
HOUSE BILL No. 1042

AM104204 has been incorporated into January 21, 2026 printing.

Synopsis: Regulation and investment of cryptocurrency.

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HB 1042—LS 6415/DI 119



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

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in *this style type*, additions will appear in **this style type**, and deletions will appear in *this style type*.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or *this style type* reconciles conflicts between statutes enacted by the 2025 Regular Session of the General Assembly.

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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 2-3.5-2-2.8 IS ADDED TO THE INDIANA
2 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
3 [EFFECTIVE JULY 1, 2026]: **Sec. 2.8. "Cryptocurrency" means a**
4 **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 payment stablecoin.**

12 SECTION 2. IC 2-3.5-5-3.3 IS ADDED TO THE INDIANA
13 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
14 [EFFECTIVE JULY 1, 2026]: **Sec. 3.3. (a) Not later than July 1,**
15 **2027, the board shall offer, as a regular investment program within**

HB 1042—LS 6415/DI 119



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1 the defined contribution fund, a self directed brokerage account
2 that offers at least one (1) cryptocurrency investment option.

3 (b) The board may adopt requirements and rules that apply to
4 a cryptocurrency investment option under a self directed
5 brokerage account offered under subsection (a), including the
6 following:

7 (1) The board's investment guidelines and limits for the
8 cryptocurrency investment option.

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

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

12 (4) The allocation and payment of administrative expenses
13 for the cryptocurrency investment option.

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

16 SECTION 3. IC 5-10-1.1-0.5 IS ADDED TO THE INDIANA
17 CODE AS A NEW SECTION TO READ AS FOLLOWS
18 [EFFECTIVE JULY 1, 2026]: Sec. 0.5. As used in this chapter,
19 "cryptocurrency" has the meaning set forth in IC 2-3.5-2-2.8.

20 SECTION 4. IC 5-10-1.1-4.3 IS ADDED TO THE INDIANA
21 CODE AS A NEW SECTION TO READ AS FOLLOWS
22 [EFFECTIVE JULY 1, 2026]: Sec. 4.3. (a) Not later than July 1,
23 2027, the deferred compensation committee shall offer, as a regular
24 investment program within the defined contribution fund, a self
25 directed brokerage account that offers at least one (1)
26 cryptocurrency investment option.

27 (b) The deferred compensation committee may adopt
28 requirements and rules that apply to a cryptocurrency investment
29 option under a self directed brokerage account offered under
30 subsection (a), including the following:

31 (1) The deferred compensation committee's investment
32 guidelines and limits for the cryptocurrency investment
33 option.

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

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

37 (4) The allocation and payment of administrative expenses
38 for the cryptocurrency investment option.

39 (c) The deferred compensation committee shall determine the
40 appropriate administrative fees to be charged to the plan
41 participant accounts.

42 SECTION 5. IC 5-10.3-1-1.3 IS ADDED TO THE INDIANA

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1 CODE AS A NEW SECTION TO READ AS FOLLOWS
 2 [EFFECTIVE JULY 1, 2026]: **Sec. 1.3.** As used in this article,
 3 "cryptocurrency" has the meaning set forth in IC 2-3.5-2-2.8.

4 SECTION 6. IC 5-10.3-5-3.5 IS ADDED TO THE INDIANA
 5 CODE AS A NEW SECTION TO READ AS FOLLOWS
 6 [EFFECTIVE JULY 1, 2026]: **Sec. 3.5.** (a) Not later than July 1,
 7 2027, the board shall offer, as a regular investment program within
 8 the annuity savings accounts described in IC 5-10.2-2-2(a), a self
 9 directed brokerage account that offers at least one (1)
 10 cryptocurrency investment option.

11 (b) The board may adopt requirements and rules that apply to
 12 a cryptocurrency investment option under a self directed
 13 brokerage account offered under subsection (a), including the
 14 following:

15 (1) The board's investment guidelines and limits for the
 16 cryptocurrency investment option.

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

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

20 (4) The allocation and payment of administrative expenses
 21 for the cryptocurrency investment option.

