



March 31, 2021

ENGROSSED HOUSE BILL No. 1283

DIGEST OF HB 1283 (Updated March 30, 2021 10:24 am - DI 140)

Citations Affected: IC 6-1.1.

Synopsis: Urban agricultural zones. Provides that a qualifying farmer may apply to a designating body to have an area designated as an urban agricultural zone. Provides that the term "urban agricultural zone" does not include rooftop gardening or farming practices that occur on the top of a building or residential home. Provides that a designating body, before designating an area as an urban agricultural zone, must hold a public hearing and allow for public comment. Provides that a designating body may exempt lands located partially or wholly within an urban agricultural zone from property taxation. Specifies that a designating body may not impose a special benefit tax for public services provided to an urban agricultural zone, unless the designating body imposed the special benefit tax before it designated the area as an urban agricultural zone.

Effective: July 1, 2021.

Harris, Bauer M, Lehe, Aylesworth

(SENATE SPONSORS — MESSMER, TAYLOR G, FORD J.D.,
NIEZGODSKI, QADDOURA, RANDOLPH LONNIE M)

January 14, 2021, read first time and referred to Committee on Agriculture and Rural Development.

February 11, 2021, reported — Do Pass.

February 17, 2021, read second time, amended, ordered engrossed.

February 18, 2021, engrossed.

February 22, 2021, read third time, passed. Yeas 92, nays 0.

SENATE ACTION

March 1, 2021, read first time and referred to Committee on Agriculture.

March 22, 2021, reported favorably — Do Pass; reassigned to Committee on Tax and Fiscal Policy.

March 30, 2021, reported favorably — Do Pass.

EH 1283—LS 6836/DI 142



March 31, 2021

First Regular Session of the 122nd General Assembly (2021)

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 2020 Regular Session of the General Assembly.

ENGROSSED HOUSE BILL No. 1283

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

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

- 1 SECTION 1. IC 6-1.1-48 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2021]:
4 **Chapter 48. Urban Agricultural Zones**
5 **Sec. 1. As used in this chapter, "agricultural product" has the**
6 **meaning set forth in IC 15-12-1-3.**
7 **Sec. 2. As used in this chapter, "beginning farmer" refers to a**
8 **beginning farmer as defined under 7 CFR 761.2 or as determined**
9 **by the United States Department of Agriculture.**
10 **Sec. 3. As used in this chapter, "designating body" refers to the**
11 **legislative body of a municipality.**
12 **Sec. 4. As used in this chapter, "limited resource farmer" refers**
13 **to a farmer that qualifies as a limited resource farmer as**
14 **determined by the United States Department of Agriculture.**
15 **Sec. 5. As used in this chapter, "municipality" has the meaning**
16 **set forth in IC 36-1-2-11.**
17 **Sec. 6. As used in this chapter, "municipally owned utility" has**

EH 1283—LS 6836/DI 142



- 1 the meaning set forth in IC 8-1-2-1.
- 2 **Sec. 7. As used in this chapter, "partner organization" means a**
- 3 **nonprofit organization that:**
- 4 (1) is exempt under Section 501(c)(3) of the Internal Revenue
- 5 Code; and
- 6 (2) has a mission or purpose that includes supporting one (1)
- 7 of the following:
- 8 (A) A small or medium sized farmer.
- 9 (B) A beginning farmer.
- 10 (C) A limited resource farmer.
- 11 (D) A socially disadvantaged farmer.
- 12 **Sec. 8. As used in this chapter, "qualifying farmer" means an**
- 13 **individual or entity that is one (1) of the following:**
- 14 (1) A small or medium sized farmer.
- 15 (2) A beginning farmer.
- 16 (3) A limited resource farmer.
- 17 (4) A socially disadvantaged farmer.
- 18 **Sec. 9. As used in this chapter, "small or medium sized farmer"**
- 19 **means a farmer that has obtained either:**
- 20 (1) a Direct Farm Operating Microloan; or
- 21 (2) a Direct Farm Ownership Microloan;
- 22 administered by the United States Department of Agriculture
- 23 Farm Service Agency.
- 24 **Sec. 10. As used in this chapter, "socially disadvantaged**
- 25 **farmer" refers to a socially disadvantaged farmer as defined under**
- 26 **7 CFR 761.2 or as determined by the United States Department of**
- 27 **Agriculture.**
- 28 **Sec. 11. As used in this chapter, "urban agricultural zone"**
- 29 **refers to an area designated under this chapter as an urban**
- 30 **agricultural zone within which a qualifying farmer:**
- 31 (1) processes;
- 32 (2) grows by horizontal or vertical methods;
- 33 (3) raises; or
- 34 (4) produces;
- 35 agricultural products on land. The term does not include roof top
- 36 gardening or farming practices that occur on the top of a building
- 37 or residential home.
- 38 **Sec. 12. (a) A qualifying farmer may apply to a designating body**
- 39 **to have an area designated as an urban agricultural zone.**
- 40 **(b) An application under this section must demonstrate or**
- 41 **identify the following:**
- 42 (1) That the applicant is a qualifying farmer.



