

By: Leach

H.B. No. 2536

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

16           (2) "Designated country" means:

17                   (A) China, Iran, North Korea, or Russia; or

18                   (B) a country designated by the governor under  
19 Section 5.254.

20           Sec. 5.252. EXCEPTIONS: UNITED STATES CITIZENS AND CERTAIN  
21 LAWFUL RESIDENTS; LEASEHOLD PROPERTY. This subchapter does not  
22 apply to:

23           (1) an individual who is:

24                   (A) a citizen or lawful permanent resident of the  
25 United States; or

26                   (B) a citizen of a foreign country who is not  
27 domiciled in a designated country;

1           (2) a company or other entity that is owned by or under  
2 the control of:

3                   (A) one or more individuals described by  
4 Subdivision (1); and

5                   (B) no individual described by Section 5.253; or

6           (3) a leasehold interest in land or improvements  
7 constructed upon a leasehold.

8           Sec. 5.253. PROHIBITION ON PURCHASE OF OR ACQUISITION OF  
9 TITLE TO REAL PROPERTY. Notwithstanding any other law, the  
10 following may not purchase or otherwise acquire title to real  
11 property in this state:

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

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

14                           (A) headquartered in a designated country;

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

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

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

23                   (4) an individual who is domiciled in a designated  
24 country.

25           Sec. 5.254. DESIGNATION OF COUNTRY AS SUBJECT TO  
26 PROHIBITION ON PURCHASE OF OR ACQUISITION OF TITLE TO REAL  
27 PROPERTY. (a) The governor, after consultation with the public

1 safety director of the Department of Public Safety, may designate a  
2 country of which a governmental entity, company or other entity, or  
3 citizen shall be subject to this subchapter.

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

7 Sec. 5.255. INVESTIGATION AND ENFORCEMENT BY ATTORNEY  
8 GENERAL; LAW ENFORCEMENT REFERRAL. (a) The attorney general shall  
9 establish procedures to examine a transfer of real property and  
10 determine whether an investigation of a possible violation of this  
11 subchapter is warranted.

12 (b) If the attorney general determines that an  
13 investigation of a transfer of real property is warranted under  
14 this section, the attorney general:

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

17 (2) may bring an action to enforce this subchapter in a  
18 district court in the county where all or part of the real property  
19 that is the subject of the violation is located; and

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

22 Sec. 5.256. DIVESTITURE; APPOINTMENT OF RECEIVER;  
23 DISTRIBUTION OF SALE PROCEEDS. (a) If the district court finds  
24 that the real property subject to an action brought under Section  
25 5.255 was purchased or otherwise acquired by an individual or  
26 entity in violation of Section 5.253, the court shall enter an order  
27 that:

1           (1) states the court's finding;

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

4           (3) appoints a receiver to manage and control the real  
5 property pending the sale or other disposition of the real  
6 property.

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

10           (c) Proceeds from the sale or other disposition of real  
11 property under an order described by Subsection (a) shall be  
12 applied first to satisfy any existing liens on the property and then  
13 to pay a fine assessed under Section 5.257(c). The remaining  
14 proceeds shall be remitted to the comptroller for deposit in the  
15 general revenue fund.

16           Sec. 5.257. OFFENSE; PENALTY. (a) A person commits an  
17 offense if the person:

18           (1) is an individual domiciled in a designated  
19 country; and

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

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

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

26           (1) \$250,000; or

27           (2) 50 percent of the market value of the real property

1 that is the subject of the violation.

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

6           SECTION 5. The changes in law made by this Act apply only to  
7 the purchase of or other acquisition of title to real property on or  
8 after the effective date of this Act. The purchase of or other  
9 acquisition of title to real property before the effective date of  
10 this Act is governed by the law in effect immediately before the  
11 effective date of this Act, and that law is continued in effect for  
12 that purpose.

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