

1-1 By: Kolkhorst, et al. S.B. No. 17  
 1-2 (In the Senate - Filed February 20, 2025; February 20, 2025,  
 1-3 read first time and referred to Committee on State Affairs;  
 1-4 March 17, 2025, reported adversely, with favorable Committee  
 1-5 Substitute by the following vote: Yeas 10, Nays 1; March 17, 2025,  
 1-6 sent to printer.)

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-8				
1-9	X			
1-10	X			
1-11	X			
1-12	X			
1-13	X			
1-14	X			
1-15	X			
1-16	X			
1-17	X			
1-18	X			
1-19		X		

1-20 COMMITTEE SUBSTITUTE FOR S.B. No. 17 By: Hall

1-21 A BILL TO BE ENTITLED  
 1-22 AN ACT

1-23 relating to the purchase or acquisition of real property by certain  
 1-24 aliens or foreign entities.

1-25 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-26 SECTION 1. Section 64.001(a), Civil Practice and Remedies  
 1-27 Code, is amended to read as follows:

1-28 (a) A court of competent jurisdiction may appoint a  
 1-29 receiver:

1-30 (1) in an action by a vendor to vacate a fraudulent  
 1-31 purchase of property;

1-32 (2) in an action by a creditor to subject any property  
 1-33 or fund to the creditor's ~~his~~ claim;

1-34 (3) in an action between partners or others jointly  
 1-35 owning or interested in any property or fund;

1-36 (4) in an action by a mortgagee for the foreclosure of  
 1-37 the mortgage and sale of the mortgaged property;

1-38 (5) for a corporation that is insolvent, is in  
 1-39 imminent danger of insolvency, has been dissolved, or has forfeited  
 1-40 its corporate rights; ~~or~~

1-41 (6) in an action by the attorney general under  
 1-42 Subchapter H, Chapter 5, Property Code; or

1-43 (7) in any other case in which a receiver may be  
 1-44 appointed under the rules of equity.

1-45 SECTION 2. Section 5.005, Property Code, is amended to read  
 1-46 as follows:

1-47 Sec. 5.005. ALIENS. Except as provided by Subchapter H, an  
 1-48 [An] alien has the same real and personal property rights as a  
 1-49 United States citizen.

1-50 SECTION 3. Chapter 5, Property Code, is amended by adding  
 1-51 Subchapter H to read as follows:

1-52 SUBCHAPTER H. PURCHASE OR ACQUISITION OF REAL PROPERTY BY CERTAIN  
 1-53 FOREIGN INDIVIDUALS OR ENTITIES

1-54 Sec. 5.251. DEFINITIONS. In this subchapter:

1-55 (1) "Agricultural land" means land that is located in  
 1-56 this state and that is suitable for:

1-57 (A) use in production of plants and fruits grown  
 1-58 for human or animal consumption, or plants grown for the production  
 1-59 of fibers, floriculture, silviculture, viticulture, horticulture,  
 1-60 or planting seed; or

2-1 (B) domestic or native farm or ranch animals kept  
 2-2 for use or profit.  
 2-3 (2) "Designated country" means a country identified by  
 2-4 the United States Director of National Intelligence as a country  
 2-5 that poses a risk to the national security of the United States in  
 2-6 each of the three most recent Annual Threat Assessments of the U.S.  
 2-7 Intelligence Community issued pursuant to Section 108B, National  
 2-8 Security Act of 1947 (50 U.S.C. Section 3043b).  
 2-9 (3) "Governing authority," "governing person," and  
 2-10 "organization" have the meanings assigned by Section 1.002,  
 2-11 Business Organizations Code.  
 2-12 (4) "Real property" includes:  
 2-13 (A) agricultural land;  
 2-14 (B) an improvement located on agricultural land;  
 2-15 (C) commercial property;  
 2-16 (D) industrial property;  
 2-17 (E) groundwater;  
 2-18 (F) residential property;  
 2-19 (G) a mine or quarry;  
 2-20 (H) a mineral in place;  
 2-21 (I) standing timber; or  
 2-22 (J) water rights.  
 2-23 Sec. 5.252. ORGANIZATION UNDER CONTROL OF INDIVIDUAL OR  
 2-24 ANOTHER ORGANIZATION. (a) For purposes of this subchapter, an  
 2-25 organization is under the control of an individual or another  
 2-26 organization if the controlling individual or organization is  
 2-27 authorized to:  
 2-28 (1) direct the activities of the controlled  
 2-29 organization;  
 2-30 (2) make or direct others to make legal commitments on  
 2-31 behalf of the controlled organization; or  
 2-32 (3) hire and fire a principal decision maker of the  
 2-33 controlled organization.  
 2-34 (b) The authority of the controlling individual or  
 2-35 organization under Subsection (a) may derive from:  
 2-36 (1) exercise of a voting ownership interest of the  
 2-37 controlled organization sufficient to elect a governing person or  
 2-38 governing authority of the controlled organization to exercise on  
 2-39 the controlling individual's or organization's behalf the authority  
 2-40 described by Subsection (a); or  
 2-41 (2) a financial, legal, practical, contractual, or  
 2-42 other arrangement that functionally enables the controlling  
 2-43 individual or organization to exercise the authority described by  
 2-44 Subsection (a).  
 2-45 Sec. 5.253. EXCEPTIONS: UNITED STATES CITIZENS AND LAWFUL  
 2-46 PERMANENT RESIDENTS; RESIDENCE HOMESTEAD PROPERTY; LEASEHOLD.  
 2-47 This subchapter does not apply to:  
 2-48 (1) an individual who is a citizen or lawful permanent  
 2-49 resident of the United States, including an individual who is a  
 2-50 citizen of a foreign country;  
 2-51 (2) an organization that is owned by or under the  
 2-52 control of one or more individuals described by Subdivision (1);  
 2-53 (3) real property that is intended for use as an  
 2-54 individual's residence homestead, as defined by Section 11.13(j),  
 2-55 Tax Code; or  
 2-56 (4) a leasehold interest in land or improvements  
 2-57 constructed on a leasehold if the duration of the interest is less  
 2-58 than 100 years.  
 2-59 Sec. 5.254. PROHIBITION ON PURCHASE OR ACQUISITION OF REAL  
 2-60 PROPERTY. Except as provided by Section 5.253 and notwithstanding  
 2-61 any other law, the following may not purchase or otherwise acquire  
 2-62 real property in this state:  
 2-63 (1) a governmental entity of a designated country;  
 2-64 (2) an organization that is:  
 2-65 (A) headquartered in a designated country;  
 2-66 (B) directly or indirectly under the control of  
 2-67 the government of a designated country; or  
 2-68 (C) owned by or under the control of one or more  
 2-69 individuals who are domiciled in a designated country;

