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HOUSE BILL No. 1042

Proposed Changes to January 21, 2026 printing by AM104204

DIGEST OF PROPOSED AMENDMENT

Cryptocurrency exchange traded funds. 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 state police benefit system. (8) The judges' retirement system. (9) The prosecuting attorneys retirement fund. (10) The 1977 police officers' and firefighters' pension and disability fund.

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 2-3.5-2-4.4 IS ADDED TO THE INDIANA~~
- 13 ~~CODE AS A NEW SECTION TO READ AS FOLLOWS~~
- 14 ~~[EFFECTIVE JULY 1, 2026]: **Sec. 4.4. "Exchange traded fund" has**~~

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~~the meaning set forth in 17 CFR 270.6c-11(a)(1).~~

~~SECTION 3. IC 2-3.5-2-7.3 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 7.3. "Payment stablecoin" has the meaning set forth in 12 U.S.C. 5901(22).~~

~~SECTION 4. IC 2-3.5-3-4, AS AMENDED BY P.L.35-2012, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 4. (a) The board shall administer the system; which may be commingled for investment purposes with the other funds administered by the board.~~

~~(b) The board shall:~~

- ~~(1) determine eligibility for and make payments of benefits under this chapter, IC 2-3.5-4, and IC 2-3.5-5;~~
- ~~(2) in accordance with the powers and duties granted in IC 5-10.3-3-7.1, IC 5-10.3-5-3 through IC 5-10.3-5-6, IC 5-10.5-4, and IC 5-10.5-6, administer the system;~~
- ~~(3) provide by rule for the implementation of this chapter, 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 that do not include payment stablecoin as a permissible asset.~~

> SECTION <5>[2]. 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) Not later than July 1, 2027, the board shall offer, as a regular investment program within the defined contribution fund, 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

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1 brokerage account offered under subsection (a), including the
2 following:

- 3 (1) The board's investment guidelines and limits for the
- 4 cryptocurrency investment option.
- 5 (2) A participant's selection of and changes to the
- 6 participant's investment options.
- 7 (3) The valuation of a participant's account.
- 8 (4) The allocation and payment of administrative expenses
- 9 for the cryptocurrency investment option.
- 10 (c) The board shall determine the appropriate administrative
- 11 fees to be charged to the participant's accounts.

12 SECTION ~~6~~[3]. IC 5-10-1.1-0.5 IS ADDED TO THE
13 INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS
14 [EFFECTIVE JULY 1, 2026]: **Sec. 0.5. As used in this chapter,**
15 **"cryptocurrency" has the meaning set forth in IC 2-3.5-2-2.8.**

16 SECTION ~~7~~[4]. IC 5-10-1.1-4.3 IS ADDED TO THE
17 INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS
18 [EFFECTIVE JULY 1, 2026]: **Sec. 4.3. (a) Not later than July 1,**
19 **2027, the deferred compensation committee shall offer, as a regular**
20 **investment program within the defined contribution fund, a self**
21 **directed brokerage account that offers at least one (1)**
22 **cryptocurrency investment option.**

23 (b) The deferred compensation committee may adopt
24 requirements and rules that apply to a cryptocurrency investment
25 option under a self directed brokerage account offered under
26 subsection (a), including the following:

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

35 (c) The deferred compensation committee shall determine the
36 appropriate administrative fees to be charged to the plan
37 participant accounts.

38 SECTION ~~8. IC 5-10-5.5-1, AS AMENDED BY P.L.6-2020;~~
39 ~~SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE~~
40 ~~JULY 1, 2026]:~~ **Sec. 1. The following definitions apply throughout this**
41 **chapter, unless the context clearly denotes otherwise:**

- 42 ~~— (1) "Americans with Disabilities Act" refers to the Americans~~

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- 1 with Disabilities Act (42 U.S.C. 12101 et seq.) and any
 2 amendments and regulations related to the Act.
- 3 ~~(2) "Average annual salary" means the average annual salary of~~
 4 ~~an officer during the five (5) years of highest annual salary in the~~
 5 ~~ten (10) years immediately preceding an officer's retirement date,~~
 6 ~~determined without regard to any salary reduction agreement~~
 7 ~~established under Section 125 of the Internal Revenue Code.~~
- 8 ~~(3) "Board" refers to the board of trustees of the Indiana public~~
 9 ~~retirement system established by IC 5-10.5-3-1.~~
- 10 ~~(4) "Commission" means the alcohol and tobacco commission.~~
- 11 ~~(5) "Cryptocurrency" has the meaning set forth in~~
 12 ~~IC 2-3.5-2-2.8.~~
- 13 ~~(5) (6) "Department" means the Indiana department of natural~~
 14 ~~resources.~~
- 15 ~~(6) (7) "Dies in the line of duty" means death that occurs as a~~
 16 ~~direct result of personal injury or illness caused by incident,~~
 17 ~~accident, or violence that results from any action that the~~
 18 ~~participant, in the participant's capacity as an officer:~~
- 19 ~~(A) is obligated or authorized by rule, regulation, condition~~
 20 ~~of employment or service, or law to perform; or~~
- 21 ~~(B) performs in the course of controlling or reducing crime~~
 22 ~~or enforcing the criminal law.~~
- 23 ~~The term includes a death presumed incurred in the line of duty~~
 24 ~~under IC 5-10-13 for an officer who is an Indiana state exise~~
 25 ~~police officer or an Indiana state conservation enforcement~~
 26 ~~officer.~~
- 27 ~~(8) "Exchange traded fund" has the meaning set forth in 17~~
 28 ~~CFR 270.6e-11(a)(1).~~
- 29 ~~(7) (9) "Interest" means the rate of interest specified by rule by~~
 30 ~~the board of trustees of the Indiana public retirement system~~
 31 ~~established by IC 5-10.5-3-1.~~
- 32 ~~(8) (10) "Officer" means any Indiana state exise police officer,~~
 33 ~~any Indiana state conservation enforcement officer, any gaming~~
 34 ~~agent, or any gaming control officer.~~
- 35 ~~(9) (11) "Participant" means any officer who has elected to~~
 36 ~~participate in the retirement plan created by this chapter.~~
- 37 ~~(12) "Payment stablecoin" has the meaning set forth in 12~~
 38 ~~U.S.C. 5901(22).~~
- 39 ~~(10) (13) "Public employees' retirement act" means IC 5-10.3.~~
- 40 ~~(11) (14) "Public employees' retirement fund" refers to the public~~
 41 ~~employees' retirement fund created by IC 5-10.3-2.~~
- 42 ~~(12) (15) "Salary" means the total compensation, exclusive of~~

