
HOUSE BILL No. 1042

AM104205 has been incorporated into January 21, 2026 printing.

Synopsis: Regulation and investment of cryptocurrency.

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Reprinted
January 21, 2026

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 2-3.5-2-4.4 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**
15 **the meaning set forth in 17 CFR 270.6c-11(a)(1).**

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

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

10 (b) The board shall:

11 (1) determine eligibility for and make payments of benefits
 12 under this chapter, IC 2-3.5-4, and IC 2-3.5-5;

13 (2) in accordance with the powers and duties granted in
 14 IC 5-10.3-3-7.1, IC 5-10.3-5-3 through IC 5-10.3-5-6,
 15 IC 5-10.5-4, and IC 5-10.5-6, administer the system;

16 (3) provide by rule for the implementation of this chapter,
 17 IC 2-3.5-4, and IC 2-3.5-5; and

18 (4) authorize deposits.

19 (c) A determination by the board may be appealed under
 20 IC 4-21.5.

21 (d) The powers and duties of:

22 (1) the director and the actuary of the board; and

23 (2) the attorney general;

24 with respect to the fund are those specified in IC 5-10.3-3, IC 5-10.3-4,
 25 IC 5-10.5-4, and IC 5-10.5-6.

26 (e) The board may hire additional personnel, including hearing
 27 officers, to assist in the implementation of this chapter.

28 (f) Legislators' retirement system records of individual participants
 29 and participants' information are confidential, except for the name and
 30 years of service of a retirement system participant.

31 **(g) The board may invest the assets of the defined benefit fund**
 32 **in cryptocurrency exchange traded funds that do not include**
 33 **payment stablecoin as a permissible asset.**

34 SECTION 5. IC 5-10-5.5-1, AS AMENDED BY P.L.6-2020,
 35 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 36 JULY 1, 2026]: Sec. 1. The following definitions apply throughout this
 37 chapter, unless the context clearly denotes otherwise:

38 (1) "Americans with Disabilities Act" refers to the Americans
 39 with Disabilities Act (42 U.S.C. 12101 et seq.) and any
 40 amendments and regulations related to the Act.

41 (2) "Average annual salary" means the average annual salary of
 42 an officer during the five (5) years of highest annual salary in the

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

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1 ~~(13)~~ **(16)** Other words and phrases when used in this chapter
2 have the meanings set forth in IC 5-10.3-1.

3 SECTION 6. IC 5-10-5.5-2, AS AMENDED BY P.L.193-2016,
4 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
5 JULY 1, 2026]: Sec. 2. (a) There is hereby created a state excise police,
6 gaming agent, gaming control officer, and conservation enforcement
7 officers' retirement plan to establish a means of providing special
8 retirement, disability and survivor benefits to employees of the
9 department, the Indiana gaming commission, and the commission who
10 are engaged exclusively in the performance of law enforcement duties.

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

14 **(c) The board may invest the assets of the retirement plan
15 created by this section in cryptocurrency exchange traded funds
16 that do not include payment stablecoin as a permissible asset.**

17 SECTION 7. IC 5-10-9.8-1, AS AMENDED BY P.L.99-2020,
18 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
19 JULY 1, 2026]: Sec. 1. The following definitions apply throughout this
20 chapter:

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

23 **(2) "Cryptocurrency" has the meaning set forth in
24 IC 2-3.5-2-2.8.**

25 ~~(2)~~ **(3)** "Employer" means an employer of an employee that may
26 receive a lump sum death benefit under a statute identified in
27 section 2(a) of this chapter.

28 **(4) "Exchange traded fund" has the meaning set forth in 17
29 CFR 270.6c-11(a)(1).**

30 ~~(3)~~ **(5)** "Fund" refers to the special death benefit fund established
31 by section 2 of this chapter.

32 **(6) "Payment stablecoin" has the meaning set forth in 12
33 U.S.C. 5901(22).**

34 SECTION 8. IC 5-10-9.8-2, AS AMENDED BY P.L.99-2020,
35 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
36 JULY 1, 2026]: Sec. 2. (a) The special death benefit fund is established
37 for the purpose of paying lump sum death benefits under the following
38 statutes:

39 (1) IC 5-10-10.

40 (2) IC 5-10-11.

41 (3) IC 10-12-6.

42 (4) IC 36-8-6-20.

