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HOUSE BILL No. 1099

Proposed Changes to introduced printing by AM109901

DIGEST OF PROPOSED AMENDMENT

Various changes. 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. Amends provisions regarding the admission and enrollment of a foreign student into qualifying programs at state educational institutions. Amends the provisions regarding a prohibited person entering into a lease agreement for real property or a mineral right or water or riparian right. Amends the process for requiring a prohibited person to divest an interest in real property owned by the prohibited person before July 1, 2026.

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 1-1-15.3 IS ADDED TO THE INDIANA CODE
2 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2026]:

4 **Chapter 15.3. Prohibition on Technology Contracts with
5 Certain Foreign Owned Companies**

6 Sec. ~~1.~~ 1. As used in this chapter, "agent of a foreign
7 adversary" means a person:

8 (1) who either:
9 (A) is an agent, representative, employee, or servant; or
10 (B) acts in any capacity at the order, request, or under
11 the direction or control;
12 of the government of a foreign adversary; and
13 (2) whose activities are directly or indirectly financed in
14 whole or in part by the government of a foreign adversary.

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1 **Sec. 2].** As used in this chapter, "business entity" means:

2 (1) a corporation, professional corporation, nonprofit
3 corporation, limited liability company, partnership, or
4 limited partnership; or

5 (2) the equivalent of any entity described in subdivision (1).

6 **Sec. ~~2~~[3].** As used in this chapter, "controlling person"

7 means:

8 (1) a beneficial owner (as defined in IC 23-1-20-3.5) of at
9 least fifty-one percent (51%) of the shares of a business
10 entity;

11 (2) an officer, director, or other individual who possesses
12 inside information about a business entity because of the
13 officer, director, or other individual's relationship with the
14 business entity; or

15 (3) a person, individually or as a member of a group, who has
16 the ability to directly or indirectly affect a business entity's
17 management or policies.

18 **Sec. ~~2~~[4].** As used in this chapter, "foreign adversary"

19 includes the following:

20 (1) The People's Republic of China.

21 (2) Iran.

22 (3) North Korea.

23 (4) Russia.

24 (5) A foreign government listed in 15 CFR 791.4.

25 (6) A country designated as a threat to critical infrastructure
26 by the governor under IC 1-1-16-8.

27 **Sec. ~~2~~[5].** (a) As used in this chapter, "prohibited person"

28 includes the following:

29 (1) A business entity organized under the laws of a foreign
30 adversary.

31 (2) A business entity headquartered in a foreign adversary.

32 (3) A business entity with a controlling person that is one (1)
33 of the following:

34 (A) An individual who is a citizen of a foreign adversary.

35 (B) An individual who is domiciled in a foreign
36 adversary.

37 (C) A business entity or other entity, including a
38 governmental entity, that is owned or controlled by an
39 individual who is a citizen of or domiciled in a foreign
40 adversary, or is directly controlled by the government of
41 a foreign adversary.

42 The term, as used in subdivision (3)(A) and (3)(B), does not include



1 an individual who holds dual citizenship with a foreign adversary
 2 (as defined in 15 CFR 791.4) and the United States, an individual
 3 who is a citizen or lawful permanent resident of the United States,
 4 or an individual who has been granted asylum in the United States.

5 (b) The term includes an agent, trustee, or fiduciary acting on
 6 behalf of a prohibited person.

7 Sec. ~~6~~⁷. As used in this chapter, "qualified entity" means
 8 any of the following:

- 9 (1) The state.
- 10 (2) A state agency (as defined in IC 1-1-15-3).
- 11 (3) A political subdivision (as defined in IC 36-1-2-13).

12 Sec. ~~6~~⁷. (a) As used in this chapter, "technological product
 13 or service" means a product or service used for information
 14 systems, surveillance, light detection and ranging, or artificial
 15 intelligence.

16 (b) The term does not include an unmanned aerial system.

17 Sec. ~~6~~⁷. (a) ~~After~~^[This section applies to]:

- 18 (1) ~~June 30, 2026~~^{[a new contract entered into} ~~and~~
~~(2)~~^[after] June 30, ~~2027~~^{[2026; and}
- 19 (2) ~~an existing contract amended or renewed~~^{[after June 30,}
~~2027]~~^{];}

20 by a qualified entity for the provision of a technological product or
 21 service~~]~~.

22 (b) A contract to which this section applies must contain~~[:~~

- 23 (1) ~~a provision requiring the contractor to confirm under~~^[the] ~~penalties of perjury that the contractor and any~~
~~subcontractors working under the contract~~^[or] ~~for the~~
~~contract~~^{or} ~~are not prohibited persons~~^[: or]
- 24 (2) if the contractor or a subcontractor working under the
~~contractor for the contract is a prohibited person, a~~
~~provision requiring the contractor to confirm that the~~
~~contractor and any subcontractors working on the contract~~
~~are not acting as agents of a foreign adversary~~^{].}

25 (b) A breach of the provision under ~~this~~
 26 ~~section~~^[subsection (b)] may be regarded as a material breach of
 27 the contract.

