

**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) A foreign principal that directly or indirectly owns or
3 acquires an interest in real property within 20 miles of any
4 military installation or key facility in this state before the
5 effective date of the amendatory act that added this section may
6 continue to own or hold the real property but shall not purchase or
7 otherwise acquire any additional real property located within 20
8 miles of any military installation or key facility in this state.

9 (3) A foreign principal that directly or indirectly owns or
10 acquires any interest in real property within 20 miles of any
11 military installation or key facility before the effective date of
12 the amendatory act that added this section shall register with the
13 secretary of state not later than July 1, 2025. The secretary of
14 state shall create a registration form that includes, but is not
15 limited to, all of the following information about the real
16 property:

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

18 (b) The address, the parcel identification number, and the
19 legal description.

20 (c) The number of acres.

21 (4) A foreign principal that does not register with the
22 secretary of state under subsection (3) by July 1, 2025, is
23 responsible for a state civil infraction and may be ordered to pay
24 a civil fine of not more than \$1,000.00 for each day the
25 registration is late. The secretary of state may place a lien
26 against unregistered real property located within 20 miles of any
27 military installation or key facility for the unpaid balance of any
28 penalties assessed under this subsection.

29 (5) If a foreign principal acquires real property within 20



1 miles of any military installation or key facility on or after the
2 effective date of the amendatory act that added this section by
3 devise or descent, through the enforcement of security interests,
4 or through the collection of debts, the foreign principal shall
5 sell, transfer, or otherwise divest itself of the real property not
6 later than 2 years after acquiring the real property.

7 (6) A person that purchases or otherwise acquires real
8 property within 20 miles of any military installation or key
9 facility in this state after the effective date of the amendatory
10 act that added this section, and whose status changes so that the
11 person becomes a foreign principal shall divest itself of all
12 right, title, and interest in the real property not later than 2
13 years after the date of the change in status.

14 (7) If a foreign principal acquires or holds real property
15 within 20 miles of any military installation or key facility in
16 violation of this section, the secretary of state shall report the
17 violation to the attorney general.

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

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

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

25 (9) If an easement, covenant, condition, or restriction is
26 properly created and recorded and does not otherwise violate this
27 act, a circuit court action under subsection (8) does not
28 extinguish or otherwise eliminate the easement, covenant,
29 condition, or restriction.



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

4 (a) If the court finds that the real property located within
5 20 miles of any military installation or key facility at issue was
6 acquired or held in violation of this section, do both of the
7 following:

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

12 (ii) Declare the real property escheated to this state and
13 order the sale of the real property in the same manner as provided
14 by law for the foreclosure of a mortgage on real estate for default
15 of payment. The proceeds of this sale must be used in the following
16 order of priority:

17 (A) To pay court costs.

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

21 (C) To pay outstanding fines.

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

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

29 (11) A foreign principal that purchases or acquires any



1 interest in real property within 20 miles of any military
2 installation or key facility in violation of this section is guilty
3 of a misdemeanor punishable by imprisonment for not more than 93
4 days or a fine of not more than \$500.00, or both.

5 (12) A person that knowingly sells any interest in real
6 property within 20 miles of any military installation or key
7 facility to a foreign principal in violation of this section is
8 guilty of a misdemeanor punishable by imprisonment for not more
9 than 93 days or a fine of not more than \$500.00, or both.

10 (13) All liability for failure to comply with this section is
11 limited solely to the person acquiring an interest in the real
12 property within 20 miles of any military installation or key
13 facility. No person other than the person acquiring an interest in
14 the real property within 20 miles of any military installation or
15 key facility is required to determine or inquire into whether
16 another person is or may be subject to this section.

17 (14) No title to land is invalid or subject to divestiture due
18 to a violation of this section by any former owner or other person
19 holding or owing a former interest in the land.

20 (15) As used in this section:

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

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

23 (ii) The Russian Federation.

24 (iii) The Islamic Republic of Iran.

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

26 (v) The Republic of Cuba.

27 (vi) The Venezuelan regime of Nicolás Maduro.

28 (vii) The Syrian Arab Republic.

29 (viii) An agency or other entity under the significant control



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

2 (b) "Foreign principal" means any of the following:

3 (i) The government or any official of the government of a
4 foreign country of concern.

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

7 (iii) A partnership, association, corporation, organization, or
8 other combination of persons, or a subsidiary of a partnership,
9 association, corporation, organization, or other combination of
10 persons, organized under the laws of or having its principal place
11 of business in a foreign country of concern.

12 (c) "Key facility" means that term as defined under section
13 552c of the Michigan penal code, 1931 PA 328, MCL 750.552c.

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

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

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

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

27 (a) Affect the title or insurability of the title for the real
28 property.

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



1 (3) As used in this section:

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

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4 (ii) The Russian Federation.

5 (iii) The Islamic Republic of Iran.

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

7 (v) The Republic of Cuba.

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9 (vii) The Syrian Arab Republic.

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

12 (b) "Foreign principal" means any of the following:

13 (i) The government or any official of the government of a
14 foreign country of concern.

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

17 (iii) A partnership, association, corporation, organization, or
18 other combination of persons, or a subsidiary of a partnership,
19 association, corporation, organization, or other combination of
20 persons, organized under the laws of or having its principal place
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25 USC 2801(c) (4) and includes an armory as that term is defined in
26 section 105 of the Michigan military act, 1967 PA 150, MCL 32.505.

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

29 Enacting section 1. This amendatory act does not take effect



1 unless House Bill No. 4233 of the 103rd Legislature is enacted into
2 law.