

By: _____ .B. No. _____

Substitute the following for ____B. No. _____:

By: _____ C.S.____B. No. _____

A BILL TO BE ENTITLED

1 AN ACT

2 relating to the purchase or acquisition of an interest in real
3 property by certain aliens or foreign entities; creating a criminal
4 offense.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

6 SECTION 1. Section 64.001(a), Civil Practice and Remedies
7 Code, is amended to read as follows:

8 (a) A court of competent jurisdiction may appoint a
9 receiver:

10 (1) in an action by a vendor to vacate a fraudulent
11 purchase of property;

12 (2) in an action by a creditor to subject any property
13 or fund to the creditor's [~~his~~] claim;

14 (3) in an action between partners or others jointly
15 owning or interested in any property or fund;

16 (4) in an action by a mortgagee for the foreclosure of
17 the mortgage and sale of the mortgaged property;

18 (5) for a corporation that is insolvent, is in
19 imminent danger of insolvency, has been dissolved, or has forfeited
20 its corporate rights; [~~or~~]

21 (6) in an action by the attorney general under
22 Subchapter H, Chapter 5, Property Code; or

23 (7) in any other case in which a receiver may be
24 appointed under the rules of equity.

1 SECTION 2. Section 5.005, Property Code, is amended to read
2 as follows:

3 Sec. 5.005. ALIENS. Except as provided by Subchapter H, an
4 ~~[An]~~ alien has the same real and personal property rights as a
5 United States citizen.

6 SECTION 3. Chapter 5, Property Code, is amended by adding
7 Subchapter H to read as follows:

8 SUBCHAPTER H. PURCHASE OR ACQUISITION OF REAL PROPERTY BY CERTAIN
9 FOREIGN INDIVIDUALS OR ENTITIES

10 Sec. 5.251. DEFINITIONS. In this subchapter:

11 (1) "Agricultural land" means land that is located in
12 this state and that is suitable for:

13 (A) use in production of plants and fruits grown
14 for human or animal consumption, or plants grown for the production
15 of fibers, floriculture, silviculture, viticulture, horticulture,
16 or planting seed; or

17 (B) domestic or native farm or ranch animals kept
18 for use or profit.

19 (2) "Company" means a sole proprietorship,
20 organization, association, corporation, partnership, joint
21 venture, limited partnership, limited liability partnership, or
22 limited liability company, including a wholly owned subsidiary,
23 majority-owned subsidiary, parent company, or affiliate of those
24 entities or business associations, that exists to make a profit.

25 (3) "Critical infrastructure facility" has the
26 meaning assigned by Section 424.001, Government Code.

27 (4) "Designated country" means:

1 (A) a country identified by the United States
2 Director of National Intelligence as a country that poses a risk to
3 the national security of the United States in at least one of the
4 three most recent Annual Threat Assessments of the U.S.
5 Intelligence Community issued pursuant to Section 108B, National
6 Security Act of 1947 (50 U.S.C. Section 3043b); or

7 (B) a country designated by the governor under
8 Section 5.254.

9 (5) "Domiciled" means having established a place as an
10 individual's true, fixed, and permanent home and principal
11 residence to which the individual intends to return whenever
12 absent.

13 (6) "Real property" includes:

14 (A) agricultural land;

15 (B) an improvement located on agricultural land;

16 (C) commercial property;

17 (D) industrial property;

18 (E) groundwater;

19 (F) residential property;

20 (G) a mine or quarry;

21 (H) a mineral in place;

22 (I) standing timber; or

23 (J) water rights.

