

MEMO

DATE: July 7, 2023

TO: Real Estate Brokerage Community

FROM: Morrie Erickson, TitlePlus!

SUBJECT: Restrictions on Foreign Ownership of Indiana Real Property

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Effective July 1, 2023, Indiana Senate Bill 477 became law in the State of Indiana (**now Senate Enrolled Act No. 477**). That bill was codified as Indiana Code 1-1-15-0.1 (**now at IC 1-1-16**) and restricts ownership of two types of property. Generally stated, the restrictions apply to real property which:

- a. is directly adjacent to military bases or military installations; or,
- b. includes or provides access to “critical infrastructure” (see below for examples).

This new law classifies as a “prohibited person”:

- a. An individual who is a citizen of China, Iran, North Korea, Russia, or a country designated as a threat by the Governor of Indiana;
- b. A business entity (sole proprietorship, corporation, partnership, joint venture, limited partnership, limited liability company, etc.) owned by or having a majority of its stock held by a prohibited person;
- c. A business entity owned by or controlled by the government of China, Iran, North Korea, Russia, or a country designated as a threat by the Governor of Indiana;
- d. A business entity headquartered in China, Iran, North Korea, Russia, or a country designated as a threat by the Governor of Indiana.

A list of “critical infrastructure” as defined in Indiana Code 35-46-10-1(a) is broad and includes but is not limited to items such as:

- a. A dam maintained by the Indiana Department of Natural Resources;
- b. An electric utility facility or transmission facility or substation;
- c. A refinery;
- d. A gas or fuel pumping station;
- e. A water treatment facility;
- f. A transportation facility;
- g. A communications services facility including a cellular telephone tower site;
- h. A railroad switching yard;
- i. A military installation.

We may NOT issue a title insurance commitment or policy until we determine that a Prohibited Person is NOT acquiring an INTEREST in restricted real property. If we are able to do that, AND the buyer signs an “Affidavit of Non-Applicability of Restriction on Foreign Ownership”, we may proceed with closing and issue a title insurance policy after transfer and recording occurs.