

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 of or acquisition of title to real property
3 by certain aliens or foreign entities.

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

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

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

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

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

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

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

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

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

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

24 SECTION 2. Section 5.005, Property Code, is amended to read

1 as follows:

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

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

7 SUBCHAPTER H. PURCHASE OF OR ACQUISITION OF TITLE TO REAL PROPERTY
8 BY CERTAIN FOREIGN INDIVIDUALS OR ENTITIES

9 Sec. 5.251. DEFINITIONS. In this subchapter:

10 (1) "Control" means ownership of, or the power to
11 directly or indirectly vote, 50 percent or more of the outstanding
12 voting interests of a company or other entity, and includes
13 ownership by an individual through one or more legal entities.

14 (2) "Real property" means:

15 (A) land;

16 (B) an improvement;

17 (C) a mine or quarry;

18 (D) a mineral in place; or

19 (E) standing timber.

20 Sec. 5.252. EXCEPTIONS: UNITED STATES CITIZENS AND LAWFUL
21 PERMANENT RESIDENTS; RESIDENCE HOMESTEAD PROPERTY. (a) This
22 subchapter does not apply to:

23 (1) an individual who is a citizen or lawful permanent
24 resident of the United States, including an individual who is a
25 citizen of a foreign country; or

26 (2) a company or other entity that is owned by or under
27 the control of one or more individuals described by Subdivision

1 (1).

2 (b) This subchapter does not apply to real property that is
3 an individual's residence homestead, as defined by Section
4 11.13(j), Tax Code.

5 Sec. 5.253. PROHIBITION ON PURCHASE OF OR ACQUISITION OF
6 TITLE TO REAL PROPERTY. Except as provided by Section 5.252 and
7 notwithstanding any other law, the following may not purchase or
8 otherwise acquire title to real property in this state:

9 (1) a governmental entity of China, Iran, North Korea,
10 or Russia;

11 (2) a company or other entity that is:

12 (A) headquartered in China, Iran, North Korea, or
13 Russia;

14 (B) directly or indirectly under the control of
15 the government of China, Iran, North Korea, or Russia; or

16 (C) owned by or under the control of one or more
17 individuals who are citizens of China, Iran, North Korea, or
18 Russia;

19 (3) a company or other entity that is owned by or under
20 the control of a company or entity described by Subdivision (2); or

21 (4) an individual who is a citizen of China, Iran,
22 North Korea, or Russia.

23 Sec. 5.254. ATTORNEY GENERAL ENFORCEMENT. If the attorney
24 general has reason to believe that the purchase of or acquisition of
25 title to real property in this state by an individual or entity in
26 violation of this subchapter creates a risk to the health, safety,
27 and welfare of the public, the attorney general may bring an action

1 to enforce this subchapter in a district court in the county where
2 all or part of the real property that is the subject of the
3 violation is located.

4 Sec. 5.255. DISCOVERY; SECRETARY OF STATE INTERROGATORIES
5 AND RECORDS. (a) The attorney general may conduct discovery in an
6 action brought under Section 5.254.

7 (b) The secretary of state shall on request by the attorney
8 general:

9 (1) serve interrogatories on an individual or entity
10 as necessary to determine the ownership or control of a company or
11 other entity that is the subject of an action by the attorney
12 general under Section 5.254; and

13 (2) provide to the attorney general all records held
14 by the secretary relating to the ownership or control of a company
15 or other entity that is the subject of an action by the attorney
16 general under Section 5.254.

17 Sec. 5.256. DIVESTITURE; APPOINTMENT OF RECEIVER. (a) If
18 the district court finds that the real property subject to an action
19 brought under Section 5.254 was purchased or otherwise acquired by
20 an individual or entity in violation of Section 5.253, the court
21 shall enter an order that:

22 (1) states the court's finding;

23 (2) divests the individual's or entity's interest in
24 the real property; and

25 (3) appoints a receiver to manage and control the real
26 property pending the sale or other disposition of the real
27 property.

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

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

8 SECTION 5. The changes in law made by this Act apply only to
9 the purchase of or other acquisition of title to real property on or
10 after the effective date of this Act. The purchase of or other
11 acquisition of title to real property before the effective date of
12 this Act is governed by the law in effect immediately before the
13 effective date of this Act, and that law is continued in effect for
14 that purpose.

15 SECTION 6. This Act takes effect September 1, 2023.