

By: Jetton

H.B. No. 2788

A BILL TO BE ENTITLED

AN ACT

relating to the purchase of or acquisition of title to real property
by certain aliens or foreign entities; creating a criminal offense.

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. DEFINITIONS. In this subchapter:

(1) "Company" means a sole proprietorship,
organization, association, corporation, partnership, joint
venture, limited partnership, limited liability partnership, or
limited liability company, including a wholly owned subsidiary,
majority-owned subsidiary, parent company, or affiliate of those
entities or business associations, that exists to make a profit.

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

Sec. 5.252. PROHIBITION ON PURCHASE OF OR ACQUISITION OF
TITLE TO REAL PROPERTY. Notwithstanding any other law, the

following may not purchase or otherwise acquire title to real property in this state:

(1) a governmental entity of a designated country;

(2) a company or other entity that is:

(A) headquartered in a designated country;

(B) directly or indirectly held or controlled by the government of a designated country; or

(C) owned by or the majority of stock or other ownership interest of which is held or controlled by individuals described by Subdivision (4);

(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 citizen of a designated country who is:

(A) a government official or officer of the military forces of the country;

(B) a member of the governing body of or officer of:

(i) a company or other entity described by Subdivision (2); or

(ii) the governing political party of the country;

(C) determined by a United States intelligence or law enforcement agency to be closely tied to an individual or entity described by this section; or

(D) related within the first degree by

consanguinity or affinity, as determined under Chapter 573, Government Code, to an individual described by this section.

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

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

Sec. 5.254. INVESTIGATION BY COMPTROLLER; LAW ENFORCEMENT REFERRAL. (a) The comptroller of public accounts shall establish procedures to examine a transfer of real property and determine whether an investigation of a possible violation of this subchapter is warranted.

(b) If the comptroller determines that an investigation of a transfer of real property is warranted under this section, the comptroller:

(1) shall investigate the transfer of real property and determine whether a violation of this subchapter occurred; and

(2) may refer the matter to the appropriate local, state, or federal law enforcement agency.

Sec. 5.255. OFFENSE; PENALTY. (a) A person commits an offense if the person:

(1) is an individual citizen of a designated country described by Section 5.252(4); and

1 (2) intentionally or knowingly purchases or otherwise
2 acquires title to real property in this state.

3 (b) An offense under Subsection (a) is a state jail felony.

4 (c) A company or entity that the comptroller determines
5 under Section 5.254(b) to have violated this subchapter shall:

6 (1) pay to this state a fine equal to the greater of:

7 (A) \$250,000; or

8 (B) 50 percent of the market value of the real
9 property that is the subject of the violation; and

10 (2) forfeit to this state the real property that is the
11 subject of the violation.

12 Sec. 5.256. STATE MANAGEMENT OF FORFEITED REAL PROPERTY.
13 Real property forfeited to the state under Section 5.255 shall be
14 owned by this state and managed by the General Land Office.

15 SECTION 3. As soon as practicable after the effective date
16 of this Act, the comptroller shall adopt rules for the
17 implementation of Subchapter H, Chapter 5, Property Code, as added
18 by this Act.

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

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