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## HOUSE BILL No. 1042

Proposed Changes to introduced printing by AM104203

### DIGEST OF PROPOSED AMENDMENT

Investment in cryptocurrency. Removes all provisions in the bill that allow the assets of the following to be invested in cryptocurrency exchange traded funds: (1) The legislators' defined benefit plan. (2) The state excise police, gaming agent, gaming control officer, and conservation enforcement officers' retirement plan. (3) The special death benefit fund. (4) The public employees' retirement fund hybrid plan. (5) The pension relief fund. (6) The teachers' retirement fund hybrid plan (including the teachers' pre-1996 account). (7) The judges' retirement system. (8) The prosecuting attorneys retirement fund. (9) The 1977 police officers' and firefighters' pension and disability fund. Removes all provisions in the bill that allow the treasurer of state to invest the assets of the following in stablecoin cryptocurrency exchange traded funds: (1) The trust Indiana investment pool. (2) The next generation trust fund. (3) The state police benefit system.

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 2-3.5-3-4, AS AMENDED BY P.L.35-2012,~~
- 2 ~~SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE~~
- 3 ~~JULY 1, 2026]: Sec. 4. (a) The board shall administer the system,~~
- 4 ~~which may be commingled for investment purposes with the other~~
- 5 ~~funds administered by the board.~~
- 6 ~~(b) The board shall:~~
- 7 ~~(1) determine eligibility for and make payments of benefits~~
- 8 ~~under this chapter, IC 2-3.5-4, and IC 2-3.5-5;~~
- 9 ~~(2) in accordance with the powers and duties granted in~~
- 10 ~~IC 5-10.3-3-7.1, IC 5-10.3-5-3 through IC 5-10.3-5-6,~~
- 11 ~~IC 5-10.5-4, and IC 5-10.5-6, administer the system;~~
- 12 ~~(3) provide by rule for the implementation of this chapter;~~

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~~IC 2-3.5-4, and IC 2-3.5-5; and~~  
~~(4) authorize deposits;~~  
~~(c) A determination by the board may be appealed under~~  
~~IC 4-21.5.~~  
~~(d) The powers and duties of:~~  
~~(1) the director and the actuary of the board; and~~  
~~(2) the attorney general;~~  
~~with respect to the fund are those specified in IC 5-10.3-3, IC 5-10.3-4,~~  
~~IC 5-10.5-4, and IC 5-10.5-6.~~  
~~(e) The board may hire additional personnel, including hearing~~  
~~officers, to assist in the implementation of this chapter.~~  
~~(f) Legislators' retirement system records of individual participants~~  
~~and participants' information are confidential, except for the name and~~  
~~years of service of a retirement system participant.~~  
~~(g) The board may invest the assets of the defined benefit fund~~  
~~in cryptocurrency exchange traded funds.~~  
 > SECTION ~~<2>~~ [1]. IC 2-3.5-5-3.3 IS ADDED TO THE INDIANA  
 CODE AS A NEW SECTION TO READ AS FOLLOWS  
 [EFFECTIVE JULY 1, 2026]: Sec. 3.3. (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.  
 (b) As used in this section, "stablecoin" means a virtual  
 currency:  
     (1) the value of which is tied to coin or paper legal tender  
     issued by a central authority;  
     (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 ~~26-5-56~~ [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 IC 26-1-12-102.

**Sec. 3.** As used in this chapter, "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. 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;

recommended legislation for introduction in the 2027 legislative session establishing not more than two (2) state or local blockchain



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1 pilot projects for the purpose of testing blockchain implementation  
2 in Indiana.

3 (b) The recommended legislation under subsection (a) must, at  
4 minimum, require the following with regard to a blockchain pilot  
5 project:

6 (1) That the blockchain pilot project:

7 (A) must comply with:

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

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

12 (B) may not impose:

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

15 (ii) state custody of private cryptographic keys.

16 (2) That the department of financial institutions shall:

17 (A) administer the blockchain pilot project; and

18 (B) not later than July 1, 2028, submit to the task force  
19 a report regarding the results of the blockchain pilot  
20 project.

21 (c) If one (1) or more blockchain pilot projects are established  
22 in accordance with legislation recommended by the task force  
23 under subsection (a), the task force shall, not later than November  
24 1, 2028:

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

28 (2) submit to:

29 (A) the governor; and

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

32 a report of the results of the pilot projects, the task force's  
33 findings regarding the pilot projects, and any recommended  
34 legislation with regard to wider blockchain implementation  
35 in Indiana.

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

37 SECTION ~~4~~<sup>3</sup>. IC 5-10-1.1-4.3 IS ADDED TO THE  
38 INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS  
39 [EFFECTIVE JULY 1, 2026]: Sec. 4.3. (a) As used in this section,  
40 "cryptocurrency" means a virtual currency that:

41 (1) is not issued by a central authority;

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

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

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

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

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

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

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

~~SECTION 5. IC 5-10-5.5-2, AS AMENDED BY P.L.193-2016, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 2. (a) There is hereby created a state excise police, gaming agent, gaming control officer, and conservation enforcement officers' retirement plan to establish a means of providing special retirement, disability and survivor benefits to employees of the department, the Indiana gaming commission, and the commission who are engaged exclusively in the performance of law enforcement duties.~~

