

# HOUSE BILL No. 1356

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 6-1.1-46.5; IC 14-40; IC 15-11-2-3.

**Synopsis:** Conservation of agricultural land. Requires each board of county commissioners to adopt an ordinance to allow landowners to apply to have land included in an agricultural resource area within the county. Specifies certain procedures and requirements for the agricultural resource area programs. Provides provisions that apply to land within a program, including eminent domain provisions, a prohibition against annexation for nonagricultural purposes, certain priority provisions for specified funding, and authorization for a county option property tax deduction for land located within agricultural resource areas in the county. Authorizes the Indiana state department of agriculture (department) to receive and hold agricultural conservation easements acquired by gift, bequest, or devise and to enter into agreements with nongovernment entities to monitor those easements. Establishes the farmland advisory board for the purpose of advising the department on developing standards for accepting, monitoring, and enforcing agricultural conservation easements it may hold, creating a model agricultural resource area ordinance, collecting feedback on agricultural resource areas, and supporting education and outreach about agricultural resource areas.

**Effective:** July 1, 2026.

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January 8, 2026, read first time and referred to Committee on Local Government.

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Second Regular Session of the 124th General Assembly (2026)

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 2025 Regular Session of the General Assembly.

## HOUSE BILL No. 1356

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

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

1       SECTION 1. IC 6-1.1-46.5 IS ADDED TO THE INDIANA CODE  
2 AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE  
3 JULY 1, 2026]:

4       **Chapter 46.5. County Option Deduction for Agricultural**  
5 **Resource Areas**

6       **Sec. 1. As used in this chapter, "agricultural resource area"**  
7 **means an agricultural resource area established under IC 14-40-2.**

8       **Sec. 2. (a) A county fiscal body of a county in which one (1) or**  
9 **more agricultural resource areas are established may adopt an**  
10 **ordinance to apply a property tax deduction in determining the**  
11 **assessed value of all land within agricultural resource areas that**  
12 **are located in the county.**

13       **(b) An ordinance adopted under this section must specify the**  
14 **percentage of the deduction from assessed value to apply under**  
15 **this chapter. The deduction percentage may not exceed fifteen**  
16 **percent (15%) of the assessed value of the land within an**  
17 **agricultural resource area. The same deduction percentage must**



1 apply to all agricultural resource areas within the county.

2 Sec. 3. (a) If a county fiscal body wishes to adopt an ordinance  
3 under section 2 of this chapter, the fiscal officer of the county shall,  
4 in addition to any other notices required for the adoption of an  
5 ordinance, issue a notice to the fiscal officer of each taxing unit that  
6 would be affected by the adoption of the ordinance at least  
7 twenty-one (21) days before the date on which the county fiscal  
8 body intends to hold a hearing on the proposed ordinance.

9 (b) After the county fiscal body hears the public testimony on  
10 the proposed ordinance, the county fiscal body may adopt an  
11 ordinance to have this chapter apply in the county.

12 Sec. 4. If an ordinance adopted under section 2 of this chapter  
13 is in effect in a county, the county auditor shall apply the deduction  
14 as adopted in the ordinance under section 2 of this chapter for each  
15 assessment date that a parcel of land is located within an  
16 agricultural resource area under the provisions set forth in  
17 IC 14-40-2.

18 Sec. 5. If a county fiscal body has adopted an ordinance under  
19 section 2 of this chapter, the fiscal officer of the county shall, before  
20 December 31 of each year in which the ordinance is in effect,  
21 provide a certified list of all agricultural resource areas in the  
22 county, including the parcel number for each tract of land.

23 Sec. 6. A taxpayer who is eligible for the deduction provided by  
24 this chapter is not required to take any action in order to receive  
25 the deduction. A county auditor shall apply the appropriate  
26 deduction to the assessed values of the eligible properties based on  
27 the information received from the fiscal officer of the county.

