended the bill to instead create the Kansas Land and Military Installation Protection Act. The act prohibits a foreign principal from directly or indirectly acquiring any interest in any real property located within 100 miles of the boundary of any military installation in Kansas or in any adjacent state, except a de minimis interest in the property. The Kansas Legislature sent SB 9 to the governor on 31 March, and the bill was signed into law on 7 April.

### Kentucky HB 315

HB 315 prohibits a nonresident alien, foreign business, foreign agent, trustee, or fiduciary who has a legal relationship with or is legally bound to take instruction from or execute decisions for the government of any proscribed country referenced in 22 C.F.R. § 126.1 from purchasing, leasing, or acquiring any interest in agricultural land in Kentucky. The bill does allow an exemption for

entities with a national security agreement with the Committee on Foreign Investment in the United States (CFIUS) to acquire 350 acres of land for research and development. The bill also allows entities to acquire agricultural land for nonagricultural use, provided that the development is completed within five years of acquiring the land. The governor of Kentucky signed HB 315 into law on 25 March.

### North Dakota SB 2150

North Dakota generally restricts corporations and other business entities from owning and leasing agricultural land in the state. SB 2150 provides “additional clean-up language” following the passage of a bill last year that created a new entity type—authorized livestock farm—under the state’s corporate farming law. The clarifications include changing the terms “individual” to “person” and “entity” to “organization.” The governor of North Dakota signed SB 2150 into law on 18 March.

### Utah HB 430

Utah law currently prohibits restricted foreign entities from acquiring an interest in land in the state. HB 430 designates the boundaries of military land as food delivery “dead zones.” Additionally, the bill makes it a criminal offense for any person to purchase or lease land on behalf of a restricted foreign entity and to fail to disclose to a county recorder the individual’s connection to a restricted foreign entity. The governor signed HB 430 into law on 25 March.

### Wyoming HB 97

In 2024, Wyoming passed a law providing that the Director of the Office of Homeland Security must provide each county clerk a list of zones designated as critical infrastructure zones. The county clerks are then required to report any conveyances that involve property within five miles of a zone to both the Director of the Office of Homeland Security and the Division of Criminal Investigation. HB 97 amends the law to instead require county clerks to report all conveyances of real property (including leases and mortgages) to the Director of the Office of Homeland Security, who is then required to identify any conveyance within five miles of a critical infrastructure zone. The bill also revises the definition of “conveyance” and broadens the definition of “real property” in statute. The governor of Wyoming signed the bill into law on 27 February.

### Wyoming HB 69

Wyoming law currently allows the Secretary of State to undergo a process of administratively dissolving corporations, partnerships, and associations for various reasons. HB 69 adds a new criterion for the Secretary of State to begin the process to administratively dissolve entities if the entity is owned or controlled by a foreign government or foreign nongovernment person determined to be a foreign adversary as specified in 15 C.F.R. § 791.4(a), except if ownership or control has been approved by CFIUS. The governor signed HB 69 into law on 24 February 24.

# Real Estate Beneficial Restrictions on Residential Ownership

As of the end of March, there have been at least 45 bills introduced in 17 states that seek to address the ownership of residential real property by corporate entities. The focus of states with Republican-controlled legislatures has generally been to restrict or prohibit foreign governments, citizens, and companies from acquiring or owning agricultural land or land near critical infrastructure. Conversely, 11 of the 17 states proposing to restrict ownership of single-family real property—primarily residential property—have state legislatures controlled by Democrats. The issue is not entirely partisan; bills to restrict corporate ownership of residential real property have been introduced in Florida, Georgia, Indiana, Oklahoma, and Texas. However, to date, none of the bills introduced in those states have received hearings.

The increased focus on restricting investor-owned residential property appears to have accelerated back in 2023, when investors purchased more homes than in prior years, and at a time when housing affordability dipped significantly. Lawmakers from both sides of the aisle have become increasingly concerned that the housing market is unaffordable for first-time homebuyers. In addition to taking action to prompt development of new housing units, legislators have also turned their attention to discouraging or even outright banning corporate and investment entities from owning residential real property. Certain states have sought to reduce the ability of corporate owners to buy single-family residences and convert them to rental properties, which reduces the availability of homes for sale to family buyers.