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expense allowances, paid to any officer by the department or the commission, determined without regard to any salary reduction agreement established under Section 125 of the Internal Revenue Code.

~~— (13) (16) Other words and phrases when used in this chapter have the meanings set forth in IC 5-10-3-1.~~

~~— SECTION 9. 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 that do not include payment stablecoin as a permissible asset.~~

~~— SECTION 10. IC 5-10-9.8-1, AS AMENDED BY P.L.99-2020; SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 1. The following definitions apply throughout this chapter:~~

~~— (1) "Board" refers to the board of trustees of the Indiana public retirement system.~~

~~— (2) "Cryptocurrency" has the meaning set forth in IC 2-3.5-2-2.8.~~

~~— (2) (3) "Employer" means an employer of an employee that may receive a lump sum death benefit under a statute identified in section 2(a) of this chapter.~~

~~— (4) "Exchange traded fund" has the meaning set forth in 17 CFR 270.6e-11(a)(1).~~

~~— (3) (5) "Fund" refers to the special death benefit fund established by section 2 of this chapter.~~

~~— (6) "Payment stablecoin" has the meaning set forth in 12 U.S.C. 5901(22).~~

~~— SECTION 11. 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:~~

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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 that do not include payment~~
 26 ~~stablecoin as a permissible asset.~~
 27 ~~— SECTION 12 > [5]. IC 5-10.3-1-1.3 IS ADDED TO THE INDIANA~~
 28 ~~CODE AS A NEW SECTION TO READ AS FOLLOWS~~
 29 ~~[EFFECTIVE JULY 1, 2026]: Sec. 1.3. As used in this article,~~
 30 ~~"cryptocurrency" has the meaning set forth in IC 2-3.5-2-2.8.~~
 31 ~~<— SECTION 13. IC 5-10.3-1-2.4 IS ADDED TO THE INDIANA~~
 32 ~~CODE AS A NEW SECTION TO READ AS FOLLOWS~~
 33 ~~[EFFECTIVE JULY 1, 2026]: Sec. 2.4. As used in this article,~~
 34 ~~"exchange traded fund" has the meaning set forth in 17 CFR~~
 35 ~~270.6e-11(a)(1).~~
 36 ~~— SECTION 14. IC 5-10.3-1-10 IS ADDED TO THE INDIANA~~
 37 ~~CODE AS A NEW SECTION TO READ AS FOLLOWS~~
 38 ~~[EFFECTIVE JULY 1, 2026]: Sec. 10. As used in this article,~~
 39 ~~"payment stablecoin" has the meaning set forth in 12 U.S.C.~~
 40 ~~5901(22).~~
 41 ~~— SECTION 15. IC 5-10.3-5-3, AS AMENDED BY P.L.32-2021,~~
 42 ~~SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE~~

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~~JULY 1, 2026]: Sec. 3. (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 shall also diversify such investments in accordance with prudent investment standards:~~

~~— (b) The board may invest:~~

~~— (1) up to five percent (5%) of the excess of its cash working balance in debentures of the corporation for innovation development subject to IC 30-4-3-3; and~~

~~— (2) the assets of the retirement allowance account described in section 1 of this chapter in cryptocurrency exchange traded funds that do not include payment stablecoin as a permissible asset.~~

~~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, 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.~~

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

- 4 ~~— (1) Each beneficiary of the trust.~~
- 5 ~~— (2) Each settlor empowered to revoke or modify the trust.~~

6 > SECTION ~~<16>~~[6]. IC 5-10.3-5-3.5 IS ADDED TO THE
7 INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS
8 [EFFECTIVE JULY 1, 2026]: **Sec. 3.5. (a) Not later than July 1,**
9 **2027, the board shall offer, as a regular investment program within**
10 **the annuity savings accounts described in IC 5-10.2-2-2(a), a self**
11 **directed brokerage account that offers at least one (1)**
12 **cryptocurrency investment option.**

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

- 17 (1) The board's investment guidelines and limits for the
- 18 cryptocurrency investment option.
- 19 (2) A member's selection of and changes to the member's
- 20 investment options.
- 21 (3) The valuation of a member's account.
- 22 (4) The allocation and payment of administrative expenses
- 23 for the cryptocurrency investment option.

