



COMMITTEE REPORT

MADAM PRESIDENT:

The Senate Committee on Agriculture, to which was referred House Bill No. 1183, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

- 1 Page 1, between the enacting clause and line 1, begin a new
2 paragraph and insert:
3 "SECTION 1. IC 1-1-16-10 IS REPEALED [EFFECTIVE JULY 1,
4 2024]. Sec. 10: (a) After June 30, 2023, a prohibited person may not
5 purchase, lease, or acquire a parcel of real property that is:
6 (1) located in Indiana; and
7 (2) directly adjacent to a military installation.
8 (b) A purchase, lease, or acquisition of a parcel of real property in
9 violation of subsection (a) is subject to divestiture pursuant to section
10 11 of this chapter.
11 (c) No title to real property shall be invalid or subject to divestiture
12 by reason of the violation of this section by any former owner or other
13 individual or entity holding or owning a former interest in the real
14 property.
15 SECTION 2. IC 1-1-16-11 IS REPEALED [EFFECTIVE JULY 1,
16 2024]. Sec. 11: (a) The attorney general may investigate the purchase,
17 lease, or acquisition of real property upon receipt of a complaint
18 alleging a violation of section 10 of this chapter.
19 (b) The attorney general shall enforce a violation of section 10 of
20 this chapter by commencing a receivership proceeding under

1 IC 32-30-5-1 and selling the property through the receivership. The
2 following apply to a receivership proceeding under this section:

3 (1) Proceeds of the sale shall be disbursed to lienholders, in their
4 order of priority, except for liens which under the terms of the
5 sale are to remain on the property.

6 (2) At the receivership sale, lienholders shall be able to have a
7 credit bid.

8 (3) No proceeds shall be distributed from the receivership sale to
9 the prohibited person. Any excess proceeds are forfeited and shall
10 be transferred to the state general fund by the receiver.

11 (4) Upon commencement of an action under this section, the
12 attorney general shall promptly file a notice of lis pendens with
13 the clerk of court. Upon the entry order for the sale of the property
14 under this section, the attorney general shall promptly record a
15 copy of the order in the office of the recorder of the county where
16 the property is located.

17 (c) The responsibility for determining whether an individual or other
18 entity is subject to section 10 of this chapter rests solely with the
19 prohibited person and the attorney general and no other individual or
20 entity. An individual or other entity who is not a prohibited person shall
21 bear no civil or criminal liability for failing to determine or make
22 inquiry of whether an individual or other entity is a prohibited person.

23 (d) Divestiture of a prohibited person's title under this section shall
24 not be a basis to void, invalidate, or otherwise extinguish any bona fide
25 mortgage, lien, or other interest granted by, through, or under the
26 prohibited person."

27 Page 3, line 29, after "Indiana." insert "**This subdivision does not**
28 **apply to the renewal of a lease for agricultural land that is in place**
29 **prior to July 1, 2024, if the acreage and description of the**
30 **agricultural land subject to the lease does not change.**".

31 Page 3, between lines 38 and 39, begin a new paragraph and insert:

32 "**(d) A purchase, acquisition, or lease of agricultural land in**
33 **violation of this section is subject to divestiture pursuant to section**
34 **6.5 of this chapter.**

35 (e) **No title to agricultural land shall be invalid or subject to**
36 **divestiture by reason of a violation of this section by any former**
37 **owner or other individual or entity holding or owning a former**
38 **interest in the agricultural land.**".

39 Page 4, delete lines 7 through 22, begin a new paragraph and insert:

40 "**(b) The attorney general shall enforce a violation of section 4.5**
41 **of this chapter by commencing a receivership proceeding under**
42 **IC 32-30-5-1 and selling the agricultural land through the**

1 receivership. The following apply to a receivership proceeding
2 under this section:

3 (1) Proceeds of the sale shall be paid as follows:

4 (A) The costs of the receivership and sale.

5 (B) To lienholders, in their order of priority, except for
6 liens which under the terms of the sale are to remain on the
7 property.

8 (C) Any penalty assessed against the prohibited person.

9 (D) Any excess funds to the prohibited person.

10 (2) At the receivership sale, lienholders shall be able to have
11 a credit bid in an amount that is not more than the amount
12 owed to the lienholder on the date of the sale, as established in
13 the court order for the sale of the property.

14 (3) Upon commencement of an action under this section, the
15 attorney general shall promptly file a notice of lis pendens
16 with the clerk of court. Upon the entry of an order for the sale
17 of the property under this section, the attorney general shall
18 promptly record a copy of the order in the office of the
19 recorder of the county where the property is located.