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- 1 (5) IC 36-8-7-26.
- 2 (6) IC 36-8-7.5-22.
- 3 (7) IC 36-8-8-20.
- 4 (b) The fund consists of:
- 5 (1) appropriations by the general assembly;
- 6 (2) fees remitted to the board under IC 35-33-8-3.2,
- 7 IC 5-10-10-4.5, IC 5-10-10-4.8, and IC 5-10-10-4.9;
- 8 (3) contributions from employers;
- 9 (4) gifts; and
- 10 (5) interest or other investment income earned on money in the
- 11 fund.
- 12 (c) The fund shall be administered by the board. The expenses of
- 13 administering the fund shall be paid from money in the fund.
- 14 (d) The board shall invest the money in the fund not currently
- 15 needed to meet the obligations of the fund in the same manner as the
- 16 board's other funds may be invested. Interest that accrues from these
- 17 investments shall be deposited in the fund.
- 18 (e) Money in the fund at the end of a state fiscal year does not
- 19 revert to the state general fund.
- 20 (f) **The board may invest the assets of the fund in**
- 21 **cryptocurrency exchange traded funds that do not include payment**
- 22 **stablecoin as a permissible asset.**
- 23 SECTION 9. IC 5-10.3-1-1.3 IS ADDED TO THE INDIANA
- 24 CODE AS A NEW SECTION TO READ AS FOLLOWS
- 25 [EFFECTIVE JULY 1, 2026]: **Sec. 1.3. As used in this article,**
- 26 **"cryptocurrency" has the meaning set forth in IC 2-3.5-2-2.8.**
- 27 SECTION 10. IC 5-10.3-1-2.4 IS ADDED TO THE INDIANA
- 28 CODE AS A NEW SECTION TO READ AS FOLLOWS
- 29 [EFFECTIVE JULY 1, 2026]: **Sec. 2.4. As used in this article,**
- 30 **"exchange traded fund" has the meaning set forth in 17 CFR**
- 31 **270.6c-11(a)(1).**
- 32 SECTION 11. IC 5-10.3-1-10 IS ADDED TO THE INDIANA
- 33 CODE AS A NEW SECTION TO READ AS FOLLOWS
- 34 [EFFECTIVE JULY 1, 2026]: **Sec. 10. As used in this article,**
- 35 **"payment stablecoin" has the meaning set forth in 12 U.S.C.**
- 36 **5901(22).**
- 37 SECTION 12. IC 5-10.3-5-3, AS AMENDED BY P.L.32-2021,
- 38 SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 39 JULY 1, 2026]: **Sec. 3. (a) The board shall invest its assets with the**
- 40 **care, skill, prudence, and diligence that a prudent person acting in a**
- 41 **like capacity and familiar with such matters would use in the conduct**
- 42 **of an enterprise of a like character with like aims. The board shall also**

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1 diversify such investments in accordance with prudent investment
2 standards.

3 (b) The board may invest:

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

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

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

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

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

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

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

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

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

42 (1) Each beneficiary of the trust.

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- 1 (2) Each settlor empowered to revoke or modify the trust.
 2 SECTION 13. IC 5-10.3-11-2, AS AMENDED BY P.L.35-2012,
 3 SECTION 83, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 4 JULY 1, 2026]: Sec. 2. **(a)** The state board shall:
 5 (1) make payments from the pension relief fund;
 6 (2) administer the pension relief fund in accordance with the
 7 powers and duties granted it in IC 5-10.3-5-3 through
 8 IC 5-10.3-5-6, IC 5-10.5-4, and IC 5-10.5-6; and
 9 (3) provide by rule and regulation for the implementation of this
 10 chapter.
 11 **(b) The state board may invest the assets of the pension relief
 12 fund in cryptocurrency exchange traded funds that do not include
 13 payment stablecoin as a permissible asset.**
 14 SECTION 14. IC 5-10.4-1-5.4 IS ADDED TO THE INDIANA
 15 CODE AS A NEW SECTION TO READ AS FOLLOWS
 16 [EFFECTIVE JULY 1, 2026]: **Sec. 5.4. "Cryptocurrency" has the
 17 meaning set forth in IC 2-3.5-2-2.8.**
 18 SECTION 15. IC 5-10.4-1-6.4 IS ADDED TO THE INDIANA
 19 CODE AS A NEW SECTION TO READ AS FOLLOWS
 20 [EFFECTIVE JULY 1, 2026]: **Sec. 6.4. "Exchange traded fund" has
 21 the meaning set forth in 17 CFR 270.6c-11(a)(1).**
 22 SECTION 16. IC 5-10.4-1-11.8 IS ADDED TO THE INDIANA
 23 CODE AS A NEW SECTION TO READ AS FOLLOWS
 24 [EFFECTIVE JULY 1, 2026]: **Sec. 11.8. "Payment stablecoin" has
 25 the meaning set forth in 12 U.S.C. 5901(22).**
 26 SECTION 17. IC 5-10.4-3-10, AS ADDED BY P.L.2-2006,
 27 SECTION 28, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 28 JULY 1, 2026]: Sec. 10. (a) The board shall invest its assets with the
 29 care, skill, prudence, and diligence that a prudent person acting in a
 30 like capacity and familiar with such matters would use in the conduct
 31 of an enterprise of a like character with like aims. The board also shall
 32 diversify investments in accordance with prudent investment standards,
 33 subject to the limitations and restrictions set forth in IC 5-10.2-2-18.
 34 (b) The board may:
 35 (1) make or have investigations made concerning investments;
 36 ~~and~~
 37 (2) contract for and employ investment counsel to advise and
 38 assist in the purchase and sale of securities; **and**
 39 **(3) invest the assets of the retirement allowance accounts
 40 described in IC 5-10.4-2-2 in cryptocurrency exchange
 41 traded funds that do not include payment stablecoin as a
 42 permissible asset.**

