

AN ACT

relating to the purchase or acquisition of an interest in real property by certain aliens or foreign entities; creating a criminal offense; providing a civil penalty.

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

SECTION 1. (a) The legislature finds the following as informed by the determination of the United States Director of National Intelligence in the 2025 Annual Threat Assessment of the U.S. Intelligence Community issued pursuant to Section 108B, National Security Act of 1947 (50 U.S.C. Section 3043b):

(1) with respect to China:

(A) China's dominance in the mining and processing of critical materials is a particular threat, providing it with the ability to restrict quantities and affect global prices. Beijing has shown a willingness to restrict global access to its mineral resources;

(B) China is using an aggressive whole-of-government approach, combined with state direction of the private sector, to become a global science and technology superpower. It wishes to surpass the United States and achieve further economic, political, and military gain;

(C) China is accelerating its progress by using illicit means;

(D) China has stolen hundreds of gigabytes of

1 intellectual property from companies across the world, including
2 from the United States;

3 (E) China is heavily investing in collecting
4 health and genetic data;

5 (F) China poses health risks to the world;

6 (G) Beijing will continue to expand its coercive,
7 subversive, and malignant influence activities to weaken the United
8 States. It seeks to suppress critical views of China within the
9 United States; and

10 (H) China has increased its capabilities to
11 conduct covert influence operations and disseminate
12 disinformation;

13 (2) with respect to Russia:

14 (A) Russia's advanced cyber capabilities, its
15 repeated success compromising sensitive targets for intelligence
16 collection, and its past attempts to access United States critical
17 infrastructure make it a persistent counterintelligence and cyber
18 attack threat; and

19 (B) Russia intentionally stokes political
20 discord in the West, including by amplifying preferred Russian
21 narratives. Russia discreetly engages Americans in these processes
22 while hiding Russia's involvement;

23 (3) with respect to Iran:

24 (A) Iran's growing expertise and willingness to
25 conduct aggressive cyber operations make it a major threat to the
26 security of the United States. Guidance from Iranian leaders has
27 incentivized cyber actors to become more aggressive in developing

1 capabilities to conduct cyber attacks;

2 (B) Iran remains committed to its long-standing
3 efforts to develop surrogate networks inside the United States; and

4 (C) Iran has previously tried to conduct lethal
5 operations in the United States; and

6 (4) with respect to North Korea:

7 (A) North Korea may expand its ongoing cyber
8 espionage operations;

9 (B) North Korea continues to pursue military
10 capabilities that threaten the United States and enable North Korea
11 to undermine the United States;

12 (C) cooperation among China, Russia, Iran, and
13 North Korea has grown rapidly in recent years, reinforcing threats
14 from each. Such cooperation has strengthened their abilities to
15 harm the United States; and

16 (D) North Korea will continue to defy
17 international sanctions and engage in illicit activities,
18 including stealing cryptocurrency, sending labor overseas, and
19 trading UN-proscribed goods to resource and fund North Korea's
20 priorities.

21 (b) The legislature finds it necessary to exercise the
22 police power of this state as provided in this legislation.

23 SECTION 2. Section 64.001(a), Civil Practice and Remedies
24 Code, is amended to read as follows:

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

27 (1) in an action by a vendor to vacate a fraudulent

1 purchase of property;

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

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

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

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

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

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

15 SECTION 3. Section 5.005, Property Code, is amended to read
16 as follows:

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

20 SECTION 4. Chapter 5, Property Code, is amended by adding
21 Subchapter H to read as follows:

22 SUBCHAPTER H. PURCHASE OR ACQUISITION OF REAL PROPERTY BY CERTAIN
23 FOREIGN INDIVIDUALS OR ENTITIES

24 Sec. 5.251. DEFINITIONS. In this subchapter:

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

27 (A) use in production of plants and fruits grown

1 for human or animal consumption, or plants grown for the production
2 of fibers, floriculture, silviculture, viticulture, horticulture,
3 or planting seed; or

4 (B) domestic or native farm or ranch animals kept
5 for use or profit.

6 (2) "Company" means a sole proprietorship,
7 organization, association, corporation, partnership, joint
8 venture, limited partnership, limited liability partnership, or
9 limited liability company, including a wholly owned subsidiary,
10 majority-owned subsidiary, parent company, or affiliate of those
11 entities or business associations, that exists to make a profit.

12 (3) "Designated country" means:

13 (A) a country identified by the United States
14 Director of National Intelligence as a country that poses a risk to
15 the national security of the United States in at least one of the
16 three most recent Annual Threat Assessments of the U.S.
17 Intelligence Community issued pursuant to Section 108B, National
18 Security Act of 1947 (50 U.S.C. Section 3043b); or

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

21 (4) "Domiciled" means having established a place as an
22 individual's true, fixed, and permanent home and principal
23 residence to which the individual intends to return whenever
24 absent.

