

## **BILL ANALYSIS**

Senate Research Center  
88R505 DRS-F

S.B. 147  
By: Kolkhorst  
State Affairs  
2/28/2023  
As Filed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

S.B. 147 builds on S.B. 2116 (87th Regular Session), which passed unanimously in 2021. S.B. 2116 protects critical infrastructure against contracts or doing business with certain countries, specifically Russia, North Korea, China and Iran because of national security issues. These four nations are specifically listed as the only named threats to national security in the Annual Threat Assessment report prepared by the Director of National Intelligence.

Many countries around the world and other states restrict ownership of land by certain foreign entities and individuals. Currently, the only federal law regarding foreign investment is the Agricultural Foreign Investment Disclosure Act of 1978 which only aims to regulate foreign investment through disclosure of self-reported data. Texans have raised concerns of national security ranging from energy security to food security. Preventing private property rights from being controlled by entities from adversarial nations is key to ensuring national security. Many Texas landowner groups have expressed support for S.B. 147 as well those groups concerned about energy security.

As proposed, S.B. 147 amends current law relating to the purchase of or acquisition of title to real property by certain aliens or foreign entities.

### **RULEMAKING AUTHORITY**

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 5.005, Property Code, as follows:

Sec. 5.005. ALIENS. Creates an exception under Section 5.0051.

SECTION 2. Amends Subchapter A, Chapter 5, Property Code, by adding Section 5.0051, as follows:

Sec. 5.0051. PURCHASE OF OR ACQUISITION OF TITLE TO REAL PROPERTY BY CERTAIN FOREIGN INDIVIDUALS OR ENTITIES PROHIBITED. Prohibits the following from purchasing or otherwise acquiring title to real property in this state, notwithstanding any other law:

- (1) a governmental entity of China, Iran, North Korea, or Russia;
- (2) a company or other entity that is:
  - (A) headquartered in China, Iran, North Korea, or Russia;
  - (B) directly or indirectly held or controlled by the government of China, Iran, North Korea, or Russia; or

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

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

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

SECTION 3. Makes application of this Act prospective.

SECTION 4: Effective date: September 1, 2023.