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

26 ~~< SECTION 17. IC 5-10.3-11-2, AS AMENDED BY P.L.35-2012,~~
27 ~~SECTION 83, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE~~
28 ~~JULY 1, 2026]: Sec. 2. (a) The state board shall:~~

- 29 ~~— (1) make payments from the pension relief fund;~~
- 30 ~~— (2) administer the pension relief fund in accordance with the~~
31 ~~powers and duties granted it in IC 5-10.3-5-3 through~~
32 ~~IC 5-10.3-5-6, IC 5-10.5-4, and IC 5-10.5-6; and~~
- 33 ~~— (3) provide by rule and regulation for the implementation of this~~
34 ~~chapter.~~

35 ~~— (b) The state board may invest the assets of the pension relief~~
36 ~~fund in cryptocurrency exchange traded funds that do not include~~
37 ~~payment stablecoin as a permissible asset.~~

38 > SECTION ~~<18>~~[7]. IC 5-10.3-12-22.5 IS ADDED TO THE
39 INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS
40 [EFFECTIVE JULY 1, 2026]: **Sec. 22.5. (a) Not later than July 1,**
41 **2027, the board shall offer, as a regular investment program within**
42 **the plan, a self directed brokerage account that offers at least one**

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- (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 ~~<19>~~[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 20. IC 5-10.4-1-6.4 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 6.4. "Exchange traded fund" has the meaning set forth in 17 CFR 270.6c-11(a)(1).~~

~~SECTION 21. IC 5-10.4-1-11.8 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 11.8. "Payment stablecoin" has the meaning set forth in 12 U.S.C. 5901(22).~~

~~SECTION 22. 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 that do not include payment stablecoin as a~~

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~~permissible asset.~~

~~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 make disbursements for routine operating expenses such as utilities, cleaning, maintenance, and minor tenant finish needs;~~
- ~~— (3) shall 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:

 - ~~— (A) purchase new properties;~~
 - ~~— (B) contract for the construction or repair of properties; and~~
 - ~~— (C) 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 the following:

 - ~~— (1) Each beneficiary of the trust.~~
 - ~~— (2) Each settlor empowered to revoke or modify the trust.~~~~

> SECTION ~~<23>~~[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.

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

- 5 (1) The board's investment guidelines and limits for the
- 6 cryptocurrency investment option.
- 7 (2) A member's selection of and changes to the member's
- 8 investment options.
- 9 (3) The valuation of a member's account.
- 10 (4) The allocation and payment of administrative expenses
- 11 for the cryptocurrency investment option.

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

14 SECTION ~~24~~[10]. IC 5-10.4-8-8.5 IS ADDED TO THE
15 INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS
16 [EFFECTIVE JULY 1, 2026]: Sec. 8.5. (a) Not later than July 1,
17 2027, the board shall offer, as a regular investment program within
18 the plan, a self directed brokerage account that offers at least one
19 (1) cryptocurrency investment option.

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

- 24 (1) The board's investment guidelines and limits for the
- 25 cryptocurrency investment option.
- 26 (2) A member's selection of and changes to the member's
- 27 investment options.
- 28 (3) The valuation of a member's account.
- 29 (4) The allocation and payment of administrative expenses
- 30 for the cryptocurrency investment option.

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

33 SECTION ~~25~~[11]. IC 5-36 IS ADDED TO THE INDIANA
34 CODE AS A NEW ARTICLE TO READ AS FOLLOWS
35 [EFFECTIVE JULY 1, 2026]:

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

38 **Chapter 1. Definitions**

39 **Sec. 1. The definitions in this chapter apply throughout this**
40 **article.**

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

- 42 (1) shared across a network to create a ledger of verified

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1 transactions or information among network participants;
 2 and
 3 (2) linked using cryptography to maintain the integrity of the
 4 ledger and to execute other functions;
 5 including data that is distributed among network participants in an
 6 automated manner to concurrently update network participants on
 7 the state of the ledger and any other functions.

8 Sec. 3. "Blockchain protocol" means executable software that:
 9 (1) is governed by a set of predefined rules that:
 10 (A) execute autonomously without human intervention;
 11 and
 12 (B) can be altered by a predetermined process;
 13 including predefined rules that use a previously existing
 14 blockchain as a base;
 15 (2) facilitates transfer of data and electronic records and
 16 allows the data and electronic records to be broadcast to
 17 nodes; and
 18 (3) is deployed to a blockchain;
 19 including a smart contract or network of smart contracts.

20 Sec. 4. "Digital asset" means:
 21 (1) virtual currency;
 22 (2) cryptocurrency (as defined in IC 2-3.5-2-2.8);
 23 (3) payment stablecoin (as defined in 12 U.S.C. 5901(22));
 24 (4) fungible tokens and nonfungible tokens; and
 25 (5) other assets that:
 26 (A) exist only in electronic form; and
 27 (B) confer economic, proprietary, or access rights or
 28 powers.

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

32 Sec. 6. "Digital asset mining business" means multiple
 33 computing devices at a single location that:
 34 (1) are used to perform digital asset mining; and
 35 (2) consume, in total, an annual average of more than one (1)
 36 megawatt of energy in performing digital asset mining.

37 Sec. 7. "Hardware wallet" means:
 38 (1) a physical device that:
 39 (A) is not continuously connected to the Internet; and
 40 (B) allows an individual to secure and transfer digital
 41 assets; or
 42 (2) a physical device that enables the owner of digital assets

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to retain independent control over the digital assets.

Sec. 8. "Node" means software:

(1) that:

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

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

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

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

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

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

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

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

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

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

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

Chapter 2. Regulation of Digital Assets

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

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- 1 (1) use or accept digital assets as a method of payment for
- 2 legal goods and services; or
- 3 (2) take or maintain custody of digital assets using a
- 4 self-hosted wallet or hardware wallet.
- 5 (b) No public agency other than the department of financial
- 6 institutions may impose taxes or fees on:
- 7 (1) use or acceptance of digital assets as a method of payment
- 8 for legal goods and services; or
- 9 (2) taking or maintaining custody of digital assets using a
- 10 self-hosted wallet or hardware wallet;
- 11 that are not applicable to comparable financial transactions that
- 12 do not involve digital assets.

