LEGISLATIVE SERVICES AGENCY

OFFICE OF FISCAL AND MANAGEMENT ANALYSIS FISCAL IMPACT STATEMENT

LS 6451 NOTE PREPARED: Dec 10, 2025

BILL NUMBER: HB 1105 BILL AMENDED:

SUBJECT: Condemnation of Hoosier Homestead Property.

FIRST AUTHOR: Rep. Greene BILL STATUS: As Introduced

FIRST SPONSOR:

FUNDS AFFECTED: X GENERAL IMPACT: State & Local

DEDICATED FEDERAL

<u>Summary of Legislation:</u> This bill establishes the Hoosier homestead program administered by the Indiana State Department of Agriculture (ISDA) to commemorate and maintain a registry of farms owned by the same family for at least 100 years. The bill provides that only the portion of a farm that satisfies the familial ownership and other requirements receives the Hoosier homestead designation and is subject to the provisions regarding eminent domain. It requires all property taxes to be paid up to date to be registered as a Hoosier homestead property or to renew registration as a Hoosier homestead property.

The bill provides with certain exceptions, that if a county, city, town, or school corporation (unit) exercises eminent domain to take a fee simple interest in a Hoosier homestead, the property owner is entitled to:

- (1) testify at a public meeting of the condemning unit's legislative body; and
- (2) compensation that is the greater of:
 - (A) 200% of the fair market value of the parcel; or
 - (B) 200% of the value of the land and replacement cost of the improvements to the land minus depreciation.

The bill also requires the owner to also be compensated for relocation costs, other damages, and business losses resulting from the condemnation of the property.

Effective Date: July 1, 2026.

Explanation of State Expenditures: Hoosier Homestead Farm Program: The bill will increase the administrative workload for the ISDA to administer the Hoosier Homestead Farm Program. The ISDA should be able to administer the program within existing resources.

The ISDA would need to do the following:

- Create a registration application form,
- Review documentation provided by applicants,
- Maintain an electronic registry, and
- Provide the owner a certificate and yard sign commemorating the farm as a Hoosier Homestead Farm.

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Registrations must be renewed biennially and updated any time the ownership of the farm changes. (Ownership must remain within the same family to continue to remain eligible for the registry.)

Sales Disclosure Form: The bill will result in a temporary increase in the administrative workload for the Department of Local Government Finance. The agency would need to update the sales disclosure form to include certain information for the conveyance of any part of a Hoosier Homestead Farm.

<u>Additional Information</u>: Eligibility for the Hoosier Homestead Farms Registry requires the following:

- At least part of the property comprising the farm has been under the continuous ownership of the same family for at least 100 years;
- At least 20 acres of property currently used for agricultural purposes (or one acre that currently produces a gross of at least \$1,000 of agricultural products a year) was owned by the first family member; and
- All property taxes have been paid up to date.

The ISDA may commemorate continuous familial ownership of at least 100, 150, or 200 years.

Explanation of State Revenues: *Hoosier Homestead Farm Program*: The bill does not allow the ISDA to charge a registration or renewal fee for the Hoosier Homestead Farms Registry.

<u>Explanation of Local Expenditures:</u> *Eminent Domain*: Under the bill, the cost of condemning a Hoosier Homestead property will be at least twice the amount of the condemnation if the property did not have the Hoosier Homestead designation.

This bill may result in an increase in the administrative workload for condemning units. These units should be able to conduct the required hearings and issue written determination within existing resource levels. They would be required to hold a public hearing where an owner of a Hoosier Homestead Farm property is entitled to provide testimony on the proposed condemnation of their property. The proposed condemnation of the property cannot proceed until this public hearing is conducted.

Sales Disclosure Form: The bill's requirement will result in a minor increase in the administrative workload for local assessors. It requires a local assessor to forward a sales disclosure form to the ISDA if the form indicates that the conveyance involves a parcel that is a Hoosier Homestead Farm.

Explanation of Local Revenues:

<u>State Agencies Affected:</u> Department of Local Government Finance; Indiana State Department of Agriculture.

Local Agencies Affected: Local assessors; County and municipal legislative bodies; School corporations.

Information Sources:

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