
HOUSE BILL No. 1042

AM104203 has been incorporated into introduced printing.

Synopsis: Regulation and investment of cryptocurrency.

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Introduced

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. 1042

A BILL FOR AN ACT to amend the Indiana Code concerning state and local administration.

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

1 SECTION 1. IC 2-3.5-5-3.3 IS ADDED TO THE INDIANA
2 CODE AS A NEW SECTION TO READ AS FOLLOWS
3 [EFFECTIVE JULY 1, 2026]: Sec. 3.3. (a) **As used in this section,**
4 "cryptocurrency" means a virtual currency that:

5 (1) is not issued by a central authority;
6 (2) is designed to function as a medium of exchange; and
7 (3) uses encryption technology to:
8 (A) regulate the generation of units of currency;
9 (B) verify fund transfers; and
10 (C) prevent counterfeiting.

11 The term does not include a stablecoin.

12 (b) **As used in this section, "stablecoin" means a virtual**
13 **currency:**

14 (1) the value of which is tied to coin or paper legal tender
15 issued by a central authority;

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- (2) that is fully backed by assets held in reserve; and
- (3) that grants the holder the right to redeem the virtual currency for the legal tender described in subdivision (1) from the issuer of the virtual currency.

(c) The board shall offer a cryptocurrency exchange traded fund that consists solely of one (1) or more cryptocurrencies as a regular investment program within the defined contribution fund.

(d) The board may adopt requirements and rules that apply to the cryptocurrency exchange traded fund within the defined contribution fund, including the following:

(1) The board's investment guidelines and limits for the cryptocurrency exchange traded fund.

(2) A participant's selection of and changes to the participant's investment options.

(3) The valuation of a participant's account.

(4) The allocation and payment of administrative expenses for the cryptocurrency exchange traded fund.

(e) The board shall determine the appropriate administrative fees to be charged to the participant's accounts.

SECTION 2. IC 2-5-56 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]:

Chapter 56. Blockchain and Digital Assets Task Force

Sec. 1. As used in this chapter, "blockchain pilot project" refers to a pilot project described in section 6 of this chapter.

Sec. 2. As used in this chapter, "controllable electronic record" has the meaning set forth in JC 26-1-12-102.

Sec. 3. As used in this chapter, "digital asset" means:

As used in this chapter, "digital asset" means:

(1) virtual currency,
(2) cryptocurrency is

(2) cryptocurrency, including stablecoins,
(3) fungible tokens and nonfungible tokens

- (3) fungible tokens and nonfungible tokens, and
- (4) other assets that:

(4) other assets that:

(A) exist only in electronic form, and
 (B) confer economic proprietorship on

(B) confer economic, proprietary, or access rights or powers.

Sec. 4. As used in this chapter, "task force" refers to the Indiana blockchain and digital assets task force established by section 5 of this chapter.

Sec. 5. The Indiana blockchain and digital assets task force is established.

Sec. 6. (a) During the 2026 legislative interim, the task force shall:



(1) evaluate governmental use cases, consumer protection, tax administration, and investment governance for digital assets; and

(2) not later than November 1, 2026:

(A) develop; and

(B) submit to:

(i) the governor; and

(ii) the legislative council in an electronic format under IC 5-14-6;

10 recommended legislation for introduction in the 2027 legislative
11 session establishing not more than two (2) state or local blockchain
12 pilot projects for the purpose of testing blockchain implementation
13 in Indiana.

(1) That the blockchain pilot project:

(A) must comply with:

(i) IC 26-1 with regard to controllable electronic records; and

(ii) any statutory restrictions applicable to central bank digital currency; and

(B) may not impose:

(i) a mandate on private acceptance of digital assets; or

(ii) state custody of private cryptographic keys.

