

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2025

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SENATE BILL 432

Short Title: Home Ownership Market Manipulation. (Public)

Sponsors: Senators Grafstein, Everitt, and Bradley (Primary Sponsors).

Referred to: Rules and Operations of the Senate

March 25, 2025

A BILL TO BE ENTITLED
AN ACT TO PROHIBIT HOUSING MARKET MANIPULATION AND TO PROTECT
AGAINST ARTIFICIAL INFLATION BY EXCESSIVE HOME BUYING BY ENTITIES
PURCHASING HOMES FOR USE AS RENTAL PROPERTIES.

The General Assembly of North Carolina enacts:

SECTION 1. Chapter 75 of the General Statutes is amended by adding a new Article
to read:

"Article 9.

"Housing Market Manipulation.

"§ 75-150. Purpose.

(a) The General Assembly finds that North Carolina has experienced urban growth at levels significantly higher than many states. The General Assembly does not wish to inhibit the ownership of property but recognizes that it is becoming increasingly common for business entities to purchase substantial numbers of single-family homes for use as rental properties, both lowering the supply of and increasing the costs of such homes. The General Assembly further finds that home ownership is recognized as one of the most reliable ways to build wealth, permitting owners to build equity, which can serve as reserves in times of need, and in terms of passive income and increases in market value of owned property.

(b) The General Assembly seeks, by this narrowly tailored Article, to balance the interests of building wealth through the use of business entities acquiring properties for rental purposes against the State, local, and individual economic benefits that result from having a citizenry broadly engaged in and accruing the advantages attendant to home ownership.

"§ 75-151. Definitions.

The following definitions apply in this Article:

(1) Affiliate. – A person, other than an individual, that wholly or substantially owns, is wholly or substantially owned by, or is under common ownership with another person.

(2) Individual. – A human being.

(3) Person. – A fiduciary, a firm, an association, a partnership, a limited liability company, a corporation, or other business entity or group acting as a unit. The term includes an officer or employee of a corporation, a member, a manager, or an employee of a limited liability company, and a member or employee of a partnership who, as officer, employee, member, or manager, acts on behalf of the business entity with whom they are associated or an affiliate of that business entity. The term does not include governmental entities.



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- (4) Qualifying county. – A county with a population greater than 150,000 as of the most recent decennial census.
- (5) Single-family home. – A residential structure that is either a fully detached or semi-detached building or that is a row or town home that (i) is separated from the adjacent unit by a ground-to-roof wall, (ii) does not share heating or air-conditioning systems or utilities, and (iii) does not have units located above or below.

"§ 75-152. Impermissible ownership quotas.

It is unlawful for a person, including affiliates of the person, to purchase a single-family home in a qualifying county for a purpose other than use by the person as a residence if the person, including affiliates of the person, owns 100 or more single-family homes in qualifying counties that are used primarily for rental purposes.

"§ 75-153. Enforcement; remedies; damages.

(a) The Attorney General shall have the same authority under this Article to make rules, conduct civil investigations, bring civil actions, and enter into assurances of discontinuance as provided under this Chapter. In an action brought by the Attorney General pursuant to this section, the court may award or impose any relief available under this Chapter.

(b) A person aggrieved by a violation of this Article or by a violation of rules adopted under this Article or the board of county commissioners of the county in which such person lives may bring an action in superior court against a person who acquires a single-family home in violation of this Article. A court may impose civil penalties on a person found to violate this Article of up to one hundred dollars (\$100.00) per day for each single-family home acquired in violation of this Article and may award to a plaintiff who prevails in an action brought pursuant to this subsection one or more of the following remedies:

- (1) Equitable relief.
- (2) Damages.
- (3) Costs and fees, including reasonable attorneys' fees.
- (4) Exemplary damages in an amount equal to fifty thousand dollars (\$50,000) or three times the total of damages, costs, and fees, whichever is greater.

(c) A court may award to a defendant who prevails in an action brought pursuant to this section costs and fees, including reasonable attorneys' fees, if the court finds the action was not well-grounded in fact and warranted by existing law or was interposed for any improper purpose, such as to harass or to cause unnecessary delay or needless increase in the cost of litigation.

(d) Joinder of Interested Parties. – In an action arising under subsection (a) or (b) of this section, the court shall grant a motion by the Attorney General or a board of county commissioners or a person aggrieved under this Article for joinder of any affiliate of a defendant named in the litigation for purposes of (i) ensuring a proper accounting regarding the total number of single-family homes owned by the named defendant and any affiliates and (ii) permitting proper enforcement, remedies, and damages.

(e) If a party is unable to pay an amount awarded by the court pursuant to subsection (a) or (b) of this section, the court may find any interested party joined pursuant to subsection (d) of this section jointly and severally liable for violations of this Article and make the award recoverable against any or all of the joined interested parties.

(f) This Article shall not be construed to limit rights and remedies available to the State of North Carolina or to any person under any other law and shall not alter or restrict the Attorney General's authority under this Article with regard to conduct involving assertions of violations of this Article."

SECTION 2. This act is effective when it becomes law and applies to purchases of real estate on or after that date.