25 (5) "Organization" has the meaning assigned by Section
26 1.002, Business Organizations Code.

27 (6) "Real property" includes:

- 1 (A) agricultural land;
- 2 (B) an improvement located on agricultural land;
- 3 (C) commercial property;
- 4 (D) industrial property;
- 5 (E) groundwater;
- 6 (F) residential property;
- 7 (G) a mine or quarry;
- 8 (H) a mineral in place;
- 9 (I) standing timber; or
- 10 (J) water rights.

11 (7) "Transnational criminal organization" means two
12 or more persons:

- 13 (A) who are citizens of or domiciled in a
14 designated country;
- 15 (B) with an identifiable leadership who operate
16 internationally; and
- 17 (C) who continuously or regularly associate to
18 engage in corruption, violence, or the commission of other criminal
19 activities.

20 Sec. 5.252. EXCEPTIONS: UNITED STATES CITIZENS AND LAWFUL
21 RESIDENTS; CERTAIN ENTITIES OWNED OR CONTROLLED BY UNITED STATES
22 CITIZENS OR LAWFUL RESIDENTS; LEASEHOLD. This subchapter does not
23 apply to:

- 24 (1) an individual who is a citizen or lawful permanent
25 resident of the United States;
- 26 (2) a company or organization that is owned by or under
27 the control of:

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

3 (B) no individual described by Section 5.253; or
4 (3) a leasehold interest in land or improvements
5 constructed on a leasehold if the duration of the interest is less
6 than one year.

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

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

12 (2) a company or organization that is:

13 (A) headquartered in a designated country;

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

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

19 (D) designated by the governor under Section
20 5.254;

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

25 (4) an individual who:

26 (A) is domiciled in a designated country, except
27 that an individual who is lawfully present and residing in the

United States at the time the individual purchases or acquires the interest may purchase or acquire an interest in a residential property that is intended for use as an individual's residence homestead, as defined by Section 11.13(j), Tax Code;

(B) is a citizen of a designated country who is domiciled outside of the United States in a country:

(i) other than a designated country; and

(ii) for which the individual has not completed the naturalization process for becoming a citizen of that country;

(C) is a citizen of a designated country who is unlawfully present in the United States;

(D) is:

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

(ii) acting as an agent or on behalf of a designated country; or

(E) is a member of the ruling political party or any subdivision of the ruling political party in a designated country.

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

(1) determine whether the purchase or acquisition of an interest in real property in this state by an individual or entity poses a risk to the national security of the public; and

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

3 (A) designate a country or a transnational
4 criminal organization or other entity as subject to this
5 subchapter; or

6 (B) remove a designation made under Paragraph
7 (A).

8 (b) The governor shall consult the Homeland Security
9 Council established under Subchapter B, Chapter 421, Government
10 Code, for purposes of making or removing a designation under this
11 section.

12 (c) The designation or removal of the designation of a
13 country or entity under this section applies only to the purchase or
14 acquisition of an interest in real property that occurs on or after
15 the date the governor designates or removes the designation of the
16 country or entity.

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

22 (b) If the attorney general determines that an
23 investigation of a purchase or acquisition of an interest in real
24 property is warranted under this section, the attorney general
25 shall investigate the purchase or acquisition of an interest in
26 real property and determine whether a violation of this subchapter
27 occurred.

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

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

7 (2) may refer the matter to the appropriate local,
8 state, or federal law enforcement agency.

9 (d) The attorney general shall record notice of an action
10 brought under Subsection (c) in the real property records of each
11 county where any part of the real property subject to the action is
12 located.

13 (e) Except for an acquisition of a leasehold interest, a
14 purchase or acquisition of an interest in real property in
15 violation of Section 5.253 is not void because of the violation, and
16 the validity or enforceability by any person of a purchase contract
17 for or the conveyance of an interest in the real property is not
18 otherwise affected by the violation.

19 Sec. 5.256. ATTORNEY GENERAL INVESTIGATION AND DISCOVERY;
20 SECRETARY OF STATE INTERROGATORIES AND RECORDS. (a) The attorney
21 general may conduct discovery to investigate a potential action
22 under Section 5.255 or in an action brought under Section 5.255,
23 including by:

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

26 (2) if the attorney general has reason to believe that
27 a person may be in possession, custody, or control of any

1 documentary material or other evidence or may have any information
2 relevant to an investigation of a suspected violation of Section
3 5.253, issuing in writing and serving on the person a civil
4 investigative demand requiring the person to:

5 (A) produce any of the documentary material for
6 inspection and copying;

7 (B) answer in writing any written
8 interrogatories;

9 (C) give oral testimony; or

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

12 (b) The secretary of state shall on request by the attorney
13 general:

14 (1) serve interrogatories on an individual or entity
15 as necessary to determine the ownership or control of an
16 organization that is the subject of an action by the attorney
17 general under Section 5.255; and

18 (2) provide to the attorney general all records held
19 by the secretary relating to the ownership or control of an
20 organization that is the subject of an action by the attorney
21 general under Section 5.255.