That the department of financial institutions shall

- (A) administer the blockchain pilot project; and**
- (B) not later than July 1, 2028, submit to the task force a report regarding the results of the blockchain pilot project.**

32 (c) If one (1) or more blockchain pilot projects are established
33 in accordance with legislation recommended by the task force
34 under subsection (a), the task force shall, not later than November
35 1, 2028:

(1) evaluate the report submitted to the task force by the department of financial institutions under subsection (b)(2)(B); and

(b)(2)(B), and

(A) the governor; and

(B) the legislative council in an electronic format under IC 5-14-6:



1 **a report of the results of the pilot projects, the task force's**
2 **findings regarding the pilot projects, and any recommended**
3 **legislation with regard to wider blockchain implementation**
4 **in Indiana.**

5 **Sec. 7. This chapter expires December 31, 2028.**

6 SECTION 3. IC 5-10-1.1-4.3 IS ADDED TO THE INDIANA
7 CODE AS A NEW SECTION TO READ AS FOLLOWS
8 [EFFECTIVE JULY 1, 2026]: **Sec. 4.3. (a) As used in this section,**
9 **"cryptocurrency" means a virtual currency that:**

- 10 **(1) is not issued by a central authority;**
- 11 **(2) is designed to function as a medium of exchange; and**
- 12 **(3) uses encryption technology to:**
 - 13 **(A) regulate the generation of units of currency;**
 - 14 **(B) verify fund transfers; and**
 - 15 **(C) prevent counterfeiting.**

16 The term does not include a stablecoin (as defined in
17 IC 2-3.5-5-3.3).

18 **(b) The deferred compensation committee shall offer a**
19 **cryptocurrency exchange traded fund that consists solely of one (1)**
20 **or more cryptocurrencies as a regular investment program within**
21 **the state employees' deferred compensation plan.**

22 **(c) The deferred compensation committee may adopt**
23 **requirements and rules that apply to the cryptocurrency exchange**
24 **traded fund within the plan, including the following:**

- 25 **(1) The deferred compensation committee's investment**
26 **guidelines and limits for the cryptocurrency exchange traded**
27 **fund.**
- 28 **(2) A plan participant's selection of and changes to the plan**
29 **participant's investment options.**
- 30 **(3) The valuation of a plan participant's account.**
- 31 **(4) The allocation and payment of administrative expenses**
32 **for the cryptocurrency exchange traded fund.**

33 **(d) The deferred compensation committee shall determine the**
34 **appropriate administrative fees to be charged to the plan**
35 **participant accounts.**

36 SECTION 4. IC 5-10.3-5-3.5 IS ADDED TO THE INDIANA
37 CODE AS A NEW SECTION TO READ AS FOLLOWS
38 [EFFECTIVE JULY 1, 2026]: **Sec. 3.5. (a) As used in this section,**
39 **"cryptocurrency" means a virtual currency that:**

- 40 **(1) is not issued by a central authority;**
- 41 **(2) is designed to function as a medium of exchange; and**
- 42 **(3) uses encryption technology to:**



- (A) regulate the generation of units of currency;
- (B) verify fund transfers; and
- (C) prevent counterfeiting.

The term does not include a stablecoin (as defined in IC 2-3.5-5-3.3).

(b) The board shall offer a cryptocurrency exchange traded fund that consists solely of one (1) or more cryptocurrencies as a regular investment program within the annuity savings account described in section 1 of this chapter.

(c) The board may adopt requirements and rules that apply to the cryptocurrency exchange traded fund within the annuity savings account, including the following:

- (1) The board's investment guidelines and limits for the cryptocurrency exchange traded fund.
- (2) A member's selection of and changes to the member's investment options.
- (3) The valuation of a member's account.
- (4) The allocation and payment of administrative expenses for the cryptocurrency exchange traded fund.

(d) The board shall determine the appropriate administrative fees to be charged to the member accounts.

SECTION 5. IC 5-10.3-12-22.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: **Sec. 22.5. (a) As used in this section, "cryptocurrency" means a virtual currency that:**

- (1) is not issued by a central authority;
- (2) is designed to function as a medium of exchange; and
- (3) uses encryption technology to:
 - (A) regulate the generation of units of currency;
 - (B) verify fund transfers; and
 - (C) prevent counterfeiting.

The term does not include a stablecoin (as defined in IC 2-3.5-5-3.3).

(b) The board shall offer a cryptocurrency exchange traded fund that consists solely of one (1) or more cryptocurrencies as a regular investment program within the plan.