On 27 March, Sen. Jeff Merkley (D-OR) and Rep. Adam Smith (D-WA) reintroduced the “HOPE (Humans over Private Equity) for Homeownership Act,” companion bills at the federal level, **S. 788** and **H.R. 1745**. The bills propose to impose a 15% tax on the acquisition of any newly acquired single-family residence equal to the greater of 15% of the purchase price or US\$10,000 for excess of US\$5,000 over the maximum permissible units for the taxable year. The bill defines “excess” as excess of 90% of residences owned by the taxpayer. Cosponsors of the Senate bill include Sen. Ruben Gallego (D-AZ), Sen. Mark Kelly (D-AZ), Sen. Angus King (I-ME), Sen. Chris Van Hollen (D-MD), and Sen. Bernie Sanders (I-VT).

Sen. Merkley and Rep. Smith **state** that “Large-scale hedge fund investors are taking over the housing market at an alarming, accelerating rate. In 2011, no single entity owned over 1,000 single-family rental units. In 2022, large institutional investors and hedge funds owned about 700,000 single-family home rentals, and financial analysts forecast that this ownership footprint will grow to 40% of all single-family home rentals by 2030.”

To date, S. 788 and H.R. 1745 have not been scheduled for hearings in their respective committees.

As we have seen with policies addressing foreign-owned real property, in the absence of movement on corporate ownership policies at the federal level, states have proceeded to introduce and debate bills that have the potential to lead to a patchwork of

regulations around the country regarding investor or corporate-owned residential property.

The terminology varies between bills, but the most common language referring to entities restricted from acquiring residential ownership includes corporate entities, hedge funds, private equity, and institutional investors.

At least nine bills introduced in January, February, or March of this year propose to prohibit corporations or institutional investors from owning single-family dwelling units or residential real property. Another seven bills seek to cap or limit the amount of residential property that investors may own. Lawmakers in states as varied as Connecticut, Georgia, Massachusetts, Minnesota, New Jersey, New Mexico, New York, Oklahoma, Virginia, and Washington have introduced such bills.

However, the majority of the bills introduced so far in 2025 take their cues from S. 788 and H.R. 1745 and propose to implement taxes on corporate or institutional investors of residential property. Thirteen bills propose to levy new taxes to disincentivize investor ownership of residential property or housing.

Some bills take the form of an empty homes tax (e.g., **Florida HB 1471**, **New Jersey A 5424**, and **New York A 1769**). **Hawaii SB 1033** proposes to tax investors who fail to sell residential real property, and **Indiana HB 1293**, **Maryland HB 1428**, and **New York S 1572** impose penalties on corporate entities with “excess ownership” of residential or single-family properties.

At least seven other bills in Georgia, Hawaii, New York, and Texas would require studies on either housing availability, corporate ownership, or a combination of corporate and foreign ownership. New York’s **S 6183** and **A 4965**, in addition to requiring a housing ownership study, restrict foreign entities from purchasing residential real property in the state.

Alternatively, bills such as **Texas’s HB 2968** and **Washington’s SB 5580** require corporate entities to report their residential real property holdings to the state. **New York’s A6100** provides that tenants in the state of New York should be offered the first opportunity to own a property before it may be sold on the market to a third-party purchaser.

Although lawmakers have recently shown increased interest in corporate and investor ownership of residential real property, most of the bills mentioned above have not received a hearing.

As of the end of the first quarter of 2025, only Hawaii has passed a corporate ownership bill out of its chamber of origin—**SB 1033**, a bill to establish a tax on those who own excess single-family residences for failure to sell those residences. In addition, legislatures in Minnesota, Maryland, Virginia, and Washington have held hearings on bills regarding corporate ownership of property.