28 SECTION 2. IC 14-40 IS ADDED TO THE INDIANA CODE AS  
29 A NEW ARTICLE TO READ AS FOLLOWS [EFFECTIVE JULY 1,  
30 2026]:

# 31 **ARTICLE 40. CONSERVATION OF AGRICULTURAL LAND**

## 32 **Chapter 1. Definitions**

33 **Sec. 1. The following definitions apply throughout this article:**

34 (1) "Agricultural production" means activities or conditions  
35 conducted on land actively devoted to agriculture. The term  
36 includes land enrolled in the federal Conservation Reserve  
37 Program.

38 (2) "Agricultural resource area" means an agricultural  
39 resource area established under IC 14-40-2.

40 (3) "Agricultural resource area commission" means an  
41 agricultural resource area commission established under  
42 IC 14-40-2-3.



(4) "Applicant" means anyone who owns five (5) acres or more of land that has been in active agricultural or forest production for the previous three (3) consecutive years and who voluntarily applies for that land to be part of an agricultural resource area under IC 14-40-2.

(5) "Department of agriculture" refers to the Indiana state department of agriculture established by IC 15-11-2-1.

(6) "Hardship" means a situation or circumstance over which a landowner in an agricultural resource area has no control and can then petition for removal for reasons that include but are not limited to an adverse result in litigation against the farm or landowner, death of a close family member that would lead to unanticipated financial hardships, significant tax liabilities, bankruptcy due to another person's fraud, or any other illegal activity.

(7) "Proposal" means written documents submitted to a governing body or agricultural resource area commission under IC 14-40-2 from a landowner regarding the landowner's property.

## **Chapter 2. Agricultural Resource Areas**

**Sec. 1.** Not later than January 1, 2027, each board of county commissioners shall adopt an agricultural resource area ordinance in accordance with applicable notice and hearing procedures. At a minimum, the ordinance shall contain provisions that do the following:

(1) Establish a process through which agricultural lands may be placed in agricultural resource areas for a minimum of ten (10) years.

(2) Establish the application requirements, including but not limited to information about the landowner, a description of the parcels, structures, and facilities proposed to be included in an agricultural resource area, and the current uses of lands proposed to be included in an agricultural resource area.

(3) Establish clear and objective standards for evaluating applications for inclusion in an agricultural resource area.

(4) Establish the timeline for reviewing and making decisions on agricultural resource area applications.

(5) Establish an application fee to cover the administrative costs of processing applications, including but not limited to reviewing application materials, holding public meetings and hearings, providing public notice, recording applicable documents, and updating county land use maps, provided that



1 such fee shall not exceed the lesser of the actual cost of  
2 processing the application to include land in an agricultural  
3 resource area or five hundred dollars (\$500).

4 Sec. 2. (a) Land may be included in an agricultural resource  
5 area only upon application of the landowner as set forth in this  
6 chapter.

7 (b) Agricultural resource areas must be designated on future  
8 land use planning maps.

9 (c) The designations of specific parcels of land as an agricultural  
10 resource area shall not impact other parcels of land not designated  
11 as agricultural resource areas.

12 Sec. 3. (a) Not later than January 1, 2027, each board of county  
13 commissioners shall establish an agricultural resource area  
14 commission.

15 (b) The commission shall consist of three (3) members as  
16 follows:

17 (1) One (1) member who is a member of the board of county  
18 commissioners or the member's designee, appointed by the  
19 board of county commissioners.

20 (2) One (1) member who is a farmland owner and who resides  
21 in the county, appointed by the board of county  
22 commissioners.

23 (3) One (1) member who is an active farmer and farmland  
24 owner in the county, appointed by the board of county  
25 commissioners from recommendations submitted by the  
26 county farm bureau.

27 (c) The term of a member of the commission is three (3) years.  
28 The terms must be staggered so that the terms of not more than  
29 two (2) members may expire in a year. A member of the  
30 commission may be reappointed to successive terms at the pleasure  
31 of the appointing authority.

