



104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

HB4387

Introduced 1/14/2026, by Rep. Jed Davis

SYNOPSIS AS INTRODUCED:

New Act

Creates the Corporate Ownership of Residential Property Act. Provides that, beginning January 1, 2027, a company to which the Act applies is prohibited from owning more than 500 residential properties in Illinois, including residential property held by affiliated entities or persons. Requires each company owning more than 500 residential properties to register annually with the Department of Financial and Professional Regulation. Requires each company owning more than 200 residential properties but less than 500 residential properties to provide to the Department a list of all residential properties owned, a disclosure of all affiliated entities and beneficial owners, and an affirmation of compliance with the Act. Requires the Department to enforce the Act. Grants the Department rulemaking powers. Limits home rule powers. Makes other changes. Effective immediately.

LRB104 17495 JRC 30921 b

1 AN ACT concerning civil law.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 1. Short title. This Act may be cited as the
5 Corporate Ownership of Residential Property Act.

6 Section 5. Findings and purpose. The General Assembly
7 finds and declares the following:

8 (1) Residential housing is a critical public good
9 essential to the health, safety, and welfare of the people
10 of Illinois.

11 (2) A growing number of residential properties are
12 being acquired and held by corporations and institutional
13 investors, which contributes to rising housing costs,
14 reduced homeownership opportunities, and displacement of
15 long-term community members.

16 (3) The concentration of residential property
17 ownership by non-natural persons presents a threat to the
18 accessibility and affordability of housing in Illinois.

19 (4) It is in the public interest to limit the number of
20 residential properties that a company may own and to
21 ensure transparency in property ownership.

22 Section 10. Definitions. As used in this Act:

1 "Affiliate" means a person or entity that, directly or
2 indirectly through one or more intermediaries, controls, is
3 controlled by, or is under common control with another person
4 or entity.

5 "Company" means (i) any legal entity that is not a natural
6 person, including corporations, limited liability companies,
7 partnerships, real estate investment trusts, or other entities
8 and (ii) any group of such entities under common ownership or
9 control or with overlapping beneficial interests of at least
10 25%.

11 "Department" means the Department of Financial and
12 Professional Regulation.

13 "Nominee" means a person or entity who holds bare legal
14 title without having a beneficial interest for the benefit of
15 some other person or entity.

16 "Own" or "ownership" includes direct or indirect legal,
17 equitable, or beneficial interest in property, including
18 through affiliated entities, land trusts, nominee agreements,
19 temporary holding structures, or any other form of agency.

20 "Residential property" means any real property located in
21 this State that is improved by one to 4 dwelling units or any
22 single condominium, townhouse, or cooperative unit intended
23 for human habitation, including properties used for short-term
24 rental or combined into multiunit developments.

25 Section 15. Ownership limitation. Beginning January 1,

1 2027, no company to which this Act applies may own more than
2 500 residential properties in Illinois, including any
3 residential property held by affiliated entities or persons.

4 Section 20. Exemptions. This Act does not apply to:

5 (1) governmental or public housing authorities;

6 (2) nonprofit organizations certified by the
7 Department for affordable housing;

8 (3) development entities selling units within 24
9 months;

10 (4) financial institutions holding properties through
11 foreclosure for less than 12 months; or

12 (5) residential property used as a primary residence
13 by a natural person, including, but not limited to,
14 residential property held in a revocable living trust or a
15 single-member entity established solely for estate
16 planning or liability purposes.

17 Section 25. Registration and disclosure.

18 (a) On or before January 1, 2027, each company to which
19 this Act applies that owns more than 500 residential
20 properties must register with the Department.

21 (b) The company's registration must include:

22 (1) a list of all residential properties it owns;

23 (2) a disclosure of all affiliated entities and
24 beneficial owners for these residential properties; and

1 (3) an affirmation of compliance with this Act.

2 (c) Registration must be renewed annually. The Department
3 may impose fines not to exceed \$100,000 for filings that are
4 knowingly false or that contain material omissions. The fines
5 described in this subsection (c) do not apply to clerical
6 errors or good-faith mistakes. The Department may impose fines
7 based on the severity of the false misrepresentation or
8 omission.

9 (d) The Department may initiate investigations into
10 suspected circumvention.

11 (e) On or before January 1, 2027, each company to which
12 this Act applies that owns more than 200 but less than 500
13 residential properties must provide annually to the Department
14 the following information:

15 (1) a list of all residential properties owned;

16 (2) a disclosure of all affiliated entities and
17 beneficial owners for the residential properties; and

18 (3) an affirmation of compliance with this Act.

19 Section 30. Evasion prohibited. A person may not knowingly
20 acquire residential property in violation of this Act through
21 the use of an affiliated entity or nominee purchaser. A
22 violation must be established through evidence of knowing
23 circumvention. No presumption of invalidity applies to any
24 transfer.

1 Section 35. Civil penalties. A person who violates this
2 Act is subject to repayment of any improperly obtained benefit
3 and a civil penalty not to exceed 25% of that benefit. The
4 Department must determine the amount of the repayment and to
5 whom receives it under this Section. No other per-property
6 per-day, or per-month penalties may be imposed under this Act.

7 Section 40. Rulemaking. The Department must adopt rules to
8 implement and administer this Act by no later than January 1,
9 2027.

10 Section 90. Home Rule. A home rule unit may not regulate
11 corporate ownership of residential property in a manner less
12 restrictive than the regulation by the State as provided in
13 this Act. This Section is a limitation under subsection (i) of
14 Section 6 of Article VII of the Illinois Constitution on the
15 concurrent exercise by home rule units of powers and functions
16 exercised by the State.

17 Section 95. Applicability. This Act applies only to the
18 acquisition of residential property occurring on or after the
19 effective date of this Act. Nothing in this Act may be
20 construed to require the sale, divestiture, or restriction of
21 residential property lawfully owned before the effective date
22 of this Act.

1 Section 97. Severability. The provisions of this Act are
2 severable under Section 1.31 of the Statute on Statutes.

3 Section 99. Effective date. This Act takes effect upon
4 becoming law.