

All Published Pre-filed Amendments for SB 17


Tinderholt

Barcode

Amendment

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FLOOR AMENDMENT NO. _____

BY: *Tinderholt*

1 Amend C.S.S.B 17 (house committee report) by strikeing all
2 below the enacting clause and substituting the following:

6 SECTION 1. Section 64.001(a), Civil Practice and Remedies
7 Code, is amended to read as follows:

8 (a) A court of competent jurisdiction may appoint a
9 receiver:

10 (1) in an action by a vendor to vacate a fraudulent
11 purchase of property;

12 (2) in an action by a creditor to subject any property
13 or fund to the creditor's [~~his~~] claim;

14 (3) in an action between partners or others jointly
15 owning or interested in any property or fund;

16 (4) in an action by a mortgagee for the foreclosure of
17 the mortgage and sale of the mortgaged property;

18 (5) for a corporation that is insolvent, is in
19 imminent danger of insolvency, has been dissolved, or has forfeited
20 its corporate rights; [~~or~~]

21 (6) in an action by the attorney general under
22 Subchapter H, Chapter 5, Property Code; or

23 (7) in any other case in which a receiver may be
24 appointed under the rules of equity.

1 SECTION 2. Section 5.005, Property Code, is amended to read
2 as follows:

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

6 SECTION 3. Chapter 5, Property Code, is amended by adding
7 Subchapter H to read as follows:

8 SUBCHAPTER H. PURCHASE OR ACQUISITION OF REAL PROPERTY BY CERTAIN
9 FOREIGN INDIVIDUALS OR ENTITIES

10 Sec. 5.251. DEFINITIONS. In this subchapter:

11 (1) "Agricultural land" means land that is located in
12 this state and that is suitable for:

13 (A) use in production of plants and fruits grown
14 for human or animal consumption, or plants grown for the production
15 of fibers, floriculture, silviculture, viticulture, horticulture,
16 or planting seed; or

17 (B) domestic or native farm or ranch animals kept
18 for use or profit.

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

25 (3) "Designated country" means:

26 (A) a country identified by the United States
27 Director of National Intelligence as a country that poses a risk to

1 the national security of the United States in at least one of the
2 three most recent Annual Threat Assessments of the U.S.
3 Intelligence Community issued pursuant to Section 108B, National
4 Security Act of 1947 (50 U.S.C. Section 3043b); or

5 (B) a country designated by the governor under
6 Section 5.254.

7 (4) "Domiciled" means having established a place as an
8 individual's true, fixed, and permanent home and principal
9 residence to which the individual intends to return whenever
10 absent.

11 (5) "Real property" includes:

12 (A) agricultural land;

13 (B) an improvement located on agricultural land;

14 (C) commercial property;

15 (D) industrial property;

16 (E) groundwater;

17 (F) residential property;

18 (G) a mine or quarry;

19 (H) a mineral in place;

20 (I) standing timber; or

21 (J) water rights.

22 (6) "Transnational criminal organization" means two
23 or more persons with an identifiable leadership who operate
24 internationally and who continuously or regularly associate to
25 engage in corruption, violence, or the commission of other criminal
26 activities.

27 Sec. 5.252. EXCEPTIONS: UNITED STATES CITIZENS AND LAWFUL

1 RESIDENTS; CERTAIN ENTITIES OWNED OR CONTROLLED BY UNITED STATES
2 CITIZENS OR LAWFUL RESIDENTS. This subchapter does not apply to:

3 (1) an individual who is a citizen or lawful permanent
4 resident of the United States; or

5 (2) a company, nongovernmental organization, or other
6 entity that is owned by or under the control of:

7 (A) one or more individuals described by
8 Subdivision (1); and

9 (B) no individual described by Section 5.253.

