

By: Spiller

H.B. No. 4006

A BILL TO BE ENTITLED

1 AN ACT
2 relating to the purchase of or acquisition of title to real property
3 by certain foreign entities.

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

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

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

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

12 SUBCHAPTER H. PURCHASE OF OR ACQUISITION OF TITLE TO REAL
13 PROPERTY BY CERTAIN FOREIGN ENTITIES

14 Sec. 5.251. PROHIBITION ON PURCHASE OF OR ACQUISITION OF
15 TITLE TO REAL PROPERTY. Notwithstanding any other law, the
16 following may not purchase or otherwise acquire title to real
17 property in this state:

18 (1) a governmental entity of China, Iran, North Korea,
19 or Russia;

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

21 (A) headquartered in China, Iran, North Korea, or
22 Russia;

23 (B) directly or indirectly held or controlled by
24 the government of China, Iran, North Korea, or Russia; or

1 (C) owned by or the majority of stock or other
2 ownership interest of which is held or controlled by entities who
3 are citizens of China, Iran, North Korea, or Russia;

4 (3) a company or other entity that is owned by or the
5 majority of stock or other ownership interest of which is held or
6 controlled by a company or entity described by Subdivision (2).

7 Sec. 5.252. ATTORNEY GENERAL ENFORCEMENT. (a) If the
8 attorney general has reason to believe that an entity has purchased
9 or otherwise acquired title to real property in violation of
10 Section 5.251, the attorney general may bring an action to enforce
11 this subchapter in a district court in the county where all or part
12 of the real property that is the subject of the violation is
13 located.

14 (b) The attorney general shall record notice of an action
15 brought under Subsection (a) in the real property records of each
16 county where any part of the real property subject to the action is
17 located.

18 (c) If the district court finds that the real property
19 subject to an action brought under Subsection (a) was purchased or
20 otherwise acquired by an entity in violation of Section 5.251, the
21 court shall enter an order stating that finding and ordering the
22 entity to divest all interest in the property. The attorney general
23 shall record a copy of the order in the real property records of
24 each county where any part of the real property subject to the order
25 is located.

26 Sec. 5.253. DIVESTMENT; FORCED SALE. (a) Not later than
27 the first anniversary of the date the district court enters an order

1 under Section 5.252(c), an entity found by the district court to
2 have purchased or acquired title to real property in violation of
3 this subchapter shall divest all interest in the real property.

4 (b) If an entity fails to divest an interest in real
5 property as required by an order issued under Subsection (a), the
6 district court shall enter an order that divests the entity's
7 interest in the real property and directs the sheriff or constable
8 for each county where any part of the real property is located to
9 seize and conduct a public sale of the property in the manner that
10 similar property is sold under execution.

11 Sec. 5.254. DISTRIBUTION OF SALE PROCEEDS. (a) An officer
12 conducting a public sale under Section 5.253(b) is entitled to
13 retain from the proceeds of the sale an amount equal to the
14 reasonable expenses incurred by the officer.

15 (b) The remaining proceeds of a sale conducted under Section
16 5.253(b) shall be remitted to the comptroller for deposit in the
17 general revenue fund.

18 SECTION 3. As soon as practicable after the effective date
19 of this Act, the attorney general shall adopt rules for the
20 implementation of Subchapter H, Chapter 5, Property Code, as added
21 by this Act.

22 SECTION 4. The changes in law made by this Act apply only to
23 the purchase of or other acquisition of title to real property on or
24 after the effective date of this Act. The purchase of or other
25 acquisition of title to real property before the effective date of
26 this Act is governed by the law in effect immediately before the
27 effective date of this Act, and that law is continued in effect for

1 that purpose.

2 SECTION 5. This Act takes effect September 1, 2023.