~~— (b) The assets of the retirement plan created by this section may be commingled for investment purposes with the assets of other funds administered by the board.~~

~~— (c) The board may invest the assets of the retirement plan created by this section in cryptocurrency exchange traded funds.~~

~~SECTION 6. IC 5-10-9.8-2, AS AMENDED BY P.L.99-2020, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 2. (a) The special death benefit fund is established for the purpose of paying lump sum death benefits under the following statutes:~~



- 1 ~~— (1) IC 5-10-10;~~  
 2 ~~— (2) IC 5-10-11;~~  
 3 ~~— (3) IC 10-12-6;~~  
 4 ~~— (4) IC 36-8-6-20;~~  
 5 ~~— (5) IC 36-8-7-26;~~  
 6 ~~— (6) IC 36-8-7.5-22;~~  
 7 ~~— (7) IC 36-8-8-20;~~  
 8 ~~— (b) The fund consists of:~~  
 9 ~~— (1) appropriations by the general assembly;~~  
 10 ~~— (2) fees remitted to the board under IC 35-33-8-3.2;~~  
 11 ~~IC 5-10-10-4.5, IC 5-10-10-4.8, and IC 5-10-10-4.9;~~  
 12 ~~— (3) contributions from employers;~~  
 13 ~~— (4) gifts; and~~  
 14 ~~— (5) interest or other investment income earned on money in the~~  
 15 ~~fund;~~  
 16 ~~— (c) The fund shall be administered by the board. The expenses of~~  
 17 ~~administering the fund shall be paid from money in the fund.~~  
 18 ~~— (d) The board shall invest the money in the fund not currently~~  
 19 ~~needed to meet the obligations of the fund in the same manner as the~~  
 20 ~~board's other funds may be invested. Interest that accrues from these~~  
 21 ~~investments shall be deposited in the fund.~~  
 22 ~~— (e) Money in the fund at the end of a state fiscal year does not~~  
 23 ~~revert to the state general fund.~~  
 24 ~~— (f) The board may invest the assets of the fund in~~  
 25 ~~cryptocurrency exchange traded funds.~~  
 26 ~~— SECTION 7. IC 5-10.3-5-3, AS AMENDED BY P.L.32-2021,~~  
 27 ~~SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE~~  
 28 ~~JULY 1, 2026]: Sec. 3. (a) The board shall invest its assets with the~~  
 29 ~~care, skill, prudence, and diligence that a prudent person acting in a~~  
 30 ~~like capacity and familiar with such matters would use in the conduct~~  
 31 ~~of an enterprise of a like character with like aims. The board shall also~~  
 32 ~~diversify such investments in accordance with prudent investment~~  
 33 ~~standards.~~  
 34 ~~— (b) The board may invest:~~  
 35 ~~— (1) up to five percent (5%) of the excess of its cash working~~  
 36 ~~balance in debentures of the corporation for innovation~~  
 37 ~~development subject to IC 30-4-3-3; and~~  
 38 ~~— (2) the assets of the retirement allowance account described~~  
 39 ~~in section 1 of this chapter in cryptocurrency exchange~~  
 40 ~~traded funds.~~  
 41 ~~**This subsection does not authorize other funds or accounts to**~~  
 42 ~~**invest in cryptocurrency exchange traded funds.**~~



~~(c) The board is not subject to IC 4-13, IC 4-13.6, and IC 5-16 when managing real property as an investment. Any management agreements entered into by the board must ensure that the management agent acts in a prudent manner with regard to the purchase of goods and services. Contracts for the management of investment property shall be submitted to the governor, the attorney general, and the budget agency for approval. A contract for management of real property as an investment:~~

~~(1) may not exceed a four (4) year term and must be based upon guidelines established by the board;~~

~~(2) may provide that the property manager may collect rent and make disbursements for routine operating expenses such as utilities, cleaning, maintenance, and minor tenant finish needs;~~

~~(3) must establish, consistent with the board's duty under IC 30-4-3-3(c), guidelines for the prudent management of expenditures related to routine operation and capital improvements; and~~

~~(4) may provide specific guidelines for the board to purchase new properties, contract for the construction or repair of properties, and lease or sell properties without individual transactions requiring the approval of the governor, the attorney general, the Indiana department of administration, and the budget agency. However, each individual contract involving the purchase or sale of real property is subject to review and approval by the attorney general at the specific request of the attorney general.~~

~~(d) Whenever the board takes bids in managing or selling real property, the board shall require a bid submitted by a trust (as defined in IC 30-4-1-1(a)) to identify all of the following:~~

~~(1) Each beneficiary of the trust.~~

~~(2) Each settlor empowered to revoke or modify the trust.~~

> SECTION ~~<8>~~<sup>[4]</sup>. IC 5-10.3-5-3.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 3.5. (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



1 IC 2-3.5-5-3.3).

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

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

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

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

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

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

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

18 SECTION ~~<9. IC 5-10.3-11-2, AS AMENDED BY P.L.35-2012,~~  
19 ~~SECTION 83, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE~~  
20 ~~JULY 1, 2026]: Sec. 2. (a) The state board shall:~~

21 ~~— (1) make payments from the pension relief fund;~~

22 ~~— (2) administer the pension relief fund in accordance with the~~  
23 ~~powers and duties granted it in IC 5-10.3-5-3 through~~  
24 ~~IC 5-10.3-5-6, IC 5-10.5-4, and IC 5-10.5-6; and~~