(c) The board may adopt requirements and rules that apply to the cryptocurrency exchange traded fund within the plan, including the following:

- (1) The board's investment guidelines and limits for the cryptocurrency exchange traded fund.
- (2) A member's selection of and changes to the member's



investment options.

(3) The valuation of a member's account.

(4) The allocation and payment of administrative expenses for the cryptocurrency exchange traded fund.

(d) The board shall determine the appropriate administrative fees to be charged to the member accounts.

SECTION 6. IC 5-10.4-3-10.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: **Sec. 10.5. (a) As used in this section, "cryptocurrency" means a virtual currency that:**

(1) is not issued by a central authority;

(2) is designed to function as a medium of exchange; and

(3) uses encryption technology to:

(A) regulate the generation of units of currency;

(B) verify fund transfers; and

(C) prevent counterfeiting.

The term does not include a stablecoin (as defined in IC 2-3.5-5-3.3).

(b) The board shall offer a cryptocurrency exchange traded fund that consists solely of one (1) or more cryptocurrencies as a regular investment program within the annuity savings accounts described in IC 5-10.4-2-2.

(c) The board may adopt requirements and rules that apply to the cryptocurrency exchange traded fund within the annuity savings accounts, including the following:

(1) The board's investment guidelines and limits for the cryptocurrency exchange traded fund.

(2) A member's selection of and changes to the member's investment options.

(3) The valuation of a member's account.

(4) The allocation and payment of administrative expenses for the cryptocurrency exchange traded fund.

(d) The board shall determine the appropriate administrative fees to be charged to the member accounts.

SECTION 7. IC 5-10.4-8-8.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: **Sec. 8.5. (a) As used in this section, "cryptocurrency" means a virtual currency that:**

(1) is not issued by a central authority;

(2) is designed to function as a medium of exchange; and

(3) uses encryption technology to:

(A) regulate the generation of



- (B) verify fund transfers; and
- (C) prevent counterfeiting.

The term does not include a stablecoin.

(b) The board shall offer a cryptocurrency exchange traded fund that consists solely of one (1) or more cryptocurrencies as a regular investment program within the plan.

(c) The board may adopt requirements and rules that apply to the cryptocurrency exchange traded fund within the plan, including the following:

(1) The board's investment guidelines and limits for the cryptocurrency exchange traded fund.

(2) A member's selection of and changes to the member's investment options.

(3) The valuation of a member's account.

(4) The allocation and payment of administrative expenses for the cryptocurrency exchange traded fund.

(d) The board shall determine the appropriate administrative fees to be charged to the member accounts.

SECTION 8. IC 5-36 IS ADDED TO THE INDIANA CODE AS A NEW ARTICLE TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]:

ARTICLE 36. AUTHORITY OF ADMINISTRATIVE AGENCIES TO REGULATE DIGITAL ASSETS

Chapter 1. Definitions

Sec. 1. The definitions in this chapter apply throughout this article.

Sec. 2. "Blockchain" means data that is:

(1) shared across a network to create a ledger of verified transactions or information among network participants; and

(2) linked using cryptography to maintain the integrity of the ledger and to execute other functions;

uding data that is distributed among network

automated manner to concurrently update network participants on

state of the ledger and any other functions.

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(1) is governed by a set of predefined rules that:

(A) execute autonomously without human intervention;
and
(B) can be altered by a predetermined process;
including predefined rules that use a previously existing
blockchain as a base;

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- (2) facilitates transfer of data and electronic records and allows the data and electronic records to be broadcast to nodes; and
- (3) is deployed to a blockchain; including a smart contract or network of smart contracts.

Sec. 4. "Digital asset" means:

- (1) virtual currency;
- (2) cryptocurrency, including stablecoins;
- (3) fungible tokens and nonfungible tokens; and
- (4) other assets that:
 - (A) exist only in electronic form; and
 - (B) confer economic, proprietary, or access rights or powers.

Sec. 5. "Digital asset mining" means using computing devices to run software that is specifically designed or utilized for the purpose of validating data and securing a blockchain network.

Sec. 6. "Digital asset mining business" means multiple computing devices at a single location that:

- (1) are used to perform digital asset mining; and
- (2) consume, in total, an annual average of more than one (1) megawatt of energy in performing digital asset mining.