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

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

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

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

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

20 (4) may provide specific guidelines for the board to:

21 (A) purchase new properties;

22 (B) contract for the construction or repair of properties; and

23 (C) lease or sell properties;

24 without individual transactions requiring the approval of the
25 governor, the attorney general, the Indiana department of
26 administration, and the budget agency. However, each individual
27 contract involving the purchase or sale of real property is subject
28 to review and approval by the attorney general at the specific
29 request of the attorney general.

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

33 (1) Each beneficiary of the trust.

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

35 SECTION 18. IC 5-36 IS ADDED TO THE INDIANA CODE AS
36 A NEW ARTICLE TO READ AS FOLLOWS [EFFECTIVE JULY 1,
37 2026]:

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

40 **Chapter 1. Definitions**

41 **Sec. 1. The definitions in this chapter apply throughout this**
42 **article.**

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- 1 **Sec. 2. "Blockchain" means data that is:**
- 2 (1) shared across a network to create a ledger of verified
- 3 transactions or information among network participants;
- 4 and
- 5 (2) linked using cryptography to maintain the integrity of the
- 6 ledger and to execute other functions;
- 7 including data that is distributed among network participants in an
- 8 automated manner to concurrently update network participants on
- 9 the state of the ledger and any other functions.
- 10 **Sec. 3. "Blockchain protocol" means executable software that:**
- 11 (1) is governed by a set of predefined rules that:
- 12 (A) execute autonomously without human intervention;
- 13 and
- 14 (B) can be altered by a predetermined process;
- 15 including predefined rules that use a previously existing
- 16 blockchain as a base;
- 17 (2) facilitates transfer of data and electronic records and
- 18 allows the data and electronic records to be broadcast to
- 19 nodes; and
- 20 (3) is deployed to a blockchain;
- 21 including a smart contract or network of smart contracts.
- 22 **Sec. 4. "Digital asset" means:**
- 23 (1) virtual currency;
- 24 (2) cryptocurrency (as defined in IC 2-3.5-2-2.8);
- 25 (3) payment stablecoin (as defined in 12 U.S.C. 5901(22));
- 26 (4) fungible tokens and nonfungible tokens; and
- 27 (5) other assets that:
- 28 (A) exist only in electronic form; and
- 29 (B) confer economic, proprietary, or access rights or
- 30 powers.
- 31 **Sec. 5. "Digital asset mining" means using computing devices**
- 32 **to run software that is specifically designed or utilized for the**
- 33 **purpose of validating data and securing a blockchain network.**
- 34 **Sec. 6. "Digital asset mining business" means multiple**
- 35 **computing devices at a single location that:**
- 36 (1) are used to perform digital asset mining; and
- 37 (2) consume, in total, an annual average of more than one (1)
- 38 megawatt of energy in performing digital asset mining.
- 39 **Sec. 7. "Hardware wallet" means:**
- 40 (1) a physical device that:
- 41 (A) is not continuously connected to the Internet; and
- 42 (B) allows an individual to secure and transfer digital

