LEGISLATIVE SERVICES AGENCY OFFICE OF FISCAL AND MANAGEMENT ANALYSIS

200 W. Washington St., Suite 301 Indianapolis, IN 46204 (317) 233-0696 iga.in.gov

FISCAL IMPACT STATEMENT

LS 6624 BILL NUMBER: HB 1183

NOTE PREPARED: Mar 8, 2024 **BILL AMENDED:** Mar 8, 2024

SUBJECT: Foreign Ownership of Land.

FIRST AUTHOR: Rep. Culp FIRST SPONSOR: Sen. Leising BILL STATUS: Enrolled

FUNDS AFFECTED: X GENERAL X DEDICATED FEDERAL **IMPACT:** State & Local

Summary of Legislation: This bill provides that, beginning July 1, 2024, a prohibited person may not purchase, lease, or acquire a parcel of real property that is: (1) located in Indiana; and (2) located within a 10 mile radius of a military installation; with certain exceptions. 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 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: 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. The potential of the office commencing a receivership proceeding for any real property under investigation could also increase the agency's workload.

Explanation of State Revenues: *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: <u>Court fees imposed in civil, probate, and small claims cases.</u>

Additionally, the bill's provision could result in an increase in revenues attributable to agricultural land that is sold via a property receivership sale - a process that would be initiated by the Office of Attorney General.

To the extent that agricultural land is sold through a property receivership sale, the state General Fund would receive additional revenue from any excess proceeds that would have been paid to the prohibited person since the bill's provisions require that the prohibited person forfeit such proceeds. The increases attributable to these revenues are indeterminable and would be contingent upon the number of property receivership cases processed.

Explanation of Local Expenditures:

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.

Fiscal Analyst: James Johnson, 317-232-9869.