

SUBSTITUTE FOR  
HOUSE BILL NO. 4233

A bill to amend 1846 RS 66, entitled  
"Of estates in dower, by the curtesy, and general provisions  
concerning real estate,"  
by amending the title and sections 35 and 36 (MCL 554.135 and  
554.136) and by adding section 36a.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

TITLE

Of estates in dower, **estates** by the curtesy, ~~and~~ general  
provisions concerning real estate, **prohibitions on certain foreign  
ownership of certain real estate, and the prescription of remedies  
and civil sanctions.**

Sec. 35. **(1)** ~~Any~~ **Except as otherwise provided in sections 36a  
and 36b, an** alien may acquire and hold ~~lands,~~ **land,** or any right



~~thereto or interest therein, in land, by purchase, devise, or~~  
~~descent, and he may convey, mortgage, and devise the same, and if~~  
~~he shall die that land or right or interest in land. If an alien~~  
~~dies intestate, the same shall alien's land or right or interest in~~  
~~land must descend to his the alien's heirs. ; and in all cases such~~  
~~lands shall~~

**(2) Except as otherwise provided in sections 36a and 36b, land**  
**or a right or interest in land described in subsection (1) must be**  
 held, conveyed, mortgaged, or devised, or ~~shall must~~ descend in  
 like manner, and with like effect, as if ~~such the~~ alien were a  
 native citizen of this state ~~, or of the~~ United States.

Sec. 36. ~~The~~ **Except as otherwise provided in sections 36a and**  
**36b, the** title to any ~~lands heretofore land~~ conveyed ~~shall must~~ not  
 be questioned, ~~nor or~~ in any manner affected, ~~by reason because~~ of  
 the alienage of any person from or through whom ~~such that~~ title ~~may~~  
~~have been was~~ derived.

**Sec. 36a. (1) Beginning on the effective date of the**  
**amendatory act that added this section, except as otherwise**  
**provided in this section, a foreign principal shall not purchase or**  
**otherwise acquire agricultural land in this state. A foreign**  
**principal that owns or holds agricultural land in this state on the**  
**effective date of the amendatory act that added this section may**  
**continue to own or hold the agricultural land, but shall not**  
**purchase or otherwise acquire additional agricultural land in this**  
**state.**

**(2) Subsection (1) does not apply to the following:**

**(a) Agricultural land that is acquired by devise or descent if**  
**that agricultural land is sold or otherwise disposed of not later**  
**than 2 years after the date of acquisition.**



1 (b) A bona fide encumbrance on agricultural land taken for  
2 security.

3 (c) Agricultural land that is acquired by a process of law in  
4 the collection of a debt, by a deed in lieu of foreclosure, under a  
5 forfeiture of a contract for deed, or by any procedure for the  
6 enforcement of a lien or claim on the agricultural land, whether  
7 created by mortgage or otherwise if both of the following  
8 conditions are met:

9 (i) The agricultural land is sold or otherwise disposed of not  
10 later than 2 years after the date of acquisition.

11 (ii) Pending the sale or disposition, the agricultural land is  
12 not used for a purpose other than farming, and the agricultural  
13 land is not used for farming except under lease to a person not  
14 subject to the restriction under subsection (1).

15 (3) A person that purchases or otherwise acquires agricultural  
16 land in this state after the effective date of the amendatory act  
17 that added this section, and whose status changes so that the  
18 person becomes a foreign principal shall divest itself of all  
19 right, title, and interest in the agricultural land not later than  
20 2 years after the date of the change in status.

21 (4) A foreign principal that owns agricultural land on or  
22 after the effective date of the amendatory act that added this  
23 section shall register the agricultural land with the secretary of  
24 state not later than 60 days after the effective date of the  
25 amendatory act that added this section or not later than 60 days  
26 after acquiring the agricultural land, whichever is later. The  
27 registration must be in a form and manner prescribed by the  
28 secretary of state and contain all of the following information:

29 (a) The name of the owner of the agricultural land.



