

SENATE SUBSTITUTE
FOR
SENATE COMMITTEE SUBSTITUTE
FOR
SENATE BILL NO. 1001
AN ACT

To amend chapter 442, RSMo, by adding thereto one new section relating to homeownership.

Be it enacted by the General Assembly of the State of Missouri, as follows:

Section A. Chapter 442, RSMo, is amended by adding thereto
2 one new section, to be known as section 442.703, to read as
3 follows:

442.703. 1. (1) This section shall be known and may
2 be cited as the "American Dream Act".

3 (2) The general assembly finds that excessive
4 institutional ownership of single-family homes contributes
5 to housing scarcity, inflates prices, and denies young
6 families access to homeownership.

7 (3) Young families are increasingly priced out of the
8 housing market, creating barriers to entry for first-time
9 homebuyers and discouraging Missourians from raising
10 families in our state.

11 (4) It is unhealthy for entire generations of young
12 people to be unable to own property. Individuals who own
13 homes have greater stability, stronger community ties, and a
14 deeper sense of civic responsibility.

15 (5) Homeownership is an integral part of the American
16 dream. In light of this fact, it is incumbent upon this
17 general assembly to preserve and protect the American way of
18 life for generations of Americans to come. This can be
19 accomplished by setting reasonable regulations pertaining to
20 the institutional ownership of residential real estate.

21 These regulations should prevent market concentration by
22 institutional investors, since such concentration undermines
23 the long-term stability of our communities.

24 2. For purposes of this section, the following terms
25 mean:

26 (1) "Commission", the Missouri housing development
27 commission, established pursuant to section 215.020;

28 (2) "Institutional buyer", any corporation,
29 partnership, limited liability company, real estate
30 investment trust, private equity firm, hedge fund, or
31 similar business entity, including any subsidiary or
32 affiliate thereof, that collectively owns more than fifty
33 single-family residential properties within the United
34 States, and is engaged in the business of acquiring such
35 properties for investment or profit through rental or
36 resale, provided that the term institutional buyer shall not
37 include any home builder; residential land developer; land
38 bank entity; investment entity or financing entity providing
39 land banking, investment, or financing to a home builder or
40 residential land developer and that is affiliated with a
41 home builder or residential land developer; not-for-profit
42 corporation; or public housing agency;

43 (3) "Investment entity", an entity that manages funds
44 pooled from twenty-five or less investors. Two or more
45 investment entities under common management shall be
46 aggregated and treated as one for purposes of this
47 definition;

48 (4) "Single-family residential property", real
49 property improved with one dwelling unit intended for
50 occupancy by one family, including detached homes, but shall
51 not include:

52 (a) Any residential structure situated on a single
53 legal lot on which multiple residential structures are
54 situated; or

55 (b) Two or more contiguous residential structures in a
56 community of twenty or more units in which residential
57 rental occupancy is allowed.

58 3. An institutional buyer shall not acquire a single-
59 family residential property in this state unless such single-
60 family residential property has been publicly listed for
61 sale for more than ninety days and is not during such time
62 subject to a binding sales agreement.

63 4. Nothing in this section shall be construed to:

64 (1) Prohibit, restrict, or interfere with any bank,
65 credit union, land bank or investor for a home builder,
66 mortgage lender, or other financial institution from
67 offering, issuing, or servicing loans or mortgages for the
68 acquisition, financing, or land banking or refinancing of
69 single-family residential property;

70 (2) Affect the rights, obligations, or activities of
71 such financial institutions under state or federal law;

72 (3) Apply to any person or entity which is not an
73 institutional buyer; or

74 (4) Apply to any entity acquiring a single-family
75 residential property built and permitted as a rental
76 community.

77 5. The commission may promulgate rules necessary to
78 implement and enforce this act, with respect to the
79 responsibilities granted to them, respectively, pursuant to
80 this section. Any rule or portion of a rule, as that term
81 is defined in section 536.010, that is created under the
82 authority delegated in this section shall become effective
83 only if it complies with and is subject to all of the
84 provisions of chapter 536 and, if applicable, section

85 536.028. This section and chapter 536 are nonseverable and
86 if any of the powers vested with the general assembly
87 pursuant to chapter 536 to review, to delay the effective
88 date, or to disapprove and annul a rule are subsequently
89 held unconstitutional, then the grant of rulemaking
90 authority and any rule proposed or adopted after August 28,
91 2026, shall be invalid and void.

Section B. If any provision of section A of this act
2 or the application thereof to anyone or to any circumstance
3 is held invalid, the remainder of those sections and the
4 application of such provisions to others or other
5 circumstances shall not be affected thereby.