Sec. 7. "Hardware wallet" means:

(1) a physical device that:

- (A) is not continuously connected to the Internet; and
- (B) allows an individual to secure and transfer digital assets; or

(2) a physical device that enables the owner of digital assets to retain independent control over the digital assets.

Sec. 8. "Node" means software:

(1) that:

- (A) communicates with other devices or participants on a blockchain to maintain consensus and integrity of the blockchain;
- (B) creates and validates blocks of transactions;
- (C) contains and updates a copy of a blockchain; or
- (D) performs any combination of the functions described in clauses (A) through (D); and

(2) that does not exercise discretion over transactions initiated by the end user of a blockchain protocol.

Sec. 9. "Private digital asset mining" means digital asset mining:

(1) that is conducted by an individual; and



(2) the individual's conduct of which does not consume an annual average of more than one (1) megawatt of energy.

Sec. 10. "Public agency" means 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.

Sec. 11. "Self-hosted wallet" means a digital interface used to:

(1) secure and transfer digital assets; and

(2) retain independent control over the digital assets by the owner of the digital assets.

Sec. 12. "Smart contract" means a computer program that:

(1) is hosted and executed on a blockchain network; and

(2) consists of code specifying predetermined conditions that, when met, trigger predetermined outcomes.

Sec. 13. "Stake" or "staking" means committing digital assets to a blockchain network to participate in the blockchain network's operations by validating transactions, proposing or attesting to blocks, and securing the blockchain network.

Sec. 14. "Validate" means performance of a process by which a blockchain protocol, through its consensus mechanism, confirms the authenticity and accuracy of transactions or other data entries that are then recorded on a blockchain protocol.

Chapter 2. Regulation of Digital Assets

Sec. 1. (a) A public agency may not adopt or enforce a rule or other regulation that would have the effect of prohibiting, restricting, or impairing the ability of a person to:

(1) use or accept digital assets as a method of payment for goods or services.

legal goods and services; or

(2) take or maintain custody of digital assets using a
self-hosted wallet or hardware wallet.

self-hosted wallet or hardware wallet.

(b) A public agency may not impose taxes or fees on:

(1) use or acceptance of digital assets as a method of payment

for legal goods and services; or

(2) taking or maintaining custody of digital assets using a self-hosted wallet or hardware wallet;

self-hosted wallet or hardware wallet; that are not applicable to comparable financial transactions that do not involve digital assets.

do not involve digital assets.

Sec. 2. A public agency may not adopt or enforce a rule or other regulation that would have the effect of prohibiting, restricting, or impairing the ability of an individual or business to do any of the following:

(1) Operate a node for the purpose of connecting to a



1 **blockchain protocol and participating in the operation of the**
2 **blockchain protocol.**

3 **(2) Develop software on a blockchain protocol.**

4 **(3) Transfer digital assets to another individual or business**
5 **using a blockchain protocol.**

6 **(4) Participate in staking on a blockchain protocol.**

7 **Sec. 3. A public agency may not adopt or enforce a rule or**
8 **other regulation:**

9 **(1) that prohibits a digital asset mining business that**
10 **otherwise meets the requirements for operation in an area**
11 **zoned for industrial use from operating in an area zoned for**
12 **industrial use; or**

13 **(2) that:**

14 **(A) limits the level of noise generated by a digital asset**
15 **mining business that is located in an area zoned for**
16 **industrial use; and**

17 **(B) is not applicable to other businesses operating in an**
18 **area zoned for industrial use.**

19 **Sec. 4. A public agency may not adopt or enforce a rule or**
20 **other regulation:**

21 **(1) that prohibits private digital asset mining in a residence**
22 **located in an area that is zoned for residential use; or**

23 **(2) that:**

24 **(A) limits the level of noise generated by private digital**
25 **asset mining in a residence located in an area that is**
26 **zoned for residential use; and**

27 **(B) is not applicable to other residences in an area zoned**
28 **for residential use.**

29 **SECTION 9. IC 21-9-5-10 IS ADDED TO THE INDIANA CODE**
30 **AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY**
31 **1, 2026]: Sec. 10. (a) As used in this section, "cryptocurrency"**
32 **means a virtual currency that:**