25 ~~— (3) provide by rule and regulation for the implementation of this~~  
26 ~~chapter.~~

27 ~~— (b) The state board may invest the assets of the pension relief~~  
28 ~~fund in cryptocurrency exchange traded funds.~~

29 ~~— SECTION 10~~ <sup>[5]</sup>. IC 5-10.3-12-22.5 IS ADDED TO THE  
30 INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS  
31 [EFFECTIVE JULY 1, 2026]: Sec. 22.5. (a) As used in this section,  
32 "cryptocurrency" 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



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 11. IC 5-10.4-3-10, AS ADDED BY P.L.2-2006, SECTION 28, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 10. (a) The board shall invest its assets with the care, skill, prudence, and diligence that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character with like aims. The board also shall diversify investments in accordance with prudent investment standards, subject to the limitations and restrictions set forth in IC 5-10.2-2-18.~~

~~(b) The board may:~~

~~(1) make or have investigations made concerning investments; and~~

~~(2) contract for and employ investment counsel to advise and assist in the purchase and sale of securities; and~~

~~(3) invest the assets of the retirement allowance accounts described in IC 5-10.4-2-2 in cryptocurrency exchange traded funds.~~

~~This subsection does not authorize other funds or accounts to invest in cryptocurrency exchange traded funds.~~

~~(c) The board is not subject to IC 4-13, IC 4-13.6, or IC 5-16 when managing real property as an investment. A management agreement entered into by the board shall ensure that the management agent acts in a prudent manner regarding the purchase of goods and services. Contracts for the management of investment property shall be submitted to the governor, the attorney general, and the budget agency for approval. A contract for the management of real property as an investment:~~

~~(1) may not exceed a four (4) year term and must be based upon guidelines established by the board;~~

~~(2) may provide that the property manager may collect rent and~~



- 1 ~~make disbursements for routine operating expenses such as~~  
 2 ~~utilities, cleaning, maintenance, and minor tenant finish needs;~~  
 3 ~~(3) shall establish, consistent with the board's duty under~~  
 4 ~~IC 30-4-3-3(c), guidelines for the prudent management of~~  
 5 ~~expenditures related to routine operation and capital~~  
 6 ~~improvements; and~~  
 7 ~~(4) may provide specific guidelines for the board to:~~  
 8 ~~(A) purchase new properties;~~  
 9 ~~(B) contract for the construction or repair of properties; and~~  
 10 ~~(C) lease or sell properties;~~  
 11 ~~without individual transactions requiring the approval of the~~  
 12 ~~governor, the attorney general, the Indiana department of~~  
 13 ~~administration, and the budget agency. However, each individual~~  
 14 ~~contract involving the purchase or sale of real property is subject~~  
 15 ~~to review and approval by the attorney general at the specific~~  
 16 ~~request of the attorney general.~~  
 17 ~~(d) Whenever the board takes bids in managing or selling real~~  
 18 ~~property, the board shall require a bid submitted by a trust (as defined~~  
 19 ~~in IC 30-4-1-1(a)) to identify all the following:~~  
 20 ~~(1) Each beneficiary of the trust.~~  
 21 ~~(2) Each settlor empowered to revoke or modify the trust.~~  
 22 > SECTION <12><sup>[6]</sup>. IC 5-10.4-3-10.5 IS ADDED TO THE  
 23 INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS  
 24 [EFFECTIVE JULY 1, 2026]: **Sec. 10.5. (a) As used in this section,**  
 25 **"cryptocurrency" means a virtual currency that:**  
 26 **(1) is not issued by a central authority;**  
 27 **(2) is designed to function as a medium of exchange; and**  
 28 **(3) uses encryption technology to:**  
 29 **(A) regulate the generation of units of currency;**  
 30 **(B) verify fund transfers; and**  
 31 **(C) prevent counterfeiting.**  
 32 **The term does not include a stablecoin (as defined in**  
 33 **IC 2-3.5-5-3.3).**  
 34 **(b) The board shall offer a cryptocurrency exchange traded**  
 35 **fund that consists solely of one (1) or more cryptocurrencies as a**  
 36 **regular investment program within the annuity savings accounts**  
 37 **described in IC 5-10.4-2-2.**  
 38 **(c) The board may adopt requirements and rules that apply to**  
 39 **the cryptocurrency exchange traded fund within the annuity**  
 40 **savings accounts, including the following:**  
 41 **(1) The board's investment guidelines and limits for the**  
 42 **cryptocurrency exchange traded fund.**

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(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 ~~<13>~~ [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 units of currency;

(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 14. IC 5-13-9-11, AS AMENDED BY P.L.223-2025, SECTION 3, AND P.L.230-2025, SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 11. (a) The following definitions apply throughout this section:~~

~~—— (1) "Clearinghouse" refers to the clearinghouse registered with the department of state revenue under IC 6-8.1-9.5-3.5.~~

~~—— (2) "Investment pool" means the local government investment pool established by subsection (b).~~

~~—— (3) "Board" refers to the Indiana local government investment~~



pool board established by section 12 of this chapter:

— (b) The local government investment pool is established within the office and custody of the treasurer of state:

— (c) An officer designated in section 1 of this chapter may pay any funds held by the officer into the investment pool, for the purpose of deposit, investment, and reinvestment of the funds by the treasurer of state on behalf of the unit of government paying the funds into the investment pool:

— (d) The treasurer of state may pay state funds into the investment pool for the purpose of deposit, investment, and reinvestment of the state funds:

— (e) The treasurer of state shall establish an account in the investment pool for the operator of the clearinghouse. The treasurer shall hold amounts paid by the department of state revenue for deposit in the clearinghouse operator's account in the investment pool:

— (f) Upon signed written request of the operator of the clearinghouse, the treasurer of state shall distribute the money in the operator's account established under subsection (e):

— (1) to the operator of the clearinghouse; or

— (2) to specific investment pool accounts of political subdivisions represented by the clearinghouse, if the written request submitted under this subsection specifies:

— (A) the political subdivision to which the funds are to be disbursed;

— (B) the specific amount of the funds to be disbursed; and

— (C) the specific investment pool account to which the disbursement is owed.

The clearinghouse shall assume liability for any legal or administrative claims filed against a disbursement made by the treasurer of state that complies with this section:

— (g) Any interest accrued by the investment pool on funds held in the operator's account shall be distributed to the political subdivisions at a rate equal to the percentage owed to that political subdivision based on the overall setoff paid by the department of state revenue. No interest shall accrue under this subsection on any fees owed to the clearinghouse under IC 6-8.1-9.5-10(b):

— (h) The treasurer of state shall invest the funds in the investment pool in the same manner, in the same type of instruments, and subject to the same limitations provided for the deposit and investment of state funds by the treasurer of state under IC 5-13-10.5. **However, the treasurer of state may invest the funds in the investment pool in cryptocurrency exchange traded funds consisting of one (1) or**



~~more stablecoins (as defined in IC 2-3.5-5-3.3):~~

~~(i) The treasurer of state:~~

~~(1) shall administer the investment pool in accordance with the policies of the board; and~~

~~(2) with the permission of the board, may contract with accountants, attorneys, regulated investment advisors, money managers, and other finance and investment professionals to make investments and provide for the public accounting and legal compliance necessary to ensure and maintain the safety, liquidity, and yield of the investment pool.~~

~~(j) The treasurer of state shall follow the policies established by the board. The treasurer of state must ensure the following:~~

~~(1) The administrative expenses of the investment pool shall be accounted for by the treasurer of state and shall be paid from the earnings of the investment pool.~~

~~(2) The earnings of the investment pool in excess of the administrative expenses of the investment pool shall be credited to the state and each unit of government participating in the investment pool in a manner that equitably reflects the different amounts and terms of the state's investment and each unit's investment in the investment pool.~~

~~(3) The state and each unit of government participating in the investment pool shall receive electronic or paper reports, including:~~

~~(A) a daily transaction confirmation, reflecting any activity in the state's or unit's account; and~~

~~(B) a monthly report showing:~~

~~(i) the state's or unit's investment activity in the investment pool; and~~

~~(ii) the performance and composition of the investment pool.~~

~~(k) A unit of government participating in the investment pool may elect to have any funds due from the state wired directly to the custodian bank of the investment pool for credit to the unit's investment pool account by submitting in writing a request to the state comptroller to wire the funds as directed. An election made by a unit of government under this subsection may be revoked at any time by the unit by submitting in writing a request to the state comptroller to cease wiring the funds as previously directed by the unit.~~

> SECTION ~~<15>~~<sup>[8]</sup>. IC 5-36 IS ADDED TO THE INDIANA CODE AS A NEW ARTICLE TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]:

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**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;

**including data that is distributed among network participants in an automated manner to concurrently update network participants on the state of the ledger and any other functions.**

**Sec. 3. "Blockchain protocol" means executable software that:**

(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;**

(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.



1       **Sec. 7. "Hardware wallet" means:**

2       **(1) a physical device that:**

3           **(A) is not continuously connected to the Internet; and**

4           **(B) allows an individual to secure and transfer digital**  
5           **assets; or**

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

8       **Sec. 8. "Node" means software:**

9       **(1) that:**

10           **(A) communicates with other devices or participants on**  
11           **a blockchain to maintain consensus and integrity of the**  
12           **blockchain;**

13           **(B) creates and validates blocks of transactions;**

14           **(C) contains and updates a copy of a blockchain; or**

15           **(D) performs any combination of the functions described**  
16           **in clauses (A) through (D); and**

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

19       **Sec. 9. "Private digital asset mining" means digital asset**  
20       **mining:**

21           **(1) that is conducted by an individual; and**

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

24       **Sec. 10. "Public agency" means a board, commission,**  
25       **department, division, bureau, committee, agency, office,**  
26       **instrumentality, authority, or other entity exercising any part of**  
27       **the executive, including the administrative, power of the state.**

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

29           **(1) secure and transfer digital assets; and**

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

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

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

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

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

40       **Sec. 14. "Validate" means performance of a process by which**  
41       **a blockchain protocol, through its consensus mechanism, confirms**  
42       **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 legal goods and services; or
- (2) take or maintain custody of digital assets using a 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;

that are not applicable to comparable financial transactions that 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 blockchain protocol and participating in the operation of the blockchain protocol.
- (2) Develop software on a blockchain protocol.
- (3) Transfer digital assets to another individual or business using a blockchain protocol.
- (4) Participate in staking on a blockchain protocol.

