

By: Kerwin

H.B. No. 2389

A BILL TO BE ENTITLED

AN ACT

relating to prohibiting the purchase of or acquisition of title to real property by and contracts or other agreements with 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. PURCHASE OF OR ACQUISITION OF TITLE TO REAL PROPERTY
BY CERTAIN FOREIGN INDIVIDUALS OR ENTITIES

Sec. 5.251. DEFINITION. In this subchapter, "control" means ownership of, or the power to directly or indirectly vote, 50 percent or more of the outstanding voting interests of a company or other entity, and includes ownership by an individual through one or more legal entities.

Sec. 5.252. EXCEPTION: UNITED STATES CITIZENS AND LAWFUL PERMANENT RESIDENTS. This subchapter does not apply to an individual who is a citizen or lawful permanent resident of the United States, including an individual who is a citizen of a foreign country.

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

5 (1) a governmental entity of China, Iran, North Korea,
6 or Russia;

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

8 (A) headquartered in China, Iran, North Korea, or
9 Russia;

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

12 (C) owned by or under the control of one or more
13 individuals who are citizens of China, Iran, North Korea, or
14 Russia;

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

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

19 SECTION 3. Subtitle F, Title 10, Government Code, is
20 amended by adding Chapter 2278 to read as follows:

21 CHAPTER 2278. PROHIBITION ON CONTRACTS WITH CERTAIN FOREIGN

22 INDIVIDUALS OR ENTITIES

23 Sec. 2278.001. DEFINITIONS. In this chapter:

24 (1) "Adverse foreign entity" means a governmental
25 entity or a company or other entity described by Section 5.253,
26 Property Code.

27 (2) "Governmental entity" has the meaning assigned by

1 Section 2251.001.

2 Sec. 2278.002. PROHIBITED CONTRACTS. (a) This section
3 does not apply to an individual who is a citizen or lawful permanent
4 resident of the United States, including an individual who is a
5 citizen of a foreign country.

6 (b) In this section, "public money" means money of this
7 state, a state agency, or a political subdivision of this state or
8 money the state, state agency, or political subdivision controls or
9 directs.

10 (c) Except as provided by Subsection (a), a governmental
11 entity may not enter into a contract or other agreement payable with
12 public money with:

13 (1) an adverse foreign entity; or

14 (2) an individual who is a citizen of China, Iran,
15 North Korea, or Russia.

16 SECTION 4. (a) Subchapter H, Chapter 5, Property Code, as
17 added by this Act, applies only to the purchase of or other
18 acquisition of title to real property on or after the effective date
19 of this Act. The purchase of or other acquisition of title to real
20 property before the effective date of this Act is governed by the
21 law in effect immediately before the effective date of this Act, and
22 that law is continued in effect for that purpose.

23 (b) Chapter 2278, Government Code, as added by this Act,
24 applies only to a contract or other agreement entered into on or
25 after the effective date of this Act.

26 SECTION 5. This Act takes effect September 1, 2025.