



February 28, 2024

---

---

# ENGROSSED HOUSE BILL No. 1183

---

DIGEST OF HB 1183 (Updated February 26, 2024 12:49 pm - DI 137)

**Citations Affected:** IC 1-1; IC 32-21; IC 32-22; IC 34-30.

**Synopsis:** Foreign ownership of 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. Provides that, beginning July 1, 2024, a prohibited person may not acquire an interest in land located within a certain radius of military property. Requires the attorney general to investigate an acquisition or lease of 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 land in violation of the law.

**Effective:** July 1, 2024.

---

---

## Culp, Aylesworth, Jeter, Pryor

(SENATE SPONSORS — LEISING, GOODE, DORIOT, KOCH)

---

---

January 9, 2024, read first time and referred to Committee on Agriculture and Rural Development.

January 29, 2024, amended, reported — Do Pass.

January 31, 2024, read second time, amended, ordered engrossed.

February 1, 2024, engrossed. Read third time, passed. Yeas 96, nays 0.

SENATE ACTION

February 12, 2024, read first time and referred to Committee on Agriculture.

February 27, 2024, amended, reported favorably — Do Pass.

---

---

EH 1183—LS 6624/DI 137





February 28, 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.

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 1-1-16-10 IS REPEALED [EFFECTIVE JULY 1,  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 IC 1-1-16-11 IS REPEALED [EFFECTIVE JULY 1,  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

EH 1183—LS 6624/DI 137



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

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

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

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

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

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

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

28 SECTION 3. IC 32-21-16 IS ADDED TO THE INDIANA CODE  
 29 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE  
 30 JULY 1, 2024]:

31 **Chapter 16. Closings Including Agricultural Land**

32 **Sec. 1. This chapter does not apply to agricultural land on which**  
 33 **there has been no agricultural activity in the last five (5) years,**  
 34 **unless the agricultural land is recognized by the United States**  
 35 **Department of Agriculture's Farm Service Agency as farmland.**

36 **Sec. 2. As used in this chapter, "agricultural land" has the**  
 37 **meaning set forth in IC 32-22-3-1.**

38 **Sec. 3. As used in this chapter, "closing" means a transfer of an**  
 39 **interest in real estate by a deed, installment sales contract, or lease.**

40 **Sec. 4. As used in this chapter, "prohibited person" has the**  
 41 **meaning set forth in IC 32-22-3-3.5.**

42 **Sec. 5. A closing of the sale of real estate that:**



1           (1) includes agricultural land; and  
 2           (2) occurs after June 30, 2024;  
 3       **must include an affidavit in which the purchaser affirms that the**  
 4       **purchaser is not a prohibited person.**

5       **Sec. 6. A person who is not a prohibited person is not civilly or**  
 6       **criminally liable:**

7           (1) for failing to determine or inquire if a person is a  
 8           prohibited person under this chapter; or  
 9           (2) if an affidavit submitted under section 5 of this chapter is  
 10          fraudulent or incorrect.

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

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

19           (2) The acquisition by a foreign business entity of agricultural  
 20           land or an interest in agricultural land that is located within  
 21           Indiana:

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

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

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

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

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

38       SECTION 5. IC 32-22-3-1, AS ADDED BY P.L.156-2022,  
 39       SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 40       JULY 1, 2024]: Sec. 1. As used in this chapter, "agricultural land"  
 41       means land for use in crop farming or timber production **or as pasture**  
 42       **land.**



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

5 (1) **an individual who is a citizen of a foreign adversary (as**  
 6 **defined in 15 CFR 7.4); or**

7 (2) **a business entity that is:**

8 (A) **wholly owned by, or the majority of stock or other**  
 9 **ownership interest of the business entity is held or**  
 10 **controlled by:**

11 (i) **individuals who are citizens of a foreign adversary (as**  
 12 **defined in 15 CFR 7.4); or**

13 (ii) **a business entity or another entity, including a**  
 14 **governmental entity, that is owned or controlled by**  
 15 **citizens of, or is directly controlled by the government of,**  
 16 **a foreign adversary (as defined in 15 CFR 7.4); or**

17 (B) **headquartered in a foreign adversary (as defined in 15**  
 18 **CFR 7.4).**

19 SECTION 7. IC 32-22-3-4.5 IS ADDED TO THE INDIANA CODE  
 20 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
 21 1, 2024]: **Sec. 4.5. (a) This section does not apply to agricultural**  
 22 **land on which there has been no agricultural activity in the last five**  
 23 **(5) years, unless the agricultural land is recognized by the United**  
 24 **States Department of Agriculture's Farm Service Agency as**  
 25 **farmland.**

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

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

30 (2) **Enter into a lease agreement as a lessee for any**  
 31 **agricultural land located in Indiana. This subdivision does not**  
 32 **apply to the renewal of a lease for agricultural land that is in**  
 33 **place prior to July 1, 2024, if the acreage and description of**  
 34 **the agricultural land subject to the lease does not change.**

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

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

41 (c) **A person who is not a prohibited person is not civilly or**  
 42 **criminally liable for failing to determine or inquire if a person is a**



1 prohibited person under this section.