10 Sec. 5.253. PROHIBITION ON PURCHASE OR ACQUISITION OF REAL
11 PROPERTY. Notwithstanding any other law, the following may not
12 purchase or otherwise acquire an interest in real property in this
13 state:

14 (1) a governmental entity of a designated country;

15 (2) a company, nongovernmental organization, or other
16 entity that is:

17 (A) headquartered in a designated country;

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

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

23 (D) designated by the governor under Section
24 5.254;

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

1 (4) an individual who:

2 (A) is a citizen of a designated country and:

3 (i) is domiciled outside of the United
4 States; or

5 (ii) unlawfully entered the United States
6 at a location other than a lawful port of entry; or

7 (B) is:

8 (i) a citizen of a country other than the
9 United States; and

10 (ii) acting as an agent or on behalf of a
11 designated country or an entity designated by the governor under
12 Section 5.254.

13 Sec. 5.254. DESIGNATION OF COUNTRY OR ENTITY AS SUBJECT TO
14 PROHIBITION ON PURCHASE OR ACQUISITION OF REAL PROPERTY. (a) The
15 governor, after consultation with the public safety director of the
16 Department of Public Safety, may, for purposes of Section 5.253:

17 (1) determine whether the purchase or acquisition of
18 an interest in real property in this state by an individual or
19 entity poses a risk to the health, safety, or welfare of the public;
20 and

21 (2) based on a determination made under Subdivision
22 (1):

23 (A) designate a country or a transnational
24 criminal organization or other entity as subject to this
25 subchapter; or

26 (B) remove a designation made under Paragraph
27 (A).

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

5 (c) The designation or removal of the designation of a
6 country or entity under this section applies only to the purchase or
7 acquisition of an interest in real property that occurs on or after
8 the date the governor designates or removes the designation of the
9 country or entity.

10 Sec. 5.255. INVESTIGATION AND ENFORCEMENT BY ATTORNEY
11 GENERAL; LAW ENFORCEMENT REFERRAL. (a) The attorney general shall
12 establish procedures to examine a purchase or acquisition of an
13 interest in real property and determine whether an investigation of
14 a possible violation of this subchapter is warranted.

15 (b) If the attorney general determines that an
16 investigation of a purchase or acquisition of an interest in real
17 property is warranted under this section, the attorney general
18 shall investigate the purchase or acquisition of an interest in
19 real property and determine whether a violation of this subchapter
20 occurred.

21 (c) If the attorney general determines that a violation of
22 this subchapter occurred, the attorney general:

23 (1) may bring an in rem action against real property to
24 enforce this subchapter in a district court in the county where all
25 or part of the real property that is the subject of the violation is
26 located; and

27 (2) may refer the matter to the appropriate local,

1 state, or federal law enforcement agency.

2 (d) The attorney general shall record notice of an action
3 brought under Subsection (c) in the real property records of each
4 county where any part of the real property subject to the action is
5 located.

6 (e) Except for an acquisition of a leasehold interest, a
7 purchase or acquisition of an interest in real property in
8 violation of Section 5.253 is not void because of the violation, and
9 the validity or enforceability by any person of a purchase contract
10 for or the conveyance of an interest in the real property is not
11 otherwise affected by the violation.

12 Sec. 5.256. ATTORNEY GENERAL INVESTIGATION AND DISCOVERY;
13 SECRETARY OF STATE INTERROGATORIES AND RECORDS. (a) The attorney
14 general may conduct discovery to investigate a potential action
15 under Section 5.255 or in an action brought under Section 5.255,
16 including by:

17 (1) petitioning for an order authorizing the taking of
18 a deposition under Rule 202, Texas Rules of Civil Procedure; or

19 (2) if the attorney general has reason to believe that
20 a person may be in possession, custody, or control of any
21 documentary material or other evidence or may have any information
22 relevant to an investigation of a suspected violation of Section
23 5.253, issuing in writing and serving on the person a civil
24 investigative demand requiring the person to:

25 (A) produce any of the documentary material for
26 inspection and copying;

27 (B) answer in writing any written

1 interrogatories;

2 (C) give oral testimony; or

3 (D) provide any combination of civil
4 investigative demands under Paragraph (A), (B), or (C).

