

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 ENROLLED ACT No. 1183

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AN ACT to amend the Indiana Code concerning property.

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

SECTION 1. IC 1-1-16-10.2 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2024]: **Sec. 10.2. (a) This section does not apply to:**

(1) a lease for residential property (as defined in IC 6-1.1-20.6-4) or a dwelling unit (as defined in IC 32-31-5-3);

(2) the purchase, lease, or acquisition of real property by an individual who holds dual citizenship with the United States and China, Iran, North Korea, Russia, or a country designated as a threat to critical infrastructure by the governor under section 8(b) of this chapter; or

(3) the purchase, lease, or acquisition of real property by an individual who is a lawful permanent resident of the United States.

(b) After June 30, 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 ten (10) mile radius of a military installation.

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

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

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

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

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

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

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

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

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

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

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).**

The term, as used in subdivisions (1) and (2)(A)(i), does not include an individual who holds dual citizenship with a foreign adversary (as defined in 15 CFR 7.4) and the United States or an individual who is a lawful permanent resident of the United States.

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

**(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 agricultural land located in Indiana.**
- (2) Enter into a lease agreement as a lessee for any agricultural land located in Indiana. 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.**
- (3) Acquire by grant, purchase, devise, descent, or otherwise any mineral right or water or riparian right on any agricultural land located in Indiana.**
- (4) Enter into a lease agreement as a lessee for any mineral right or water or riparian right on any agricultural land located in Indiana.**

**(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.**

**(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.

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) 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) 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.
- (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.

(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 7. 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 8. 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).**



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Speaker of the House of Representatives

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President of the Senate

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President Pro Tempore

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Governor of the State of Indiana

Date: \_\_\_\_\_ Time: \_\_\_\_\_

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