



Reprinted
January 28, 2022

SENATE BILL No. 388

DIGEST OF SB 388 (Updated January 27, 2022 4:08 pm - DI 129)

Citations Affected: IC 32-22.

Synopsis: Foreign business ownership of agricultural land. Provides that beginning July 1, 2022, a foreign business entity may not acquire agricultural land located within Indiana. Prohibits a foreign business entity that owns agricultural land located within Indiana from transferring the agricultural land to another foreign business entity after June 30, 2022. Requires a foreign business entity to report the acquisition, sale, or transfer of agricultural land located within Indiana to the secretary of state. Provides that agricultural land acquired, sold, or transferred in violation of law is subject to forfeiture to the state. Provides that agricultural land used for specified research or experimental purposes and agricultural land that is less than 320 acres is excluded from the bill's prohibition.

Effective: July 1, 2022.

Messmer, Tomes, Raatz

January 11, 2022, read first time and referred to Committee on Agriculture.
January 20, 2022, reported favorably — Do Pass.
January 27, 2022, read second time, amended, ordered engrossed.

SB 388—LS 6331/DI 137



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Second Regular Session of the 122nd General Assembly (2022)

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 2021 Regular Session of the General Assembly.

SENATE BILL No. 388

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 32-22-3 IS ADDED TO THE INDIANA CODE AS
2 A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY
3 1, 2022]:
4 **Chapter 3. Rights of a Foreign Business Entity to Hold and**
5 **Convey Agricultural Land**
6 **Sec. 0.5. (a) The prohibition on ownership of agricultural land**
7 **established 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 of agricultural land or an interest in**
12 **agricultural land that is located within Indiana by a foreign**
13 **business entity that is not more than three hundred twenty**
14 **(320) acres.**
15 **(b) This chapter does not affect the ability of a foreign business**
16 **entity to hold agricultural land in such acreage as may be**
17 **necessary to its business operations for purposes other than**

SB 388—LS 6331/DI 137



- 1 farming.
- 2 Sec. 1. As used in this chapter, "agricultural land" means land
3 suitable for use in farming.
- 4 Sec. 2. (a) As used in this chapter, "farming" means the
5 cultivation of land for the production of agricultural crops.
- 6 (b) The term does not include the raising of poultry, the
7 production of eggs, the production of milk, the production of fruit
8 or other horticultural crops, grazing, or the production of
9 livestock.
- 10 Sec. 3. (a) As used in this chapter, "foreign business entity"
11 means:
- 12 (1) a corporation, professional corporation, nonprofit
13 corporation, limited liability company, partnership, or limited
14 partnership that is organized under the laws of another
15 country; or
- 16 (2) the equivalent of any entity described in subdivision (1).
- 17 (b) The term includes an agent, trustee, or fiduciary of the
18 foreign business entity.
- 19 Sec. 4. (a) After June 30, 2022, a foreign business entity may not
20 acquire by grant, purchase, devise, descent, or otherwise any
21 agricultural land located within Indiana.
- 22 (b) A foreign business entity that acquired agricultural land
23 located within Indiana before July 1, 2022, may not grant, sell, or
24 otherwise transfer the agricultural land to any other foreign
25 business entity after June 30, 2022.
- 26 Sec. 5. In the case of agricultural land for which development of
27 the agricultural land for a purpose other than farming is pending,
28 the agricultural land may be leased to a person who is not subject
29 to this chapter for farming.
- 30 Sec. 6. (a) A foreign business entity that acquires, sells, or
31 transfers agricultural land located within Indiana after June 30,
32 2022, must report the acquisition, sale, or transfer to the secretary
33 of state not later than thirty (30) days after the acquisition, sale, or
34 transfer of the agricultural land is finalized. The report must be
35 made in the form and manner prescribed by the secretary of state.
36 The secretary of state shall report an acquisition, sale, or transfer
37 of agricultural land that violates section 4 of this chapter to the
38 attorney general.
- 39 (b) All agricultural land acquired, sold, or transferred in
40 violation of section 4 of this chapter is subject to forfeiture to the
41 state. The attorney general shall enforce a forfeiture under this
42 subsection.



COMMITTEE REPORT

Madam President: The Senate Committee on Agriculture, to which was referred Senate Bill No. 388, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill DO PASS.

(Reference is to SB 388 as introduced.)

LEISING, Chairperson

Committee Vote: Yeas 8, Nays 1

 SENATE MOTION

Madam President: I move that Senate Bill 388 be amended to read as follows:

Page 1, between lines 5 and 6, begin a new paragraph and insert:

"Sec. 0.5. (a) 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 of agricultural land or an interest in agricultural land that is located within Indiana by a foreign business entity that is not more than three hundred twenty (320) acres.

(b) This chapter does not affect the ability of a foreign business entity to hold agricultural land in such acreage as may be necessary to its business operations for purposes other than farming."

Page 1, line 6, delete "refers to land".

Page 1, delete lines 7 through 12 and insert **"means land suitable for use in farming.**

Sec. 2. (a) As used in this chapter, "farming" means the cultivation of land for the production of agricultural crops.

(b) The term does not include the raising of poultry, the production of eggs, the production of milk, the production of fruit or other horticultural crops, grazing, or the production of livestock.

Sec. 3. (a) As used in this chapter, "foreign business entity" means:

SB 388—LS 6331/DI 137



(1) a corporation, professional corporation, nonprofit corporation, limited liability company, partnership, or limited partnership that is organized under the laws of another country; or

(2) the equivalent of any entity described in subdivision (1).

(b) The term includes an agent, trustee, or fiduciary of the foreign business entity."

Page 1, line 13, delete "Sec. 3. (a) Beginning July 1, 2022," and insert "**Sec. 4. (a) After June 30, 2022,**".

Page 1, line 17, delete "on or before June 30, 2022," and insert "**before July 1, 2022,**".

Page 2, line 2, delete "on or after July 1, 2022." and insert "**after June 30, 2022.**".

Page 2, delete lines 3 through 10, begin a new paragraph and insert: "**Sec. 5. In the case of agricultural land for which development of the agricultural land for a purpose other than farming is pending, the agricultural land may be leased to a person who is not subject to this chapter for farming.**".

Page 2, line 11, delete "Sec. 4." and insert "**Sec. 6.**".

Page 2, line 12, delete "on or after July".

Page 2, line 13, delete "1, 2022," and insert "**after June 30, 2022,**".

Page 2, line 19, delete "section 3" and insert "**section 4**".

Page 2, line 21, delete "section 3" and insert "**section 4**".

(Reference is to SB 388 as printed January 21, 2022.)

MESSMER