20 (4) The court may assess a penalty against the prohibited
21 person for a violation of section 4.5 of this chapter in an
22 amount not to exceed the greater of:

23 (A) one hundred thousand dollars (\$100,000); or

24 (B) five thousand dollars (\$5,000) per acre of agricultural
25 land subject to the receivership proceeding.

26 A penalty assessed under this subdivision must be transferred
27 to the state general fund.

28 (c) The responsibility for determining whether an individual or
29 other entity is subject to section 4.5 of this chapter rests solely with
30 the prohibited person and the attorney general and no other
31 individual or entity. An individual or other entity who is not a
32 prohibited person shall bear no civil or criminal liability for failing
33 to determine or make inquiry of whether an individual or other
34 entity is a prohibited person.

35 (d) Divestiture of a prohibited person's title under this section
36 shall not be a basis to void, invalidate, or otherwise extinguish any
37 bona fide mortgage, lien, or other interest granted by, through, or
38 under the prohibited person.

39 SECTION 9. IC 32-22-5 IS ADDED TO THE INDIANA CODE AS
40 A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY
41 1, 2024]:

42 **Chapter 5. Prohibition on Owning Land Near Military Property**

1 **Sec. 1. As used in this chapter, "military installation" means a**
2 **military base, camp, post, station, yard, center, or other activity**
3 **under the jurisdiction of:**

- 4 **(1) the secretary of a branch of a federal military department;**
5 **or**
6 **(2) the governor.**

7 **Sec. 2. As used in this chapter, "prohibited person" has the**
8 **meaning set forth in IC 32-22-3-3.5.**

9 **Sec. 3. As used in this chapter, "real property" means:**

- 10 **(1) land located within Indiana; and**
11 **(2) a building or fixture situated on land located within**
12 **Indiana.**

13 **Sec. 4. (a) Except as provided in subsection (b), after June 30,**
14 **2024, a prohibited person may not do any of the following:**

- 15 **(1) Acquire by grant, purchase, devise, descent, or otherwise**
16 **any real property located within a fifty (50) mile radius of a**
17 **military installation located in Indiana.**
18 **(2) Except for a lease agreement for residential property,**
19 **enter into a lease agreement as a lessee for any real property**
20 **located within a fifty (50) mile radius of a military installation**
21 **located in Indiana.**
22 **(3) Acquire by grant, purchase, devise, descent, or otherwise**
23 **any real property located within a ten (10) mile radius of a**
24 **armory (as defined in IC 10-16-1-2.5) or a maintenance**
25 **facility of the Indiana National Guard.**
26 **(4) Except for a lease agreement for residential property,**
27 **enter into a lease agreement as a lessee for any real property**
28 **located within a ten (10) mile radius of an armory (as defined**
29 **in IC 10-16-1-2.5) or a maintenance facility of the Indiana**
30 **National Guard.**

31 **(b) A prohibited person may acquire an interest in real property**
32 **by devise or bequest, through the enforcement of any security**
33 **interest or through the collection of debt. Any such acquisition**
34 **shall be subject to sections 5 and 6 of this chapter.**

35 **(c) A person who is not a prohibited person is not civilly or**
36 **criminally liable for failing to determine whether a person is a**
37 **prohibited person under this section.**

38 **Sec. 5. A prohibited person that directly or indirectly owns an**
39 **interest in real property located within a fifty (50) mile radius of a**
40 **military installation located in Indiana or a ten (10) mile radius of**
41 **an armory (as defined in IC 10-16-1-2.5) or a maintenance facility**
42 **of the Indiana National Guard shall electronically register the**

1 prohibited person's ownership with the attorney general, in the
2 form and manner prescribed by the attorney general, not later
3 than October 31, 2024. The information provided in the electronic
4 registration must include:

- 5 (1) the name of the prohibited person holding an interest in
6 the real property;
- 7 (2) the date of acquisition of the real property;
- 8 (3) the address and legal description of the real property; and
- 9 (4) the distance, in miles, to the nearest military installation,
10 armory, or maintenance facility of the Indiana National
11 Guard.

12 **Sec. 6. (a)** Upon receipt of information that leads the attorney
13 general to believe an acquisition or lease of real property violates
14 section 4 of this chapter, the attorney general shall investigate the
15 alleged violation and may issue subpoenas requiring the:

- 16 (1) appearance of witnesses;
- 17 (2) production of relevant records; and
- 18 (3) giving of relevant testimony.