- 13 Sec. 2. No public agency other than the department of financial
- 14 institutions may adopt or enforce a rule or other regulation that
- 15 would have the effect of prohibiting, restricting, or impairing the
- 16 ability of an individual or business to do any of the following:
- 17 (1) Operate a node for the purpose of connecting to a
- 18 blockchain protocol and participating in the operation of the
- 19 blockchain protocol.
- 20 (2) Develop software on a blockchain protocol.
- 21 (3) Transfer digital assets to another individual or business
- 22 using a blockchain protocol.
- 23 (4) Participate in staking on a blockchain protocol.

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

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

30 ~~<— SECTION 26. IC 10-12-1-1.6 IS ADDED TO THE INDIANA~~
 31 ~~CODE AS A NEW SECTION TO READ AS FOLLOWS~~
 32 ~~[EFFECTIVE JULY 1, 2026]: Sec. 1.6. "Cryptocurrency" has the~~
 33 ~~meaning set forth in IC 2-3.5-2-2.8.~~

34 ~~— SECTION 27. IC 10-12-1-4.2 IS ADDED TO THE INDIANA~~
 35 ~~CODE AS A NEW SECTION TO READ AS FOLLOWS~~
 36 ~~[EFFECTIVE JULY 1, 2026]: Sec. 4.2. "Exchange traded fund" has~~
 37 ~~the meaning set forth in 17 CFR 270.6c-11(a)(1).~~

38 ~~— SECTION 28. IC 10-12-1-6.5 IS ADDED TO THE INDIANA~~
 39 ~~CODE AS A NEW SECTION TO READ AS FOLLOWS~~
 40 ~~[EFFECTIVE JULY 1, 2026]: Sec. 6.5. "Payment stablecoin" has the~~
 41 ~~meaning set forth in 12 U.S.C. 5901(22).~~

42 ~~— SECTION 29. IC 10-12-2-2 IS AMENDED TO READ AS~~

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1 ~~FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 2. (a) The department~~
2 ~~may:~~
3 ~~— (1) establish and operate an actuarially sound pension plan~~
4 ~~governed by a pension trust; and~~
5 ~~— (2) make the necessary annual contribution in order to prevent~~
6 ~~any deterioration in the actuarial status of the trust fund.~~
7 ~~— (b) The department shall make contributions to the trust fund. An~~
8 ~~employee beneficiary shall make contributions to the trust fund through~~
9 ~~authorized monthly deductions from wages.~~
10 ~~— (c) The trust fund:~~
11 ~~— (1) may not be commingled with any other funds; and~~
12 ~~— (2) shall be invested only in accordance with state laws for the~~
13 ~~investment of trust funds, together with other investments as are~~
14 ~~specifically designated in the pension trust.~~
15 ~~Subject to the terms of the pension trust, the trustee, with the approval~~
16 ~~of the department and the pension advisory board, may establish~~
17 ~~investment guidelines and limits on all types of investments, including~~
18 ~~stocks and bonds, and take other action necessary to fulfill its duty as~~
19 ~~a fiduciary for the trust fund.~~
20 ~~— (d) The trustee shall invest the trust fund assets with the same care,~~
21 ~~skill, prudence, and diligence that a prudent person acting in a like~~
22 ~~capacity and familiar with these matters would use in the conduct of an~~
23 ~~enterprise of a similar character with similar aims.~~
24 ~~— (e) The trustee shall diversify the trust fund's investments in~~
25 ~~accordance with prudent investment standards. The investment of the~~
26 ~~trust fund is subject to section 3 of this chapter.~~
27 ~~— (f) The trustee shall receive and hold as trustee for the uses and~~
28 ~~purposes set forth in the pension trust the funds paid by the department,~~
29 ~~the employee beneficiaries, or any other person or persons.~~
30 ~~— (g) The trustee shall engage pension consultants to supervise and~~
31 ~~assist in the technical operation of the pension plan so that there is no~~
32 ~~deterioration in the actuarial status of the plan.~~
33 ~~— (h) Before October 1 of each year, the trustee, with the aid of the~~
34 ~~pension consultants, shall prepare and file a report with the department~~
35 ~~and the state board of accounts. The report must include the following~~
36 ~~with respect to the fiscal year ending on the preceding June 30:~~
37 ~~— SCHEDULE I. Receipts and disbursements.~~
38 ~~— SCHEDULE II. Assets of the pension trust, listing investments~~
39 ~~as to book value and current market value at the end of the fiscal~~
40 ~~year.~~
41 ~~— SCHEDULE III. List of terminations, showing cause and amount~~
42 ~~of refund.~~

