

# HOUSE BILL No. 1234

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 14-40; IC 15-11-2-3.

**Synopsis:** Conservation of agricultural land. Establishes an agricultural land protection program (program) to allow the state or a county fiscal body to purchase agricultural conservation easements throughout the state and also acquire agricultural conservation easements by gift, bequest, or devise. Provides that the Indiana state department of agriculture (department) may receive and hold agricultural conservation easements acquired under the program or by gift, bequest, or devise. Establishes the Indiana land protection board to administer the program in coordination with the department. Establishes the agricultural conservation easement fund to provide funding for the purchase of agricultural conservation easements throughout the state. Makes an appropriation.

**Effective:** July 1, 2025.

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January 9, 2025, read first time and referred to Committee on Agriculture and Rural Development.

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First Regular Session of the 124th General Assembly (2025)

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 2024 Regular Session of the General Assembly.

# HOUSE BILL No. 1234



A BILL FOR AN ACT to amend the Indiana Code concerning agriculture and animals and to make an appropriation.

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

1 SECTION 1. IC 14-40 IS ADDED TO THE INDIANA CODE AS  
2 A **NEW** ARTICLE TO READ AS FOLLOWS [EFFECTIVE JULY 1,  
3 2025]:  
4 **ARTICLE 40. CONSERVATION OF AGRICULTURAL LAND**  
5 **Chapter 1. Definitions**  
6 **Sec. 1. The definitions in this chapter apply throughout this**  
7 **article.**  
8 **Sec. 2. "Agricultural conservation easement" means an interest**  
9 **in land, less than fee simple, that represents the right to prevent the**  
10 **development or improvement of a parcel for any purpose other**  
11 **than agricultural production.**  
12 **Sec. 3. "Agricultural production" means the production for**  
13 **commercial purposes of crops, livestock, and livestock products,**  
14 **including the processing or retail marketing of such crops,**  
15 **livestock, or livestock products if more than fifty percent (50%) of**  
16 **such processed or marketed products are produced by the farm**  
17 **operator. The term includes use of land that is devoted to and**



1 meets the requirements of and qualifications for payments or other  
2 compensation pursuant to a soil conservation program under an  
3 agreement with an agency of the federal government.

4 Sec. 4. "Board" means the Indiana land protection board  
5 established by IC 14-40-2-1(b).

6 Sec. 5. "Department of agriculture" means the Indiana state  
7 department of agriculture established by IC 15-11-2-1.

8 Sec. 6. "Fund" means the agricultural conservation easement  
9 fund established by IC 14-40-3-1.

10 Sec. 7. "Local program" means a local program of agricultural  
11 land protection established by a county fiscal body under  
12 IC 14-40-2-6.

13 Sec. 8. "Program" means the agricultural land protection  
14 program established by IC 14-40-2-1(a).

15 Chapter 2. Agricultural Conservation Easements

16 Sec. 1. (a) The agricultural land protection program is  
17 established for the purpose of conserving and protecting  
18 agricultural viability within Indiana for the production of food and  
19 other agricultural products. The program shall be administered by  
20 the board in coordination with the department of agriculture.

21 (b) The Indiana land protection board is established. The board  
22 consists of the following members:

23 (1) The director of the department of agriculture, who shall  
24 serve as chair of the board.

25 (2) A representative of Indiana's largest general farm  
26 organization.

27 (3) An Indiana farmland owner who is chosen by both of the  
28 members described in subdivisions (1) and (2).

29 Sec. 2. (a) The board has the following duties:

30 (1) Administer a program for the purchase of agricultural  
31 conservation easements by the state.

32 (2) Oversee, review, and coordinate with counties that choose  
33 to implement a local program for the purchase of agricultural  
34 conservation easements by the county.

35 (b) The board may perform all acts necessary or reasonably  
36 incident to carrying out the purposes of this chapter, including the  
37 following powers:

38 (1) To sue and be sued.

39 (2) To enter into contracts and to execute all instruments  
40 necessary or appropriate to carry out the board's purposes.

41 (3) To acquire, by gift, bequest, devise, or purchase, easements  
42 to restrict the use of agricultural land as set forth in this



chapter. Easements acquired by the board may also be held by the department of agriculture under IC 15-11-2-3(c)(1).

(4) To take and hold, by gift, bequest, devise, or purchase, in the name of the state, or the department of agriculture under IC 15-11-2-3(c), real and personal property, or any interest in real and personal property to carry out the purposes of this chapter.

(5) To record agricultural conservation easements purchased by the state in the office of the recorder of the county in which the property is located.

(6) To adopt procedures, guidelines, and policies necessary to carry out this article.

(7) To review, and accept or reject, grant requests, proposals, and recommendations from a county fiscal body for the purchase of an agricultural conservation easement either by the county or the state.

(8) To make grants to counties for the purchase of agricultural conservation easements by the county.

(9) To use money in the fund to purchase agricultural conservation easements under this chapter.

(10) To provide information about the program to farmers throughout Indiana.

(11) To maintain a central repository of records containing a list and description of all agricultural land within Indiana in which an agricultural conservation easement is imposed.