33 **(1) is not issued by a central authority;**

34 **(2) is designed to function as a medium of exchange; and**

35 **(3) uses encryption technology to:**

36 **(A) regulate the generation of units of currency;**

37 **(B) verify fund transfers; and**

38 **(C) prevent counterfeiting.**

39 **The term does not include a stablecoin (as defined in**
40 **IC 2-3.5-5-3.3).**

41 **(b) The board shall offer a cryptocurrency exchange traded**
42 **fund that consists solely of one (1) or more cryptocurrencies as a**



1 **regular investment program within an education savings program**
 2 **established under this article.**

3 **(c) The board may adopt requirements and rules that apply to**
 4 **the cryptocurrency exchange traded fund within the program,**
 5 **including the following:**

- 6 **(1) The board's investment guidelines and limits for the**
 7 **cryptocurrency exchange traded fund.**
- 8 **(2) An account owner's selection of and changes to the**
 9 **account owner's investment options.**
- 10 **(3) The valuation of accounts.**
- 11 **(4) The allocation and payment of administrative expenses**
 12 **for the cryptocurrency exchange traded fund.**

13 **(d) The board shall determine the appropriate administrative**
 14 **fees to be charged to the accounts.**

15 SECTION 10. IC 28-8-4.1-201, AS ADDED BY P.L.198-2023,
 16 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 17 JULY 1, 2026]: Sec. 201. The following definitions apply throughout
 18 this chapter:

- 19 (1) "Acting in concert" means persons knowingly acting together
 20 with a common goal of jointly acquiring control of a licensee
 21 whether or not pursuant to an express agreement.
- 22 (2) "Authorized delegate" means a person a licensee designates
 23 to engage in money transmission on behalf of the licensee.
- 24 (3) "Average daily money transmission liability", with respect to a
 25 calendar quarter, means:

- 26 (A) the sum of the amounts of a licensee's outstanding
 27 money transmission obligations in Indiana at the end of
 28 each day in the calendar quarter; divided by
- 29 (B) the total number of days in that calendar quarter.

30 For purposes of this subdivision, a "calendar quarter" is a quarter
 31 ending on March 31, June 30, September 30, or December 31.

32 (4) "Bank Secrecy Act" means:

- 33 (A) the Bank Secrecy Act (31 U.S.C. 5311 et seq.); and
- 34 (B) regulations adopted under the Bank Secrecy Act (31
- 35 U.S.C. 5311 et seq.).

36 (5) "Closed loop stored value" means stored value that is
 37 redeemable by the issuer only for goods or services provided by
 38 the issuer or the issuer's affiliate or by franchisees of the issuer
 39 or the issuer's affiliate, except to the extent required by
 40 applicable law to be redeemable in cash for its cash value.

41 (6) "Control" means any of the following:

- 42 (A) The power to vote, directly or indirectly, at least



4 (B) The power to elect or appoint a majority of key
5 individuals or executive officers, managers, directors,
6 trustees, or other persons exercising managerial authority of
7 a person in control of a licensee.

8 (C) The power to exercise, directly or indirectly, a
9 controlling influence over the management or policies of a
10 licensee or of a person in control of a licensee. For purposes
11 of this clause, a person is presumed to exercise a controlling
12 influence if the person holds the power to vote, directly or
13 indirectly, at least ten percent (10%) of the outstanding
14 voting shares or voting interests of a licensee or of a person
15 in control of a licensee. However, a person presumed to
16 exercise a controlling influence under this clause may rebut
17 the presumption of control if the person is a passive
18 investor.

19 For purposes of this subdivision, the percentage of a person
20 controlled by any other person is determined by aggregating the
21 other person's interest with the interest of any other immediate
22 family member of that person, including the person's spouse,
23 parents, children, siblings, mothers-in-law and fathers-in-law,
24 sons-in-law and daughters-in-law, and any other person who
25 shares the person's home.

(7) "Department" refers to the members of the department of financial institutions.

(8) "Director" refers to the director of the department appointed under IC 28-11-2-1.