22 Sec. 5.257. 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 an interest in the real property was
26 otherwise acquired in violation of Section 5.253, the court shall:

27 (1) enter an order that:

1 (A) states the court's finding;

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

4 (C) appoints a receiver to:

5 (i) divest the individual's or entity's
6 interest in the real property through sale, termination of a
7 leasehold, or other disposition of the interest; and

8 (ii) manage and control the real property
9 pending the sale or other disposition of the interest in the real
10 property; and

11 (2) refer the matter to the appropriate prosecuting
12 attorney for criminal prosecution of any appropriate criminal
13 offense in connection with the transaction.

14 (b) 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 (c) Proceeds from the sale or other disposition of an
18 interest in real property under an order described by Subsection
19 (a) shall be applied first to satisfy any existing liens on the
20 property and then to pay the reasonable costs incurred by the state
21 in enforcing this subchapter. The remaining proceeds shall be
22 remitted to the individual or entity that purchased or otherwise
23 acquired the interest in violation of this subchapter.

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

26 (1) is an individual described by Section 5.253(4);
27 and

1 (2) intentionally or knowingly purchases or otherwise
2 acquires an interest in real property in this state in violation of
3 this subchapter.

4 (b) An offense under Subsection (a) is a state jail felony.
5 Sec. 5.259. CIVIL PENALTY. (a) The attorney general may
6 bring an action in the name of the state against a company or entity
7 that violates this subchapter.

8 (b) A company or entity that a court determines in an action
9 brought under this section to have violated this subchapter is
10 liable to the state for a civil penalty equal to the greater of:

11 (1) \$250,000; or
12 (2) 50 percent of the market value of the interest in
13 real property that is the subject of the violation.

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

18 SECTION 6. The changes in law made by this Act apply only to
19 the purchase or acquisition of an interest in real property on or
20 after the effective date of this Act. The purchase or acquisition
21 of an interest in real property before the effective date of this
22 Act is governed by the law in effect immediately before the
23 effective date of this Act, and that law is continued in effect for
24 that purpose.

25 SECTION 7. It is the intent of the legislature that every
26 provision, section, subsection, sentence, clause, phrase, or word
27 in this Act, and every application of the provisions in this Act to

1 each person or entity, is severable from each other. If any
2 application of any provision in this Act to any person, group of
3 persons, or circumstances is found by a court to be invalid for any
4 reason, the remaining applications of that provision to all other
5 persons and circumstances shall be severed and may not be affected.
6 If a court finds invalid, for any reason, a prohibition under this
7 Act on the purchase or acquisition of an interest in real property
8 in this state by an individual described by Section 5.253(4),
9 Property Code, as added by this Act, the court shall,
10 notwithstanding the finding, construe this Act to prohibit the
11 purchase or acquisition of an interest in real property in this
12 state by an individual who is a citizen of a country other than the
13 United States and is domiciled in a designated country described by
14 Section 5.251(3), Property Code, as added by this Act.

15 SECTION 8. This Act takes effect September 1, 2025.

<hr style="border: none; border-top: 1px solid black; margin-bottom: 5px;"/> <div>President of the Senate</div>	<hr style="border: none; border-top: 1px solid black; margin-bottom: 5px;"/> <div>Speaker of the House</div>
---	--

I hereby certify that S.B. No. 17 passed the Senate on March 19, 2025, by the following vote: Yeas 24, Nays 7; May 14, 2025, Senate refused to concur in House amendments and requested appointment of Conference Committee; May 19, 2025, House granted request of the Senate; May 30, 2025, Senate adopted Conference Committee Report by the following vote: Yeas 23, Nays 8.

	<hr style="border: none; border-top: 1px solid black; margin-bottom: 5px;"/> <div>Secretary of the Senate</div>
--	---

I hereby certify that S.B. No. 17 passed the House, with amendments, on May 9, 2025, by the following vote: Yeas 86, Nays 59, one present not voting; May 19, 2025, House granted request of the Senate for appointment of Conference Committee; May 29, 2025, House adopted Conference Committee Report by the following vote: Yeas 85, Nays 57, one present not voting.

	<hr style="border: none; border-top: 1px solid black; margin-bottom: 5px;"/> <div>Chief Clerk of the House</div>
--	--

Approved:

Date

Governor