**Sec. 3. Agricultural land within Indiana may qualify for the transfer of an agricultural conservation easement upon the land under the provisions of this chapter only if the following apply:**

(1) The land is at least fifty (50) acres in size or is contiguous to other land that is subject to an agricultural conservation easement under this chapter.

(2) The land is owned and used for agricultural production in accordance with all applicable agricultural and environmental standards and regulations.

(3) At least fifty percent (50%) of the land must be harvested cropland, pasture, or grazing land.

(4) At least fifty percent (50%) of the land must meet one (1) of the following criteria:

(A) Contains soils that are classified under capability classes I through IV (except class IV(e)) of the land capability classification of the United States Department of Agriculture, Natural Resources Conservation Service.



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**(B) Contains soils that are classified as "unique farmland" under the land capability classification of the United States Department of Agriculture, Natural Resources Conservation Service.**

**Sec. 4. An agricultural conservation easement transferred as set forth in this chapter, whether it is acquired by the state or a county, must be subject to the following terms, conditions, restrictions, and limitations:**

- (1) The agricultural conservation easement must be perpetual.**
- (2) If agricultural land with an agricultural conservation easement is subject to condemnation under the power of eminent domain, the condemnor shall provide compensation to the owner of the land and to the owner of the agricultural conservation easement representing at least one hundred fifty percent (150%) of the fair market value of each respective title.**
- (3) The agricultural conservation easement shall not prevent any of the following:**
  - (A) The granting of a right-of-way by the owner in and through the subject land for the installation, conveyance, transportation, or use of water, sewage, electric, telephone, or other similar services.**
  - (B) The construction, use, and improvement of structures on the subject land necessary for agricultural production.**
  - (C) The construction, use, and improvement of one (1) family dwelling on the subject land.**

**Sec. 5. (a) The value and purchase price of an agricultural conservation easement for purposes of this chapter shall be determined under this section.**

**(b) The board or the county fiscal body, whichever is applicable, shall select and retain an independent, licensed real estate appraiser who is certified under IC 6-1.1-31.7 to determine market value and agricultural value of the subject land. The appraiser shall establish the agricultural value and the nonagricultural value of the land subject to the proposed agricultural conservation easement.**

**(c) The purchase price for any agricultural conservation easement acquired under this chapter shall not exceed the difference between the nonagricultural value and the agricultural value of the subject land as determined at the time of purchase.**

**Sec. 6. (a) The fiscal body of each county may establish by ordinance a local program of agricultural land protection for the**



1 purpose of acquiring agricultural conservation easements by the  
2 county. The fiscal officer of the county fiscal body shall administer  
3 the local program.

4 (b) A county may acquire, under a local program, agricultural  
5 conservation easements:

6 (1) in the name of the county; or

7 (2) that are held by the department of agriculture under  
8 IC 15-11-2-3(c)(1);

9 subject to this chapter.

10 (c) The acquisition of an agricultural conservation easement by  
11 a county is first subject to the approval of the board. The county  
12 fiscal body must submit a proposal to the board for each purchase  
13 with a description of the land and the terms of the easement. The  
14 board shall act to approve or disapprove a proposal from a county  
15 within sixty (60) days of its receipt. Failure of the board to act on  
16 a proposal by a county within sixty (60) days of its receipt shall be  
17 deemed to constitute approval of the proposal by the board.

18 (d) The county fiscal body may purchase an agricultural  
19 conservation easement only after conducting a public hearing at  
20 which all interested persons have an opportunity to be heard  
21 concerning the purchase of the agricultural conservation easement.

22 (e) The fiscal officer of the county fiscal body shall record with  
23 the county recorder's office each agricultural conservation  
24 easement acquired by the county or held by the department of  
25 agriculture under IC 15-11-2-3(c).

26 (f) The county fiscal body shall notify the board of the  
27 acquisition of each agricultural conservation easement by the  
28 county within thirty (30) days of the recording of the agricultural  
29 conservation easement.

30 (g) In addition to the purchase of agricultural conservation  
31 easements by the county, the county fiscal body may recommend  
32 to the board qualifying properties the owners of which have  
33 expressed an interest in transferring an agricultural conservation  
34 easement to the state.

35 (h) The county fiscal body may use money from the general fund  
36 of the county or any other fund of the county that is not otherwise  
37 restricted for the purchase of agricultural conservation easements  
38 by the county. In addition, the county fiscal body may apply to the  
39 board for a grant, and apply for grants from federal or other  
40 sources, for the purchase of an agricultural conservation easement  
41 within the county. A grant request to the board must include a  
42 description and location of the subject land, a copy of the appraisal



1 of the land under section 5(b) of this chapter, and the proposed  
2 purchase price of the agricultural conservation easement.