30 (9) "Eligible rating" means a credit rating of any of the three (3)
31 highest rating categories provided by an eligible rating service,
32 including any rating category modifiers, such as "plus" or
33 "minus" for S&P Global, or an equivalent modifier for any other
34 eligible rating service. The term includes the following:

35 (A) A long term credit rating equal to at least A- by S&P
36 Global, or an equivalent long term credit rating for any
37 other eligible rating service.

38 (B) A short term credit rating equal to at least A-2 by S&P
39 Global, or an equivalent short term credit rating for any
40 other eligible rating service.

41 In any case in which the credit ratings differ among eligible
42 rating services, the highest rating applies in determining whether

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1 the credit rating is an "eligible rating" as defined in this
2 subdivision.

3 (10) "Eligible rating service" means:

4 (A) a nationally recognized statistical rating organization,
5 as defined by the United States Securities and Exchange
6 Commission; or
7 (B) any other organization designated as such by the
8 director.

9 (11) "Federally insured depository financial institution" means:

10 (A) a bank;
11 (B) a credit union;
12 (C) a savings and loan association;
13 (D) a trust company;
14 (E) a corporate fiduciary;
15 (F) a savings association;
16 (G) a savings bank;
17 (H) an industrial bank; or
18 (I) an industrial loan company;

19 that is organized under the law of the United States or any state
20 of the United States and that has federally or privately insured
21 deposits as permitted by state or federal law.

22 (12) "In Indiana", with respect to the location of a transaction,
23 means the following:

24 (A) At a physical location in Indiana, for a transaction
25 requested in person.

26 (B) For a transaction requested electronically or by
27 telephone, a determination made by the provider of money
28 transmission, by relying on the following, that the person
29 requesting the transaction is in Indiana:

30 (i) Information, provided by the person, regarding the
31 location of the individual's residential address or the
32 business entity's principal place of business or other
33 physical address location, as applicable.

34 (ii) Any records associated with the person that the
35 provider of money transmission may have that indicate
36 the person's location, including an address associated
37 with an account.

38 (13) "Individual" means a natural person.

39 (14) "Key individual" means an individual ultimately responsible
40 for establishing or directing policies and procedures of a
41 licensee, such as an executive officer, manager, director, or
42 trustee.



1 (15) "Licensee" means a person licensed under this chapter.

2 (16) "Material litigation" means litigation that, according to

3 United States generally accepted accounting principles, is

4 significant to a person's financial health and would be required

5 to be disclosed in the person's annual audited financial

6 statements, report to shareholders, or similar records.

7 (17) "Money" means a medium of exchange that is issued by the

8 United States government or by a foreign government. The term

9 includes a monetary unit of account established by an

10 intergovernmental organization or by agreement between two (2)

11 or more governments.

12 (18) "Monetary value" means a medium of exchange, whether or

13 not redeemable in money.

14 (19) "Money transmission" means any of the following:

15 (A) Selling or issuing payment instruments to a person

16 located in Indiana.

17 (B) Selling or issuing stored value to a person located in

18 Indiana.

19 (C) Receiving money for transmission from a person

20 located in Indiana.

21 The term does not include the provision of solely online or

22 telecommunications services or network access. **The term does**

23 **not include development or use of software for noncustodial**

24 **transfer of digital assets (as defined by IC 5-36-1-4).**

25 (20) "MSB accredited state" means a state agency that is

26 accredited by the Conference of State Bank Supervisors and

27 Money Transmitter Regulators Association for money

28 transmission licensing and supervision.

29 (21) "Multistate licensing process" means an agreement entered

30 into by and among state regulators related to:

31 (A) coordinated processing of applications for money

32 transmission licenses;

33 (B) applications for the acquisition and control of a

34 licensee;

35 (C) control determinations; or

36 (D) notice and information requirements for a change of key

37 individuals.

38 (22) "NMLS" means the Nationwide Multistate Licensing

39 System and Registry:

40 (A) developed by the Conference of State Bank Supervisors

41 and the American Association of Residential Mortgage

42 Regulators; and



(B) owned and operated by the State Regulatory Registry, LLC, or by any successor or affiliated entity; for the licensing and registry of persons in financial services industries.

