

Senate Bill 463

By: Senators Dolezal of the 27th, Walker III of the 20th, Anavitarte of the 31st, Robertson of the 29th, Still of the 48th and others

A BILL TO BE ENTITLED  
AN ACT

1 To amend Chapter 3 of Title 44 of the Official Code of Georgia Annotated, relating to  
2 regulation of specialized land transactions, so as to prohibit business enterprises or business  
3 enterprises controlled by natural born persons from owning an interest in more than 500  
4 single-family residential properties; to prohibit foreign investment vehicles from owning any  
5 interest in a single-family residential property to be used as rental property; to provide a  
6 private cause of action against a business enterprise that owns an interest in more than 500  
7 single-family residential properties and foreign investment vehicles; to provide for the  
8 disclosure of information by brokers; to provide an effective date and applicability; to  
9 provide for related matters; to repeal conflicting laws; and for other purposes.

10 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

11 **SECTION 1.**

12 Chapter 3 of Title 44 of the Official Code of Georgia Annotated, relating to regulation of  
13 specialized land transactions, is amended by adding a new article to read as follows:

14

"ARTICLE 815 44-3-260.16 As used in this article, the term:

17 (1) 'Affiliate' means any entity that directly or indirectly owns or controls, is owned or  
18 controlled by, or is under any other common ownership or control with a business  
19 enterprise.

20 (2) 'Business enterprise' means any corporation, association, partnership, limited liability  
21 company, limited partnership, trust, issuer, or other private legal entity organized under  
22 the laws of this state, the United States, the District of Columbia, or any other state,  
23 territory, or dependency of the United States or under the laws of a foreign country.

24 (3) 'Claimant' means an aggrieved person who seeks recovery of damages under this  
25 article; provided, however, that such term shall not include a government entity or any  
26 officer or employee of a government entity acting in his or her official capacity.

27 (4) 'Foreign investment vehicle' means any business enterprise that is domiciled in a  
28 foreign country or is domiciled in the United States, but the ownership of at least 25  
29 percent of which is composed of any business entity or business enterprise controlled by  
30 a natural person that is domiciled in a country other than the United States. Such term  
31 shall not include natural persons from foreign countries.

32 (5) 'Government entity' means any office, agency, authority, department, commission,  
33 board, body, division, instrumentality, or institution of the executive, legislative, or  
34 judicial branch of the state government, the state or its departments, or of any political  
35 subdivision within this state.

36 (6) 'Residential property' means a single-family residence, including all improvements  
37 thereon.

38 (7) 'Single-family residence' means a parcel of real property that has upon it a detached  
39 residential structure that contains between one and three individual dwelling units, each  
40 of which is designed for the exclusive use and occupation by one family.

41 44-3-261.

42 (a)(1) On and after January 1, 2027, it shall be unlawful for any business enterprise to  
43 obtain, own, or possess, directly or indirectly, including, but not limited to, through one  
44 or more affiliates of such business enterprise, an interest in more than 500 single-family  
45 residences; provided, however, that a business enterprise may hold an interest in more  
46 than 500 single-family residences if such business enterprise constructed such  
47 single-family residences. Such prohibition shall include a business enterprise acquiring  
48 an interest in more than 500 single-family residences by purchasing another business  
49 enterprise with interests in single-family residences.

50 (2) Business enterprises with an interest in more than 500 single-family residences  
51 before such date shall not gain an interest in any additional single-family residences;  
52 provided, however, that business enterprises shall not be required to divest any interests  
53 on or after such date.

54 (b) On or after January 1, 2027, it shall be unlawful for any foreign investment vehicle or  
55 business enterprise controlled by a natural person domiciled in a country other than the  
56 United States to obtain, own, or possess, directly or indirectly, including, but not limited  
57 to, through one or more affiliates of such foreign investment vehicle or business enterprise,  
58 any interest in a single-family residence to be used as a rental property.

59 (c)(1) For purposes of this Code section, an interest in residential property shall not  
60 include a deed to secure debt, security deed, mortgage, security interest, deed of trust, or  
61 other lien upon residential property that secures a debt or other obligation, and nothing  
62 in this Code section shall be construed as prohibiting a business enterprise from owning

63 or acquiring a deed to secure debt, security deed, mortgage, security interest, deed of  
64 trust, or other lien upon residential property located in this state.