32 (d) As part of its duties, the commission shall provide for  
33 meetings and hearings to obtain advice on the agricultural needs  
34 of the county. The commission may also conduct informal meetings  
35 with public officials and agencies, agricultural professionals,  
36 educational professionals, and other organizations to evaluate the  
37 agricultural needs of the county.

38 (e) The commission may make recommendations to the board  
39 of county commissioners concerning the process by which the  
40 commission will accept, review, and offer recommendations  
41 regarding agricultural resource area proposals to the board of  
42 county commissioners, including the nature and type of



1 information provided by applicants and the evaluation criteria  
2 required to review agricultural resource area applications.

3 (f) The commission shall review applications for inclusion in an  
4 agricultural resource area pursuant to the county agricultural  
5 resource area ordinance adopted in section 1 of this chapter and  
6 make recommendations to the board of county commissioners  
7 regarding such applications.

8 (g) The commission shall review applications to include eligible  
9 land in an agricultural resource area and make recommendations  
10 to the board of county commissioners within sixty (60) days of  
11 receiving such applications.

12 Sec. 4. (a) Within sixty (60) days of receiving a recommendation  
13 from the agricultural resource area commission to support or  
14 reject an application, the board of county commissioners shall hold  
15 a public hearing regarding the application. The board of county  
16 commissioners shall give notice of the hearing under IC 5-3-1. The  
17 board of county commissioners may approve or deny an  
18 application to include land in an agricultural resource area. If  
19 approved, the creation of an agricultural resource area shall be  
20 effective upon final action of the board of county commissioners.

21 (b) If the board of county commissioners fails to take action on  
22 the recommendation of the agricultural resource area commission  
23 within sixty (60) days of receiving such recommendation, the  
24 recommendation of the agricultural resource area commission  
25 becomes final. A decision to approve or deny an agricultural  
26 resource area shall be subject to judicial review.

27 Sec. 5. (a) In order to give constructive notice of the existence of  
28 an agricultural resource area designation to all persons who have,  
29 may acquire, or may seek to acquire an interest in land in or  
30 adjacent to the agricultural resource area, within ten (10) days of  
31 the creation of the agricultural resource area, the secretary of the  
32 board of county commissioners shall file an executed document  
33 with the county recorder containing:

34 (1) the date of creation or dissolution of the agricultural  
35 resource area by the board of county commissioners;

36 (2) a legal description of the parcel or parcels of real property  
37 to be included in the agricultural resource area that is  
38 available through the county recorder's office; and

39 (3) a record of the findings of the agricultural resource area  
40 commission and decision of the board of county  
41 commissioners.

42 (b) The applicable governing body's failure to record the



1 agricultural resource area does not invalidate the decision to create  
2 or dissolve an agricultural resource area.

3 Sec. 6. (a) The board of county commissioners must notify  
4 landowners of agricultural resource areas at least one hundred  
5 eighty (180) days prior to the expiration of their renewal options.  
6 Ten (10) years after the creation of an agricultural resource area,  
7 if the landowner desires to continue with the agricultural resource  
8 area, no action on the part of the landowner is necessary and the  
9 board of county commissioners shall automatically renew the  
10 agricultural resource area for another ten (10) years.

11 (b) If the landowner desires to terminate the agricultural  
12 resource area, written notice to the board of county commissioners  
13 is required at least ninety (90) days prior to the expiration of the  
14 agricultural resource area before the board of county  
15 commissioners terminates the designation.

16 (c) The secretary of the board of county commissioners shall  
17 record the renewal of an agricultural resource area with the  
18 county recorder.

19 Sec. 7. (a) A landowner may add land to an existing agricultural  
20 resource area by filing an application with the board of county  
21 commissioners. The board of county commissioners shall review an  
22 application to add land to an existing agricultural resource area in  
23 accordance with this chapter.