(23) "Outstanding money transmission obligation", as established and extinguished in accordance with applicable state law, means:

(A) any payment instrument or stored value that:

(i) is issued or sold by a licensee to a person located in the United States, or reported as sold by an authorized delegate of the licensee to a person located in the United States; and

(ii) has not yet been paid or refunded by or for the licensee, or escheated in accordance with applicable abandoned property laws; or

(B) any money that:

(i) is received for transmission by a licensee, or by an authorized delegate of the licensee, from a person located in the United States; and

(ii) has not been received by the payee or refunded to the seller, or escheated in accordance with applicable abandoned property laws.

For purposes of this subdivision, a person is located "in the United States" if the person is located in any state, territory, or possession of the United States or in the District of Columbia, the Commonwealth of Puerto Rico, or a United States military installation located in a foreign country.

(24) "Passive investor" means a person that:

(A) does not have the power to elect a majority of key individuals or executive officers, managers, directors, trustees, or other persons exercising managerial authority over a person in control of a licensee;

(B) is not employed by and does not have any managerial duties with respect to the licensee or a person in control of the licensee;

(C) does not have the power to exercise, directly or indirectly, a controlling influence over the management or policies of the licensee or a person in control of the licensee; and

(D) either:

(i) attests to as facts the characteristics of passivity set forth in clauses (A) through (C), in a form and by a

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medium prescribed by the director; or
(ii) commits to the characteristics of passivity set forth in clauses (A) through (C) in a written document.

(25) "Payment instrument" means a written or electronic check, draft, money order, traveler's check, or other written or electronic instrument for the transmission or payment of money or monetary value, whether or not negotiable. The term does not include:

(A) stored value; or

(B) any instrument that:

(i) is redeemable by the issuer only for goods or services provided by the issuer or its affiliate, or franchisees of the issuer or its affiliate, except to the extent required by applicable law to be redeemable in cash for its cash value; or

(ii) is not sold to the public but is issued and distributed as part of a loyalty, rewards, or promotional program.

(26) "Person" means any individual, general partnership, limited partnership, limited liability company, corporation, trust, association, joint stock corporation, or other corporate entity, as so identified by the director.

(27) "Receiving money for transmission" means receiving money or monetary value in the United States for transmission within or outside the United States by electronic or other means. The term "money received for transmission" has a corresponding meaning.

(28) "Stored value" means monetary value representing a claim, against the issuer, that is evidenced by an electronic or digital record and that is intended and accepted for use as a means of redemption for money or monetary value, or payment for goods or services. The term includes "prepaid access" as defined in 31 CFR 1010.100. The term does not include:

(A) a payment instrument;

(B) closed loop stored value; or

(C) stored value not sold to the public but issued and distributed as part of a loyalty, rewards, or promotional program.

(29) "Tangible net worth" means the aggregate assets of a licensee, excluding all intangible assets, less liabilities, as determined in accordance with United States generally accepted accounting principles.

SECTION 11. IC 34-46-7 IS ADDED TO THE INDIANA CODE

2026

IN 1042—LS 6415/DI 119



DOCUMENT HAS NOT BEEN CHECKED FOR ACCURACY

1 AS A **NEW CHAPTER** TO READ AS FOLLOWS [EFFECTIVE
2 JULY 1, 2026]:

3 **Chapter 7. Privileged Financial Information**

4 **Sec. 1. As used in this chapter, "digital asset" means:**

- 5 (1) **virtual currency;**
- 6 (2) **cryptocurrency, including stablecoins;**
- 7 (3) **fungible tokens and nonfungible tokens; and**
- 8 (4) **other assets that:**
 - 9 (A) **exist only in electronic form; and**
 - 10 (B) **confer economic, proprietary, or access rights or**
 - 11 **powers.**

12 **Sec. 2. As used in this chapter, "digital asset private key"**
13 **means an alphanumeric code that is used to:**

- 14 (1) **prove ownership of; and**
- 15 (2) **access;**

16 **digital assets.**

17 **Sec. 3. A court may compel a person to disclose a digital asset**
18 **private key only if no other admissible information is sufficient to**
19 **provide access to the digital asset.**