2 (d) A purchase, acquisition, or lease of agricultural land in  
3 violation of this section is subject to divestiture pursuant to section  
4 6.5 of this chapter.

5 (e) No title to agricultural land shall be invalid or subject to  
6 divestiture by reason of a violation of this section by any former  
7 owner or other individual or entity holding or owning a former  
8 interest in the agricultural land.

9 SECTION 8. IC 32-22-3-6.5 IS ADDED TO THE INDIANA CODE  
10 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
11 1, 2024]: Sec. 6.5. (a) Upon receipt of information that leads the  
12 attorney general to believe an acquisition or lease of agricultural  
13 land violates section 4.5 of this chapter, the attorney general shall  
14 investigate the alleged violation and may issue subpoenas requiring  
15 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 4.5  
20 of this chapter by commencing a receivership proceeding under  
21 IC 32-30-5-1 and selling the agricultural land through the  
22 receivership. The following apply to a receivership proceeding  
23 under this 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 4.5 of this chapter in an



1 amount 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 agricultural  
4 land 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 4.5 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 9. IC 32-22-5 IS ADDED TO THE INDIANA CODE AS  
19 A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY  
20 1, 2024]:

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

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

25 (1) the secretary of a branch of a federal military department;

26 or

27 (2) the governor.

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

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

31 (1) land located within Indiana; and

32 (2) a building or fixture situated on land located within  
33 Indiana.

34 **Sec. 4. (a) Except as provided in subsection (b), after June 30,**  
35 **2024, a prohibited person may not do any of the following:**

36 (1) Acquire by grant, purchase, devise, descent, or otherwise  
37 any real property located within a fifty (50) mile radius of a  
38 military installation located in Indiana.

39 (2) Except for a lease agreement for residential property,  
40 enter into a lease agreement as a lessee for any real property  
41 located within a fifty (50) mile radius of a military installation  
42 located in Indiana.





1 (3) Acquire by grant, purchase, devise, descent, or otherwise  
2 any real property located within a ten (10) mile radius of an  
3 armory (as defined in IC 10-16-1-2.5) or a maintenance  
4 facility of the Indiana National Guard.

5 (4) Except for a lease agreement for residential property,  
6 enter into a lease agreement as a lessee for any real property  
7 located within a ten (10) mile radius of an armory (as defined  
8 in IC 10-16-1-2.5) or a maintenance facility of the Indiana  
9 National Guard.

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

14 (c) A person who is not a prohibited person is not civilly or  
15 criminally liable for failing to determine whether a person is a  
16 prohibited person under this section.

17 Sec. 5. A prohibited person that directly or indirectly owns an  
18 interest in real property located within a fifty (50) mile radius of a  
19 military installation located in Indiana or a ten (10) mile radius of  
20 an armory (as defined in IC 10-16-1-2.5) or a maintenance facility  
21 of the Indiana National Guard shall electronically register the  
22 prohibited person's ownership with the attorney general, in the  
23 form and manner prescribed by the attorney general, not later  
24 than October 31, 2024. The information provided in the electronic  
25 registration must include:

- 26 (1) the name of the prohibited person holding an interest in  
27 the real property;  
28 (2) the date of acquisition of the real property;  
29 (3) the address and legal description of the real property; and  
30 (4) the distance, in miles, to the nearest military installation,  
31 armory, or maintenance facility of the Indiana National  
32 Guard.

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

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

40 (b) The attorney general shall enforce a violation of section 4 of  
41 this chapter by commencing a receivership proceeding under  
42 IC 32-30-5-1 and selling the real property through the receivership.



1     **The following apply to a receivership proceeding under this**  
 2     **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 of this chapter in an amount**  
 22         **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 real property**  
 25             **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 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 10. IC 34-30-2.1-1.5 IS REPEALED [EFFECTIVE JULY  
 40         1, 2024]. See: ~~1.5. IC 1-1-16-11(e)~~ (Concerning the sale, lease, or  
 41         acquisition of property adjacent to a military installation to a prohibited  
 42         person).



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

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

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

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

19 SECTION 15. IC 34-30-2.1-525.8 IS ADDED TO THE INDIANA  
20 CODE AS A **NEW** SECTION TO READ AS FOLLOWS  
21 [EFFECTIVE JULY 1, 2024]: **Sec. 525.8. IC 32-22-5-6(c)**  
22 **(Concerning real property held by a prohibited person near**  
23 **military property).**



## 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.

**EH 1183—LS 6624/DI 137**



## HOUSE MOTION

Mr. Speaker: I move that House Bill 1183 be amended to read as follows:

Page 2, between lines 2 and 3, begin a new paragraph and insert:

**"Sec. 6. A person who is not a prohibited person is not civilly or criminally liable:**

- (1) for failing to determine or inquire if a person is a prohibited person under this chapter; or**
- (2) if an affidavit submitted under section 5 of this chapter is fraudulent or incorrect."**

Page 2, delete lines 35 through 42, begin a new paragraph and insert:

**"SECTION 4. 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:**

- (1) an individual who is a citizen of a foreign adversary (as defined in 15 CFR 7.4); or**
- (2) a business entity that is:**
  - (A) wholly owned by, or the majority of stock or other ownership interest of the business entity is held or controlled by:**
    - (i) individuals who are citizens of a foreign adversary (as defined in 15 CFR 7.4); or**
    - (ii) a business entity or another 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); or**
  - (B) headquartered in a foreign adversary (as defined in 15 CFR 7.4)."**

Page 3, delete lines 1 through 22.