24 (b) An owner of land within an agricultural resource area may  
25 remove any or all of the land from the agricultural resource area  
26 by filing a petition for removal with the board of county  
27 commissioners. The board of county commissioners:

28 (1) shall acknowledge receipt of the petition for removal in  
29 writing; and

30 (2) shall confirm the removal date as ten (10) years from the  
31 date of petition for removal, or upon expiration of the  
32 designation, whichever is sooner.

33 (c) The board of county commissioners shall establish a process  
34 by which an owner of land within an agricultural resource area  
35 may remove any or all of the land from the agricultural resource  
36 area for reasons of hardship, as defined in IC 14-40-1-1(6).

37 (d) The board of county commissioners may charge an  
38 administrative fee to cover administrative costs associated with  
39 processing changes to an agricultural resource area, including but  
40 not limited to updating land use maps, recording documents, and  
41 reasonable staff time for processing the request, provided that such  
42 fee shall not exceed the lesser of the actual cost of processing



1 changes to an agricultural resource area or five hundred dollars  
2 (\$500). The secretary of the board of county commissioners shall  
3 record the changes to an agricultural resource area with the county  
4 recorder.

5 Sec. 8. (a) A board of county commissioners having created an  
6 agricultural resource area shall encourage the continuity,  
7 development, and viability of agricultural use within the specific  
8 boundaries designated in the agricultural resource area by not  
9 enacting a local law, ordinance, or regulation that would restrict  
10 a farm structure or farming practice within the boundaries of the  
11 agricultural resource area, unless such farm structure or farming  
12 practice does not comply with generally recognized farming  
13 practices or the farm structure or land use is in conflict with the  
14 current agricultural land use classification or agricultural zoning  
15 designation of the area.

16 (b) The board of county commissioners shall not change the  
17 current agricultural land use classification or agricultural zoning  
18 designation for parcels of land within an agricultural resource area  
19 without written permission from the landowner.

20 (c) Upon routine review, the board of county commissioners  
21 shall amend applicable land use planning maps to reflect the  
22 boundaries of designated agricultural resource areas in compliance  
23 with land use planning provisions under IC 36-7.

24 (d) Nothing in this section shall prevent a board of county  
25 commissioners from regulating the siting of residential,  
26 commercial, manufacturing, industrial, solar energy, or wind  
27 energy structures, or other nonagricultural land uses on lands  
28 included within an agricultural resource area.

29 Sec. 9. Agricultural activities or operations in an agricultural  
30 resource area shall not constitute a public nuisance.

31 Sec. 10. The following apply to land within an agricultural  
32 resource area:

33 (1) A political subdivision having or exercising eminent  
34 domain powers may not condemn for any purpose any land  
35 within an agricultural resource area without the landowner's  
36 consent.

37 (2) Notwithstanding any other law, any unit of government  
38 seeking to exercise a right of eminent domain against land  
39 within an agricultural resource area must establish that there  
40 is no feasible alternative to such action.

41 (3) Land within an agricultural resource area cannot be  
42 rezoned as nonagricultural use during the term of the





agricultural resource area.

(4) Any purchase of land abutting an agricultural resource area must include a written disclosure informing the buyer of the agricultural resource area landowner's rights under IC 32-30-6 and this chapter.

(5) A county may enact a county option property tax deduction under IC 6-1.1-46.5 for property tax assessments during the ten (10) year term of the agricultural resource area, or other financial benefits for participation in an agricultural resource area as the board of county commissioners may determine.

(6) Landowners within an agricultural resource area may receive priority for any future agricultural economic development, conservation, or land protection funding or tax benefits from the state or the county in which the agricultural resource area is located.

### Chapter 3. Farmland Advisory Board

Sec. 1. (a) The farmland advisory board is established. The board consists of five (5) voting members and one (1) nonvoting, advisory member as follows:

(1) One (1) voting member who is in active agricultural production in the state, appointed by the governor.

(2) One (1) voting member who is a representative from a land trust and who holds an agricultural conservation easement in Indiana, appointed by the governor.

(3) One (1) voting member who is a member of a county government in Indiana, appointed by the governor.