24 Sec. 5.252. EXCEPTIONS: UNITED STATES CITIZENS AND CERTAIN
25 LAWFUL RESIDENTS; LEASEHOLD PROPERTY. This subchapter does not
26 apply to:

27 (1) an individual who is:

1 (A) a citizen or lawful permanent resident of the
2 United States; or
3 (B) a citizen of a foreign country who is not
4 domiciled in a designated country;
5 (2) a company, nongovernmental organization, or other
6 entity that is owned by or under the control of:
7 (A) one or more individuals described by
8 Subdivision (1); and
9 (B) no individual described by Section 5.253;
10 (3) real property that is:
11 (A) intended for use as an individual's residence
12 homestead, as defined by Section 11.13(j), Tax Code; and
13 (B) not located within 10 miles of:
14 (i) a critical infrastructure facility; or
15 (ii) the United States border; or
16 (4) a single leasehold interest in real property that
17 is less than 20 acres or improvements constructed on the leasehold
18 if:
19 (A) the duration of the interest is less than 20
20 years;
21 (B) the interest is held by an individual for the
22 duration of the individual's lawful presence in the United States;
23 and
24 (C) no part of the leasehold is located within 10
25 miles of:
26 (i) a critical infrastructure facility; or
27 (ii) the United States border.

1 Sec. 5.253. PROHIBITION ON PURCHASE OR ACQUISITION OF REAL
2 PROPERTY. Notwithstanding any other law, the following may not
3 purchase or otherwise acquire an interest in real property in this
4 state:

5 (1) a governmental entity of a designated country;

6 (2) a company, nongovernmental organization, or other
7 entity that is:

8 (A) headquartered in a designated country;

9 (B) directly or indirectly held or controlled by
10 the government of a designated country; or

11 (C) owned by or the majority of stock or other
12 ownership interest of which is held or controlled by individuals
13 described by Subdivision (4);

14 (3) a company or other entity that is owned by or the
15 majority of stock or other ownership interest of which is held or
16 controlled by a company or entity described by Subdivision (2); or

17 (4) an individual who is domiciled in a designated
18 country.

19 Sec. 5.254. DESIGNATION OF COUNTRY AS SUBJECT TO
20 PROHIBITION ON PURCHASE OR ACQUISITION OF REAL PROPERTY. (a) The
21 governor, after consultation with the public safety director of the
22 Department of Public Safety, may designate or remove the
23 designation of a country of which a governmental entity, company,
24 nongovernmental organization, other entity, or citizen shall be
25 subject to this subchapter.

26 (b) The governor shall consult the Homeland Security
27 Council established under Subchapter B, Chapter 421, Government

1 Code, for purposes of making or removing a designation under this
2 section.

3 (c) The designation or removal of the designation of a
4 country under this section applies only to the purchase or
5 acquisition of an interest in real property that occurs on or after
6 the date the governor designates or removes the designation of the
7 country.

8 Sec. 5.255. INVESTIGATION AND ENFORCEMENT BY ATTORNEY
9 GENERAL; LAW ENFORCEMENT REFERRAL. (a) The attorney general shall
10 establish procedures to examine a purchase or acquisition of an
11 interest in real property and determine whether an investigation of
12 a possible violation of this subchapter is warranted.

13 (b) If the attorney general determines that an
14 investigation of a purchase or acquisition of an interest in real
15 property is warranted under this section, the attorney general
16 shall investigate the purchase or acquisition of an interest in
17 real property and determine whether a violation of this subchapter
18 occurred.

19 (c) If the attorney general determines that a violation of
20 this subchapter occurred, the attorney general:

21 (1) may bring an in rem action against real property to
22 enforce this subchapter in a district court in the county where all
23 or part of the real property that is the subject of the violation is
24 located; and

25 (2) may refer the matter to the appropriate local,
26 state, or federal law enforcement agency.

27 (d) The attorney general shall record notice of an action

1 brought under Subsection (c) in the real property records of each
2 county where any part of the real property subject to the action is
3 located.

4 (e) Except for an acquisition of a leasehold interest not
5 exempt from this subchapter under Section 5.252(4), a purchase or
6 acquisition of an interest in real property in violation of Section
7 5.253 is not void because of the violation, and the validity or
8 enforceability by any person of a purchase contract for or the
9 conveyance of an interest in the real property is not otherwise
10 affected by the violation.