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

- (1) that prohibits a digital asset mining business that otherwise meets the requirements for operation in an area zoned for industrial use from operating in an area zoned for industrial use; or
- (2) that:

- (A) limits the level of noise generated by a digital asset mining business that is located in an area zoned for industrial use; and
- (B) is not applicable to other businesses operating in an area zoned for industrial use.

Sec. 4. A public agency may not adopt or enforce a rule 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.

SECTION ~~<16. IC 8-14-15.2-9, AS ADDED BY P.L.189-2018, SECTION 79, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]:~~ Sec. 9. (a) The trustee shall:

~~— (1) administer and manage the trust;~~  
~~— (2) invest the money in the trust; and~~  
~~— (3) deposit in the trust any interest that accrues from the investment of these funds.~~

~~— (b) Notwithstanding IC 5-13, the trustee shall invest the money in the trust not currently needed to meet the obligations of the trust in the same manner as money is invested by the Indiana public retirement system under IC 5-10.3-5. However, the trustee may not invest the money in the trust in equity securities. The trustee shall also comply with the prudent investor rule set forth in IC 30-4-3.5. The trustee may contract with investment management professionals, investment advisors, and legal counsel to assist in the investment of the trust and may pay the state expenses incurred under those contracts from the trust.~~

~~— (c) IC 4-9.1-1-8 and IC 4-9.1-1-9 do not apply to a trust established under this chapter.~~

~~— (d) Money in the trust fund at the end of a state fiscal year does not revert to the state general fund.~~

~~— (e) The trustee may invest the assets of the trust in cryptocurrency exchange traded funds consisting of one (1) or more stablecoins (as defined in IC 2-3.5-5-3.3).~~

~~— SECTION 17. IC 10-12-2-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]:~~ Sec. 2. (a) The department may:

~~— (1) establish and operate an actuarially sound pension plan governed by a pension trust; and~~

~~— (2) make the necessary annual contribution in order to prevent any deterioration in the actuarial status of the trust fund.~~

~~— (b) The department shall make contributions to the trust fund. An employee beneficiary shall make contributions to the trust fund through authorized monthly deductions from wages.~~

~~— (c) The trust fund:~~



- 1 ~~— (1) may not be commingled with any other funds; and~~  
 2 ~~— (2) shall be invested only in accordance with state laws for the~~  
 3 ~~investment of trust funds, together with other investments as are~~  
 4 ~~specifically designated in the pension trust.~~  
 5 Subject to the terms of the pension trust, the trustee, with the approval  
 6 of the department and the pension advisory board, may establish  
 7 investment guidelines and limits on all types of investments, including  
 8 stocks and bonds, and take other action necessary to fulfill its duty as  
 9 a fiduciary for the trust fund.  
 10 ~~— (d) The trustee shall invest the trust fund assets with the same care,~~  
 11 ~~skill, prudence, and diligence that a prudent person acting in a like~~  
 12 ~~capacity and familiar with these matters would use in the conduct of an~~  
 13 ~~enterprise of a similar character with similar aims.~~  
 14 ~~— (e) The trustee shall diversify the trust fund's investments in~~  
 15 ~~accordance with prudent investment standards. The investment of the~~  
 16 ~~trust fund is subject to section 3 of this chapter.~~  
 17 ~~— (f) The trustee shall receive and hold as trustee for the uses and~~  
 18 ~~purposes set forth in the pension trust the funds paid by the department,~~  
 19 ~~the employee beneficiaries, or any other person or persons.~~  
 20 ~~— (g) The trustee shall engage pension consultants to supervise and~~  
 21 ~~assist in the technical operation of the pension plan so that there is no~~  
 22 ~~deterioration in the actuarial status of the plan.~~  
 23 ~~— (h) Before October 1 of each year, the trustee, with the aid of the~~  
 24 ~~pension consultants, shall prepare and file a report with the department~~  
 25 ~~and the state board of accounts. The report must include the following~~  
 26 ~~with respect to the fiscal year ending on the preceding June 30:~~  
 27 ~~— SCHEDULE I. Receipts and disbursements.~~  
 28 ~~— SCHEDULE II. Assets of the pension trust, listing investments~~  
 29 ~~as to book value and current market value at the end of the fiscal~~  
 30 ~~year.~~  
 31 ~~— SCHEDULE III. List of terminations, showing cause and amount~~  
 32 ~~of refund.~~  
 33 ~~— SCHEDULE IV. The application of actuarially computed~~  
 34 ~~"reserve factors" to the payroll data, properly classified for the~~  
 35 ~~purpose of computing the reserve liability of the trust fund as of~~  
 36 ~~the end of the fiscal year.~~  
 37 ~~— SCHEDULE V. The application of actuarially computed "current~~  
 38 ~~liability factors" to the payroll data, properly classified for the~~  
 39 ~~purpose of computing the liability of the trust fund for the end of~~  
 40 ~~the fiscal year.~~  
 41 ~~— SCHEDULE VI. An actuarial computation of the pension~~  
 42 ~~liability for all employees retired before the close of the fiscal~~



