

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

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FISCAL IMPACT STATEMENT

LS 6624

BILL NUMBER: HB 1183

NOTE PREPARED: Jan 29, 2024

BILL AMENDED: Jan 29, 2024

SUBJECT: Foreign Ownership of Agricultural Land.

FIRST AUTHOR: Rep. Culp

FIRST SPONSOR:

BILL STATUS: CR Adopted - 1st House

FUNDS AFFECTED: GENERAL
 DEDICATED
 FEDERAL

IMPACT: State & Local

Summary of Legislation: (Amended) This bill provides that, beginning July 1, 2024, a real estate closing including agricultural land must include an affidavit in which the purchaser affirms that the purchaser is not prohibited from acquiring or leasing agricultural land. It provides that, beginning July 1, 2024, a prohibited person may not acquire or lease agricultural land or a mineral right or water or riparian right on agricultural land located in Indiana. The bill requires the Attorney General to investigate an acquisition or lease of agricultural land if the Attorney General believes the acquisition or lease is in violation of law. It provides certain enforcement powers to the Attorney General for a transfer of agricultural land in violation of the law. The bill also provides that agricultural land or interests in agricultural land found to be acquired in violation of law are subject to judicial foreclosure.

Effective Date: July 1, 2024.

Explanation of State Expenditures: *Office of the Attorney General:* This bill could increase the administrative workload for the Office of the Attorney General to the extent the office would need to investigate an acquisition or lease of agricultural land by a prohibited person in violation of the bill's provisions.

Explanation of State Revenues: (Revised) The bill's provision could result in an increase in revenues attributable to agricultural land that is sold via a judicial foreclosure - a process that would be initiated by the Office of Attorney General. To the extent that agricultural land is sold via a judicial foreclosure, the state General Fund would receive additional revenue from a portion of the sale proceeds, related to the costs and expenses of the Attorney General's actions associated with the case. The increases in revenue are

indeterminable.

Additionally, if additional civil cases occur and court fees are collected, revenue to the state General Fund will increase. The total revenue per case would range between \$100 and \$122. The amount deposited will vary depending on whether the case is filed in a court of record or a municipal court. The following linked document describes the fees and distribution of the revenue: [Court fees imposed in civil, probate, and small claims cases.](#)

Explanation of Local Expenditures: *City and Town Courts:* This bill could increase the administrative workload for local courts to the extent the courts would need to process cases involving an acquisition or lease of agricultural land by a prohibited person in violation of the bill's provisions.

Explanation of Local Revenues: *Court Fee Revenue:* If additional cases occur, revenue will be collected by certain local units. If the case is filed in a court of record, the county will receive \$32 and qualifying municipalities will receive a share of \$3. If the case is filed in a municipal court, the county receives \$20, and the municipality will receive \$37. The following linked document describes the fees and distribution of the revenue: [Court fees imposed in civil, probate, and small claims cases.](#)

State Agencies Affected: Office of the Attorney General.

Local Agencies Affected: Trial courts, city, and town courts.

Information Sources: Indiana Supreme Court, Indiana Trial Court Fee Manual.

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