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1 assets; or
 2 (2) a physical device that enables the owner of digital assets
 3 to retain independent control over the digital assets.
 4 Sec. 8. "Node" means software:
 5 (1) that:
 6 (A) communicates with other devices or participants on
 7 a blockchain to maintain consensus and integrity of the
 8 blockchain;
 9 (B) creates and validates blocks of transactions;
 10 (C) contains and updates a copy of a blockchain; or
 11 (D) performs any combination of the functions described
 12 in clauses (A) through (D); and
 13 (2) that does not exercise discretion over transactions
 14 initiated by the end user of a blockchain protocol.
 15 Sec. 9. "Private digital asset mining" means digital asset
 16 mining:
 17 (1) that is conducted by an individual; and
 18 (2) the individual's conduct of which does not consume an
 19 annual average of more than one (1) megawatt of energy.
 20 Sec. 10. "Public agency" means a board, commission,
 21 department, division, bureau, committee, agency, office,
 22 instrumentality, authority, or other entity exercising any part of
 23 the executive, including the administrative, power of the state.
 24 Sec. 11. "Self-hosted wallet" means a digital interface used to:
 25 (1) secure and transfer digital assets; and
 26 (2) retain independent control over the digital assets by the
 27 owner of the digital assets.
 28 Sec. 12. "Smart contract" means a computer program that:
 29 (1) is hosted and executed on a blockchain network; and
 30 (2) consists of code specifying predetermined conditions that,
 31 when met, trigger predetermined outcomes.
 32 Sec. 13. "Stake" or "staking" means committing digital assets
 33 to a blockchain network to participate in the blockchain network's
 34 operations by validating transactions, proposing or attesting to
 35 blocks, and securing the blockchain network.
 36 Sec. 14. "Validate" means performance of a process by which
 37 a blockchain protocol, through its consensus mechanism, confirms
 38 the authenticity and accuracy of transactions or other data entries
 39 that are then recorded on a blockchain protocol.
 40 Chapter 2. Regulation of Digital Assets
 41 Sec. 1. (a) No public agency other than the department of
 42 financial institutions may adopt or enforce a rule or other

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

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

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

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

32 SECTION 19. IC 10-12-1-1.6 IS ADDED TO THE INDIANA
 33 CODE AS A NEW SECTION TO READ AS FOLLOWS
 34 [EFFECTIVE JULY 1, 2026]: **Sec. 1.6. "Cryptocurrency" has the**
 35 **meaning set forth in IC 2-3.5-2-2.8.**

36 SECTION 20. IC 10-12-1-4.2 IS ADDED TO THE INDIANA
 37 CODE AS A NEW SECTION TO READ AS FOLLOWS
 38 [EFFECTIVE JULY 1, 2026]: **Sec. 4.2. "Exchange traded fund" has**
 39 **the meaning set forth in 17 CFR 270.6c-11(a)(1).**

40 SECTION 21. IC 10-12-1-6.5 IS ADDED TO THE INDIANA
 41 CODE AS A NEW SECTION TO READ AS FOLLOWS
 42 [EFFECTIVE JULY 1, 2026]: **Sec. 6.5. "Payment stablecoin" has the**

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1 **meaning set forth in 12 U.S.C. 5901(22).**
2 SECTION 22. IC 10-12-2-2 IS AMENDED TO READ AS
3 FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 2. (a) The department
4 may:
5 (1) establish and operate an actuarially sound pension plan
6 governed by a pension trust; and
7 (2) make the necessary annual contribution in order to prevent
8 any deterioration in the actuarial status of the trust fund.
9 (b) The department shall make contributions to the trust fund. An
10 employee beneficiary shall make contributions to the trust fund through
11 authorized monthly deductions from wages.
12 (c) The trust fund:
13 (1) may not be commingled with any other funds; and
14 (2) shall be invested only in accordance with state laws for the
15 investment of trust funds, together with other investments as are
16 specifically designated in the pension trust.
17 Subject to the terms of the pension trust, the trustee, with the approval
18 of the department and the pension advisory board, may establish
19 investment guidelines and limits on all types of investments, including
20 stocks and bonds, and take other action necessary to fulfill its duty as
21 a fiduciary for the trust fund.
22 (d) The trustee shall invest the trust fund assets with the same care,
23 skill, prudence, and diligence that a prudent person acting in a like
24 capacity and familiar with these matters would use in the conduct of an
25 enterprise of a similar character with similar aims.
26 (e) The trustee shall diversify the trust fund's investments in
27 accordance with prudent investment standards. The investment of the
28 trust fund is subject to section 3 of this chapter.
29 (f) The trustee shall receive and hold as trustee for the uses and
30 purposes set forth in the pension trust the funds paid by the department,
31 the employee beneficiaries, or any other person or persons.
32 (g) The trustee shall engage pension consultants to supervise and
33 assist in the technical operation of the pension plan so that there is no
34 deterioration in the actuarial status of the plan.
35 (h) Before October 1 of each year, the trustee, with the aid of the
36 pension consultants, shall prepare and file a report with the department
37 and the state board of accounts. The report must include the following
38 with respect to the fiscal year ending on the preceding June 30:
39 SCHEDULE I. Receipts and disbursements.
40 SCHEDULE II. Assets of the pension trust, listing investments
41 as to book value and current market value at the end of the fiscal
42 year.