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1 ~~— SCHEDULE IV. The application of actuarially computed~~
2 ~~"reserve factors" to the payroll data, properly classified for the~~
3 ~~purpose of computing the reserve liability of the trust fund as of~~
4 ~~the end of the fiscal year.~~
5 ~~— SCHEDULE V. The application of actuarially computed "current~~
6 ~~liability factors" to the payroll data, properly classified for the~~
7 ~~purpose of computing the liability of the trust fund for the end of~~
8 ~~the fiscal year.~~
9 ~~— SCHEDULE VI. An actuarial computation of the pension~~
10 ~~liability for all employees retired before the close of the fiscal~~
11 ~~year.~~
12 ~~— (i) The minimum annual contribution by the department must be~~
13 ~~of sufficient amount, as determined by the pension consultants, to~~
14 ~~prevent any deterioration in the actuarial status of the pension plan~~
15 ~~during that year. If the department fails to make the minimum~~
16 ~~contribution for five (5) successive years, the pension trust terminates~~
17 ~~and the trust fund shall be liquidated.~~
18 ~~— (j) Except as provided by applicable federal law, in the event of~~
19 ~~liquidation, the department shall take the following actions:~~
20 ~~— (1) All expenses of the pension trust must be paid.~~
21 ~~— (2) Adequate provision must be made for continuing pension~~
22 ~~payments to retired persons.~~
23 ~~— (3) Each employee beneficiary must receive the net amount paid~~
24 ~~into the trust fund from the employee beneficiary's wages.~~
25 ~~— (4) Any amount remaining in the pension trust after the~~
26 ~~department makes the payments described in subdivisions (1)~~
27 ~~through (3) must be equitably divided among the employee~~
28 ~~beneficiaries in proportion to the net amount paid from each~~
29 ~~employee beneficiary's wages into the trust fund.~~
30 ~~— (k) The trustee may invest the trust fund assets in~~
31 ~~cryptocurrency exchange traded funds that do not include payment~~
32 ~~stablecoin as a permissible asset.~~
33 ~~— SECTION 30. IC 10-12-2-7 IS AMENDED TO READ AS~~
34 ~~FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 7. (a) The:~~
35 ~~— (1) mortality reserve account referred to in section 4 of this~~
36 ~~chapter;~~
37 ~~— (2) disability reserve account referred to in section 5 of this~~
38 ~~chapter; and~~
39 ~~— (3) dependent pension reserve account referred to in section 6 of~~
40 ~~this chapter;~~
41 ~~may be commingled and operated as one (1) fund, known as the police~~
42 ~~benefit fund, under the terms of a supplementary trust agreement~~

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1 ~~between the department and the trustee for the exclusive benefit of~~
 2 ~~employee beneficiaries and their dependents.~~
 3 ~~— (b) The trustee shall receive and hold as trustee for the uses and~~
 4 ~~purposes set out in the supplementary trust agreement all funds paid to~~
 5 ~~it as the trustee by the department or by any other person or persons.~~
 6 ~~— (c) The trustee shall hold, invest, and reinvest the police benefit~~
 7 ~~fund in:~~
 8 ~~— (1) investments that trust funds are permitted to invest in under~~
 9 ~~Indiana law; and~~
 10 ~~— (2) other investments as may be specifically designated in the~~
 11 ~~supplementary trust agreement.~~
 12 ~~— (d) The trustee, with the assistance of the pension engineers, shall,~~
 13 ~~not more than ninety (90) days after the close of the fiscal year, prepare~~
 14 ~~and file with the department and the department of insurance a detailed~~
 15 ~~annual report showing receipts, disbursements, case histories, and~~
 16 ~~recommendations as to the contributions required to keep the program~~
 17 ~~in operation.~~
 18 ~~— (e) Contributions by the department to the police benefit fund shall~~
 19 ~~be provided in the general appropriations to the department.~~
 20 ~~— (f) The trustee may invest the police benefit fund assets in~~
 21 ~~cryptocurrency exchange traded funds that do not include payment~~
 22 ~~stablecoin as a permissible asset.~~
 23 > SECTION ~~31~~[12]. IC 28-8-4.1-201, AS ADDED BY
 24 P.L.198-2023, SECTION 4, IS AMENDED TO READ AS FOLLOWS
 25 [EFFECTIVE JULY 1, 2026]: Sec. 201. The following definitions
 26 apply throughout this chapter:
 27 (1) "Acting in concert" means persons knowingly acting together
 28 with a common goal of jointly acquiring control of a licensee
 29 whether or not pursuant to an express agreement.
 30 (2) "Authorized delegate" means a person a licensee designates
 31 to engage in money transmission on behalf of the licensee.
 32 (3) "Average daily money transmission liability", with respect to
 33 a calendar quarter, means:
 34 (A) the sum of the amounts of a licensee's outstanding
 35 money transmission obligations in Indiana at the end of
 36 each day in the calendar quarter; divided by
 37 (B) the total number of days in that calendar quarter.
 38 For purposes of this subdivision, a "calendar quarter" is a quarter
 39 ending on March 31, June 30, September 30, or December 31.
 40 (4) "Bank Secrecy Act" means:
 41 (A) the Bank Secrecy Act (31 U.S.C. 5311 et seq.); and
 42 (B) regulations adopted under the Bank Secrecy Act (31

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

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

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

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

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

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- 1 (A) A long term credit rating equal to at least A- by S&P
- 2 Global, or an equivalent long term credit rating for any
- 3 other eligible rating service.
- 4 (B) A short term credit rating equal to at least A-2 by S&P
- 5 Global, or an equivalent short term credit rating for any
- 6 other eligible rating service.
- 7 In any case in which the credit ratings differ among eligible
- 8 rating services, the highest rating applies in determining whether
- 9 the credit rating is an "eligible rating" as defined in this
- 10 subdivision.
- 11 (10) "Eligible rating service" means:
- 12 (A) a nationally recognized statistical rating organization,
- 13 as defined by the United States Securities and Exchange
- 14 Commission; or
- 15 (B) any other organization designated as such by the
- 16 director.
- 17 (11) "Federally insured depository financial institution" means:
- 18 (A) a bank;
- 19 (B) a credit union;
- 20 (C) a savings and loan association;
- 21 (D) a trust company;
- 22 (E) a corporate fiduciary;
- 23 (F) a savings association;
- 24 (G) a savings bank;
- 25 (H) an industrial bank; or
- 26 (I) an industrial loan company;
- 27 that is organized under the law of the United States or any state
- 28 of the United States and that has federally or privately insured
- 29 deposits as permitted by state or federal law.
- 30 (12) "In Indiana", with respect to the location of a transaction,
- 31 means the following:
- 32 (A) At a physical location in Indiana, for a transaction
- 33 requested in person.
- 34 (B) For a transaction requested electronically or by
- 35 telephone, a determination made by the provider of money
- 36 transmission, by relying on the following, that the person
- 37 requesting the transaction is in Indiana:
- 38 (i) Information, provided by the person, regarding the
- 39 location of the individual's residential address or the
- 40 business entity's principal place of business or other
- 41 physical address location, as applicable.
- 42 (ii) Any records associated with the person that the

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provider of money transmission may have that indicate the person's location, including an address associated with an account.

