



General Assembly

Substitute Bill No. 256

February Session, 2026



**AN ACT CONCERNING THE PURCHASE OF RESIDENTIAL
PROPERTY BY PRIVATE EQUITY ENTITIES.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective October 1, 2026*) (a) For the purposes of this
2 section:

3 (1) (A) "Private equity entity" means an institutional real estate
4 investor or an entity that receives funding from an institutional real
5 estate investor for the purchase of a single-family residence or two-
6 family residence. A loan provided in exchange for a mortgage of the
7 residence that is being purchased is not considered funding for the
8 purposes of this subdivision, provided such mortgage is of a type for
9 which members of the general public may apply.

10 (B) "Private equity entity" does not include: (i) An organization which
11 is described in Section 501(c)(3) of the Internal Revenue Code of 1986, or
12 any subsequent corresponding internal revenue code of the United
13 States, as amended from time to time, and exempt from tax under
14 Section 501(a) of said Internal Revenue Code, or (ii) a housing land trust
15 program described in sections 8-214b to 8-214e, inclusive, of the general
16 statutes.

17 (2) "Institutional real estate investor" means an entity or combined

18 group that: (A) Owns ten or more single-family residences or two-
19 family residences; (B) manages or receives funds pooled from investors
20 and acts as a fiduciary with respect to one or more investors; and (C) has
21 fifty million dollars or more in net value or assets under its management
22 on any day during the taxable year. An entity is considered to own a
23 single-family residence or two-family residence if it directly owns the
24 single-family residence or two-family residence or indirectly owns ten
25 per cent or more of the single-family residence or two-family residence.

26 (3) "Single-family residence" does not include: (A) Any single-family
27 residence that is to be used as the principal residence of any person who
28 has an ownership interest in the private equity entity that seeks to
29 purchase the single-family residence; or (B) any single-family residence
30 constructed, acquired or operated with federal, state or municipal
31 appropriated funds.

32 (4) "Two-family residence" does not include: (A) Any two-family
33 residence in which one of the dwelling units is to be used as the principal
34 residence of any person who has an ownership interest in the private
35 equity entity that seeks to purchase the two-family residence; or (B) any
36 two-family residence constructed, acquired or operated with federal,
37 state or municipal appropriated funds.

38 (b) (1) No private equity entity may purchase, acquire or offer to
39 purchase or acquire any interest in a single-family residence or two-
40 family residence unless the single-family residence or two-family
41 residence has been listed for sale to the general public for at least ninety
42 days.

43 (2) The ninety-day waiting period set forth in subdivision (1) of this
44 subsection shall restart if the seller changes the asking price for the
45 single-family residence or two-family residence, and a private equity
46 entity shall be prohibited from purchasing, acquiring or offering to
47 purchase or acquire any interest in the single-family residence or two-
48 family residence until it has been listed for sale to the general public at
49 the new asking price for at least an additional ninety days.

50 (3) A private equity entity seeking to purchase a single-family or two-
51 family residence shall be required to submit to the seller, or anyone
52 acting as an agent for such seller, prior to the finalizing of such purchase,
53 a written notice signed by the purchaser stating the following: (A) The
54 purchaser is a private equity entity; (B) private equity entities are
55 required to wait until a single-family residence or two-family residence
56 has been listed for sale for the general public to purchase for at least
57 ninety days before purchasing, acquiring or offering to purchase or
58 acquire any interest in the single-family residence or two-family
59 residence; and (C) such private equity entity has complied with the
60 provisions of this section.

61 (c) Any private equity entity that violates the provisions of this
62 section may be subject to civil damages and penalties in an amount not
63 exceeding two hundred fifty thousand dollars.

64 (d) The Attorney General may bring a civil action on behalf of the
65 state seeking injunctive relief, declaratory relief, civil damages and civil
66 penalties against any private equity entity that violates the provisions
67 of this section.

This act shall take effect as follows and shall amend the following sections:		
Section 1	October 1, 2026	New section

JUD *Joint Favorable Subst.*