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1 SCHEDULE III. List of terminations, showing cause and amount
2 of refund.

3 SCHEDULE IV. The application of actuarially computed
4 "reserve factors" to the payroll data, properly classified for the
5 purpose of computing the reserve liability of the trust fund as of
6 the end of the fiscal year.

7 SCHEDULE V. The application of actuarially computed "current
8 liability factors" to the payroll data, properly classified for the
9 purpose of computing the liability of the trust fund for the end of
10 the fiscal year.

11 SCHEDULE VI. An actuarial computation of the pension
12 liability for all employees retired before the close of the fiscal
13 year.

14 (i) The minimum annual contribution by the department must be
15 of sufficient amount, as determined by the pension consultants, to
16 prevent any deterioration in the actuarial status of the pension plan
17 during that year. If the department fails to make the minimum
18 contribution for five (5) successive years, the pension trust terminates
19 and the trust fund shall be liquidated.

20 (j) Except as provided by applicable federal law, in the event of
21 liquidation, the department shall take the following actions:

22 (1) All expenses of the pension trust must be paid.

23 (2) Adequate provision must be made for continuing pension
24 payments to retired persons.

25 (3) Each employee beneficiary must receive the net amount paid
26 into the trust fund from the employee beneficiary's wages.

27 (4) Any amount remaining in the pension trust after the
28 department makes the payments described in subdivisions (1)
29 through (3) must be equitably divided among the employee
30 beneficiaries in proportion to the net amount paid from each
31 employee beneficiary's wages into the trust fund.

32 **(k) The trustee may invest the trust fund assets in**
33 **cryptocurrency exchange traded funds that do not include payment**
34 **stablecoin as a permissible asset.**

35 SECTION 23. IC 10-12-2-7 IS AMENDED TO READ AS
36 FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 7. (a) The:

37 (1) mortality reserve account referred to in section 4 of this
38 chapter;

39 (2) disability reserve account referred to in section 5 of this
40 chapter; and

41 (3) dependent pension reserve account referred to in section 6 of
42 this chapter;

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1 may be commingled and operated as one (1) fund, known as the police
2 benefit fund, under the terms of a supplementary trust agreement
3 between the department and the trustee for the exclusive benefit of
4 employee beneficiaries and their dependents.

5 (b) The trustee shall receive and hold as trustee for the uses and
6 purposes set out in the supplementary trust agreement all funds paid to
7 it as the trustee by the department or by any other person or persons.

8 (c) The trustee shall hold, invest, and reinvest the police benefit
9 fund in:

10 (1) investments that trust funds are permitted to invest in under
11 Indiana law; and

12 (2) other investments as may be specifically designated in the
13 supplementary trust agreement.

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

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

22 **(f) The trustee may invest the police benefit fund assets in
23 cryptocurrency exchange traded funds that do not include payment
24 stablecoin as a permissible asset.**

25 SECTION 24. IC 28-8-4.1-201, AS ADDED BY P.L.198-2023,
26 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
27 JULY 1, 2026]: Sec. 201. The following definitions apply throughout
28 this chapter:

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

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

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

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

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

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

42 (4) "Bank Secrecy Act" means:

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- 1 (A) the Bank Secrecy Act (31 U.S.C. 5311 et seq.); and
- 2 (B) regulations adopted under the Bank Secrecy Act (31
- 3 U.S.C. 5311 et seq.).
- 4 (5) "Closed loop stored value" means stored value that is
- 5 redeemable by the issuer only for goods or services provided by
- 6 the issuer or the issuer's affiliate or by franchisees of the issuer
- 7 or the issuer's affiliate, except to the extent required by
- 8 applicable law to be redeemable in cash for its cash value.
- 9 (6) "Control" means any of the following:
- 10 (A) The power to vote, directly or indirectly, at least
- 11 twenty-five percent (25%) of the outstanding voting shares
- 12 or voting interests of a licensee or of a person in control of
- 13 a licensee.
- 14 (B) The power to elect or appoint a majority of key
- 15 individuals or executive officers, managers, directors,
- 16 trustees, or other persons exercising managerial authority of
- 17 a person in control of a licensee.
- 18 (C) The power to exercise, directly or indirectly, a
- 19 controlling influence over the management or policies of a
- 20 licensee or of a person in control of a licensee. For purposes
- 21 of this clause, a person is presumed to exercise a controlling
- 22 influence if the person holds the power to vote, directly or
- 23 indirectly, at least ten percent (10%) of the outstanding
- 24 voting shares or voting interests of a licensee or of a person
- 25 in control of a licensee. However, a person presumed to
- 26 exercise a controlling influence under this clause may rebut
- 27 the presumption of control if the person is a passive
- 28 investor.
- 29 For purposes of this subdivision, the percentage of a person
- 30 controlled by any other person is determined by aggregating the
- 31 other person's interest with the interest of any other immediate
- 32 family member of that person, including the person's spouse,
- 33 parents, children, siblings, mothers-in-law and fathers-in-law,
- 34 sons-in-law and daughters-in-law, and any other person who
- 35 shares the person's home.
- 36 (7) "Department" refers to the members of the department of
- 37 financial institutions.
- 38 (8) "Director" refers to the director of the department appointed
- 39 under IC 28-11-2-1.
- 40 (9) "Eligible rating" means a credit rating of any of the three (3)
- 41 highest rating categories provided by an eligible rating service,
- 42 including any rating category modifiers, such as "plus" or

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

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- 1 physical address location, as applicable.
- 2 (ii) Any records associated with the person that the
- 3 provider of money transmission may have that indicate
- 4 the person's location, including an address associated
- 5 with an account.
- 6 (13) "Individual" means a natural person.
- 7 (14) "Key individual" means an individual ultimately responsible
- 8 for establishing or directing policies and procedures of a
- 9 licensee, such as an executive officer, manager, director, or
- 10 trustee.
- 11 (15) "Licensee" means a person licensed under this chapter.
- 12 (16) "Material litigation" means litigation that, according to
- 13 United States generally accepted accounting principles, is
- 14 significant to a person's financial health and would be required
- 15 to be disclosed in the person's annual audited financial
- 16 statements, report to shareholders, or similar records.
- 17 (17) "Money" means a medium of exchange that is issued by the
- 18 United States government or by a foreign government. The term
- 19 includes a monetary unit of account established by an
- 20 intergovernmental organization or by agreement between two (2)
- 21 or more governments.
- 22 (18) "Monetary value" means a medium of exchange, whether or
- 23 not redeemable in money.
- 24 (19) "Money transmission" means any of the following:
- 25 (A) Selling or issuing payment instruments to a person
- 26 located in Indiana.
- 27 (B) Selling or issuing stored value to a person located in
- 28 Indiana.
- 29 (C) Receiving money for transmission from a person
- 30 located in Indiana.
- 31 The term does not include the provision of solely online or
- 32 telecommunications services or network access. **The term does**
- 33 **not include development or use of software for noncustodial**
- 34 **transfer of digital assets (as defined by IC 5-36-1-4).**
- 35 (20) "MSB accredited state" means a state agency that is
- 36 accredited by the Conference of State Bank Supervisors and
- 37 Money Transmitter Regulators Association for money
- 38 transmission licensing and supervision.
- 39 (21) "Multistate licensing process" means an agreement entered
- 40 into by and among state regulators related to:
- 41 (A) coordinated processing of applications for money
- 42 transmission licenses;

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

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1 (B) is not employed by and does not have any managerial
 2 duties with respect to the licensee or a person in control of
 3 the licensee;
 4 (C) does not have the power to exercise, directly or
 5 indirectly, a controlling influence over the management or
 6 policies of the licensee or a person in control of the
 7 licensee; and
 8 (D) either:
 9 (i) attests to as facts the characteristics of passivity set
 10 forth in clauses (A) through (C), in a form and by a
 11 medium prescribed by the director; or
 12 (ii) commits to the characteristics of passivity set forth
 13 in clauses (A) through (C) in a written document.