Page 3, between lines 41 and 42, begin a new paragraph and insert:

**"(c) A person who is not a prohibited person is not civilly or criminally liable for failing to determine or inquire if a person is a prohibited person under this section."**

Renumber all SECTIONS consecutively.

(Reference is to HB 1183 as printed January 29, 2024.)

CULP



## 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:

Page 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 1-1-16-10 IS REPEALED [EFFECTIVE JULY 1, 2024]. Sec. 10: (a) After June 30, 2023, a prohibited person may not purchase, lease, or acquire a parcel of real property that is:

- (1) located in Indiana; and
- (2) directly adjacent to a military installation:

(b) A purchase, lease, or acquisition of a parcel of real property in violation of subsection (a) is subject to divestiture pursuant to section 11 of this chapter.

(c) No title to real property shall be invalid or subject to divestiture by reason of the violation of this section by any former owner or other individual or entity holding or owning a former interest in the real property.

SECTION 2. IC 1-1-16-11 IS REPEALED [EFFECTIVE JULY 1, 2024]. Sec. 11: (a) The attorney general may investigate the purchase, lease, or acquisition of real property upon receipt of a complaint alleging a violation of section 10 of this chapter.

(b) The attorney general shall enforce a violation of section 10 of this chapter by commencing a receivership proceeding under IC 32-30-5-1 and selling the property through the receivership. The following apply to a receivership proceeding under this section:

- (1) Proceeds of the sale shall be disbursed to lienholders, in their order of priority, except for liens which under the terms of the sale are to remain on the property.
- (2) At the receivership sale, lienholders shall be able to have a credit bid.
- (3) No proceeds shall be distributed from the receivership sale to the prohibited person. Any excess proceeds are forfeited and shall be transferred to the state general fund by the receiver.
- (4) Upon commencement of an action under this section, the attorney general shall promptly file a notice of lis pendens with the clerk of court. Upon the entry order for the sale of the property under this section, the attorney general shall promptly record a copy of the order in the office of the recorder of the county where the property is located.



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

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

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

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

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

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

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

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

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

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

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

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

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

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

**(3) Upon commencement of an action under this section, the attorney general shall promptly file a notice of lis pendens with the clerk of court. Upon the entry of an order for the sale**





of the property under this section, the attorney general shall promptly record a copy of the order in the office of the recorder of the county where the property is located.

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

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

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

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

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

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

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

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

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

(1) the secretary of a branch of a federal military department;

or

(2) the governor.

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

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

(1) land located within Indiana; and

(2) a building or fixture situated on land located within Indiana.

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

(1) Acquire by grant, purchase, devise, descent, or otherwise any real property located within a fifty (50) mile radius of a



**military installation located in Indiana.**

**(2) Except for a lease agreement for residential property, enter into a lease agreement as a lessee for any real property located within a fifty (50) mile radius of a military installation located in Indiana.**

**(3) Acquire by grant, purchase, devise, descent, or otherwise any real property located within a ten (10) mile radius of an armory (as defined in IC 10-16-1-2.5) or a maintenance facility of the Indiana National Guard.**

**(4) Except for a lease agreement for residential property, enter into a lease agreement as a lessee for any real property located within a ten (10) mile radius of an armory (as defined in IC 10-16-1-2.5) or a maintenance facility of the Indiana National Guard.**

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

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

**Sec. 5. A prohibited person that directly or indirectly owns an interest in real property located within a fifty (50) mile radius of a military installation located in Indiana or a ten (10) mile radius of an armory (as defined in IC 10-16-1-2.5) or a maintenance facility of the Indiana National Guard shall electronically register the prohibited person's ownership with the attorney general, in the form and manner prescribed by the attorney general, not later than October 31, 2024. The information provided in the electronic registration must include:**

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

**Sec. 6. (a) Upon receipt of information that leads the attorney general to believe an acquisition or lease of real property violates section 4 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) The attorney general shall enforce a violation of section 4 of this chapter by commencing a receivership proceeding under IC 32-30-5-1 and selling the real property through the receivership. The following apply to a receivership proceeding under this section:

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

(A) The costs of the receivership and sale.

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

(C) Any penalty assessed against the prohibited person.

(D) Any excess funds to the prohibited person.

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

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

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

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

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

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

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

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



**under the prohibited person.**

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

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

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

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

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

SECTION 15. IC 34-30-2.1-525.8 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2024]: **Sec. 525.8. IC 32-22-5-6(c) (Concerning real property held by a prohibited person near military property)."**

Re-number all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1183 as reprinted February 1, 2024.)

LEISING, Chairperson

Committee Vote: Yeas 8, Nays 0.