- 1 year:
- 2 ~~— (i) The minimum annual contribution by the department must be~~
- 3 ~~of sufficient amount, as determined by the pension consultants, to~~
- 4 ~~prevent any deterioration in the actuarial status of the pension plan~~
- 5 ~~during that year. If the department fails to make the minimum~~
- 6 ~~contribution for five (5) successive years, the pension trust terminates~~
- 7 ~~and the trust fund shall be liquidated.~~
- 8 ~~— (j) Except as provided by applicable federal law, in the event of~~
- 9 ~~liquidation, the department shall take the following actions:~~
- 10 ~~— (1) All expenses of the pension trust must be paid.~~
- 11 ~~— (2) Adequate provision must be made for continuing pension~~
- 12 ~~payments to retired persons.~~
- 13 ~~— (3) Each employee beneficiary must receive the net amount paid~~
- 14 ~~into the trust fund from the employee beneficiary's wages.~~
- 15 ~~— (4) Any amount remaining in the pension trust after the~~
- 16 ~~department makes the payments described in subdivisions (1)~~
- 17 ~~through (3) must be equitably divided among the employee~~
- 18 ~~beneficiaries in proportion to the net amount paid from each~~
- 19 ~~employee beneficiary's wages into the trust fund.~~
- 20 ~~— (k) The trustee may invest the trust fund assets in~~
- 21 ~~cryptocurrency exchange traded funds consisting of one (1) or~~
- 22 ~~more stablecoins (as defined in IC 2-3.5-5-3.3).~~
- 23 ~~— SECTION 18. IC 10-12-2-7 IS AMENDED TO READ AS~~
- 24 ~~FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 7. (a) The:~~
- 25 ~~— (1) mortality reserve account referred to in section 4 of this~~
- 26 ~~chapter;~~
- 27 ~~— (2) disability reserve account referred to in section 5 of this~~
- 28 ~~chapter; and~~
- 29 ~~— (3) dependent pension reserve account referred to in section 6 of~~
- 30 ~~this chapter;~~
- 31 ~~may be commingled and operated as one (1) fund, known as the police~~
- 32 ~~benefit fund, under the terms of a supplementary trust agreement~~
- 33 ~~between the department and the trustee for the exclusive benefit of~~
- 34 ~~employee beneficiaries and their dependents.~~
- 35 ~~— (b) The trustee shall receive and hold as trustee for the uses and~~
- 36 ~~purposes set out in the supplementary trust agreement all funds paid to~~
- 37 ~~it as the trustee by the department or by any other person or persons.~~
- 38 ~~— (c) The trustee shall hold, invest, and reinvest the police benefit~~
- 39 ~~fund in:~~
- 40 ~~— (1) investments that trust funds are permitted to invest in under~~
- 41 ~~Indiana law; and~~
- 42 ~~— (2) other investments as may be specifically designated in the~~



supplementary trust agreement.

~~— (d) The trustee, with the assistance of the pension engineers, shall, not more than ninety (90) days after the close of the fiscal year, prepare and file with the department and the department of insurance a detailed annual report showing receipts, disbursements, case histories, and recommendations as to the contributions required to keep the program in operation.~~

~~— (e) Contributions by the department to the police benefit fund shall be provided in the general appropriations to the department.~~

~~— (f) The trustee may invest the police benefit fund assets in cryptocurrency exchange traded funds consisting of one (1) or more stablecoins (as defined in IC 2-3.5-5-3.3).~~

~~— SECTION 19~~ <sup>[9]</sup>. IC 21-9-5-10 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 10. (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 an education savings program established under this article.

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

- (1) The board's investment guidelines and limits for the cryptocurrency exchange traded fund.
- (2) An account owner's selection of and changes to the account owner's investment options.
- (3) The valuation of accounts.
- (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 accounts.

SECTION ~~20~~ <sup>[10]</sup>. IC 28-8-4.1-201, AS ADDED BY P.L.198-2023, SECTION 4, IS AMENDED TO READ AS FOLLOWS

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[EFFECTIVE JULY 1, 2026]: Sec. 201. The following definitions apply throughout this chapter:

(1) "Acting in concert" means persons knowingly acting together with a common goal of jointly acquiring control of a licensee whether or not pursuant to an express agreement.

(2) "Authorized delegate" means a person a licensee designates to engage in money transmission on behalf of the licensee.

(3) "Average daily money transmission liability", with respect to a calendar quarter, means:

(A) the sum of the amounts of a licensee's outstanding money transmission obligations in Indiana at the end of each day in the calendar quarter; divided by

(B) the total number of days in that calendar quarter.

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

(4) "Bank Secrecy Act" means:

(A) the Bank Secrecy Act (31 U.S.C. 5311 et seq.); and

(B) regulations adopted under the Bank Secrecy Act (31 U.S.C. 5311 et seq.).

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

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

(A) The power to vote, directly or indirectly, at least twenty-five percent (25%) of the outstanding voting shares or voting interests of a licensee or of a person in control of a licensee.

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

(C) The power to exercise, directly or indirectly, a controlling influence over the management or policies of a licensee or of a person in control of a licensee. For purposes of this clause, a person is presumed to exercise a controlling influence if the person holds the power to vote, directly or indirectly, at least ten percent (10%) of the outstanding voting shares or voting interests of a licensee or of a person in control of a licensee. However, a person presumed to exercise a controlling influence under this clause may rebut



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1 the presumption of control if the person is a passive  
2 investor.