14 (25) "Payment instrument" means a written or electronic check,
 15 draft, money order, traveler's check, or other written or electronic
 16 instrument for the transmission or payment of money or
 17 monetary value, whether or not negotiable. The term does not
 18 include:
 19 (A) stored value; or
 20 (B) any instrument that:
 21 (i) is redeemable by the issuer only for goods or
 22 services provided by the issuer or its affiliate, or
 23 franchisees of the issuer or its affiliate, except to the
 24 extent required by applicable law to be redeemable in
 25 cash for its cash value; or
 26 (ii) is not sold to the public but is issued and
 27 distributed as part of a loyalty, rewards, or promotional
 28 program.

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

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

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

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- 1 (A) a payment instrument;
- 2 (B) closed loop stored value; or
- 3 (C) stored value not sold to the public but issued and
- 4 distributed as part of a loyalty, rewards, or promotional
- 5 program.

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

10 SECTION 25. IC 33-38-6-2.3 IS ADDED TO THE INDIANA
 11 CODE AS A NEW SECTION TO READ AS FOLLOWS
 12 [EFFECTIVE JULY 1, 2026]: **Sec. 2.3. As used in this chapter,**
 13 **"cryptocurrency" has the meaning set forth in IC 2-3.5-2-2.8.**

14 SECTION 26. IC 33-38-6-3.2 IS ADDED TO THE INDIANA
 15 CODE AS A NEW SECTION TO READ AS FOLLOWS
 16 [EFFECTIVE JULY 1, 2026]: **Sec. 3.2. As used in this chapter,**
 17 **"exchange traded fund" has the meaning set forth in 17 CFR**
 18 **270.6c-11(a)(1).**

19 SECTION 27. IC 33-38-6-9.1 IS ADDED TO THE INDIANA
 20 CODE AS A NEW SECTION TO READ AS FOLLOWS
 21 [EFFECTIVE JULY 1, 2026]: **Sec. 9.1. As used in this chapter,**
 22 **"payment stablecoin" has the meaning set forth in 12 U.S.C.**
 23 **5901(22).**

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

- 31 (b) The board shall do the following:
 - 32 (1) Determine eligibility for and make payments of benefits
 - 33 under IC 33-38-7 and IC 33-38-8.
 - 34 (2) In accordance with the powers and duties granted it in
 - 35 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 and
 - 38 IC 33-38-7 and IC 33-38-8.
 - 39 (4) Authorize deposits.
- 40 (c) A determination by the board may be appealed under the
- 41 procedures in IC 4-21.5.
- 42 (d) The powers and duties of:

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

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

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

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

13 SECTION 29. IC 33-39-7-3.2 IS ADDED TO THE INDIANA
 14 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
 15 [EFFECTIVE JULY 1, 2026]: **Sec. 3.2. As used in this chapter,**
 16 **"cryptocurrency" has the meaning set forth in IC 2-3.5-2-2.8.**

17 SECTION 30. IC 33-39-7-3.8 IS ADDED TO THE INDIANA
 18 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
 19 [EFFECTIVE JULY 1, 2026]: **Sec. 3.8. As used in this chapter,**
 20 **"exchange traded fund" has the meaning set forth in 17 CFR**
 21 **270.6c-11(a)(1).**

22 SECTION 31. IC 33-39-7-6.1 IS ADDED TO THE INDIANA
 23 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
 24 [EFFECTIVE JULY 1, 2026]: **Sec. 6.1. As used in this chapter,**
 25 **"payment stablecoin" has the meaning set forth in 12 U.S.C.**
 26 **5901(22).**

27 SECTION 32. IC 33-39-7-11, AS AMENDED BY P.L.35-2012,
 28 SECTION 105, IS AMENDED TO READ AS FOLLOWS
 29 [EFFECTIVE JULY 1, 2026]: Sec. 11. (a) The board shall administer
 30 the fund, which may be commingled with any public pension and
 31 retirement fund administered by the Indiana public retirement system
 32 for investment purposes.

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

41 (c) A determination by the board may be appealed under
 42 IC 4-21.5.

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1 (d) The powers and duties of:

2 (1) the director and the actuary of the board; and

3 (2) the attorney general;

4 with respect to the fund are those specified in IC 5-10.3-3, IC 5-10.3-4,
5 IC 5-10.5-4, and IC 5-10.5-6.

6 (e) The board may hire additional personnel, including hearing
7 officers, to assist in the implementation of this chapter.