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

24 SECTION 7. IC 5-10.3-12-22.5 IS ADDED TO THE INDIANA
 25 CODE AS A NEW SECTION TO READ AS FOLLOWS
 26 [EFFECTIVE JULY 1, 2026]: **Sec. 22.5.** (a) Not later than July 1,
 27 2027, the board shall offer, as a regular investment program within
 28 the plan, a self directed brokerage account that offers at least one
 29 (1) cryptocurrency investment option.

30 (b) The board may adopt requirements and rules that apply to
 31 a cryptocurrency investment option under a self directed
 32 brokerage account offered under subsection (a), including the
 33 following:

34 (1) The board's investment guidelines and limits for the
 35 cryptocurrency investment option.

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

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

39 (4) The allocation and payment of administrative expenses
 40 for the cryptocurrency investment option.

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

HB 1042—LS 6415/DI 119



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SECTION 8. IC 5-10.4-1-5.4 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: **Sec. 5.4. "Cryptocurrency" has the meaning set forth in IC 2-3.5-2-2.8.**

SECTION 9. 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) Not later than July 1, 2027, the board shall offer, as a regular investment program within the annuity savings accounts described in IC 5-10.4-2-2, a self directed brokerage account that offers at least one (1) cryptocurrency investment option.**

(b) The board may adopt requirements and rules that apply to a cryptocurrency investment option under a self directed brokerage account offered under subsection (a), including the following:

- (1) The board's investment guidelines and limits for the cryptocurrency investment option.**
- (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 investment option.**

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

SECTION 10. 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) Not later than July 1, 2027, the board shall offer, as a regular investment program within the plan, a self directed brokerage account that offers at least one (1) cryptocurrency investment option.**

(b) The board may adopt requirements and rules that apply to a cryptocurrency investment option under a self directed brokerage account offered under subsection (a), including the following:

- (1) The board's investment guidelines and limits for the cryptocurrency investment option.**
- (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 investment option.**

(c) The board shall determine the appropriate administrative

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1 fees to be charged to the member accounts.

2 SECTION 11. IC 5-36 IS ADDED TO THE INDIANA CODE AS
3 A NEW ARTICLE TO READ AS FOLLOWS [EFFECTIVE JULY 1,
4 2026]:

5 **ARTICLE 36. AUTHORITY OF ADMINISTRATIVE**
6 **AGENCIES TO REGULATE DIGITAL ASSETS**

7 **Chapter 1. Definitions**

8 **Sec. 1. The definitions in this chapter apply throughout this**
9 **article.**

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

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

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

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

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

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

21 (A) execute autonomously without human intervention;
22 and

23 (B) can be altered by a predetermined process;

24 including predefined rules that use a previously existing
25 blockchain as a base;

26 (2) facilitates transfer of data and electronic records and
27 allows the data and electronic records to be broadcast to
28 nodes; and

29 (3) is deployed to a blockchain;

30 including a smart contract or network of smart contracts.

31 **Sec. 4. "Digital asset" means:**

32 (1) virtual currency;

33 (2) cryptocurrency (as defined in IC 2-3.5-2-2.8);

34 (3) payment stablecoin (as defined in 12 U.S.C. 5901(22));

35 (4) fungible tokens and nonfungible tokens; and

36 (5) other assets that:

37 (A) exist only in electronic form; and

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

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

HB 1042—LS 6415/DI 119



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

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

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

- 7 (1) **a physical device that:**
 8 (A) **is not continuously connected to the Internet; and**
 9 (B) **allows an individual to secure and transfer digital**
 10 **assets; or**
 11 (2) **a physical device that enables the owner of digital assets**
 12 **to retain independent control over the digital assets.**

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

- 14 (1) **that:**
 15 (A) **communicates with other devices or participants on**
 16 **a blockchain to maintain consensus and integrity of the**
 17 **blockchain;**
 18 (B) **creates and validates blocks of transactions;**
 19 (C) **contains and updates a copy of a blockchain; or**
 20 (D) **performs any combination of the functions described**
 21 **in clauses (A) through (D); and**
 22 (2) **that does not exercise discretion over transactions**
 23 **initiated by the end user of a blockchain protocol.**

24 **Sec. 9. "Private digital asset mining" means digital asset**
 25 **mining:**

- 26 (1) **that is conducted by an individual; and**
 27 (2) **the individual's conduct of which does not consume an**
 28 **annual average of more than one (1) megawatt of energy.**

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

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

- 34 (1) **secure and transfer digital assets; and**
 35 (2) **retain independent control over the digital assets by the**
 36 **owner of the digital assets.**

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

- 38 (1) **is hosted and executed on a blockchain network; and**
 39 (2) **consists of code specifying predetermined conditions that,**
 40 **when met, trigger predetermined outcomes.**

41 **Sec. 13. "Stake" or "staking" means committing digital assets**
 42 **to a blockchain network to participate in the blockchain network's**

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1 operations by validating transactions, proposing or attesting to
2 blocks, and securing the blockchain network.