(4) One (1) voting member who is a representative from the Purdue extension Agricultural and Natural Resources division, appointed by the dean of the Purdue College of Agriculture.

(5) One (1) voting member who is an Indiana farmer and landowner, appointed by Indiana's largest general farm organization.

(6) One (1) nonvoting, advisory member from the department of agriculture, appointed by the department of agriculture.

(b) The members appointed under subsection (a) serve at the pleasure of the member's appointing authority.

(c) The members of the board shall elect a member to serve as chair of the board.

(d) A majority of the members of the board constitutes a quorum. A quorum is required for the board to take any action.



(e) The members of the board are entitled to reimbursement for travel expenses in connection with the members' duties on the board. The members of the board are not entitled to a salary per diem.

(f) The department of agriculture may provide staff support to the board.

(g) Any expenses of the board shall be paid from money appropriated to the department of agriculture.

**Sec. 2. The board shall do the following:**

(1) Advise the department of agriculture on developing standards for accepting, monitoring, and enforcing easements that the department may hold under IC 15-11-2-3(c).

(2) Create and distribute a model agricultural resource area ordinance for use by a board of county commissioners under IC 14-40-2-1.

(3) Regularly review and collect feedback on agricultural resource areas.

(4) Support education and outreach about agricultural resource areas.

SECTION 3. IC 15-11-2-3, AS AMENDED BY P.L.9-2018, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 3. (a) As used in this section, "biomass" means agriculturally based sources of renewable energy, including the following:

(1) Agricultural crops.

(2) Agricultural wastes and residues.

(3) Wood and wood byproducts, including the following:

(A) Wood residue.

(B) Forest thinning.

(C) Mill residue wood.

(4) Animal wastes.

(5) Animal byproducts.

(6) Aquatic plants.

(7) Algae.

The term does not include waste from construction and demolition.

(b) The department shall do the following:

(1) Provide administrative and staff support for the following:

(A) The state fair board for purposes of carrying out the director's duties under IC 15-13-5.

(B) The Indiana corn marketing council for purposes of administering the duties of the director under IC 15-15-12.

(C) The Indiana dairy industry development board for



- 1 purposes of administering the duties of the director under
- 2 IC 15-18-5.
- 3 (D) The Indiana land resources council under IC 15-12-5.
- 4 (E) The Indiana grain buyers and warehouse licensing agency
- 5 under IC 26-3-7.
- 6 (F) The Indiana grain indemnity corporation under IC 26-4-3.
- 7 (G) The division.
- 8 (2) Administer the election of state fair board members under
- 9 IC 15-13-5.
- 10 (3) Administer state programs and laws promoting agricultural
- 11 trade.
- 12 (4) Administer state livestock or agriculture marketing grant
- 13 programs.
- 14 (5) Administer economic development efforts for agriculture by
- 15 doing the following:
- 16 (A) Promoting value added agricultural resources.
- 17 (B) Marketing Indiana agriculture to businesses
- 18 internationally.
- 19 (C) Assisting Indiana agricultural businesses with developing
- 20 partnerships with the Indiana economic development
- 21 corporation.
- 22 (D) Soliciting private funding for selective economic
- 23 development and trade initiatives.
- 24 (E) Providing for the orderly economic development and
- 25 growth of Indiana's agricultural economy.
- 26 (F) Facilitating the use of biomass and algae production
- 27 systems to generate renewable energy.
- 28 (6) Carry out the department's duties under IC 23-15-12.
- 29 **(c) The department may do the following:**
- 30 **(1) Receive and hold (including as a coholder) agricultural**
- 31 **conservation easements acquired by donation of the owner or**
- 32 **by bequest or devise of a decedent, including agricultural**
- 33 **conservation easements partially funded by federal sources.**
- 34 **(2) Enter into agreements with nongovernment entities to**
- 35 **monitor agricultural conservation easements the department**
- 36 **may hold under this subsection, under terms and conditions**
- 37 **determined by the department.**

