

**Department of Planning and Budget  
2025 General Assembly Session  
State Fiscal Impact Statement**

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**ORIGINAL**

**Bill Number:** SB1424

**Patron:** VanValkenburg

**Bill Title:** Prohibited acquisition and ownership of single-family homes; restrictions; civil penalty.

**Bill Summary:** Restricts any partnership, corporation, or real estate investment trust that manages funds pooled from investors and has \$50 million or more in net value or assets under management on any day during a taxable year from acquiring any interest in single-family homes, as defined in the bill, in the Commonwealth and requires registration with the Secretary of the Commonwealth by September 1, 2026, for any such business that acquired such interest prior to July 1, 2026. The bill also requires any such business to divest at least 10 percent of such interest per year over a course of 10 years whereby no such business shall own any interest in single-family homes on and after July 1, 2036. The bill requires the Secretary of the Commonwealth to report annually by December 1 on the registrations and any penalties assessed for failure to register or divest ownership interests and to submit such report to the Governor and the General Assembly. The bill also requires all real property tax bills to contain notice of such prohibited business ownership restrictions and registration requirements. The bill has a delayed effective date of July 1, 2026.

**Budget Amendment Necessary:** No

**Items Impacted:** N/A

**Explanation:** Due to the delayed effective date, a budget amendment is not required for the current biennium, however, funding will be required in future years.

**Fiscal Summary:** The Office of the Attorney General and the Department of Law (OAG) estimates this bill generates a need for two additional staff members at an annual cost of \$260,207. Such costs would begin in FY2027 due to the delayed effective date of July 1, 2026.

**General Fund Expenditure Impact:**

<u>Agency</u>	<u>FY2025</u>	<u>FY2026</u>	<u>FY2027</u>	<u>FY2028</u>	<u>FY2029</u>	<u>FY2030</u>
OAG	\$0	\$0	\$260,207	\$260,207	\$260,207	\$260,207
<b>TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>\$260,207</b>	<b>\$260,207</b>	<b>\$260,207</b>	<b>\$260,207</b>

**Position Impact:**

<u>Agency</u>	<u>FY2025</u>	<u>FY2026</u>	<u>FY2027</u>	<u>FY2028</u>	<u>FY2029</u>	<u>FY2030</u>
OAG	0	0	2	2	2	2
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>

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**Fiscal Analysis:** The Office of the Secretary of the Commonwealth (“the Office”) indicates that this bill would require the creation of an additional database for tracking the registrations and may require additional staff time for reporting purposes. The Office indicates that such costs can be absorbed within existing resources.

The bill assesses a civil penalty of \$50,000 for each day of noncompliance for any prohibited business, as defined in the bill, which fails to register. The penalties shall be paid into the general fund. Any impact to the general fund from this provision is indeterminate at this time.

The OAG notes that the enforcement responsibilities in this bill are not similar to the agency’s existing responsibilities and expects to require additional staff for enforcement. The OAG estimates the need for one additional Assistant Attorney General and one paralegal at a combined annual cost of \$260,207.

Any potential impacts to the circuit courts are indeterminate at this time.

**Other:** None.