1 (2) The number of jobs to be created, maintained, or
2 supported within the proposed urban agricultural zone.

3 (3) The types of agricultural products to be produced within
4 the proposed urban agricultural zone.

5 (4) The geographic description of the area that will be
6 included in the proposed urban agricultural zone.

7 Sec. 13. (a) A designating body may not designate any land
8 outside of its taxing jurisdiction as an urban agricultural zone.

9 (b) An area of land assessed as agricultural land under
10 IC 6-1.1-4-13 or as a homestead (as defined in IC 6-1.1-12-37) may
11 not be designated as an urban agricultural zone.

12 Sec. 14. (a) Before a designating body can designate an area as
13 an urban agricultural zone, the designating body must set a date
14 and time for a public hearing on the application of a qualifying
15 farmer to have an area designated as an urban agricultural zone.

16 (b) At least thirty (30) days before a hearing held under this
17 section, the designating body shall publish notice of the hearing in
18 a newspaper of general circulation in the municipality containing
19 the land that a qualifying farmer proposes be designated as an
20 urban agricultural zone. The notice shall state the time, location,
21 date, and purpose of the hearing.

22 (c) A designating body may continue a hearing under this
23 section to another date.

24 Sec. 15. (a) At a public hearing held under section 14 of this
25 chapter, a designating body shall allow any interested individual or
26 representative to speak on any issues related to the designation of
27 the urban agricultural zone. A designating body holding a public
28 hearing shall also allow the filing of written comment or objection,
29 which the designating body must consider before approving or
30 disapproving a qualifying farmer's application.

31 (b) After considering the evidence, a designating body shall take
32 final action determining whether to:

33 (1) approve a qualifying farmer's application; and

34 (2) designate an area as an urban agricultural zone.

35 As a condition of approval, the designating body may impose
36 reasonable requirements upon the qualifying farmer.

37 (c) A designating body shall publish notice of its final decision
38 in a newspaper of general circulation in the municipality
39 containing the land that will be designated as an urban agricultural
40 zone.

41 (d) As part of the approval of an application under this section,
42 a designating body shall adopt an ordinance or resolution to



1 designate an area as an urban agricultural zone.

2 (e) A designating body shall monitor an urban agricultural zone
 3 established under this chapter. If a designating body finds that a
 4 qualifying farmer or an urban agricultural zone is not in
 5 compliance with the requirements of this chapter or as reasonably
 6 imposed in the ordinance or resolution adopted by the designating
 7 body, the designating body may dissolve the urban agricultural
 8 zone by ordinance or resolution. The designating body may not
 9 dissolve an urban agricultural zone without first issuing notice to
 10 the qualifying farmer and holding a hearing to provide the
 11 qualifying farmer an opportunity to be heard. Notice and a hearing
 12 under this subsection must comply with IC 4-21.5.