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

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

14 SECTION 33. IC 34-46-7 IS ADDED TO THE INDIANA CODE
15 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
16 JULY 1, 2026]:

17 **Chapter 7. Privileged Financial Information**

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

19 (1) virtual currency;

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

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

22 (4) fungible tokens and nonfungible tokens; and

23 (5) other assets that:

24 (A) exist only in electronic form; and

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

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

29 (1) prove ownership of; and

30 (2) access;

31 **digital assets.**

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

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

38 **Chapter 7. Privileged Financial Information**

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

40 (1) virtual currency;

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

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



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

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

- 8 (1) prove ownership of; and
- 9 (2) access;
- 10 **a digital asset.**

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

14 SECTION 35. IC 36-1-3-15 IS ADDED TO THE INDIANA
 15 CODE AS A NEW SECTION TO READ AS FOLLOWS
 16 [EFFECTIVE JULY 1, 2026]: **Sec. 15. (a) The definitions in**
 17 **IC 5-36-1 apply throughout this section.**

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

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

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

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

30 **that are not applicable to comparable financial transactions that**
 31 **do not involve digital assets.**

32 SECTION 36. IC 36-1-30.5 IS ADDED TO THE INDIANA
 33 CODE AS A NEW CHAPTER TO READ AS FOLLOWS
 34 [EFFECTIVE JULY 1, 2026]:

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

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

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

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

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- 1 **blockchain protocol and participating in the operation of the**
- 2 **blockchain protocol.**
- 3 **(2) Develop software on a blockchain protocol.**
- 4 **(3) Transfer digital assets to another individual or business**
- 5 **using a blockchain protocol.**
- 6 **(4) Participate in staking on a blockchain protocol.**

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

- 9 **(1) that prohibits a digital asset mining business that**
- 10 **otherwise meets the requirements for operation in an area**
- 11 **zoned for industrial use from operating in an area zoned for**
- 12 **industrial use; or**
- 13 **(2) that:**
 - 14 **(A) limits the level of noise generated by a digital asset**
 - 15 **mining business that is located in an area zoned for**
 - 16 **industrial use; and**
 - 17 **(B) is not applicable to other businesses operating in an**
 - 18 **area zoned for industrial use.**

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

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

29 SECTION 37. IC 36-8-8-1.3 IS ADDED TO THE INDIANA
 30 CODE AS A NEW SECTION TO READ AS FOLLOWS
 31 [EFFECTIVE JULY 1, 2026]: **Sec. 1.3. As used in this chapter,**
 32 **"cryptocurrency" has the meaning set forth in IC 2-3.5-2-2.8.**

33 SECTION 38. IC 36-8-8-1.6 IS ADDED TO THE INDIANA
 34 CODE AS A NEW SECTION TO READ AS FOLLOWS
 35 [EFFECTIVE JULY 1, 2026]: **Sec. 1.6. As used in this chapter,**
 36 **"exchange traded fund" has the meaning set forth in 17 CFR**
 37 **270.6c-11(a)(1).**

38 SECTION 39. IC 36-8-8-2.4 IS ADDED TO THE INDIANA
 39 CODE AS A NEW SECTION TO READ AS FOLLOWS
 40 [EFFECTIVE JULY 1, 2026]: **Sec. 2.4. As used in this chapter,**
 41 **"payment stablecoin" has the meaning set forth in 12 U.S.C.**
 42 **5901(22).**

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1 SECTION 40. IC 36-8-8-5, AS AMENDED BY P.L.85-2022,
2 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2026]: Sec. 5. (a) The system board shall:

- 4 (1) determine eligibility for and make payments of benefits,
5 except as provided in section 12 of this chapter;
- 6 (2) in accordance with the powers and duties granted it in
7 IC 5-10.3-5-3 through IC 5-10.3-5-6, IC 5-10.5-4, and
8 IC 5-10.5-5, administer the 1977 fund;
- 9 (3) provide by rule for the implementation of this chapter; and
- 10 (4) authorize deposits.

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

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

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

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

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

- 25 (1) transfer the member into the 1977 fund; and
- 26 (2) contribute the amount that the system board determines is
27 necessary to fund fully the member's service credit in the 1977
28 fund for all service earned as a police officer or firefighter in
29 PERF.

30 **(g) The system board may invest the assets of the 1977 fund in**
31 **cryptocurrency exchange traded funds that do not include payment**
32 **stablecoin as a permissible asset.**

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