

By: Patterson

H.B. No. 1566

A BILL TO BE ENTITLED

AN ACT

relating to the purchase of or acquisition of title to real property by certain foreign entities.

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 ENTITIES

Sec. 5.251. DEFINITIONS. In this subchapter:

(1) "Control" means the right to exercise more than 50 percent of an organization's voting interests to elect the governing authority or governing person of the organization.

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

(3) "Governing authority," "governing person," and

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

3 (4) "Real property" means:

4 (A) land;

5 (B) an improvement;

6 (C) a mine or quarry;

7 (D) a mineral in place;

8 (E) standing timber; or

9 (F) an estate or interest, other than:

10 (i) a mortgage or deed of trust creating a
11 lien on or an interest securing payment or performance of an
12 obligation in property described by Paragraphs (A) through (E); or

13 (ii) a leasehold estate in land or an
14 improvement for a term of five or fewer years.

15 Sec. 5.252. PROHIBITION ON PURCHASE OF OR ACQUISITION OF
16 TITLE TO REAL PROPERTY. Notwithstanding any other law, the
17 following may not purchase or otherwise acquire title to real
18 property in this state:

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

20 (2) an organization that is:

21 (A) headquartered in a designated country; or

22 (B) directly or indirectly under the control of
23 the government of a designated country; or

24 (3) an organization that is under the control of an
25 organization described by Subdivision (2).

26 Sec. 5.253. ATTORNEY GENERAL ENFORCEMENT. (a) If the
27 attorney general has reason to believe that an entity has purchased

1 or otherwise acquired title to real property in violation of
2 Section 5.252, the attorney general may bring an action to enforce
3 this subchapter in a district court in the county where all or part
4 of the real property subject to the violation is located.

5 (b) The attorney general shall record notice of an action
6 brought under Subsection (a) in the real property records of each
7 county where any part of the real property subject to the action is
8 located.

9 (c) If the district court finds that the real property
10 subject to an action brought under Subsection (a) was purchased or
11 otherwise acquired by an entity in violation of Section 5.252, the
12 court shall enter an order stating that finding and appoint a
13 receiver to manage, control, and sell the real property.

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

17 (e) A purchase of or acquisition of title to real property
18 in violation of Section 5.252 is not void because of the violation,
19 and the validity or enforceability by any person of a purchase
20 contract for or the conveyance of the real property is not otherwise
21 affected by the violation.

22 SECTION 3. As soon as practicable after the effective date
23 of this Act, the attorney general shall adopt rules for the
24 implementation of Subchapter H, Chapter 5, Property Code, as added
25 by this Act.

26 SECTION 4. The changes in law made by this Act apply only to
27 the purchase of or other acquisition of title to real property on or

1 after the effective date of this Act. The purchase of or other
2 acquisition of title to real property before the effective date of
3 this Act is governed by the law in effect immediately before the
4 effective date of this Act, and that law is continued in effect for
5 that purpose.

6 SECTION 5. This Act takes effect September 1, 2025.