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

7 Chapter 2. Regulation of Digital Assets

8 Sec. 1. (a) No public agency other than the department of
9 financial institutions may adopt or enforce a rule or other
10 regulation that would have the effect of prohibiting, restricting, or
11 impairing the ability of a person to:

12 (1) use or accept digital assets as a method of payment for
13 legal goods and services; or

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

16 (b) No public agency other than the department of financial
17 institutions may impose taxes or fees on:

18 (1) use or acceptance of digital assets as a method of payment
19 for legal goods and services; or

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

22 that are not applicable to comparable financial transactions that
23 do not involve digital assets.

24 Sec. 2. No public agency other than the department of financial
25 institutions may adopt or enforce a rule or other regulation that
26 would have the effect of prohibiting, restricting, or impairing the
27 ability of an individual or business to do any of the following:

28 (1) Operate a node for the purpose of connecting to a
29 blockchain protocol and participating in the operation of the
30 blockchain protocol.

31 (2) Develop software on a blockchain protocol.

32 (3) Transfer digital assets to another individual or business
33 using a blockchain protocol.

34 (4) Participate in staking on a blockchain protocol.

35 Sec. 3. (a) Except as provided in subsection (b), no public
36 agency other than the department of financial institutions may
37 prohibit the operation of a digital asset mining business.

38 (b) A public agency may enforce rules or other regulations
39 applicable to a digital asset mining business's location as zoned, in
40 compliance with IC 36-7-4.

41 SECTION 12. IC 28-8-4.1-201, AS ADDED BY P.L.198-2023,
42 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

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HB 1042—LS 6415/DI 119



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

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

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

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

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

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

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

16 (4) "Bank Secrecy Act" means:

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

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

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

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

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

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

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

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HB 1042—LS 6415/DI 119



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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.

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

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

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

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

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

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

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

19 (C) control determinations; or

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

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

24 (A) developed by the Conference of State Bank Supervisors
25 and the American Association of Residential Mortgage
26 Regulators; and

27 (B) owned and operated by the State Regulatory Registry,
28 LLC, or by any successor or affiliated entity;

29 for the licensing and registry of persons in financial services
30 industries.

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

34 (A) any payment instrument or stored value that:

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

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

42 (B) any money that:

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- 1 (i) is received for transmission by a licensee, or by an
- 2 authorized delegate of the licensee, from a person
- 3 located in the United States; and
- 4 (ii) has not been received by the payee or refunded to
- 5 the seller, or escheated in accordance with applicable
- 6 abandoned property laws.

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

- 12 (24) "Passive investor" means a person that:
- 13 (A) does not have the power to elect a majority of key
- 14 individuals or executive officers, managers, directors,
- 15 trustees, or other persons exercising managerial authority
- 16 over a person in control of a licensee;
- 17 (B) is not employed by and does not have any managerial
- 18 duties with respect to the licensee or a person in control of
- 19 the licensee;
- 20 (C) does not have the power to exercise, directly or
- 21 indirectly, a controlling influence over the management or
- 22 policies of the licensee or a person in control of the
- 23 licensee; and
- 24 (D) either:
- 25 (i) attests to as facts the characteristics of passivity set
- 26 forth in clauses (A) through (C), in a form and by a
- 27 medium prescribed by the director; or
- 28 (ii) commits to the characteristics of passivity set forth
- 29 in clauses (A) through (C) in a written document.

