

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS
FISCAL IMPACT STATEMENT**

LS 6415

BILL NUMBER: HB 1042

NOTE PREPARED: Feb 16, 2026

BILL AMENDED: Feb 12, 2026

SUBJECT: Regulation and Investment of Cryptocurrency.

FIRST AUTHOR: Rep. Pierce K

FIRST SPONSOR: Sen. Walker K

BILL STATUS: 2nd Reading - 2nd House

FUNDS AFFECTED: X GENERAL
X DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: The bill provides that the following shall offer, as a regular investment program, a self directed brokerage account that offers at least one cryptocurrency investment option:

- (1) The legislators' defined contribution plan.
- (2) The Hoosier START plan.
- (3) Specified public employees' retirement fund plans and accounts.
- (4) Specified teachers' retirement fund plans and accounts (including the teachers' pre-1996 account).

It prohibits a public agency, other than the Department of Financial Institutions, or a county, municipality, or township from adopting or enforcing a rule, ordinance, or other regulation that does any of the following:

- (1) Prohibits, restricts, or impairs an individual's ability to: (A) accept digital assets as a method of payment for legal goods and services; or (B) take custody of digital assets using specified technologies.
- (2) Imposes taxes or fees on: (A) use or acceptance of digital assets as a method of payment for legal goods and services; or (B) taking or maintaining custody of digital assets using a self-hosted wallet or hardware wallet; that are not applicable to comparable financial transactions that do not involve digital assets.
- (3) Prohibits, restricts, or impairs the ability of an individual or business to engage in specified activities pertaining to blockchains.

It prohibits a public agency, other than the Department of Financial Institutions, from adopting or enforcing a rule, ordinance, or other regulation that prohibits operation of a digital mining business. It also prohibits a county, municipality, or township from adopting or enforcing a rule, ordinance, or other regulation that does any of the following:

- (1) Prohibits a digital asset mining business from operating in an area zoned for industrial use, or subjects a digital asset mining business located in an area zoned for industrial use to noise restrictions that are not applicable to other businesses operating in an area zoned for industrial use.
- (2) Prohibits private digital asset mining in a private residence located in an area that is zoned for residential use, or subjects private digital asset mining in a residence located in an area zoned for

residential use to noise restrictions that do not apply to other residences in an area zoned for residential use.

It provides that development or use of software for noncustodial transfer of digital assets does not constitute money transmission for purposes of statutes regarding licensure of money transmitters. It provides that a court may compel a person to disclose a digital asset private key only if no other admissible information is sufficient to provide access to the digital asset.

Effective Date: July 1, 2026.

Explanation of State Expenditures: *Cryptocurrency Options for Individual Investment:* The bill requires the Hoosier Start and certain specific retirement accounts administered by INPRS to offer the account holder to invest in a self directed brokerage account that offers at least one cryptocurrency investment option. The bill would increase workload for the INPRS board and the deferred compensation committee for Hoosier Start. They would be required to adopt requirements and rules for the chosen investment program.

State Agencies: The bill prohibits a public agency from certain actions related to digital assets. This will not have any fiscal impact. The bill defines public agency as a board, commission, department, division, bureau, committee, agency, office, instrumentality, authority, or other entity exercising any part of the executive, including the administrative, power of the state.

Explanation of State Revenues:

Explanation of Local Expenditures: The bill prohibits local units from certain actions related to digital assets. This will not have any fiscal impact.

Explanation of Local Revenues:

State Agencies Affected: Indiana Public Retirement System, Treasurer of State, State Comptroller, Indiana State Police, Indiana Finance Authority, Indiana Education Savings Authority, Department of Financial Institutions.

Local Agencies Affected: All local units.

Information Sources:

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