65 (2) An interest in residential property acquired pursuant to the enforcement of a deed to  
66 secure debt, security deed, mortgage, security interest, deed of trust, or other lien  
67 described in paragraph (1) of this subsection by a business enterprise that would  
68 otherwise violate subsection (a) of this Code section shall not constitute a violation of  
69 subsection (a) of this Code section, provided that such interest in residential property is  
70 sold or otherwise transferred to another person by the business enterprise within two  
71 years from the date such interest is acquired.

72 44-3-262.

73 (a) Any claimant may bring a civil action in any court of competent jurisdiction against  
74 a business enterprise or foreign investment vehicle that obtains, owns, or possesses an  
75 interest in residential property in violation of subsection (a) of Code Section 44-3-261 to  
76 recover:

77 (1) The greater of:

78 (A) Actual damages caused by such violation; or

79 (B) Statutory damages in the amount of \$100,000.00 for each violation; and

80 (2) The costs incurred by the claimant in bringing such action, including reasonable  
81 attorney's fees.

82 (b) For purposes of this Code section, each residential property for which a business  
83 enterprise or foreign investment vehicle, or shareholder of a business enterprise or foreign  
84 investment vehicle obtains, owns, or possesses an interest in residential property in  
85 violation of subsection (a) of Code Section 44-2-261 shall constitute separate violations.

86 (c) It shall be an affirmative defense to an award of monetary relief in an action brought  
87 pursuant to subsection (a) of this Code section if the defendant business enterprise or  
88 foreign investment vehicle in such action can demonstrate that:

- 89 (1) The claimant who brought such action can only recover statutory damages under  
90 paragraph (1) of subsection (a) of this Code section;
- 91 (2) It has, during the pendency of such action or no more than 30 days prior to the  
92 initiation of such action, paid a judgment for the full amount of statutory damages  
93 provided under subparagraph (a)(1)(B) of this Code section that was awarded in a  
94 separate action brought pursuant to subsection (a) of this Code section for the same  
95 violation of subsection (a) of Code Section 44-3-261 giving rise to the current action; and
- 96 (3) It no longer owns or possesses an interest in the residential property that is the subject  
97 of such action.
- 98 (d) An action pursuant to subsection (a) of this Code section shall be brought within four  
99 years from the last day a business enterprise or foreign investment vehicle obtained, owned,  
100 or possessed an interest in residential property in violation of subsection (a) of Code  
101 Section 44-3-261 and such action may be brought in a representative capacity and may be  
102 the subject of a class action under Code Section 9-11-23.
- 103 (e) Notwithstanding any provision of law to the contrary, the following shall not be a  
104 defense to an action brought pursuant to subsection (a) of this Code section:
- 105 (1) Ignorance or mistake of law;
- 106 (2) The business enterprise's or foreign investment vehicle's reliance on any court  
107 decision that has been overruled on appeal or by a subsequent court, even if such court  
108 decision had not been overruled at the time the business enterprise violated the provisions  
109 of subsection (a) of Code Section 44-3-261;
- 110 (3) The business enterprise's reliance on any state or federal court decision that is not  
111 binding on the court where such action has been brought;
- 112 (4) Non-mutual issue preclusion or non-mutual claim preclusion; or
- 113 (5) Any claim that the enforcement of this Code section or the imposition of civil  
114 liability against the business enterprise would violate the constitutional rights of third  
115 parties.

116 44-3-263.

117 A broker who is engaged by a client that is a business enterprise or foreign investment  
118 vehicle and that is a prospective buyer or prospective lessor of an interest in residential  
119 property shall timely disclose to such client the prohibitions set forth in this article. For  
120 purposes of this Code section, the terms 'broker,' 'client,' and 'timely' shall have the same  
121 meanings as set forth in Code Section 10-6A-3."

122 **SECTION 3.**

123 This Act shall become effective on January 1, 2027, and shall apply to the purchase of any  
124 single-family residence on or after such date.

125 **SECTION 4.**

126 All laws and parts of laws in conflict with this Act are repealed.