

CONFERENCE COMMITTEE REPORT FORM

Austin, Texas

May 23, 2025  
Date

Honorable Dan Patrick  
President of the Senate

Honorable Dustin Burrows  
Speaker of the House of Representatives

Sirs:

We, Your Conference Committee, appointed to adjust the differences between the Senate and the House of Representatives on SB 17 have had the same under consideration, and beg to report it back with the recommendation that it do pass in the form and text hereto attached.

[Signature]  
Edmund W. Kolkhorst (chair)

[Signature]  
Sen. Bob Hall

[Signature]  
Sen. Juan "Chuy" Hinojosa

[Signature]  
Sen. Bryan Hughes

[Signature]  
On the part of the Senate  
Sen. Myles Middleton

[Signature]  
Rep. Cole Hefner (chair)

[Signature]  
Rep. Mitch Little

[Signature]  
Rep. Richard Raymond

[Signature]  
Rep. Matt Shaheen

[Signature]  
On the part of the House  
Rep. David Spiller

Note to Conference Committee Clerk:

Please type the names of the members of the Conference Committee under the lines provided for signature. Those members desiring to sign the report should sign each of the six copies. Attach a copy of the Conference Committee Report and a Section by Section side by side comparison to each of the six reporting forms. The original and two copies are filed in house of origin of the bill, and three copies in the other house.



# CONFERENCE COMMITTEE REPORT

3<sup>rd</sup> Printing

S.B. No. 17

A BILL TO BE ENTITLED

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:

- (A) agricultural land;
- (B) an improvement located on agricultural land;
- (C) commercial property;
- (D) industrial property;
- (E) groundwater;
- (F) residential property;
- (G) a mine or quarry;
- (H) a mineral in place;
- (I) standing timber; or
- (J) water rights.

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

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

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

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

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

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

7 (i) other than a designated country; and

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

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

13 (D) is:

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

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

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

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

25 (1) determine whether the purchase or acquisition of  
26 an interest in real property in this state by an individual or  
27 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.

**Senate Bill 17**  
Conference Committee Report  
Section-by-Section Analysis

SENATE VERSION

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

HOUSE VERSION (IE)

SECTION 1. Same as Senate version.

SECTION 2. Same as Senate version.

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

CONFERENCE

*[The conference committee may have exceeded the limitations imposed on its jurisdiction, but only the presiding officer can make the final determination on this issue.]*

SECTION 2. Same as Senate version.

SECTION 3. Same as Senate version.

SECTION 4. Same as House version.

**Senate Bill 17**  
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SENATE VERSION

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

Sec. 5.251. DEFINITIONS. In this subchapter:

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

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

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

(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).

HOUSE VERSION (IE)

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

Sec. 5.251. DEFINITIONS. In this subchapter:

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

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

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

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

(3) "Designated country" means:

(1) 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 *at least one* 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) ;

**or**

**(B) a country designated by the governor under Section 5.254.** [FA14(1)-(2)]

CONFERENCE

*[The conference committee may have exceeded the limitations imposed on its jurisdiction, but only the presiding officer can make the final determination on this issue.]*

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SENATE VERSION

(3) "Governing authority," "governing person," and "organization" have the meanings assigned by Section 1.002, Business Organizations Code.

(4) "Real property" includes:

- (A) agricultural land;
- (B) an improvement located on agricultural land;
- (C) commercial property;
- (D) industrial property;
- (E) groundwater;
- (F) residential property;
- (G) a mine or quarry;
- (H) a mineral in place;
- (I) standing timber; or
- (J) water rights.

HOUSE VERSION (IE)

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

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

(6) "Real property" includes:

- (A) agricultural land;
- (B) an improvement located on agricultural land;
- (C) commercial property;
- (D) industrial property;
- (E) groundwater;
- (F) residential property;
- (G) a mine or quarry;
- (H) a mineral in place;
- (I) standing timber; or
- (J) water rights.

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

(A) who are citizens of or domiciled in a designated country;

(B) with an identifiable leadership who operate internationally; and

(C) who continuously or regularly associate to engage in corruption, violence, or the commission of other criminal activities. [FA14(3)]

CONFERENCE

*[The conference committee may have exceeded the limitations imposed on its jurisdiction, but only the presiding officer can make the final determination on this issue.]*

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Section-by-Section Analysis

SENATE VERSION

HOUSE VERSION (IE)

CONFERENCE

*[The conference committee may have exceeded the limitations imposed on its jurisdiction, but only the presiding officer can make the final determination on this issue.]*

Sec. 5.252. ORGANIZATION UNDER CONTROL OF INDIVIDUAL OR ANOTHER ORGANIZATION. (a) For purposes of this subchapter, an organization is under the control of an individual or another organization if the controlling individual or organization is authorized to:

(1) direct the activities of the controlled organization;  
(2) make or direct others to make legal commitments on behalf of the controlled organization; or  
(3) hire and fire a principal decision maker of the controlled organization.

