



January 29, 2024

HOUSE BILL No. 1183

DIGEST OF HB 1183 (Updated January 29, 2024 1:05 pm - DI 152)

Citations Affected: IC 32-21; IC 32-22.

Synopsis: Foreign ownership of agricultural land. 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. 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. 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. Provides certain enforcement powers to the attorney general for a transfer of agricultural land in violation of the law. Provides that agricultural land or interests in agricultural land found to be acquired in violation of law are subject to judicial foreclosure.

Effective: July 1, 2024.

Culp, Aylesworth, Jeter, Pryor

January 9, 2024, read first time and referred to Committee on Agriculture and Rural Development.
January 29, 2024, amended, reported — Do Pass.

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January 29, 2024

Second Regular Session of the 123rd General Assembly (2024)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2023 Regular Session of the General Assembly.

HOUSE BILL No. 1183

A BILL FOR AN ACT to amend the Indiana Code concerning property.

Be it enacted by the General Assembly of the State of Indiana:

- 1 SECTION 1. IC 32-21-16 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2024]:
4 **Chapter 16. Closings Including Agricultural Land**
5 **Sec. 1. This chapter does not apply to agricultural land on which**
6 **there has been no agricultural activity in the last five (5) years,**
7 **unless the agricultural land is recognized by the United States**
8 **Department of Agriculture's Farm Service Agency as farmland.**
9 **Sec. 2. As used in this chapter, "agricultural land" has the**
10 **meaning set forth in IC 32-22-3-1.**
11 **Sec. 3. As used in this chapter, "closing" means a transfer of an**
12 **interest in real estate by a deed, installment sales contract, or lease.**
13 **Sec. 4. As used in this chapter, "prohibited person" has the**
14 **meaning set forth in IC 32-22-3-3.5.**
15 **Sec. 5. A closing of the sale of real estate that:**
16 **(1) includes agricultural land; and**
17 **(2) occurs after June 30, 2024;**

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1 **must include an affidavit in which the purchaser affirms that the**
 2 **purchaser is not a prohibited person.**

3 SECTION 2. IC 32-22-3-0.5, AS ADDED BY P.L.156-2022,
 4 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 5 JULY 1, 2024]: Sec. 0.5. (a) **Except as provided in section 4.5 of this**
 6 **chapter**, the prohibition on ownership of agricultural land established
 7 by this chapter does not apply to the following:

8 (1) Agricultural land that is used for research or experimental
 9 purposes, including testing, developing, or producing seeds or
 10 plants for sale or resale to farmers as seed stock.

11 (2) The acquisition by a foreign business entity of agricultural
 12 land or an interest in agricultural land that is located within
 13 Indiana:

14 (A) that is used for crop farming and that is not more than
 15 three hundred twenty (320) acres; or

16 (B) that is used for timber production and that is not more than
 17 ten (10) acres.

18 (3) As used in this subdivision, "confined feeding operation" has
 19 the meaning set forth in IC 13-11-2-40. The acquisition by a
 20 foreign business entity of a confined feeding operation or
 21 agricultural land on which to construct a confined feeding
 22 operation.

23 (4) Agricultural land used for raising or producing eggs or
 24 poultry, including hatcheries and other ancillary activities.

25 (b) This chapter does not affect the ability of a foreign business
 26 entity to hold or acquire by grant, purchase, devise, descent, or
 27 otherwise agricultural land in such acreage as may be necessary to its
 28 business operations for purposes other than crop farming or timber
 29 production.

30 SECTION 3. IC 32-22-3-1, AS ADDED BY P.L.156-2022,
 31 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 32 JULY 1, 2024]: Sec. 1. As used in this chapter, "agricultural land"
 33 means land for use in crop farming or timber production **or as pasture**
 34 **land.**

35 SECTION 4. IC 32-22-3-1.7 IS ADDED TO THE INDIANA CODE
 36 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 37 1, 2024]: Sec. 1.7. As used in this chapter, "controlling person"
 38 **includes the following:**

39 (1) **A beneficial owner (as defined in IC 23-1-20-3.5) of five**
 40 **percent (5%) or more of the shares of a business entity.**

41 (2) **An officer, director, or other individual who possesses**
 42 **inside information about a business entity because of the**



1 **person's relationship with the business entity.**

2 **(3) A person, individually or as a member of a group, who has**
 3 **the ability to directly or indirectly affect a business entity's**
 4 **management or policies.**

5 SECTION 5. IC 32-22-3-3.5 IS ADDED TO THE INDIANA CODE
 6 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 7 1, 2024]: **Sec. 3.5. As used in this chapter, "prohibited person"**
 8 **includes the following:**

9 **(1) An individual who is a citizen of a foreign adversary (as**
 10 **defined in 15 CFR 7.4).**

11 **(2) A foreign business entity organized under the laws of a**
 12 **foreign adversary (as defined in 15 CFR 7.4).**

13 **(3) A corporation, professional corporation, nonprofit**
 14 **corporation, limited liability company, partnership, or limited**
 15 **partnership with a controlling person who is either of the**
 16 **following:**

17 **(A) An individual who is a citizen of a foreign adversary**
 18 **(as defined in 15 CFR 7.4).**

19 **(B) A company or other entity, including a governmental**
 20 **entity, that is owned or controlled by citizens of, or is**
 21 **directly controlled by the government of, a foreign**
 22 **adversary (as defined in 15 CFR 7.4).**