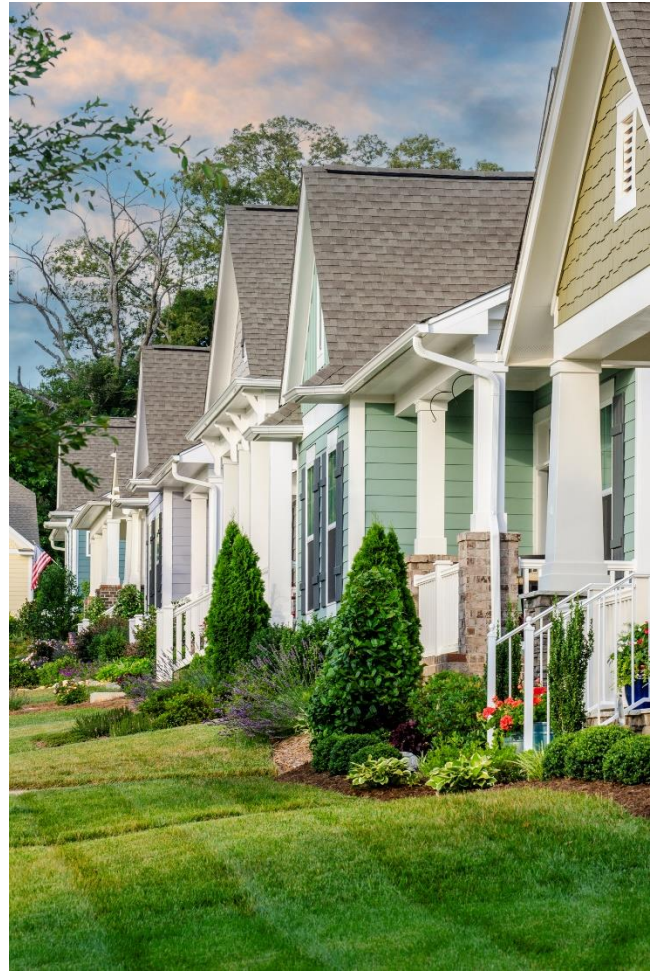
**Minnesota SF 1450** proposes to require that owners of manufactured home parks provide written notice to the attorney general of the intent to transfer ownership or control of the manufactured home park to a

private equity company 120 days prior to the transfer of ownership or control and outlines certain prohibited practices for any private equity company acquiring ownership of a manufactured home park.

**Maryland HB 1428** aims to implement an excise tax of 50% of the fair market value of a residence for corporations, limited liability companies, or real estate investment trusts acquiring single-family residences.

Virginia currently prohibits foreign adversaries from acquiring agricultural land. **SB 1424** would amend the foreign ownership statute to provide that no prohibited business may acquire any interest in a single-family home in the state. “Prohibited business” means any partnership, corporation, or real estate investment trust that manages funds pooled from investors and has an aggregate of US\$50 million or more in net value or assets under management on any day during a taxable year.

Two bills in the state of Washington received public hearings: **HB 1732** prohibits an investment entity, or a business entity that has an interest in more than 25 single-family residential properties, from purchasing, acquiring, or otherwise obtaining an interest in another single-family residential property. **SB 5580** creates the Corporate Homeowner Registration Program and provides that entities with an ownership interest in 20 or more applicable housing units must register with the program and report contact information, number of units owned, property uses, purchase price, and a list of states and countries in which the entity does business.



# Authors



**JOHN W. CARLSON**  
**Partner**  
Seattle  
+1.206.370.5750  
[Johnny.Carlson@klgates.com](mailto:Johnny.Carlson@klgates.com)



**LAURIE B. PURPURO**  
**Government Affairs Advisor**  
Washington, D.C.  
+1.202.778.9206  
[laurie.purpuro@klgates.com](mailto:laurie.purpuro@klgates.com)



**LACEY STANAGE**  
**Government Affairs Analyst**  
Seattle  
+1.206.370.5841  
[lacey.stanage@klgates.com](mailto:lacey.stanage@klgates.com)



**JEFFREY C. THOMSON**  
**Associate**  
Seattle  
+1.206.370.7829  
[jeffrey.thomson@klgates.com](mailto:jeffrey.thomson@klgates.com)



**ISABELLA C. FORCINO**  
**Associate**  
Seattle  
+1.206.370.5730  
[isabella.forcino@klgates.com](mailto:isabella.forcino@klgates.com)

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