(b) The authority of the controlling individual or organization under Subsection (a) may derive from:

(1) exercise of a voting ownership interest of the controlled organization sufficient to elect a governing person or governing authority of the controlled organization to exercise on the controlling individual's or organization's behalf the authority described by Subsection (a); or  
(2) a financial, legal, practical, contractual, or other arrangement that functionally enables the controlling individual or organization to exercise the authority described by Subsection (a).

Sec. 5.253. EXCEPTIONS: UNITED STATES CITIZENS AND LAWFUL **PERMANENT** RESIDENTS; **RESIDENCE HOMESTEAD PROPERTY**; LEASEHOLD. This subchapter does not apply to:

*No equivalent provision.*

Same as House version.

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

Same as House version.

Senate Bill 17  
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SENATE VERSION

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

(2) ***an*** organization that is owned by or under the control of one or more individuals described by Subdivision (1);

***(3) real property that is intended for use as an individual's residence homestead, as defined by Section 11.13(j), Tax Code; or***

(4) a leasehold interest in land or improvements constructed on a leasehold if the duration of the interest ***is less than 100 years.***

Sec. 5.254. PROHIBITION ON PURCHASE OR ACQUISITION OF REAL PROPERTY. ***Except as provided by Section 5.253 and*** notwithstanding any other law, the following may not purchase or otherwise acquire real property in this state:

(1) a governmental entity of a designated country;

(2) ***an*** organization that is:

(A) headquartered in a designated country;

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

(C) owned by or ***under the control of one or more individuals who are domiciled in a designated country;***

HOUSE VERSION (IE)

(1) an individual who is a citizen or lawful permanent resident of the United States;

(2) ***a company or*** organization that is owned by or under the control of:

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

***and***

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

(3) a leasehold interest in land or improvements constructed on a leasehold if the duration of the interest ***is less than one year.*** [FA6,FA7]

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

(1) a governmental entity of a designated country;

(2) ***a company or*** organization that is:

(A) headquartered in a designated country;

(B) directly or indirectly ***held or controlled by*** the government of a designated country; [FA14(4)]

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

CONFERENCE

*[The conference committee may have exceeded the limitations imposed on its jurisdiction, but only the presiding officer can make the final determination on this issue.]*

Sec. 5.253. Same as House version, except as follows:

(1)-(3) Same as House version.

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

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

HOUSE VERSION (IE)

(D) designated by the governor under Section 5.254; [FA14(5)]

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

(4) an individual who:  
(A) is domiciled in a designated country and is not lawfully present and residing in the United States at the time the individual purchases, acquires, or holds the interest; [FA4]

(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; [FA9(1)]

(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 [FA9(2)]

CONFERENCE

*[The conference committee may have exceeded the limitations imposed on its jurisdiction, but only the presiding officer can make the final determination on this issue.]*

(4) an individual who:  
(A) is domiciled in a designated country, except 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

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

*No equivalent provision.*

HOUSE VERSION (IE)

(E) is a member of the ruling political party or any subdivision of the ruling political party in a designated country. [FA9(3)]

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  
(2) based on a determination made under Subdivision (1):  
(A) designate a country or a transnational criminal organization or other entity as subject to this subchapter; or  
(B) remove a designation made under Paragraph (A).  
(b) The governor shall consult the Homeland Security Council established under Subchapter B, Chapter 421, Government Code, for purposes of making or removing a designation under this section.  
(c) The designation or removal of the designation of a country or entity under this section applies only to the purchase or acquisition of an interest in real property that occurs on or after the date the governor designates or removes the designation of the country or entity. [FA14(6)]

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*[The conference committee may have exceeded the limitations imposed on its jurisdiction, but only the presiding officer can make the final determination on this issue.]*

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

Same as House version.

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Sec. 5.255. ATTORNEY GENERAL ENFORCEMENT.

(a) If the attorney general has a reasonable suspicion that an individual, organization, or governmental entity has purchased or otherwise acquired real property in this state in violation of this subchapter, the attorney general may bring an in rem action against real property to enforce this subchapter in a district court in the county where all or part of the real property that is the subject of the violation is located.