19 **(b)** The attorney general shall enforce a violation of section 4 of
20 this chapter by commencing a receivership proceeding under
21 IC 32-30-5-1 and selling the real property through the receivership.
22 The following apply to a receivership proceeding under this
23 section:

24 (1) Proceeds of the sale shall be paid as follows:

25 (A) The costs of the receivership and sale.

26 (B) To lienholders, in their order of priority, except for
27 liens which under the terms of the sale are to remain on the
28 property.

29 (C) Any penalty assessed against the prohibited person.

30 (D) Any excess funds to the prohibited person.

31 (2) At the receivership sale, lienholders shall be able to have
32 a credit bid in an amount that is not more than the amount
33 owed to the lienholder on the date of the sale, as established in
34 the court order for the sale of the property.

35 (3) Upon commencement of an action under this section, the
36 attorney general shall promptly file a notice of lis pendens
37 with the clerk of court. Upon the entry of an order for the sale
38 of the property under this section, the attorney general shall
39 promptly record a copy of the order in the office of the
40 recorder of the county where the property is located.

41 (4) The court may assess a penalty against the prohibited
42 person for a violation of section 4 of this chapter in an amount

1 **not to exceed the greater of:**

2 **(A) one hundred thousand dollars (\$100,000); or**

3 **(B) five thousand dollars (\$5,000) per acre of real property**
 4 **subject to the receivership proceeding.**

5 **A penalty assessed under this subdivision must be transferred**
 6 **to the state general fund.**

7 **(c) The responsibility for determining whether an individual or**
 8 **other entity is subject to section 4 of this chapter rests solely with**
 9 **the prohibited person and the attorney general and no other**
 10 **individual or entity. An individual or other entity who is not a**
 11 **prohibited person shall bear no civil or criminal liability for failing**
 12 **to determine or make inquiry of whether an individual or other**
 13 **entity is a prohibited person.**

14 **(d) Divestiture of a prohibited person's title under this section**
 15 **shall not be a basis to void, invalidate, or otherwise extinguish any**
 16 **bona fide mortgage, lien, or other interest granted by, through, or**
 17 **under the prohibited person.**

18 SECTION 10. IC 34-30-2.1-1.5 IS REPEALED [EFFECTIVE JULY
 19 1, 2024]. ~~Sec. 1-5. IC 1-1-16-11(c) (Concerning the sale, lease, or~~
 20 ~~acquisition of property adjacent to a military installation to a prohibited~~
 21 ~~person):~~

22 SECTION 11. IC 34-30-2.1-525.2 IS ADDED TO THE INDIANA
 23 CODE AS A **NEW SECTION TO READ AS FOLLOWS**
 24 **[EFFECTIVE JULY 1, 2024]: Sec. 525.2. IC 32-21-16-6 (Concerning**
 25 **real estate closings involving agricultural land).**

26 SECTION 12. IC 34-30-2.1-525.4 IS ADDED TO THE INDIANA
 27 CODE AS A **NEW SECTION TO READ AS FOLLOWS**
 28 **[EFFECTIVE JULY 1, 2024]: Sec. 525.4. IC 32-22-3-4.5(c)**
 29 **(Concerning agricultural land purchased or leased by a prohibited**
 30 **person).**

31 SECTION 13. IC 34-30-2.1-525.5 IS ADDED TO THE INDIANA
 32 CODE AS A **NEW SECTION TO READ AS FOLLOWS**
 33 **[EFFECTIVE JULY 1, 2024]: Sec. 525.5. IC 32-22-3-6.5(c)**
 34 **(Concerning agricultural land held by a prohibited person).**

35 SECTION 14. IC 34-30-2.1-525.6 IS ADDED TO THE INDIANA
 36 CODE AS A **NEW SECTION TO READ AS FOLLOWS**
 37 **[EFFECTIVE JULY 1, 2024]: Sec. 525.6. IC 32-22-5-4(c)**
 38 **(Concerning real property purchased or leased by a prohibited**
 39 **person near military property).**

40 SECTION 15. IC 34-30-2.1-525.8 IS ADDED TO THE INDIANA
 41 CODE AS A **NEW SECTION TO READ AS FOLLOWS**
 42 **[EFFECTIVE JULY 1, 2024]: Sec. 525.8. IC 32-22-5-6(c)**

- 1 **(Concerning real property held by a prohibited person near**
- 2 **military property).".**
- 3 Renumber all SECTIONS consecutively.
 (Reference is to HB 1183 as reprinted February 1, 2024.)

and when so amended that said bill do pass .

Committee Vote: Yeas 8, Nays 0.

Senator Leising, Chairperson