

By: Perry

S.B. No. 711

A BILL TO BE ENTITLED

AN ACT

relating to the purchase of or other acquisition of title to real property by prohibited foreign actors.

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 Section 5.0051, an ~~An~~ alien has the same real and personal property rights as a United States citizen.

SECTION 2. Subchapter A, Chapter 5, Property Code, is amended by adding Section 5.0051 to read as follows:

Sec. 5.0051. FOREIGN OWNERSHIP OR ACQUISITION OF REAL PROPERTY. (a) In this section:

(1) "Real property" has the meaning assigned by Section 1.04(2), Tax Code.

(2) "Prohibited foreign actor" means an alien, business, government, or an agent, trustee, or fiduciary of an alien, business, or government from a country identified as a country that poses a risk to the national security of the United States in the most recent annual report on worldwide threats, commonly known as the Annual Threat Assessment, issued by the Director of National Intelligence pursuant to Section 108B, National Security Act of 1947 (50 U.S.C. 3043b).

(b) Notwithstanding any other law, a prohibited foreign

1 actor may not purchase or otherwise acquire title to real property
2 in this state without written notification to the seller.

3 (c) A buyer required to provide written notification under
4 Subsection (b) shall do so as soon as reasonably possible, but not
5 later than 10 days before the closing of the property. The
6 notification shall specifically identify:

7 (1) whether the buyer is an alien, foreign business,
8 foreign government, or an agent, trustee, or fiduciary of an alien,
9 foreign business, or foreign government; and

10 (2) the buyer's country of citizenship or country of
11 creation or organization.

12 (d) Upon receipt of written notification described by
13 Subsection (c), a seller may choose to proceed with the sale of the
14 property or immediately revoke any promise to sell the property.

15 (e) A court shall dismiss any action brought against a
16 seller for revoking a promise to sell real property based on a
17 notification provided under Subsection (c), and no party shall
18 recover any damages in a suit against a seller if the seller revokes
19 a promise to sell based on notification provided under Subsection
20 (c).

21 (f) The Texas Real Estate Commission shall develop a form to
22 provide the written notification required by Subsection (c).

23 SECTION 3. The changes in law made by this Act apply only to
24 the purchase of or other acquisition of title to real property on or
25 after the effective date of this Act. The purchase of or other
26 acquisition of title to real property before the effective date of
27 this Act is governed by the law in effect immediately before the

1 effective date of this Act, and that law is continued in effect for
2 that purpose.

3 SECTION 4. This Act takes effect September 1, 2023.