- (13) "Individual" means a natural person.
 - (14) "Key individual" means an individual ultimately responsible for establishing or directing policies and procedures of a licensee, such as an executive officer, manager, director, or trustee.
 - (15) "Licensee" means a person licensed under this chapter.
 - (16) "Material litigation" means litigation that, according to United States generally accepted accounting principles, is significant to a person's financial health and would be required to be disclosed in the person's annual audited financial statements, report to shareholders, or similar records.
 - (17) "Money" means a medium of exchange that is issued by the United States government or by a foreign government. The term includes a monetary unit of account established by an intergovernmental organization or by agreement between two (2) or more governments.
 - (18) "Monetary value" means a medium of exchange, whether or not redeemable in money.
 - (19) "Money transmission" means any of the following:
 - (A) Selling or issuing payment instruments to a person 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;

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- 1 (C) control determinations; or
 2 (D) notice and information requirements for a change of key
 3 individuals.
 4 (22) "NMLS" means the Nationwide Multistate Licensing
 5 System and Registry:
 6 (A) developed by the Conference of State Bank Supervisors
 7 and the American Association of Residential Mortgage
 8 Regulators; and
 9 (B) owned and operated by the State Regulatory Registry,
 10 LLC, or by any successor or affiliated entity;
 11 for the licensing and registry of persons in financial services
 12 industries.
 13 (23) "Outstanding money transmission obligation", as
 14 established and extinguished in accordance with applicable state
 15 law, means:
 16 (A) any payment instrument or stored value that:
 17 (i) is issued or sold by a licensee to a person located in
 18 the United States, or reported as sold by an authorized
 19 delegate of the licensee to a person located in the
 20 United States; and
 21 (ii) has not yet been paid or refunded by or for the
 22 licensee, or escheated in accordance with applicable
 23 abandoned property laws; or
 24 (B) any money that:
 25 (i) is received for transmission by a licensee, or by an
 26 authorized delegate of the licensee, from a person
 27 located in the United States; and
 28 (ii) has not been received by the payee or refunded to
 29 the seller, or escheated in accordance with applicable
 30 abandoned property laws.
 31 For purposes of this subdivision, a person is located "in the
 32 United States" if the person is located in any state, territory, or
 33 possession of the United States or in the District of Columbia,
 34 the Commonwealth of Puerto Rico, or a United States military
 35 installation located in a foreign country.
 36 (24) "Passive investor" means a person that:
 37 (A) does not have the power to elect a majority of key
 38 individuals or executive officers, managers, directors,
 39 trustees, or other persons exercising managerial authority
 40 over a person in control of a licensee;
 41 (B) is not employed by and does not have any managerial
 42 duties with respect to the licensee or a person in control of

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1 the licensee;

2 (C) does not have the power to exercise, directly or

3 indirectly, a controlling influence over the management or

4 policies of the licensee or a person in control of the

5 licensee; and

6 (D) either:

7 (i) attests to as facts the characteristics of passivity set

8 forth in clauses (A) through (C), in a form and by a

9 medium prescribed by the director; or

10 (ii) commits to the characteristics of passivity set forth

11 in clauses (A) through (C) in a written document.

12 (25) "Payment instrument" means a written or electronic check,

13 draft, money order, traveler's check, or other written or electronic

14 instrument for the transmission or payment of money or

15 monetary value, whether or not negotiable. The term does not

16 include:

17 (A) stored value; or

18 (B) any instrument that:

19 (i) is redeemable by the issuer only for goods or

20 services provided by the issuer or its affiliate, or

21 franchisees of the issuer or its affiliate, except to the

22 extent required by applicable law to be redeemable in

23 cash for its cash value; or

24 (ii) is not sold to the public but is issued and

25 distributed as part of a loyalty, rewards, or promotional

26 program.

27 (26) "Person" means any individual, general partnership, limited

28 partnership, limited liability company, corporation, trust,

29 association, joint stock corporation, or other corporate entity, as

30 so identified by the director.

31 (27) "Receiving money for transmission" means receiving money

32 or monetary value in the United States for transmission within or

33 outside the United States by electronic or other means. The term

34 "money received for transmission" has a corresponding meaning.