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

(c) Except for an acquisition of a leasehold interest *not exempt from this subchapter under Section 5.253(4)*, a purchase or acquisition of real property in violation of Section 5.254 is not void because of the violation, and the

HOUSE VERSION (IE)

Sec. 5.255. *INVESTIGATION AND ENFORCEMENT BY ATTORNEY GENERAL; LAW ENFORCEMENT REFERRAL.* (a) *The attorney general shall establish procedures to examine a purchase or acquisition of an interest in real property and determine whether an investigation of a possible violation of this subchapter is warranted.* [FA14(7)]

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

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

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

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

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

(e) Except for an acquisition of a leasehold interest, a purchase or acquisition of *an interest in* real property in violation of Section 5.253 is not void because of the violation, and the validity or enforceability by any person of

CONFERENCE

*[The conference committee may have exceeded the limitations imposed on its jurisdiction, but only the presiding officer can make the final determination on this issue.]*

Same as House version.

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validity or enforceability by any person of a purchase contract for or the conveyance of the real property is not otherwise affected by the violation.

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

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

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

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

(B) answer in writing any written interrogatories;

(C) give oral testimony; or

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

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

HOUSE VERSION (IE)

a purchase contract for or the conveyance of *an interest in* the real property is not otherwise affected by the violation.

Same as Senate version.

CONFERENCE

*[The conference committee may have exceeded the limitations imposed on its jurisdiction, but only the presiding officer can make the final determination on this issue.]*

Same as Senate version.

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(1) serve interrogatories on an individual or entity as necessary to determine the ownership or control of an organization that is the subject of an action by the attorney general under Section 5.255; and  
(2) provide to the attorney general all records held by the secretary relating to the ownership or control of an organization that is the subject of an action by the attorney general under Section 5.255.

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

(1) states the court's finding; and

(2) appoints a receiver to:

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

HOUSE VERSION (IE)

Sec. 5.257. **DIVESTITURE; APPOINTMENT OF RECEIVER; DISTRIBUTION OF SALE PROCEEDS.** (a) If the district court finds that the real property subject to an action brought under Section 5.255 was purchased or **an interest in the real property was** otherwise acquired in violation of Section 5.253, the court shall: [FA14(12)-(13)]  
(1) enter an order that:  
(A) states the court's finding;  
**(B) orders the divestment of the individual's or entity's interest in the real property; and**  
(C) appoints a receiver to:  
**(i) divest the individual's or entity's interest in the real property through sale, termination of a leasehold, or other disposition of the interest; and**  
**(ii) manage and control the real property pending the sale or other disposition of the interest in the real property; and**  
**(2) refer the matter to the appropriate prosecuting attorney for criminal prosecution of any appropriate criminal offense in connection with the transaction.**

CONFERENCE

*[The conference committee may have exceeded the limitations imposed on its jurisdiction, but only the presiding officer can make the final determination on this issue.]*

Same as House version.

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

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

*No equivalent provision.*

HOUSE VERSION (IE)

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

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

Sec. \_\_\_\_\_. OFFENSE; PENALTY. (a) A person commits an offense if the person:

(1) is an individual described by Section 5.253(4); and  
(2) intentionally or knowingly purchases or otherwise acquires an interest in real property in this state in violation of this subchapter.

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

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*[The conference committee may have exceeded the limitations imposed on its jurisdiction, but only the presiding officer can make the final determination on this issue.]*

Sec. 5.258. Same as House version.

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*No equivalent provision.*

*No equivalent provision.*

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

*No equivalent provision.*

HOUSE VERSION (IE)

Sec. \_\_\_\_\_ . CIVIL PENALTY. (a) The attorney general may bring an action in the name of the state against a company or entity that violates this subchapter.  
(b) A company or entity that a court determines in an action brought under this section to have violated this subchapter is liable to the state for a civil penalty equal to the greater of:  
(1) \$250,000; or  
(2) 50 percent of the market value of the interest in real property that is the subject of the violation. [FA15]

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

SECTION 5. The changes in law made by this Act apply only to the purchase or acquisition of *an interest in* real property on or after the effective date of this Act. The purchase or acquisition of *an interest in* real property before the effective date of this Act is governed by the law in effect immediately before the effective date of this Act, and that law is continued in effect for that purpose.

