

**SUBSTITUTE FOR
HOUSE BILL NO. 4234**

A bill to amend 1846 RS 66, entitled
"Of estates in dower, by the curtesy, and general provisions
concerning real estate,"
(MCL 554.131 to 554.139) by adding sections 36b and 36c.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 **Sec. 36b. (1) Except as otherwise provided in this section, a**
2 **foreign principal shall not directly or indirectly own or acquire**
3 **by purchase, grant, devise, or descent any interest in real**
4 **property located within 20 miles of any military installation or**
5 **key facility in this state. The prohibition under this subsection**
6 **does not apply to a foreign principal that acquires real property**
7 **within 20 miles of any military installation or key facility for a**
8 **diplomatic purpose that is recognized, acknowledged, or allowed by**



1 the government of the United States.

2 (2) If an entity that is prohibited from purchasing or
3 otherwise acquiring real property under this section has a national
4 security agreement with the Committee on Foreign Investment in the
5 United States and continues to maintain the national security
6 agreement, the entity may purchase, lease, or acquire a maximum of
7 350 acres of agricultural land for either of the following
8 purposes:

9 (a) Agricultural research and development.

10 (b) Experimental purposes, including testing, development, or
11 production of crop production inputs for sale or resale to farmers,
12 including, but not limited to, any of the following:

13 (i) Seeds.

14 (ii) Plants.

15 (iii) Pesticides.

16 (iv) Soil amendments.

17 (v) Biologicals.

18 (vi) Fertilizers.

19 (3) A foreign principal that directly or indirectly owns or
20 acquires an interest in real property within 20 miles of any
21 military installation or key facility in this state before the
22 effective date of the amendatory act that added this section may
23 continue to own or hold the real property but shall not purchase or
24 otherwise acquire any additional real property located within 20
25 miles of any military installation or key facility in this state.

26 (4) A foreign principal that directly or indirectly owns or
27 acquires any interest in real property within 20 miles of any
28 military installation or key facility before the effective date of
29 the amendatory act that added this section shall register with the



1 secretary of state not later than July 1, 2025. The secretary of
2 state shall create a registration form that includes, but is not
3 limited to, all of the following information about the real
4 property:

5 (a) The name of the owner or the owner of any interest.

6 (b) The address, the parcel identification number, and the
7 legal description.

8 (c) The number of acres.

9 (5) A foreign principal that does not register with the
10 secretary of state under subsection (4) by July 1, 2025, is
11 responsible for a state civil infraction and may be ordered to pay
12 a civil fine of not more than \$1,000.00 for each day the
13 registration is late. The secretary of state may place a lien
14 against unregistered real property located within 20 miles of any
15 military installation or key facility for the unpaid balance of any
16 penalties assessed under this subsection.

17 (6) If a foreign principal acquires real property within 20
18 miles of any military installation or key facility on or after the
19 effective date of the amendatory act that added this section by
20 devise or descent, through the enforcement of security interests,
21 or through the collection of debts, the foreign principal shall
22 sell, transfer, or otherwise divest itself of the real property not
23 later than 2 years after acquiring the real property.

24 (7) A person that purchases or otherwise acquires real
25 property within 20 miles of any military installation or key
26 facility in this state after the effective date of the amendatory
27 act that added this section, and whose status changes so that the
28 person becomes a foreign principal shall divest itself of all
29 right, title, and interest in the real property not later than 2



1 years after the date of the change in status.

2 (8) If a foreign principal acquires or holds real property
3 within 20 miles of any military installation or key facility in
4 violation of this section, the secretary of state shall report the
5 violation to the attorney general.

6 (9) On receipt of the report under subsection (8), the
7 attorney general shall do both of the following:

8 (a) Initiate an action in the circuit court of any county in
9 which the real property is located.

10 (b) File notice of the pendency of the action initiated under
11 subdivision (a) with the register of deeds in each county in which
12 any of the real property is located.

13 (10) If an easement, covenant, condition, or restriction is
14 properly created and recorded and does not otherwise violate this
15 act, a circuit court action under subsection (9) does not
16 extinguish or otherwise eliminate the easement, covenant,
17 condition, or restriction.

