

By: Isaac

H.B. No. 179

A BILL TO BE ENTITLED

AN ACT

relating to the ownership of real property by certain aliens or foreign entities.

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

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

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

SECTION 2. Chapter 5, Property Code, is amended by adding Subchapter H to read as follows:

SUBCHAPTER H. OWNERSHIP OF REAL PROPERTY BY CERTAIN FOREIGN INDIVIDUALS OR ENTITIES

Sec. 5.251. DEFINITIONS. In this subchapter:

(1) "Control" means ownership of at least 50 percent of the voting ownership interest of an organization necessary to elect a governing person or governing authority of an organization.

(2) "Designated country" means a country designated by the governor under Section 5.253.

(3) "Governing authority," "governing person," and "organization" have the meanings assigned by Section 1.002, Business Organizations Code.

Sec. 5.252. EXCEPTION: UNITED STATES CITIZENS AND LAWFUL PERMANENT RESIDENTS. This subchapter does not apply to:

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

4 (2) a company or other entity that is owned by or under
5 the control of one or more individuals described by Subdivision
6 (1).

7 Sec. 5.253. DESIGNATION OF COUNTRY AS SUBJECT TO
8 PROHIBITION ON OWNERSHIP OF REAL PROPERTY. (a) The governor, after
9 consultation with the public safety director of the Department of
10 Public Safety, may designate a country of which a governmental
11 entity, company or other entity, or citizen shall be subject to this
12 subchapter.

13 (b) The governor shall consult the Homeland Security
14 Council established under Subchapter B, Chapter 421, Government
15 Code, for purposes of making a designation under this section.

16 Sec. 5.254. PROHIBITION ON OWNERSHIP OF REAL PROPERTY.
17 Except as provided by Section 5.252 and notwithstanding any other
18 law, the following may not own real property in this state:

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

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

21 (A) headquartered in a designated country;

22 (B) directly or indirectly under the control of
23 the government of a designated country; or

24 (C) owned by or under the control of one or more
25 individuals who are citizens of a designated country;

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

1 (4) an individual who is a citizen of a designated
2 country.

3 Sec. 5.255. ATTORNEY GENERAL ENFORCEMENT. (a) If the
4 attorney general has a reasonable suspicion that an individual or
5 entity owns real property in this state in violation of this
6 subchapter, the attorney general may bring an action to enforce
7 this subchapter in a district court in the county where all or part
8 of the real property that is the subject of the violation is
9 located.

10 (b) If the district court finds that the real property
11 subject to an action brought under Subsection (a) is owned by an
12 individual or entity in violation of Section 5.254, the court shall
13 enter an order stating that finding and ordering the individual or
14 entity to divest all interest in the property.

15 Sec. 5.256. DIVESTMENT; FORFEITURE. (a) Not later than the
16 first anniversary of the date the district court enters an order
17 under Section 5.255(b), an individual or entity found by the
18 district court to own real property in violation of this subchapter
19 shall divest all interest in the real property.

20 (b) If an individual or entity fails to divest an interest
21 in real property as required by an order issued under Subsection
22 (a), the district court shall enter an order that forfeits the
23 individual's or entity's interest in the real property to this
24 state.

25 Sec. 5.257. STATE MANAGEMENT OF FORFEITED REAL PROPERTY.

26 (a) An interest in real property forfeited to this state under
27 Section 5.256(b) shall be owned by this state and managed by the

1 General Land Office.

2 (b) Proceeds of a disposition of an interest in real
3 property forfeited to this state under Section 5.256(b) shall be
4 remitted to the comptroller for deposit to the credit of the
5 foundation school fund.

6 SECTION 3. As soon as practicable after the effective date
7 of this Act, the attorney general shall adopt rules for the
8 implementation of Subchapter H, Chapter 5, Property Code, as added
9 by this Act.

10 SECTION 4. This Act applies to ownership of real property
11 regardless of whether ownership is acquired before, on, or after
12 the effective date of this Act.

13 SECTION 5. This Act takes effect on the 91st day after the
14 last day of the legislative session.