SECTION 6. It is the intent of the legislature that every provision, section, subsection, sentence, clause, phrase, or word in this Act, and every application of the provisions in

CONFERENCE

*[The conference committee may have exceeded the limitations imposed on its jurisdiction, but only the presiding officer can make the final determination on this issue.]*

Sec. 5.259. Same as House version.

SECTION 5. Same as House version.

SECTION 6. Same as House version.

SECTION 7. Same as House version.

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CONFERENCE

*[The conference committee may have exceeded the limitations imposed on its jurisdiction, but only the presiding officer can make the final determination on this issue.]*

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

*No equivalent provision.*

SECTION \_\_. (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;

SECTION 1. Same as House version.

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

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

(F) China poses health risks to the world;

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

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

(2) with respect to Russia:

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

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

(3) with respect to Iran:

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*[The conference committee may have exceeded the limitations imposed on its jurisdiction, but only the presiding officer can make the final determination on this issue.]*

- (A) Iran’s growing expertise and willingness to conduct aggressive cyber operations make it a major threat to the security of the United States. Guidance from Iranian leaders has incentivized cyber actors to become more aggressive in developing capabilities to conduct cyberattacks;
- (B) Iran remains committed to its longstanding efforts to develop surrogate networks inside the United States; and
- (C) Iran has previously tried to conduct lethal operations in the United States; and
- (4) With respect to North Korea:
- (A) North Korea may expand its ongoing cyber espionage operations;
- (B) North Korea continues to pursue military capabilities that threaten the United States and enable the North to undermine the United States;
- (C) cooperation among China, Russia, Iran, and North Korea has grown rapidly in recent years, reinforcing threats from each. Such cooperation has strengthened their abilities to harm the United States; and
- (D) North Korea will continue to defy international sanctions and engage in illicit activities, including stealing cryptocurrency, sending labor overseas, and trading UN-proscribed goods to resource and fund the North’s priorities.
- (b) The legislature finds it necessary to exercise the police power of this state as provided in this legislation. [FA1]

SECTION 5. Effective date.

SECTION 7. Same as Senate version.

SECTION 8. Same as Senate version.

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION**

**May 24, 2025**

**TO:** Honorable Dan Patrick, Lieutenant Governor, Senate  
Honorable Dustin Burrows, Speaker of the House, House of Representatives

**FROM:** Jerry McGinty, Director, Legislative Budget Board

**IN RE: SB17** by Kolkhorst (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.), **Conference Committee Report**

<b>No significant fiscal implication to the State is anticipated.</b>
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Among other provisions, the bill would prohibit certain governments, organizations, and individuals from designated foreign countries from acquiring real property in Texas and would establish a criminal offense for individuals and a civil penalty for companies or entities for violations of the provisions of the bill.

Any revenue impact would be dependent on the number of violations that would result in a civil penalty. Because of the unknown number of violations that may occur, the revenue impact of the bill cannot be determined. The impact on state correctional populations and on the demand for state correctional resources cannot be determined due to a lack of data to estimate the prevalence of conduct outlined in the bill's provisions that would be subject to criminal penalties.

It is assumed that any other costs associated with the bill could be absorbed using existing resources.

**Local Government Impact**

No significant fiscal implication to units of local government is anticipated.

**Source Agencies:** 212 Office of Court Administration, Texas Judicial Council, 302 Office of the Attorney General, 304 Comptroller of Public Accounts, 307 Secretary of State, 405 Department of Public Safety

**LBB Staff:** JMc, CMA, MGol, WP, DA, JPa, LCO, JKe, SD

**Certification of Compliance with  
Rule 13, Section 6(b), House Rules of Procedure**

Rule 13, Section 6(b), House Rules of Procedure, requires that a copy of a conference committee report signed by a majority of each committee of the conference be furnished to each member of the committee in person or, if unable to deliver in person, by placing a copy in the member's newspaper mailbox at least one hour before the report is furnished to each member of the house under Rule 13, Section 10(a). The paper copies of the report submitted to the chief clerk under Rule 13, Section 10(b), must contain a certificate that the requirement of Rule 13, Section 6(b), has been satisfied, and that certificate must be attached to the copy of the report furnished to each member under Rule 13, Section 10(d). Failure to comply with this requirement is not a sustainable point of order.

I certify that a copy of the conference committee report on SB 17 was furnished to each member of the conference committee in compliance with Rule 13, Section 6(b), House Rules of Procedure, before paper copies of the report were submitted to the chief clerk under Rule 13, Section 10(b), House Rules of Procedure.

  
(Signature)

5/23/25  
(Date)