



## **SB 17 and the March 1 Reporting Deadline**

Effective September 1, 2025, Senate Bill 17 prohibits citizens, companies, and governments tied to China, Russia, Iran, and North Korea from purchasing or acquiring most types of real property in Texas. While the law applies prospectively to new acquisitions, it also imposes a critical reporting obligation for certain entities that held Texas real property before the law took effect.

### **Reporting Requirement Now Due**

Under Texas Property Code Section 5.258, any company or organization that held an interest in Texas real property as of September 1, 2025, and that would be prohibited from acquiring such property under SB 17, was required to report that interest to the Texas Attorney General by **March 1, 2026**. This 180-day reporting window has now closed.

The reporting requirement applies to companies and organizations that are: (1) headquartered in a designated country; (2) directly or indirectly controlled by the government of a designated country; or (3) owned or controlled by citizens or residents of a designated country. Notably, this reporting obligation does not apply to individuals holding pre-existing interests—only to corporate and organizational entities.

### **Key Provisions of SB 17**

Beyond the reporting requirement, SB 17 broadly prohibits covered foreign persons and entities from purchasing, acquiring, or taking title to real property in Texas, with limited exceptions. Violations can result in civil penalties of up to \$250,000 or 50 percent of the property's fair market value, whichever is greater, and knowing violations may result in state jail felony charges.

### **Ongoing Legal Challenge**

SB 17 is currently the subject of federal litigation challenging its constitutionality. A lawsuit filed in the Southern District of Texas was dismissed for lack of standing and is now on appeal before the Fifth Circuit. Importantly, the pending litigation does not stay enforcement of the law or the March 1, 2026 reporting deadline.

### **What Should Affected Parties Do Now?**

Entities that were required to file a report by March 1, 2026, and failed to do so should consult with legal counsel immediately regarding potential exposure to penalties. If you have questions about SB 17's impact on your business or real estate holdings, please contact our office.

**For further information on these developments, please contact [Elaine Howard](#).**