3-1 (3) an organization that is owned by or under the  
 3-2 control of an organization described by Subdivision (2);

3-3 (4) an individual who is domiciled in a designated  
 3-4 country; or

3-5 (5) an individual who is a member of, associated with,  
 3-6 or acting on behalf of the government of a designated country.

3-7 Sec. 5.255. ATTORNEY GENERAL ENFORCEMENT. (a) If the  
 3-8 attorney general has a reasonable suspicion that an individual,  
 3-9 organization, or governmental entity has purchased or otherwise  
 3-10 acquired real property in this state in violation of this  
 3-11 subchapter, the attorney general may bring an in rem action against  
 3-12 real property to enforce this subchapter in a district court in the  
 3-13 county where all or part of the real property that is the subject of  
 3-14 the violation is located.

3-15 (b) The attorney general shall record notice of an action  
 3-16 brought under Subsection (a) in the real property records of each  
 3-17 county where any part of the real property subject to the action is  
 3-18 located.

3-19 (c) Except for an acquisition of a leasehold interest not  
 3-20 exempt from this subchapter under Section 5.253(4), a purchase or  
 3-21 acquisition of real property in violation of Section 5.254 is not  
 3-22 void because of the violation, and the validity or enforceability  
 3-23 by any person of a purchase contract for or the conveyance of the  
 3-24 real property is not otherwise affected by the violation.

3-25 Sec. 5.256. ATTORNEY GENERAL INVESTIGATION AND DISCOVERY;  
 3-26 SECRETARY OF STATE INTERROGATORIES AND RECORDS. (a) The attorney  
 3-27 general may conduct discovery to investigate a potential action  
 3-28 under Section 5.255 or in an action brought under Section 5.255,  
 3-29 including by:

3-30 (1) petitioning for an order authorizing the taking of  
 3-31 a deposition under Rule 202, Texas Rules of Civil Procedure; or

3-32 (2) if the attorney general has reason to believe that  
 3-33 a person may be in possession, custody, or control of any  
 3-34 documentary material or other evidence or may have any information  
 3-35 relevant to an investigation of a suspected violation of Section  
 3-36 5.254, issuing in writing and serving on the person a civil  
 3-37 investigative demand requiring the person to:

3-38 (A) produce any of the documentary material for  
 3-39 inspection and copying;

3-40 (B) answer in writing any written  
 3-41 interrogatories;

3-42 (C) give oral testimony; or

3-43 (D) provide any combination of civil  
 3-44 investigative demands under Paragraph (A), (B), or (C).

3-45 (b) The secretary of state shall on request by the attorney  
 3-46 general:

3-47 (1) serve interrogatories on an individual or entity  
 3-48 as necessary to determine the ownership or control of an  
 3-49 organization that is the subject of an action by the attorney  
 3-50 general under Section 5.255; and

3-51 (2) provide to the attorney general all records held  
 3-52 by the secretary relating to the ownership or control of an  
 3-53 organization that is the subject of an action by the attorney  
 3-54 general under Section 5.255.

3-55 Sec. 5.257. APPOINTMENT OF RECEIVER. (a) If the district  
 3-56 court finds that the real property subject to an action brought  
 3-57 under Section 5.255 was purchased or otherwise acquired by an  
 3-58 individual, organization, or governmental entity in violation of  
 3-59 Section 5.254, the court shall enter an order that:

3-60 (1) states the court's finding; and

3-61 (2) appoints a receiver to:

3-62 (A) manage and control the real property pending  
 3-63 the sale or other disposition of the real property; and

3-64 (B) return to the individual, organization, or  
 3-65 governmental entity that purchased or otherwise acquired the  
 3-66 property in violation of this subchapter any proceeds of the sale or  
 3-67 other disposition of the real property after satisfying any  
 3-68 existing liens on the property and recovery of any reasonable costs  
 3-69 incurred by the state in enforcing this subchapter.

4-1 (b) On appointment and qualification, a receiver appointed  
4-2 under this section has the powers and duties of a receiver under  
4-3 Chapter 64, Civil Practice and Remedies Code.

4-4 SECTION 4. The changes in law made by this Act apply only to  
4-5 the purchase or other acquisition of real property on or after the  
4-6 effective date of this Act. The purchase or other acquisition of  
4-7 real property before the effective date of this Act is governed by  
4-8 the law in effect immediately before the effective date of this Act,  
4-9 and that law is continued in effect for that purpose.

4-10 SECTION 5. This Act takes effect September 1, 2025.

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