1 (b) If the owner of the agricultural land is an agent,  
2 trustee, or fiduciary of a foreign principal, the name of the  
3 foreign principal for whom that agricultural land was acquired as  
4 agent, trustee, or fiduciary.

5 (c) The location and number of acres of the agricultural land  
6 by municipality and county.

7 (d) The date the agricultural land was acquired.

8 (5) If a foreign principal acquires or holds agricultural land  
9 in violation of this section, the secretary of state shall report  
10 the violation to the attorney general.

11 (6) On receipt of the report under subsection (5), the  
12 attorney general shall do both of the following:

13 (a) Initiate an action in the circuit court of any county in  
14 which the agricultural land is located.

15 (b) File notice of the pendency of the action initiated under  
16 subdivision (a) with the register of deeds in each county in which  
17 any of the agricultural land is located.

18 (7) If an easement, covenant, condition, or restriction is  
19 properly created and recorded and does not otherwise violate this  
20 act, a circuit court action under subsection (6) does not  
21 extinguish or otherwise eliminate the easement, covenant,  
22 condition, or restriction.

23 (8) In any action initiated under subsection (6), if the court  
24 finds that the foreign principal violated this section, the court  
25 shall do 1 of the following, as applicable:

26 (a) If the court finds that the agricultural land at issue was  
27 acquired or held in violation of this section, do both of the  
28 following:

29 (i) Enter an order declaring that the agricultural land has



1 been acquired or held in violation of this section and file a copy  
2 of that order with the register of deeds in each county in which  
3 any portion of the agricultural land is located.

4 (ii) Declare the agricultural land escheated to this state and  
5 order the sale of the agricultural land in the same manner as  
6 provided by law for the foreclosure of a mortgage on real estate  
7 for default of payment. The proceeds of this sale must be used in  
8 the following order of priority:

9 (A) To pay court costs.

10 (B) Except for liens that are to remain on the property under  
11 the terms of the sale or by court order, to lienholders in the  
12 lienholders' order of priority.

13 (C) To pay outstanding fines.

14 (D) The remaining funds, if any, must be paid to the person  
15 divested of the agricultural land.

16 (b) If the court finds that a foreign principal failed to  
17 timely register the agricultural land under subsection (4), impose  
18 a civil fine of not more than \$2,000.00 for each violation.

19 (9) A person that acquires or holds agricultural land in  
20 violation of this section remains in violation of this section for  
21 as long as the person holds an interest in the agricultural land.

22 (10) All liability for failure to comply with this section is  
23 limited solely to the person acquiring an interest in the  
24 agricultural land. No person other than the person acquiring an  
25 interest in the agricultural land is required to determine or  
26 inquire into whether another person is or may be subject to this  
27 section.

28 (11) No title to land is invalid or subject to divestiture due  
29 to a violation of this section by any former owner or other person



1 holding or owing a former interest in the land.

2 (12) As used in this section:

3 (a) "Agricultural land" means that term as defined under  
4 section 2 of the Michigan family farm development act, 1982 PA 220,  
5 MCL 285.252.

6 (b) "Foreign country of concern" means any of the following:

7 (i) The People's Republic of China.

8 (ii) The Russian Federation.

9 (iii) The Islamic Republic of Iran.

10 (iv) The Democratic People's Republic of Korea.

11 (v) The Republic of Cuba.

12 (vi) The Venezuelan regime of Nicolás Maduro.

13 (vii) The Syrian Arab Republic.

14 (viii) An agency or other entity under the significant control  
15 of a country described in subparagraphs (i) to (vii).

16 (c) "Foreign principal" means any of the following:

17 (i) The government or any official of the government of a  
18 foreign country of concern.

19 (ii) A political party, member of a political party, or any  
20 subdivision of a political party in a foreign country of concern.

21 (iii) A partnership, association, corporation, organization, or  
22 other combination of persons, or a subsidiary of a partnership,  
23 association, corporation, organization, or other combination of  
24 persons, organized under the laws of or having its principal place  
25 of business in a foreign country of concern.

26 Enacting section 1. This amendatory act does not take effect  
27 unless House Bill No. 4234 of the 103rd Legislature is enacted into  
28 law.

