

HOUSE BILL NO. 4329

March 23, 2023, Introduced by Reps. DeBoyer, Maddock, Aragona, Alexander, St. Germaine, Roth, Schmaltz, Markkanen, Bierlein, Rigas, BeGole, Steele, Beson, Neyer, Kunse, Bezotte, Wozniak, Outman, Jaime Greene and Smit and referred to the Committee on Local Government and Municipal Finance.

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:

1 TITLE
2 Of estates in dower, **estates** by the curtesy, and—general
3 provisions concerning real estate, **prohibitions on certain foreign**
4 **acquisition of certain real estate, and the prescription of**

1 remedies.

2 Sec. 35. (1) ~~Any~~ **Except as otherwise provided in section 36a,**
 3 **any** alien may acquire and hold ~~lands,~~ **land,** or any right ~~thereto or~~
 4 interest ~~therein,~~ **in land,** by purchase, devise, or descent, and he
 5 may convey, mortgage, and devise the ~~same,~~ **and if he shall die land**
 6 **or right or interest in the land. If an alien dies** intestate, the
 7 ~~same shall~~ **alien's land or right or interest in land must** descend
 8 to ~~his~~ **the alien's** heirs. ~~; and in all cases such lands shall~~

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

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

19 Sec. 36a. (1) **Except as otherwise provided in this section,**
 20 **beginning on the effective date of the amendatory act that added**
 21 **this section, a foreign person shall not purchase or otherwise**
 22 **acquire land in this state. A foreign person that owns or holds**
 23 **land in this state on the effective date of the amendatory act that**
 24 **added this section may continue to own or hold the land, but shall**
 25 **not purchase or otherwise acquire additional land in this state.**

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

27 (a) Land that is acquired by devise or descent if, except as
 28 otherwise provided in this subdivision, the land is sold or
 29 otherwise disposed of within 60 months after the acquisition. This

1 subdivision does not require divestment of land acquired by devise
2 or descent from a foreign citizen if the land was acquired by a
3 foreign citizen before the effective date of the amendatory act
4 that added this section.

5 (b) Land that is acquired by a process of law in the
6 collection of a debt, by a deed in lieu of foreclosure, under a
7 forfeiture of a contract for deed, or by any procedure for the
8 enforcement of a lien or claim on the land, whether created by
9 mortgage or otherwise if the land is sold or otherwise disposed of
10 within 60 months after the acquisition.

11 (3) A person that purchases or otherwise acquires land in this
12 state after the effective date of the amendatory act that added
13 this section, and whose status changes so that the person becomes a
14 foreign person, shall divest itself of all right, title, and
15 interest in the land within 60 months after the date of the change
16 in status.

17 (4) If a foreign person acquires or holds land in violation of
18 this section, the secretary of state shall report the violation to
19 the attorney general.

20 (5) On receipt of the report under subsection (5), the
21 attorney general shall do all of the following:

22 (a) Enter an order declaring that the land has been acquired
23 or held in violation of this section and file a copy of that order
24 with the register of deeds in each county in which any portion of
25 the land is located.

26 (b) Declare the land escheated to this state and order the
27 sale of the land.

28 (6) The department of natural resources shall promulgate rules
29 to govern the sale of land escheated to this state under subsection

1 (5) including, but not limited to, all of the following:

2 (a) The sale must be completed by auction.

3 (b) The department of natural resources, or an agent of the
4 department of natural resources, shall oversee the auction.

5 (c) The department of natural resources, or an agent of the
6 department of natural resources, shall begin the auction no later
7 than 1 year after the date the land is acquired by this state.

8 (d) The proceeds of the auction must be deposited in the
9 general fund of this state.

10 (7) As used in this section:

11 (a) "Business entity" means a corporation, limited liability
12 company, partnership, sole proprietorship, firm, enterprise,
13 franchise, association, organization, self-employed individual,
14 holding company, joint stock company, receivership, trust,
15 activity, or entity that is organized for profit or nonprofit
16 purposes.

17 (b) "Foreign business" means any of the following:

18 (i) A business entity incorporated under the laws of a foreign
19 government.

20 (ii) A business entity headquartered in a country controlled by
21 a foreign government.

22 (iii) A business entity, whether or not incorporated, in which
23 any controlling interest is owned directly or indirectly by a
24 foreign government or foreign citizen.

25 (c) "Foreign citizen" means an individual who is a citizen of
26 a foreign government.

27 (d) "Foreign government" means a governmental entity of a
28 foreign country that is either of the following:

29 (i) A nonmarket economy country.

1 (ii) A state sponsor of terrorism.

2 (e) "Foreign person" means a foreign citizen, foreign
3 business, or foreign government, or an agent, trustee, or fiduciary
4 of a foreign citizen, foreign business, or foreign government.

5 (f) "Nonmarket economy country" means any country the United
6 States Department of Commerce deems not to operate on market
7 principles of cost or pricing structures, so that sales of
8 merchandise in the country do not reflect the fair value of
9 merchandise.

10 (g) "State sponsor of terrorism" means that term as defined in
11 48 CFR 225.772-1.