13 **Sec. 16. A designating body may establish a committee to:**

- 14 (1) review and approve a qualifying farmer's application;
 15 (2) conduct hearings;
 16 (3) monitor the development of an urban agricultural zone;
 17 and
 18 (4) conduct meetings or business as necessary to carry out this
 19 chapter.

20 A committee established under this section is a public agency (as
 21 defined in IC 5-14-1.5-2) and must conduct its business in
 22 accordance with IC 5-14-1.5.

23 **Sec. 17. (a) If a designating body designates an area of land as**
 24 **an urban agricultural zone, the designating body may by ordinance**
 25 **or resolution exempt land located partially or wholly within an**
 26 **urban agricultural zone from property taxation.**

27 (b) Upon adopting an ordinance or resolution to exempt an area
 28 of land within an urban agricultural zone from property taxation,
 29 a designating body must state in the ordinance or resolution that:

- 30 (1) the land may only be used for farming practices; and
 31 (2) if the land is not used for farming practices or used in any
 32 manner that is not in compliance with the requirements of this
 33 chapter or as reasonably imposed in the ordinance or
 34 resolution adopted by a designating body, then the land
 35 becomes subject to property tax.

36 (c) If a designating body dissolves an urban agricultural zone
 37 under section 15 of this chapter, the land, within an area that had
 38 been designated as an urban agricultural zone and exempt from
 39 property taxation under this chapter, is no longer exempt and
 40 becomes subject to property tax.

41 (d) A designating body may not exercise any of its powers to
 42 enact ordinances affecting an urban agricultural zone in a manner



1 that would unreasonably restrict or regulate farming practices
2 unless the restrictions or regulations bear a direct relationship to
3 public health or safety.

4 Sec. 18. (a) A designating body may authorize a municipally
5 owned utility to allow a qualifying farmer or partner organization
6 to pay wholesale or reduced rates for water, electricity, or utilities
7 provided to an urban agricultural zone.

8 (b) A designating body may authorize a municipally owned
9 utility to waive connection charges for electricity provided to an
10 urban agricultural zone.

11 (c) A designating body may not impose special benefit taxes (as
12 defined in IC 5-1-5-1(10)) for public services provided to an urban
13 agricultural zone unless the special benefit tax was imposed before
14 a designating body designated the urban agricultural zone.



COMMITTEE REPORT

Mr. Speaker: Your Committee on Agriculture and Rural Development, to which was referred House Bill 1283, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

(Reference is to HB 1283 as introduced.)

LEHE

Committee Vote: Yeas 11, Nays 0

 HOUSE MOTION

Mr. Speaker: I move that House Bill 1283 be amended to read as follows:

Page 2, line 35, delete "." and insert "**on land. The term does not include roof top gardening or farming practices that occur on the top of a building or residential home.**".

Page 2, line 37, delete "land" and insert "**an area**".

Page 3, line 7, delete "A parcel" and insert "**An area**".

Page 3, line 13, delete "land" and insert "**an area**".

Page 4, line 21, delete "a parcel" and insert "**an area**".

Page 4, line 25, delete "a parcel" and insert "**an area**".

Page 4, line 35, delete "parcels of".

Page 4, line 35, after "land" insert "**, within an area**".

Page 4, line 36, delete "become" and insert "**and exempt from property taxation under this chapter, is no longer exempt and becomes**".

(Reference is to HB 1283 as printed February 11, 2021.)

HARRIS

 COMMITTEE REPORT

Madam President: The Senate Committee on Agriculture, to which was referred House Bill No. 1283, 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 and be reassigned to the

EH 1283—LS 6836/DI 142



Senate Committee on Tax and Fiscal Policy.

(Reference is to HB 1283 as reprinted February 18, 2021.)

LEISING, Chairperson

Committee Vote: Yeas 9, Nays 0

COMMITTEE REPORT

Madam President: The Senate Committee on Tax and Fiscal Policy, to which was referred Engrossed House Bill No. 1283, 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 EHB 1283 as printed March 23, 2021.)

HOLDMAN, Chairperson

Committee Vote: Yeas 12, Nays 0