23 SECTION 6. IC 32-22-3-4.5 IS ADDED TO THE INDIANA CODE
 24 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 25 1, 2024]: **Sec. 4.5. (a) This section does not apply to agricultural**
 26 **land on which there has been no agricultural activity in the last five**
 27 **(5) years, unless the agricultural land is recognized by the United**
 28 **States Department of Agriculture's Farm Service Agency as**
 29 **farmland.**

30 **(b) After June 30, 2024, a prohibited person may not do any of**
 31 **the following:**

32 **(1) Acquire by grant, purchase, devise, descent, or otherwise**
 33 **any agricultural land located in Indiana.**

34 **(2) Enter into a lease agreement as a lessee for any**
 35 **agricultural land located in Indiana.**

36 **(3) Acquire by grant, purchase, devise, descent, or otherwise**
 37 **any mineral right or water or riparian right on any**
 38 **agricultural land located in Indiana.**

39 **(4) Enter into a lease agreement as a lessee for any mineral**
 40 **right or water or riparian right on any agricultural land**
 41 **located in Indiana.**

42 SECTION 7. IC 32-22-3-6.5 IS ADDED TO THE INDIANA CODE



1 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
2 1, 2024]: **Sec. 6.5. (a) Upon receipt of information that leads the
3 attorney general to believe an acquisition or lease of agricultural
4 land violates section 4.5 of this chapter, the attorney general shall
5 investigate the alleged violation and may issue subpoenas requiring
6 the:**

- 7 (1) appearance of witnesses;
8 (2) production of relevant records; and
9 (3) giving of relevant testimony.

10 (b) If the attorney general finds that agricultural land or an
11 interest in agricultural land was acquired in violation of section 4.5
12 of this chapter, the attorney general shall commence an action in
13 the circuit court where the agricultural land is located. Upon
14 commencing an action under this subsection, the attorney general
15 shall record a notice of the pendency of the action with the county
16 recorder.

17 (c) If the circuit court finds that agricultural land is held in
18 violation of this chapter, the circuit court must order that the
19 agricultural land be sold through judicial foreclosure. The
20 proceeds of the sale of agricultural land through judicial
21 foreclosure will be disbursed in the following order of priority:

- 22 (1) First, to any lien holders, in order of priority.
23 (2) Second, to the state, for the attorney general's costs and
24 expenses of the action, including reasonable attorney's fees
25 and expert fees.



COMMITTEE REPORT

Mr. Speaker: Your Committee on Agriculture and Rural Development, to which was referred House Bill 1183, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 1, line 6, delete "years." and insert **"years, unless the agricultural land is recognized by the United States Department of Agriculture's Farm Service Agency as farmland."**

Page 2, delete lines 33 through 42, begin a new paragraph and insert:

"SECTION 4. IC 32-22-3-1.7 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2024]: **Sec. 1.7. As used in this chapter, "controlling person" includes the following:**

- (1) **A beneficial owner (as defined in IC 23-1-20-3.5) of five percent (5%) or more of the shares of a business entity.**
- (2) **An officer, director, or other individual who possesses inside information about a business entity because of the person's relationship with the business entity.**
- (3) **A person, individually or as a member of a group, who has the ability to directly or indirectly affect a business entity's management or policies.**

SECTION 5. IC 32-22-3-3.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2024]: **Sec. 3.5. As used in this chapter, "prohibited person" includes the following:**

- (1) **An individual who is a citizen of a foreign adversary (as defined in 15 CFR 7.4).**
- (2) **A foreign business entity organized under the laws of a foreign adversary (as defined in 15 CFR 7.4).**
- (3) **A corporation, professional corporation, nonprofit corporation, limited liability company, partnership, or limited partnership with a controlling person who is either of the following:**
 - (A) **An individual who is a citizen of a foreign adversary (as defined in 15 CFR 7.4).**
 - (B) **A company or other entity, including a governmental entity, that is owned or controlled by citizens of, or is directly controlled by the government of, a foreign adversary (as defined in 15 CFR 7.4)."**

Page 3, delete lines 1 through 8.

Page 3, line 13, delete "years." and insert **"years, unless the**



agricultural land is recognized by the United States Department of Agriculture's Farm Service Agency as farmland."

Page 3, delete lines 26 through 35, begin a new paragraph and insert:

"SECTION 6. IC 32-22-3-6.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2024]: Sec. 6.5. (a) Upon receipt of information that leads the attorney general to believe an acquisition or lease of agricultural land violates section 4.5 of this chapter, the attorney general shall investigate the alleged violation and may issue subpoenas requiring the:

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

(b) If the attorney general finds that agricultural land or an interest in agricultural land was acquired in violation of section 4.5 of this chapter, the attorney general shall commence an action in the circuit court where the agricultural land is located. Upon commencing an action under this subsection, the attorney general shall record a notice of the pendency of the action with the county recorder.

(c) If the circuit court finds that agricultural land is held in violation of this chapter, the circuit court must order that the agricultural land be sold through judicial foreclosure. The proceeds of the sale of agricultural land through judicial foreclosure will be disbursed in the following order of priority:

- (1) First, to any lien holders, in order of priority.**
- (2) Second, to the state, for the attorney general's costs and expenses of the action, including reasonable attorney's fees and expert fees."**

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1183 as introduced.)

AYLESWORTH

Committee Vote: yeas 11, nays 0.

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