35 (28) "Stored value" means monetary value representing a claim,

36 against the issuer, that is evidenced by an electronic or digital

37 record and that is intended and accepted for use as a means of

38 redemption for money or monetary value, or payment for goods

39 or services. The term includes "prepaid access" as defined in 31

40 CFR 1010.100. The term does not include:

41 (A) a payment instrument;

42 (B) closed loop stored value; or

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

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

~~SECTION 32. IC 33-38-6-2.3 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 2.3. As used in this chapter, "cryptocurrency" has the meaning set forth in IC 2-3.5-2-2.8.~~

~~SECTION 33. IC 33-38-6-3.2 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 3.2. As used in this chapter, "exchange traded fund" has the meaning set forth in 17 CFR 270.6e-11(a)(1).~~

~~SECTION 34. IC 33-38-6-9.1 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 9.1. As used in this chapter, "payment stablecoin" has the meaning set forth in 12 U.S.C. 5901(22).~~

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

- ~~(b) The board shall do the following:~~
 - ~~(1) Determine eligibility for and make payments of benefits under IC 33-38-7 and IC 33-38-8.~~
 - ~~(2) In accordance with the powers and duties granted it in IC 5-10.3-3-7.1, IC 5-10.3-5-3 through IC 5-10.3-5-6, IC 5-10.5-4, and IC 5-10.5-6, administer the fund.~~
 - ~~(3) Provide by rule for the implementation of this chapter and IC 33-38-7 and IC 33-38-8.~~
 - ~~(4) Authorize deposits.~~

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

- ~~(d) The powers and duties of:~~
 - ~~(1) the director and the actuary of the board; and~~
 - ~~(2) the attorney general;~~

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1 with respect to the fund are those specified in IC 5-10.3-3, IC 5-10.3-4,
 2 IC 5-10.5-4, and IC 5-10.5-6.
 3 — (e) The board may hire additional personnel, including hearing
 4 officers, to assist it in the implementation of this chapter.
 5 — (f) Fund records of individual participants and participants'
 6 information are confidential, except for the name and years of service
 7 of a fund participant.
 8 — (g) ~~The board may invest the assets of the fund in~~
 9 ~~cryptocurrency exchange traded funds that do not include payment~~
 10 ~~stablecoin as a permissible asset.~~
 11 — SECTION 36. IC 33-39-7-3.2 IS ADDED TO THE INDIANA
 12 CODE AS A NEW SECTION TO READ AS FOLLOWS
 13 [EFFECTIVE JULY 1, 2026]: ~~Sec. 3.2. As used in this chapter,~~
 14 ~~"cryptocurrency" has the meaning set forth in IC 2-3.5-2-2.8.~~
 15 — SECTION 37. IC 33-39-7-3.8 IS ADDED TO THE INDIANA
 16 CODE AS A NEW SECTION TO READ AS FOLLOWS
 17 [EFFECTIVE JULY 1, 2026]: ~~Sec. 3.8. As used in this chapter,~~
 18 ~~"exchange traded fund" has the meaning set forth in 17 CFR~~
 19 ~~270.6e-11(a)(1).~~
 20 — SECTION 38. IC 33-39-7-6.1 IS ADDED TO THE INDIANA
 21 CODE AS A NEW SECTION TO READ AS FOLLOWS
 22 [EFFECTIVE JULY 1, 2026]: ~~Sec. 6.1. As used in this chapter,~~
 23 ~~"payment stablecoin" has the meaning set forth in 12 U.S.C.~~
 24 ~~5901(22).~~
 25 — SECTION 39. IC 33-39-7-11, AS AMENDED BY P.L.35-2012;
 26 SECTION 105, IS AMENDED TO READ AS FOLLOWS
 27 [EFFECTIVE JULY 1, 2026]: Sec. 11. (a) The board shall administer
 28 the fund, which may be commingled with any public pension and
 29 retirement fund administered by the Indiana public retirement system
 30 for investment purposes.
 31 — (b) The board shall do the following:
 32 — (1) ~~Determine eligibility for and make payments of benefits~~
 33 ~~under this chapter.~~
 34 — (2) ~~In accordance with the powers and duties granted the board~~
 35 ~~in IC 5-10.3-3-7.1, IC 5-10.3-5-3 through IC 5-10.3-5-6,~~
 36 ~~IC 5-10.5-4, and IC 5-10.5-6, administer the fund.~~
 37 — (3) ~~Provide by rule for the implementation of this chapter.~~
 38 — (4) ~~Authorize deposits.~~
 39 — (c) ~~A determination by the board may be appealed under~~
 40 ~~IC 4-21.5.~~
 41 — (d) The powers and duties of:
 42 — (1) ~~the director and the actuary of the board; and~~

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1 ~~— (2) the attorney general;~~
 2 ~~with respect to the fund are those specified in IC 5-10.3-3, IC 5-10.3-4,~~
 3 ~~IC 5-10.5-4, and IC 5-10.5-6.~~

4 ~~— (e) The board may hire additional personnel, including hearing~~
 5 ~~officers, to assist in the implementation of this chapter.~~

6 ~~— (f) Fund records of individual participants and participants'~~
 7 ~~information are confidential, except for the name and years of service~~
 8 ~~of a fund participant.~~

9 ~~— (g) The board may invest the assets of the fund in~~
 10 ~~cryptocurrency exchange traded funds that do not include payment~~
 11 ~~stablecoin as a permissible asset.~~

12 > SECTION ~~<40>~~ [13]. IC 34-46-7 IS ADDED TO THE INDIANA
 13 CODE AS A NEW CHAPTER TO READ AS FOLLOWS
 14 [EFFECTIVE JULY 1, 2026]:

15 **Chapter 7. Privileged Financial Information**

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

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

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

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

29 **digital assets.**

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

33 SECTION ~~<41>~~ [14]. IC 35-37-7 IS ADDED TO THE INDIANA
 34 CODE AS A NEW CHAPTER TO READ AS FOLLOWS
 35 [EFFECTIVE JULY 1, 2026]:

36 **Chapter 7. Privileged Financial Information**

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

- 38 (1) virtual currency;
 39 (2) cryptocurrency (as defined in IC 2-3.5-2-2.8);
 40 (3) payment stablecoin (as defined in 12 U.S.C. 5901(22));
 41 (4) fungible tokens and nonfungible tokens; and
 42 (5) other assets that:

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- 1 (A) exist only in electronic form; and
 2 (B) confer economic, proprietary, or access rights or
 3 powers.