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

- 35 (A) stored value; or
- 36 (B) any instrument that:
- 37 (i) is redeemable by the issuer only for goods or
- 38 services provided by the issuer or its affiliate, or
- 39 franchisees of the issuer or its affiliate, except to the
- 40 extent required by applicable law to be redeemable in
- 41 cash for its cash value; or
- 42 (ii) is not sold to the public but is issued and

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- 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 13. IC 34-46-7 IS ADDED TO THE INDIANA CODE
 27 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
 28 JULY 1, 2026]:

29 **Chapter 7. Privileged Financial Information**

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

- 31 (1) virtual currency;
- 32 (2) cryptocurrency (as defined in IC 2-3.5-2-2.8);
- 33 (3) payment stablecoin (as defined in 12 U.S.C. 5901(22));
- 34 (4) fungible tokens and nonfungible tokens; and
- 35 (5) other assets that:
 - 36 (A) exist only in electronic form; and
 - 37 (B) confer economic, proprietary, or access rights or
 - 38 powers.

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

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

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1 **digital assets.**
 2 **Sec. 3. A court may compel a person to disclose a digital asset**
 3 **private key only if no other admissible information is sufficient to**
 4 **provide access to the digital asset.**

5 SECTION 14. IC 35-37-7 IS ADDED TO THE INDIANA CODE
 6 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
 7 JULY 1, 2026]:

8 **Chapter 7. Privileged Financial Information**

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

- 10 (1) virtual currency;
 11 (2) cryptocurrency (as defined in IC 2-3.5-2-2.8);
 12 (3) payment stablecoin (as defined in 12 U.S.C. 5901(22));
 13 (4) fungible tokens and nonfungible tokens; and
 14 (5) other assets that:
 15 (A) exist only in electronic form; and
 16 (B) confer economic, proprietary, or access rights or
 17 powers.

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

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

22 **a digital asset.**

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

26 SECTION 15. IC 36-1-3-15 IS ADDED TO THE INDIANA
 27 CODE AS A NEW SECTION TO READ AS FOLLOWS
 28 [EFFECTIVE JULY 1, 2026]: **Sec. 15. (a) The definitions in**
 29 **IC 5-36-1 apply throughout this section.**

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

- 33 (1) use or accept digital assets as a method of payment for
 34 legal goods and services; or
 35 (2) take custody of digital assets using a self-hosted wallet or
 36 hardware wallet.

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

- 38 (1) use or acceptance of digital assets as a method of payment
 39 for legal goods and services; or
 40 (2) taking or maintaining custody of digital assets using a
 41 self-hosted wallet or hardware wallet;

42 **that are not applicable to comparable financial transactions that**

HB 1042—LS 6415/DI 119



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1 **do not involve digital assets.**
2 SECTION 16. IC 36-1-30.5 IS ADDED TO THE INDIANA
3 CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS
4 [EFFECTIVE JULY 1, 2026]:
5 **Chapter 30.5. Regulation of Digital Asset Mining**
6 **Sec. 1. The definitions in IC 5-36-1 apply throughout this**
7 **chapter.**
8 **Sec. 2. A unit may not adopt or enforce an ordinance or other**
9 **regulation that would have the effect of prohibiting, restricting, or**
10 **impairing the ability of an individual or business to do any of the**
11 **following:**
12 (1) Operate a node for the purpose of connecting to a
13 blockchain protocol and participating in the operation of the
14 blockchain protocol.
15 (2) Develop software on a blockchain protocol.
16 (3) Transfer digital assets to another individual or business
17 using a blockchain protocol.
18 (4) Participate in staking on a blockchain protocol.
19 **Sec. 3. A unit may not adopt or enforce an ordinance or other**
20 **regulation:**
21 (1) that prohibits a digital asset mining business that
22 otherwise meets the requirements for operation in an area
23 zoned for industrial use from operating in an area zoned for
24 industrial use; or
25 (2) that:
26 (A) limits the level of noise generated by a digital asset
27 mining business that is located in an area zoned for
28 industrial use; and
29 (B) is not applicable to other businesses operating in an
30 area zoned for industrial use.
31 **Sec. 4. A unit may not adopt or enforce an ordinance or other**
32 **regulation:**
33 (1) that prohibits private digital asset mining in a residence
34 located in an area that is zoned for residential use; or
35 (2) that:
36 (A) limits the level of noise generated by private digital
37 asset mining in a residence located in an area that is
38 zoned for residential use; and
39 (B) is not applicable to other residences in an area zoned
40 for residential use.

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