3 For purposes of this subdivision, the percentage of a person  
4 controlled by any other person is determined by aggregating the  
5 other person's interest with the interest of any other immediate  
6 family member of that person, including the person's spouse,  
7 parents, children, siblings, mothers-in-law and fathers-in-law,  
8 sons-in-law and daughters-in-law, and any other person who  
9 shares the person's home.

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

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

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

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

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

25 In any case in which the credit ratings differ among eligible  
26 rating services, the highest rating applies in determining whether  
27 the credit rating is an "eligible rating" as defined in this  
28 subdivision.

29 (10) "Eligible rating service" means:

30 (A) a nationally recognized statistical rating organization,  
31 as defined by the United States Securities and Exchange  
32 Commission; or

33 (B) any other organization designated as such by the  
34 director.

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

36 (A) a bank;

37 (B) a credit union;

38 (C) a savings and loan association;

39 (D) a trust company;

40 (E) a corporate fiduciary;

41 (F) a savings association;

42 (G) a savings bank;



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- 1 (H) an industrial bank; or  
 2 (I) an industrial loan company;  
 3 that is organized under the law of the United States or any state  
 4 of the United States and that has federally or privately insured  
 5 deposits as permitted by state or federal law.  
 6 (12) "In Indiana", with respect to the location of a transaction,  
 7 means the following:  
 8 (A) At a physical location in Indiana, for a transaction  
 9 requested in person.  
 10 (B) For a transaction requested electronically or by  
 11 telephone, a determination made by the provider of money  
 12 transmission, by relying on the following, that the person  
 13 requesting the transaction is in Indiana:  
 14 (i) Information, provided by the person, regarding the  
 15 location of the individual's residential address or the  
 16 business entity's principal place of business or other  
 17 physical address location, as applicable.  
 18 (ii) Any records associated with the person that the  
 19 provider of money transmission may have that indicate  
 20 the person's location, including an address associated  
 21 with an account.  
 22 (13) "Individual" means a natural person.  
 23 (14) "Key individual" means an individual ultimately responsible  
 24 for establishing or directing policies and procedures of a  
 25 licensee, such as an executive officer, manager, director, or  
 26 trustee.  
 27 (15) "Licensee" means a person licensed under this chapter.  
 28 (16) "Material litigation" means litigation that, according to  
 29 United States generally accepted accounting principles, is  
 30 significant to a person's financial health and would be required  
 31 to be disclosed in the person's annual audited financial  
 32 statements, report to shareholders, or similar records.  
 33 (17) "Money" means a medium of exchange that is issued by the  
 34 United States government or by a foreign government. The term  
 35 includes a monetary unit of account established by an  
 36 intergovernmental organization or by agreement between two (2)  
 37 or more governments.  
 38 (18) "Monetary value" means a medium of exchange, whether or  
 39 not redeemable in money.  
 40 (19) "Money transmission" means any of the following:  
 41 (A) Selling or issuing payment instruments to a person  
 42 located in Indiana.



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

(C) Receiving money for transmission from a person located in Indiana.

The term does not include the provision of solely online or telecommunications services or network access. **The term does not include development or use of software for noncustodial transfer of digital assets (as defined by IC 5-36-1-4).**

(20) "MSB accredited state" means a state agency that is accredited by the Conference of State Bank Supervisors and Money Transmitter Regulators Association for money transmission licensing and supervision.

(21) "Multistate licensing process" means an agreement entered into by and among state regulators related to:

(A) coordinated processing of applications for money transmission licenses;

(B) applications for the acquisition and control of a licensee;

(C) control determinations; or

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

(22) "NMLS" means the Nationwide Multistate Licensing System and Registry:

(A) developed by the Conference of State Bank Supervisors and the American Association of Residential Mortgage 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:

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(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 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



1 distributed as part of a loyalty, rewards, or promotional  
2 program.

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

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

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

- 17 (A) a payment instrument;
- 18 (B) closed loop stored value; or
- 19 (C) stored value not sold to the public but issued and  
20 distributed as part of a loyalty, rewards, or promotional  
21 program.

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

26 ~~← SECTION 21. IC 33-38-6-23, AS AMENDED BY P.L.35-2012,~~  
27 ~~SECTION 103, IS AMENDED TO READ AS FOLLOWS~~  
28 ~~[EFFECTIVE JULY 1, 2026]: Sec. 23. (a) The board of trustees of the~~  
29 ~~Indiana public retirement system (referred to as "the system" in this~~  
30 ~~section) shall administer the fund, which may be commingled for~~  
31 ~~investment purposes with any public pension and retirement fund~~  
32 ~~administered by the system.~~

33 ~~— (b) The board shall do the following:~~

34 ~~— (1) Determine eligibility for and make payments of benefits~~  
35 ~~under IC 33-38-7 and IC 33-38-8.~~

36 ~~— (2) In accordance with the powers and duties granted it in~~  
37 ~~IC 5-10.3-3-7.1, IC 5-10.3-5-3 through IC 5-10.3-5-6,~~  
38 ~~IC 5-10.5-4, and IC 5-10.5-6, administer the fund.~~

39 ~~— (3) Provide by rule for the implementation of this chapter and~~  
40 ~~IC 33-38-7 and IC 33-38-8.~~