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

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

8 **a digital asset.**

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

12 SECTION ~~42~~ [15]. IC 36-1-3-15 IS ADDED TO THE
 13 INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS
 14 [EFFECTIVE JULY 1, 2026]: **Sec. 15. (a) The definitions in**
 15 **IC 5-36-1 apply throughout this section.**

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

- 19 (1) use or accept digital assets as a method of payment for
 20 legal goods and services; or
 21 (2) take custody of digital assets using a self-hosted wallet or
 22 hardware wallet.

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

- 24 (1) use or acceptance of digital assets as a method of payment
 25 for legal goods and services; or
 26 (2) taking or maintaining custody of digital assets using a
 27 self-hosted wallet or hardware wallet;

28 **that are not applicable to comparable financial transactions that**
 29 **do not involve digital assets.**

30 SECTION ~~43~~ [16]. IC 36-1-30.5 IS ADDED TO THE INDIANA
 31 CODE AS A NEW CHAPTER TO READ AS FOLLOWS
 32 [EFFECTIVE JULY 1, 2026]:

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

34 **Sec. 1. The definitions in IC 5-36-1 apply throughout this**
 35 **chapter.**

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

- 40 (1) Operate a node for the purpose of connecting to a
 41 blockchain protocol and participating in the operation of the
 42 blockchain protocol.

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- 1 (2) Develop software on a blockchain protocol.
- 2 (3) Transfer digital assets to another individual or business
- 3 using a blockchain protocol.
- 4 (4) Participate in staking on a blockchain protocol.

5 Sec. 3. A unit may not adopt or enforce an ordinance or other
6 regulation:

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

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

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

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

- 21 (2) that:
 - 22 (A) limits the level of noise generated by private digital
 - 23 asset mining in a residence located in an area that is
 - 24 zoned for residential use; and
 - 25 (B) is not applicable to other residences in an area zoned
 - 26 for residential use.

27 ~~SECTION 44. IC 36-8-8-1.3 IS ADDED TO THE INDIANA~~
28 ~~CODE AS A NEW SECTION TO READ AS FOLLOWS~~
29 ~~{EFFECTIVE JULY 1, 2026}: Sec. 1.3. As used in this chapter,~~
30 ~~"cryptocurrency" has the meaning set forth in IC 2-3.5-2-2.8.~~

31 ~~SECTION 45. IC 36-8-8-1.6 IS ADDED TO THE INDIANA~~
32 ~~CODE AS A NEW SECTION TO READ AS FOLLOWS~~
33 ~~{EFFECTIVE JULY 1, 2026}: Sec. 1.6. As used in this chapter,~~
34 ~~"exchange-traded fund" has the meaning set forth in 17 CFR~~
35 ~~270.6c-11(a)(1).~~

36 ~~SECTION 46. IC 36-8-8-2.4 IS ADDED TO THE INDIANA~~
37 ~~CODE AS A NEW SECTION TO READ AS FOLLOWS~~
38 ~~{EFFECTIVE JULY 1, 2026}: Sec. 2.4. As used in this chapter,~~
39 ~~"payment stablecoin" has the meaning set forth in 12 U.S.C.~~
40 ~~5901(22).~~

41 ~~SECTION 47. IC 36-8-8-5, AS AMENDED BY P.L.85-2022,~~
42 ~~SECTION 5, IS AMENDED TO READ AS FOLLOWS~~

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- 1 ~~[EFFECTIVE JULY 1, 2026]: Sec. 5. (a) The system board shall:~~
 2 ~~— (1) determine eligibility for and make payments of benefits;~~
 3 ~~except as provided in section 12 of this chapter;~~
 4 ~~— (2) in accordance with the powers and duties granted it in~~
 5 ~~IC 5-10.3-5-3 through IC 5-10.3-5-6, IC 5-10.5-4, and~~
 6 ~~IC 5-10.5-5, administer the 1977 fund;~~
 7 ~~— (3) provide by rule for the implementation of this chapter;~~
 8 ~~and~~
 9 ~~— (4) authorize deposits.~~
 10 ~~— (b) A determination by the system board may be appealed~~
 11 ~~under the procedures in IC 4-21.5.~~
 12 ~~— (c) The powers and duties of the director appointed by the~~
 13 ~~system board, the actuary of the system board, and the attorney~~
 14 ~~general, with respect to the 1977 fund, are those specified in~~
 15 ~~IC 5-10.3-3, IC 5-10.3-4, and IC 5-10.5.~~
 16 ~~— (d) The system board may hire additional personnel, including~~
 17 ~~hearing officers, to assist it in the implementation of this chapter.~~
 18 ~~— (e) The 1977 fund records of individual members and~~
 19 ~~membership information are confidential, except for the name and~~
 20 ~~years of service of a 1977 fund member.~~
 21 ~~— (f) After July 1, 2022, if the system board determines that a~~
 22 ~~new police officer or firefighter in PERF should be a member of~~
 23 ~~the 1977 fund, the system board shall require the employer to:~~
 24 ~~— (1) transfer the member into the 1977 fund; and~~
 25 ~~— (2) contribute the amount that the system board determines~~
 26 ~~is necessary to fund fully the member's service credit in the~~
 27 ~~1977 fund for all service earned as a police officer or~~
 28 ~~firefighter in PERF.~~
 29 ~~— (g) The system board may invest the assets of the 1977 fund in~~
 30 ~~cryptocurrency exchange traded funds that do not include payment~~
 31 ~~stablecoin as a permissible asset.~~
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