18 (11) In any action initiated under subsection (9), if the
19 court finds that the foreign principal violated this section, the
20 court shall do any of the following, as applicable:

21 (a) If the court finds that the real property located within
22 20 miles of any military installation or key facility at issue was
23 acquired or held in violation of this section, do both of the
24 following:

25 (i) Enter an order declaring that the real property has been
26 acquired or held in violation of this section and file a copy of
27 that order with the register of deeds in each county in which any
28 portion of the real property is located.

29 (ii) Declare the real property escheated to this state and



1 order the sale of the real property in the same manner as provided
2 by law for the foreclosure of a mortgage on real estate for default
3 of payment. The proceeds of this sale must be used in the following
4 order of priority:

5 (A) To pay court costs.

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

9 (C) To pay outstanding fines.

10 (D) The remaining funds, if any, must be paid to the person
11 divested of the real property.

12 (b) At any time during the forfeiture proceeding under this
13 subsection, the secretary of state may seek an order of seizure of
14 the real property within 20 miles of any military installation or
15 key facility on a showing that the defendant's control of the real
16 property is a clear and present danger to this state.

17 (12) A foreign principal that purchases or acquires any
18 interest in real property within 20 miles of any military
19 installation or key facility in violation of this section is guilty
20 of a misdemeanor punishable by imprisonment for not more than 93
21 days or a fine of not more than \$500.00, or both.

22 (13) All liability for failure to comply with this section is
23 limited solely to the person acquiring an interest in the real
24 property within 20 miles of any military installation or key
25 facility. No person other than the person acquiring an interest in
26 the real property within 20 miles of any military installation or
27 key facility is required to determine or inquire into whether
28 another person is or may be subject to this section.

29 (14) No title to land is invalid or subject to divestiture due

1 to a violation of this section by any former owner or other person
2 holding or owing a former interest in the land.

3 (15) As used in this section:

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

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

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

9 (ii) The Russian Federation.

10 (iii) The Islamic Republic of Iran.

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

12 (v) The Republic of Cuba.

13 (vi) The Venezuelan regime of Nicolás Maduro.

14 (vii) The Syrian Arab Republic.

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

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

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

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

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

27 (d) "Key facility" means that term as defined under section
28 552c of the Michigan penal code, 1931 PA 328, MCL 750.552c.

29 (e) "Military installation" means that term as defined in 10



1 USC 2801(c) (4) and includes an armory as that term is defined in
2 section 105 of the Michigan military act, 1967 PA 150, MCL 32.505.

3 (f) "Real property" means land, buildings, fixtures, and all
4 other improvements to land.

5 Sec. 36c. (1) Not later than the time of purchase, a buyer of
6 any interest in real property within 20 miles of any military
7 installation or key facility in this state shall file with the
8 secretary of state an affidavit signed under the penalty of perjury
9 attesting that the buyer is not a foreign principal and is in
10 compliance with the requirements under section 36a.

11 (2) The failure to obtain or maintain an affidavit required
12 under subsection (1) does not do either of the following:

13 (a) Affect the title or insurability of the title for the real
14 property.

15 (b) Subject the closing agent to civil or criminal liability.

16 (3) As used in this section:

17 (a) "Foreign country of concern" means any of the following:

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

19 (ii) The Russian Federation.

20 (iii) The Islamic Republic of Iran.

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

22 (v) The Republic of Cuba.

23 (vi) The Venezuelan regime of Nicolás Maduro.

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26 of a country described in subparagraphs (i) to (vii).

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29 foreign country of concern.



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

3 (iii) A partnership, association, corporation, organization, or
4 other combination of persons, or a subsidiary of a partnership,
5 association, corporation, organization, or other combination of
6 persons, organized under the laws of or having its principal place
7 of business in a foreign country of concern.

8 (c) "Key facility" means that term as defined under section
9 552c of the Michigan penal code, 1931 PA 328, MCL 750.552c.

10 (d) "Military installation" means that term as defined in 10
11 USC 2801(c)(4) and includes an armory as that term is defined in
12 section 105 of the Michigan military act, 1967 PA 150, MCL 32.505.

13 (e) "Real property" means land, buildings, fixtures, and all
14 other improvements to land.

15 Enacting section 1. This amendatory act does not take effect
16 unless House Bill No. 4233 of the 103rd Legislature is enacted into
17 law.