3 **Sec. 7. (a) One (1) or more owners of agricultural land in**  
4 **Indiana may file an application with the board or a county fiscal**  
5 **body requesting the purchase of an agricultural conservation**  
6 **easement on the land by the state or the county, whichever is**  
7 **applicable. The application must include all information deemed**  
8 **necessary to evaluate the application. The board shall prescribe**  
9 **and make publicly available a standard application form to be used**  
10 **by owners for applications both to the board and to a county fiscal**  
11 **body.**

12 **(b) The board may accept, or reject without any recourse, an**  
13 **application submitted under this section.**

14 **Sec. 8. In addition to the provisions for the purchase of an**  
15 **agricultural conservation easement under this article, the state or**  
16 **a county, may take, receive, and acquire an agricultural**  
17 **conservation easement by donation of the owner, or by bequest or**  
18 **devise of a decedent, subject to the provisions in sections 3 and 4 of**  
19 **this chapter. In addition, an agricultural conservation easement**  
20 **may be received and held by the department of agriculture under**  
21 **IC 15-11-2-3.**

22 **Sec. 9. The board shall, before October 1, 2026, and before**  
23 **October 1 of each year thereafter, submit a report to the governor**  
24 **and the legislative council in an electronic format under IC 5-14-6**  
25 **containing a summary of the board's proceedings for the preceding**  
26 **fiscal year, including a compilation of the agricultural conservation**  
27 **easements acquired for the fiscal year and in total since the**  
28 **establishment of the program.**

29 **Chapter 3. Agricultural Conservation Easement Fund**

30 **Sec. 1. (a) The agricultural conservation easement fund is**  
31 **established to provide funding for the purchase of agricultural**  
32 **conservation easements throughout Indiana. The board shall**  
33 **administer the fund.**

34 **(b) The fund consists of the following:**

- 35 **(1) Money appropriated to the fund by the general assembly.**  
36 **(2) Gifts, grants, devises, bequests, and other donations made**  
37 **to the fund.**

38 **(c) Money in the fund must be used only for the purchase of**  
39 **agricultural conservation easements as set forth in this article.**

40 **(d) The treasurer of state shall invest money in the fund not**  
41 **currently needed to meet the obligations of the fund in the same**  
42 **manner as other public money may be invested. Interest that**



1 **accrues from these investments shall be deposited in the fund.**

2 **(e) Money in the fund at the end of a state fiscal year does not**  
3 **revert to the state general fund.**

4 **(f) Money in the fund is continuously appropriated for the**  
5 **purposes of the fund.**

6 SECTION 2. IC 15-11-2-3, AS AMENDED BY P.L.9-2018,  
7 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
8 JULY 1, 2025]: Sec. 3. (a) As used in this section, "biomass" means  
9 agriculturally based sources of renewable energy, including the  
10 following:

- 11 (1) Agricultural crops.
- 12 (2) Agricultural wastes and residues.
- 13 (3) Wood and wood byproducts, including the following:
  - 14 (A) Wood residue.
  - 15 (B) Forest thinning.
  - 16 (C) Mill residue wood.
- 17 (4) Animal wastes.
- 18 (5) Animal byproducts.
- 19 (6) Aquatic plants.
- 20 (7) Algae.

21 The term does not include waste from construction and demolition.

22 (b) The department shall do the following:

- 23 (1) Provide administrative and staff support for the following:
  - 24 (A) The state fair board for purposes of carrying out the
  - 25 director's duties under IC 15-13-5.
  - 26 (B) The Indiana corn marketing council for purposes of
  - 27 administering the duties of the director under IC 15-15-12.
  - 28 (C) The Indiana dairy industry development board for
  - 29 purposes of administering the duties of the director under
  - 30 IC 15-18-5.
  - 31 (D) The Indiana land resources council under IC 15-12-5.
  - 32 (E) The Indiana grain buyers and warehouse licensing agency
  - 33 under IC 26-3-7.
  - 34 (F) The Indiana grain indemnity corporation under IC 26-4-3.
  - 35 (G) The division.
- 36 (2) Administer the election of state fair board members under
- 37 IC 15-13-5.
- 38 (3) Administer state programs and laws promoting agricultural
- 39 trade.
- 40 (4) Administer state livestock or agriculture marketing grant
- 41 programs.
- 42 (5) Administer economic development efforts for agriculture by





- 1           doing the following:
- 2           (A) Promoting value added agricultural resources.
- 3           (B) Marketing Indiana agriculture to businesses
- 4           internationally.
- 5           (C) Assisting Indiana agricultural businesses with developing
- 6           partnerships with the Indiana economic development
- 7           corporation.
- 8           (D) Soliciting private funding for selective economic
- 9           development and trade initiatives.
- 10          (E) Providing for the orderly economic development and
- 11          growth of Indiana's agricultural economy.
- 12          (F) Facilitating the use of biomass and algae production
- 13          systems to generate renewable energy.
- 14          (6) Carry out the department's duties under IC 23-15-12.
- 15          **(c) The department may do the following:**
- 16           **(1) Receive and hold (including as a co-holder) agricultural**
- 17           **conservation easements acquired by the state or a county**
- 18           **under IC 14-40-2.**
- 19           **(2) Receive and hold agricultural conservation easements**
- 20           **acquired by donation of the owner or by bequest or devise of**
- 21           **a decedent.**

