

By: Cain

H.B. No. 402

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.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

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

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

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

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

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

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

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

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

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

SECTION 2. Section 5.005, Property Code, is amended to read

1 as follows:

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

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

7           SUBCHAPTER H. PURCHASE OF OR ACQUISITION OF TITLE TO REAL PROPERTY  
8                           BY CERTAIN FOREIGN INDIVIDUALS OR ENTITIES

9           Sec. 5.251. DEFINITIONS. In this subchapter:

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

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

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

18                   (2) "Control" means ownership of at least 50 percent  
19 of the voting ownership interest of an organization necessary to  
20 elect a governing person or governing authority of an organization.

21                   (3) "Designated country" means a country identified by  
22 the United States Director of National Intelligence as a country  
23 that poses a risk to the national security of the United States in  
24 each of the three most recent Annual Threat Assessments of the U.S.  
25 Intelligence Community issued pursuant to Section 108B, National  
26 Security Act of 1947 (50 U.S.C. Section 3043b).

27                   (4) "Governing authority," "governing person," and

1 "organization" have the meanings assigned by Section 1.002,  
2 Business Organizations Code.

3 (5) "Real property" means:

4 (A) agricultural land;

5 (B) an improvement located on agricultural land;

6 (C) a mine or quarry;

7 (D) a mineral in place; or

8 (E) standing timber.

9 Sec. 5.252. EXCEPTIONS: UNITED STATES CITIZENS AND LAWFUL  
10 PERMANENT RESIDENTS; RESIDENCE HOMESTEAD PROPERTY. (a) This  
11 subchapter does not apply to:

12 (1) an individual who is a citizen or lawful permanent  
13 resident of the United States, including an individual who is a  
14 citizen of a foreign country; or

15 (2) a company or other entity that is owned by or under  
16 the control of one or more individuals described by Subdivision  
17 (1).

18 (b) This subchapter does not apply to real property that is  
19 intended for use as an individual's residence homestead, as defined  
20 by Section 11.13(j), Tax Code.

21 (c) This subchapter does not apply to a leasehold interest  
22 in land or improvements constructed upon a leasehold.

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

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

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

2                   (A) headquartered in a designated country;

3                   (B) directly or indirectly under the control of  
4 the government of a designated country; or

5                   (C) owned by or under the control of one or more  
6 individuals who are citizens of a designated country;

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

9           (4) an individual who is a citizen of a designated  
10 country.

11           Sec. 5.254. ATTORNEY GENERAL ENFORCEMENT. If the attorney  
12 general has a reasonable suspicion that the purchase of or  
13 acquisition of title to real property in this state by an individual  
14 or entity in violation of this subchapter creates a risk to the  
15 health, safety, and welfare of the public, the attorney general may  
16 bring an action to enforce this subchapter in a district court in  
17 the county where all or part of the real property that is the  
18 subject of the violation is located.

19           Sec. 5.255. DISCOVERY; SECRETARY OF STATE INTERROGATORIES  
20 AND RECORDS. (a) The attorney general may conduct discovery in an  
21 action brought under Section 5.254.

22           (b) The secretary of state shall on request by the attorney  
23 general:

24                   (1) serve interrogatories on an individual or entity  
25 as necessary to determine the ownership or control of a company or  
26 other entity that is the subject of an action by the attorney  
27 general under Section 5.254; and

1           (2) provide to the attorney general all records held  
2 by the secretary relating to the ownership or control of a company  
3 or other entity that is the subject of an action by the attorney  
4 general under Section 5.254.

5           Sec. 5.256. DIVESTITURE; APPOINTMENT OF RECEIVER. (a) If  
6 the district court finds that the real property subject to an action  
7 brought under Section 5.254 was purchased or otherwise acquired by  
8 an individual or entity in violation of Section 5.253, the court  
9 shall enter an order that:

10           (1) states the court's finding;

11           (2) divests the individual's or entity's interest in  
12 the real property; and

13           (3) appoints a receiver to manage and control the real  
14 property pending the sale or other disposition of the real  
15 property.

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

19           SECTION 4. As soon as practicable after the effective date  
20 of this Act, the attorney general shall adopt rules for the  
21 implementation of Subchapter H, Chapter 5, Property Code, as added  
22 by this Act.

23           SECTION 5. 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

H.B. No. 402

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

3 SECTION 6. This Act takes effect September 1, 2025.