11 Sec. 5.256. ATTORNEY GENERAL INVESTIGATION AND DISCOVERY;
12 SECRETARY OF STATE INTERROGATORIES AND RECORDS. (a) The attorney
13 general may conduct discovery to investigate a potential action
14 under Section 5.255 or in an action brought under Section 5.255,
15 including by:

16 (1) petitioning for an order authorizing the taking of
17 a deposition under Rule 202, Texas Rules of Civil Procedure; or

18 (2) if the attorney general has reason to believe that
19 a person may be in possession, custody, or control of any
20 documentary material or other evidence or may have any information
21 relevant to an investigation of a suspected violation of Section
22 5.253, issuing in writing and serving on the person a civil
23 investigative demand requiring the person to:

24 (A) produce any of the documentary material for
25 inspection and copying;

26 (B) answer in writing any written
27 interrogatories;

1 (C) give oral testimony; or

2 (D) provide any combination of civil
3 investigative demands under Paragraph (A), (B), or (C).

4 (b) The secretary of state shall on request by the attorney
5 general:

6 (1) serve interrogatories on an individual or entity
7 as necessary to determine the ownership or control of an
8 organization that is the subject of an action by the attorney
9 general under Section 5.255; and

10 (2) provide to the attorney general all records held
11 by the secretary relating to the ownership or control of an
12 organization that is the subject of an action by the attorney
13 general under Section 5.255.

14 Sec. 5.257. DIVESTITURE; APPOINTMENT OF RECEIVER;
15 DISTRIBUTION OF SALE PROCEEDS. (a) If the district court finds
16 that the real property subject to an action brought under Section
17 5.255 was purchased or an interest in the real property was
18 otherwise acquired in violation of Section 5.253, the court shall
19 enter an order that:

20 (1) states the court's finding;

21 (2) orders the divestment of the individual's or
22 entity's interest in the real property; and

23 (3) appoints a receiver to:

24 (A) divest the individual's or entity's interest
25 in the real property through sale, termination of a leasehold, or
26 other disposition of the interest; and

27 (B) manage and control the real property pending

1 the sale or other disposition of the interest in the real property.

2 (b) On appointment and qualification, a receiver appointed
3 under this section has the powers and duties of a receiver under
4 Chapter 64, Civil Practice and Remedies Code.

5 (c) Proceeds from the sale or other disposition of an
6 interest in real property under an order described by Subsection
7 (a) shall be applied first to satisfy any existing liens on the
8 property and then to pay a fine assessed under Section 5.258(c). The
9 remaining proceeds shall be remitted to the comptroller for deposit
10 in the general revenue fund.

11 Sec. 5.258. OFFENSE; PENALTY. (a) A person commits an
12 offense if the person:

13 (1) is an individual domiciled in a designated
14 country; and

15 (2) intentionally or knowingly purchases or otherwise
16 acquires an interest in real property in this state.

17 (b) An offense under Subsection (a) is a state jail felony.

18 (c) A company or entity that the attorney general determines
19 under Section 5.255(b) to have violated this subchapter shall pay
20 to this state a fine equal to the greater of:

21 (1) \$250,000; or

22 (2) 50 percent of the market value of the interest in
23 real property that is the subject of the violation.

24 SECTION 4. As soon as practicable after the effective date
25 of this Act, the attorney general shall adopt rules for the
26 implementation of Subchapter H, Chapter 5, Property Code, as added
27 by this Act.

1 SECTION 5. The changes in law made by this Act apply only to
2 the purchase or acquisition of an interest in real property on or
3 after the effective date of this Act. The purchase or acquisition
4 of an interest in real property before the effective date of this
5 Act is governed by the law in effect immediately before the
6 effective date of this Act, and that law is continued in effect for
7 that purpose.

8 SECTION 6. This Act takes effect September 1, 2025.