20 **SECTION 12. IC 35-37-7 IS ADDED TO THE INDIANA CODE**
21 **AS A **NEW CHAPTER** TO READ AS FOLLOWS [EFFECTIVE**
22 **JULY 1, 2026]:**

23 **Chapter 7. Privileged Financial Information**

24 **Sec. 1. As used in this chapter, "digital asset" means:**

- 25 (1) **virtual currency;**
- 26 (2) **cryptocurrency, including stablecoins;**
- 27 (3) **fungible tokens and nonfungible tokens; and**
- 28 (4) **other assets that:**
 - 29 (A) **exist only in electronic form; and**
 - 30 (B) **confer economic, proprietary, or access rights or**
 - 31 **powers.**

32 **Sec. 2. As used in this chapter, "digital asset private key"**
33 **means an alphanumeric code that is used to:**

- 34 (1) **prove ownership of; and**
- 35 (2) **access;**

36 **a digital asset.**

37 **Sec. 3. A court may compel a person to disclose a digital asset**
38 **private key only if no other admissible information is sufficient to**
39 **provide access to the digital asset.**

40 **SECTION 13. IC 36-1-3-15 IS ADDED TO THE INDIANA**
41 **CODE AS A **NEW SECTION** TO READ AS FOLLOWS**
42 **[EFFECTIVE JULY 1, 2026]: Sec. 15. (a) The definitions in**



1 **IC 5-36-1 apply throughout this section.**

2 **(b) A unit may not adopt or enforce a rule or other regulation**
 3 **that would have the effect of prohibiting, restricting, or impairing**
 4 **the ability of a person to:**

- 5 **(1) use or accept digital assets as a method of payment for**
 6 **legal goods and services; or**
- 7 **(2) take custody of digital assets using a self-hosted wallet or**
 8 **hardware wallet.**

9 **(c) A unit may not impose taxes or fees on:**

- 10 **(1) use or acceptance of digital assets as a method of payment**
 11 **for legal goods and services; or**
- 12 **(2) taking or maintaining custody of digital assets using a**
 13 **self-hosted wallet or hardware wallet;**

14 **that are not applicable to comparable financial transactions that**
 15 **do not involve digital assets.**

16 SECTION 14. IC 36-1-30.5 IS ADDED TO THE INDIANA
 17 CODE AS A NEW CHAPTER TO READ AS FOLLOWS
 18 [EFFECTIVE JULY 1, 2026]:

19 **Chapter 30.5. Regulation of Digital Asset Mining**

20 **Sec. 1. The definitions in IC 5-36-1 apply throughout this**
 21 **chapter.**

22 **Sec. 2. A unit may not adopt or enforce an ordinance or other**
 23 **regulation that would have the effect of prohibiting, restricting, or**
 24 **impairing the ability of an individual or business to do any of the**
 25 **following:**

- 26 **(1) Operate a node for the purpose of connecting to a**
 27 **blockchain protocol and participating in the operation of the**
 28 **blockchain protocol.**
- 29 **(2) Develop software on a blockchain protocol.**
- 30 **(3) Transfer digital assets to another individual or business**
 31 **using a blockchain protocol.**
- 32 **(4) Participate in staking on a blockchain protocol.**

33 **Sec. 3. A unit may not adopt or enforce an ordinance or other**
 34 **regulation:**

- 35 **(1) that prohibits a digital asset mining business that**
 36 **otherwise meets the requirements for operation in an area**
 37 **zoned for industrial use from operating in an area zoned for**
 38 **industrial use; or**

39 **(2) that:**

- 40 **(A) limits the level of noise generated by a digital asset**
 41 **mining business that is located in an area zoned for**
 42 **industrial use; and**



(B) is not applicable to other businesses operating in an area zoned for industrial use.

Sec. 4. A unit may not adopt or enforce an ordinance or other regulation:

(1) that prohibits private digital asset mining in a residence located in an area that is zoned for residential use; or

(2) that:

- (A) limits the level of noise generated by private digital

asset mining in a residence located in an area that is zoned for residential use; and

(B) is not applicable to other residences in an area zoned for residential use.

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