41 ~~— (4) Authorize deposits.~~

42 ~~— (c) A determination by the board may be appealed under the~~



1 procedures in IC 4-21.5.  
 2 ~~— (d) The powers and duties of:~~  
 3 ~~— (1) the director and the actuary of the board; and~~  
 4 ~~— (2) the attorney general;~~  
 5 with respect to the fund are those specified in IC 5-10.3-3, IC 5-10.3-4,  
 6 IC 5-10.5-4, and IC 5-10.5-6.  
 7 ~~— (e) The board may hire additional personnel, including hearing~~  
 8 ~~officers, to assist it in the implementation of this chapter.~~  
 9 ~~— (f) Fund records of individual participants and participants'~~  
 10 ~~information are confidential, except for the name and years of service~~  
 11 ~~of a fund participant.~~  
 12 ~~— (g) The board may invest the assets of the fund in~~  
 13 ~~cryptocurrency exchange traded funds.~~  
 14 ~~— SECTION 22. IC 33-39-7-11, AS AMENDED BY P.L.35-2012,~~  
 15 ~~SECTION 105, IS AMENDED TO READ AS FOLLOWS~~  
 16 ~~[EFFECTIVE JULY 1, 2026]: Sec. 11. (a) The board shall administer~~  
 17 ~~the fund, which may be commingled with any public pension and~~  
 18 ~~retirement fund administered by the Indiana public retirement system~~  
 19 ~~for investment purposes.~~  
 20 ~~— (b) The board shall do the following:~~  
 21 ~~— (1) Determine eligibility for and make payments of benefits~~  
 22 ~~under this chapter.~~  
 23 ~~— (2) In accordance with the powers and duties granted the board~~  
 24 ~~in IC 5-10.3-3-7.1, IC 5-10.3-5-3 through IC 5-10.3-5-6,~~  
 25 ~~IC 5-10.5-4, and IC 5-10.5-6, administer the fund.~~  
 26 ~~— (3) Provide by rule for the implementation of this chapter.~~  
 27 ~~— (4) Authorize deposits.~~  
 28 ~~— (c) A determination by the board may be appealed under~~  
 29 ~~IC 4-21.5.~~  
 30 ~~— (d) The powers and duties of:~~  
 31 ~~— (1) the director and the actuary of the board; and~~  
 32 ~~— (2) the attorney general;~~  
 33 with respect to the fund are those specified in IC 5-10.3-3, IC 5-10.3-4,  
 34 IC 5-10.5-4, and IC 5-10.5-6.  
 35 ~~— (e) The board may hire additional personnel, including hearing~~  
 36 ~~officers, to assist in the implementation of this chapter.~~  
 37 ~~— (f) Fund records of individual participants and participants'~~  
 38 ~~information are confidential, except for the name and years of service~~  
 39 ~~of a fund participant.~~  
 40 ~~— (g) The board may invest the assets of the fund in~~  
 41 ~~cryptocurrency exchange traded funds.~~  
 42 > SECTION <23> [\[11\]](#). IC 34-46-7 IS ADDED TO THE INDIANA



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

**Chapter 7. Privileged Financial Information**

**Sec. 1. As used in this chapter, "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. 2. As used in this chapter, "digital asset private key" means an alphanumeric code that is used to:**

- (1) prove ownership of; and
- (2) access;

**digital assets.**

**Sec. 3. 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.**

SECTION ~~24~~ [\[12\]](#). IC 35-37-7 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS  
[EFFECTIVE JULY 1, 2026]:

**Chapter 7. Privileged Financial Information**

**Sec. 1. As used in this chapter, "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. 2. As used in this chapter, "digital asset private key" means an alphanumeric code that is used to:**

- (1) prove ownership of; and
- (2) access;

**a digital asset.**

**Sec. 3. 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.**

SECTION ~~25~~ [\[13\]](#). IC 36-1-3-15 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS  
[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 ~~26~~ [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.

~~← SECTION 27. IC 36-8-8-5, AS AMENDED BY P.L.85-2022, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 5. (a) The system board shall:~~

~~— (1) determine eligibility for and make payments of benefits, except as provided in section 12 of this chapter;~~

~~— (2) in accordance with the powers and duties granted it in IC 5-10.3-5-3 through IC 5-10.3-5-6, IC 5-10.5-4, and IC 5-10.5-5, administer the 1977 fund;~~

~~— (3) provide by rule for the implementation of this chapter; and~~

~~— (4) authorize deposits.~~

~~— (b) A determination by the system board may be appealed under the procedures in IC 4-21.5.~~

~~— (c) The powers and duties of the director appointed by the system board, the actuary of the system board, and the attorney general, with respect to the 1977 fund, are those specified in IC 5-10.3-3, IC 5-10.3-4, and IC 5-10.5.~~

~~— (d) The system board may hire additional personnel, including hearing officers, to assist it in the implementation of this chapter.~~

~~— (e) The 1977 fund records of individual members and membership information are confidential, except for the name and years of service of a 1977 fund member.~~

~~— (f) After July 1, 2022, if the system board determines that a new police officer or firefighter in PERF should be a member of the 1977 fund, the system board shall require the employer to:~~

~~— (1) transfer the member into the 1977 fund; and~~

~~— (2) contribute the amount that the system board determines is necessary to fund fully the member's service credit in the 1977 fund for all service earned as a police officer or firefighter in PERF.~~



- 1 ~~—(g) The system board may invest the assets of the 1977 fund in~~  
2 ~~cryptocurrency exchange traded funds.>~~

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