5 (b) The secretary of state shall on request by the attorney
6 general:

7 (1) serve interrogatories on an individual or entity
8 as necessary to determine the ownership or control of an
9 organization that is the subject of an action by the attorney
10 general under Section 5.255; and

11 (2) provide to the attorney general all records held
12 by the secretary relating to the ownership or control of an
13 organization that is the subject of an action by the attorney
14 general under Section 5.255.

15 Sec. 5.257. DIVESTITURE; APPOINTMENT OF RECEIVER;
16 DISTRIBUTION OF SALE PROCEEDS. (a) If the district court finds
17 that the real property subject to an action brought under Section
18 5.255 was purchased or an interest in the real property was
19 otherwise acquired in violation of Section 5.253, the court shall
20 enter an order that:

21 (1) states the court's finding;

22 (2) orders the divestment of the individual's or
23 entity's interest in the real property; and

24 (3) appoints a receiver to:

25 (A) divest the individual's or entity's interest
26 in the real property through sale, termination of a leasehold, or
27 other disposition of the interest; and

1 (B) manage and control the real property pending
2 the sale or other disposition of the interest in the real property.

3 (b) On appointment and qualification, a receiver appointed
4 under this section has the powers and duties of a receiver under
5 Chapter 64, Civil Practice and Remedies Code.

6 (c) Proceeds from the sale or other disposition of an
7 interest in real property under an order described by Subsection
8 (a) shall be applied first to satisfy any existing liens on the
9 property and then to pay a fine assessed under Section 5.258(c). The
10 remaining proceeds shall be remitted to the comptroller for deposit
11 in the general revenue fund.

12 Sec. 5.258. OFFENSE; PENALTY. (a) A person commits an
13 offense if the person:

14 (1) is an individual described by Section 5.253(4);
15 and

16 (2) intentionally or knowingly purchases or otherwise
17 acquires an interest in real property in this state.

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

19 (c) A company or entity that the attorney general determines
20 under Section 5.255(b) to have violated this subchapter shall pay
21 to this state a fine equal to the greater of:

22 (1) \$250,000; or

23 (2) 50 percent of the market value of the interest in
24 real property that is the subject of the violation.

25 SECTION 4. As soon as practicable after the effective date
26 of this Act, the attorney general shall adopt rules for the
27 implementation of Subchapter H, Chapter 5, Property Code, as added

1 by this Act.

2 SECTION 5. The changes in law made by this Act apply only to
3 the purchase or acquisition of an interest in real property on or
4 after the effective date of this Act. The purchase or acquisition
5 of an interest in real property before the effective date of this
6 Act is governed by the law in effect immediately before the
7 effective date of this Act, and that law is continued in effect for
8 that purpose.

9 SECTION 6. It is the intent of the legislature that every
10 provision, section, subsection, sentence, clause, phrase, or word
11 in this Act, and every application of the provisions in this Act to
12 each person or entity, is severable from each other. If any
13 application of any provision in this Act to any person, group of
14 persons, or circumstances is found by a court to be invalid for any
15 reason, the remaining applications of that provision to all other
16 persons and circumstances shall be severed and may not be affected.
17 If a court finds invalid, for any reason, a prohibition under this
18 Act on the purchase or acquisition of an interest in real property
19 in this state by an individual described by Section 5.253(4),
20 Property Code, as added by this Act, the court shall,
21 notwithstanding the finding, construe this Act to prohibit the
22 purchase or acquisition of an interest in real property in this
23 state by an individual who is a citizen of a country other than the
24 United States and is domiciled in a country designated by the
25 governor under Section 5.254, Property Code, as added by this Act.

26 SECTION 7. This Act takes effect September 1, 2025.