

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

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FISCAL IMPACT STATEMENT

LS 6624

BILL NUMBER: HB 1183

NOTE PREPARED: Feb 27, 2024

BILL AMENDED: Feb 27, 2024

SUBJECT: Foreign Ownership of Land.

FIRST AUTHOR: Rep. Culp

FIRST SPONSOR: Sen. Leising

BILL STATUS: CR Adopted - 2nd 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. It also provides that, beginning July 1, 2024, a prohibited person may not acquire an interest in land located within a certain radius of military property.

The bill requires the Office of the Attorney General to investigate an acquisition or lease of land if the Office of the Attorney General believes the acquisition or lease is in violation of law. It also provides certain enforcement powers to the Office of the Attorney General for a transfer of land in violation of the law.

Effective Date: July 1, 2024.

Explanation of State Expenditures: (Revised) *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 certain property by a prohibited person in violation of the bill's provisions.

Increases in administrative workload for the Office of the Attorney General may also be attributable to the implementation of a process and electronic registry for prohibited persons that directly or indirectly owns an interest in real property located in the specified proximity to a military installation or a Indiana Nation Guard armory or maintenance facility. The potential of the office commencing a receivership proceeding for any real property under investigation could also increase agency workload.

Explanation of State Revenues: (Revised) *Court Fees:* 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.](#)

Additionally, the bill's provision could result in an increase in revenues from civil penalties assessed against prohibited persons by the court. The court may assess a penalty in an amount not to exceed the greater of \$100,000 or \$5,000 per acre of real property subject to the receivership proceeding. Any civil penalty collected under this bill's provision must be transferred to the state General Fund. The increases in civil penalty revenues are indeterminable and would be contingent upon the number of property receivership cases processed and the decision of the individual courts to assess the penalties.

Explanation of Local Expenditures: (Revised) *City and Town Courts:* This bill could increase the administrative workload for local courts to the extent the courts would need to process additional cases.

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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