

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS
FISCAL IMPACT STATEMENT**

LS 6496

BILL NUMBER: HB 1099

NOTE PREPARED: Feb 2, 2026

BILL AMENDED: Jan 29, 2026

SUBJECT: Foreign Adversaries.

FIRST AUTHOR: Rep. Commons

FIRST SPONSOR: Sen. Baldwin

BILL STATUS: As Passed House

FUNDS AFFECTED: X GENERAL
X DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: *Contracting-* This bill provides that, if a contractor or a subcontractor working under the contractor for the provision of a technological product or service is a prohibited person, a qualified entity may enter into the contract if the contractor affirms the contractor and its subcontractors are not acting as agents of a foreign adversary.

State Educational Institutions- It requires a state educational institution to meet certain requirements regarding the admission and enrollment of a foreign student into qualifying programs at state educational institutions. The bill also requires an approved postsecondary educational institution to provide to the commission for higher education the number of foreign students currently enrolled in a qualifying program and the number of foreign students enrolled in a qualifying program for each academic year for the preceding 10 years.

Prohibition on Property Acquisition- It also prohibits certain individuals and business entities from acquiring real property located in Indiana. The bill also repeals existing statutes regarding foreign ownership of agricultural land.

Effective Date: Upon passage; July 1, 2026.

Explanation of State Expenditures: *Summary -* This bill could impact state contracting expenses; however any impact is expected to be small. The bill is also expected to increase workload, and could increase expenditures, for SEIs to conduct foreign influence and research security reviews, though the extent of the impact will vary by SEI. The bill could also impact the workload of the Attorney General. and the Commission for Higher Education, but increases in workload are expected to be minimal and within current funding and resource levels.

Additional Information - Contracting Expenditures: The bill expands certain contracting prohibitions related to critical infrastructure that were made in SEA 477 - 2023. To the extent this bill impacts the number of bids and/or bid amounts received by state agencies during the request for proposal process, state expenditures could be impacted. The bill's actual impact on state contracting expenditures is indeterminable but expected

to be minimal. Both the Indiana Department of Administration and the Indiana Office of Technology report the provisions of the bill are expected to have a minimal impact on state procurement.

Commission for Higher Education: The bill grants the Commissioner of the CHE the ability to designate additional programs of study as qualifying programs that certain foreign students are prohibited from enrolling in and requires CHE notify the board of trustees of each SEI of these changes. It also requires CHE to receive certain information on foreign students from approved postsecondary educational institutions by November 1, 2026. These changes are expected to be implemented with existing staff and resources.

State Educational Institutions: The bill will increase workload and could increase expenditures for SEIs to conduct foreign influence and research security reviews and enforce policies prohibiting certain foreign students from enrolling in qualifying programs as prescribed in the bill. It also requires SEIs to submit certain information to CHE by November 1, 2026.

The number of foreign students enrolled in qualifying programs, and consequently, any impact on workload or expenditures vary by SEI. If any additional funds and resources are required, they could be supplied through existing staff and resources currently being used in another program or with new appropriations. [SEIs receive state funding through General Fund appropriations.]

Attorney General: The bill prohibits state and local units of government from contracting with foreign adversaries for technology products or services. The bill is silent as to penalties or which state agency is authorized to receive and investigate complaints violation of these prohibitions. It is assumed that any violation would be investigated by the Attorney General.

The bill also specifies that the Attorney General shall enforce prohibitions of real estate sale to foreign adversaries. Increases in workload and potential expenditures could be offset with amounts collected from receivership proceedings.

Explanation of State Revenues: *Property Ownership:* The bill expands the prohibition on the sale of property to foreign entities included in both SEA 477 - 2023 and SEA 388 - 2022. If a property is found to be held in violation of the bill, the property would be sold through a receivership proceeding. The bill also specifies the manner in which the sale proceeds are to be split, with first priority given to sale costs, then lienholders, then a 25% of the market value to the General Fund as a civil penalty, and lastly any remaining amounts to the General Fund. Any increase in General Fund revenue from receivership sales is expected to be minimal.

State Educational Institutions: The bill prohibits SEI's from admitting certain foreign students into qualifying programs until the SEI has completed a foreign influence and research security review as prescribed in the bill. This could result in tuition losses to SEIs to the extent (1) overall enrollment drops and/or (2) students who would have paid out-of-state tuition are replaced by students who will pay in-state tuition. Potential tuition losses could be minimized by adjusting tuition rates in response to enrollment changes. Any net impact on state higher education institution revenue would ultimately depend on the decision of each SEI.

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SEI.

Civil Court Fee Revenue: The bill could increase the number of civil proceedings filed by the Attorney General. If additional civil cases occur and court fees are collected, revenue to the state General Fund will increase. The total revenue per case would range between \$100 and \$122. The amount deposited will vary depending on whether the case is filed in a court of record or a municipal court. The following linked document describes the fees and distribution of the revenue: [Court fees imposed in civil, probate, and small claims cases.](#)

Explanation of Local Expenditures: This bill could impact local expenditures as well as contracting costs to the extent certain vendors are excluded from being able to transact business with political subdivisions under the prohibitions in the bill. Any impact would depend on the costs of goods and services submitted by excluded vendors compared to the costs of goods and services selected by local units of government.

Explanation of Local Revenues: If additional cases occur, revenue will be collected by certain local units. If the case is filed in a court of record, the county will receive \$32 and qualifying municipalities will receive a share of \$3. If the case is filed in a municipal court, the county receives \$20, and the municipality will receive \$37. The following linked document describes the fees and distribution of the revenue: [Court fees imposed in civil, probate, and small claims cases.](#)

State Agencies Affected: All.

Local Agencies Affected: All.

Information Sources: Indiana Supreme Court, Indiana Trial Court Fee Manual; Graig Lubsen, IOT; Molly Timperman, IDOA.

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