28 SECTION 2. IC 21-49-7 IS ADDED TO THE INDIANA CODE
 29 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
 30 UPON PASSAGE]:

31 Chapter 7. ~~Prohibition on Admitting or~~
 32 ~~Enrolling~~^[Admission and Enrollment of] Certain Foreign
 33 Students in Qualifying Programs



1 Sec. ~~1~~ [1. This chapter does not apply to a foreign student
 2 who is admitted to or enrolled in a qualifying program at a state
 3 educational institution as of August 14, 2026.]

4 Sec. 2. As used in this chapter, "agent of a foreign adversary"
 5 means a person:

6 (1) who either:

7 (A) is an agent, representative, employee, or servant; or
 8 (B) acts in any capacity at the order, request, or under
 9 the direction or control;

10 of the government of a foreign adversary; and

11 (2) whose activities are directly or indirectly financed in
 12 whole or in part by the government of a foreign adversary.

13 Sec. 3]. As used in this chapter, "foreign adversary" includes
 14 the following:

15 (1) The People's Republic of China.

16 (2) Iran.

17 (3) North Korea.

18 (4) Russia.

19 (5) A foreign government listed in 15 CFR 791.4.

20 (6) A country designated as a threat to critical infrastructure
 21 by the governor under IC 1-1-16-8.

22 Sec. ~~2~~ [4]. As used in this chapter, "foreign student" means
 23 an individual who is:

24 (1) a citizen of a foreign adversary; and

25 (2) not a United States citizen or an alien who is admitted
 26 into the United States for lawful, permanent residence or has
 27 been granted asylum in the United States.

28 Sec. ~~2~~ [5]. As used in this chapter, "qualifying program"
 29 refers to one (1) of the following fields of study at the
 30 undergraduate, graduate, doctoral, or postdoctoral level:

31 (1) Chemical engineering.

32 (2) Electrical engineering.

33 (3) Industrial engineering.

34 (4) Mechanical engineering.

35 (5) Artificial intelligence.

36 (6) Computer science.

37 (7) Microbiology.

38 (8) Virology.

39 (9) A field of study designated by the commissioner for
 40 higher education under section ~~2~~ [10] of this chapter.

41 Sec. ~~2~~ [6]. As used in this chapter, "state educational
 42 institution" has the definition set forth in IC 21-7-13-32. 1



1 ~~<Sec. 5. (a) This section does not apply to a foreign student who~~
 2 ~~is admitted to or enrolled in a qualifying program at a state educational~~
 3 ~~institution as of August 14, 2026.~~

4 ~~(b)~~**[Sec. 7. (a)]** Beginning August 15, 2026, a state educational
 5 institution may not admit ~~or enroll~~**a foreign student in****[to]** a
 6 qualifying program ~~offered by~~**[until the state educational**
 7 **institution has completed a foreign influence and research security**
 8 **review for the foreign student.**

9 **(b) A foreign influence and research security review required**
 10 **under subsection (a) must include, at a minimum, a review of the**
 11 **following information concerning the foreign student:**

12 **(1) All current and past affiliations, paid or unpaid, including**
 13 **academic, research, government, and commercial**
 14 **affiliations.**

15 **(2) All outside support related to the foreign student's**
 16 **education, training, or research activities, including foreign**
 17 **funding sources such as tuition aid, travel aid,**
 18 **complimentary travel, scholarships, or stipends.**

19 **(3) Any agreements, including intellectual property**
 20 **agreements, employment agreements, consulting agreements,**
 21 **or other obligations that relate to the foreign student's**
 22 **research, education, or training.**

23 **(4) Any planned external collaboration, supervision, or**
 24 **research reporting relationship or requirement with a**
 25 **person outside of****[]** the state educational institution.

26 **(5) Whether the foreign student or the foreign student's**
 27 **parent, sibling, spouse, grandparent, aunt, or uncle,**
 28 **including those related by blood or marriage, are any of the**
 29 **following:**

30 **(A) An employee of the government of a foreign**
 31 **adversary.**

32 **(B) A member of a political party of a foreign adversary.**

33 **(C) A member of a united front organization or a**
 34 **similar association or organization that is sponsored or**
 35 **supported by the government of a foreign adversary and**
 36 **exists to encourage support of the government of the**
 37 **foreign adversary.**

38 **(6) Whether the foreign student was previously employed by**
 39 **the government of a foreign adversary or served in the**
 40 **military or security services for the government of a foreign**
 41 **adversary.**

42 **(7) Whether the foreign student has any ties to a malign**



1 foreign talent recruitment program or another foreign talent
 2 recruitment program sponsored by, affiliated with, or based
 3 in a foreign adversary that requires the foreign student to
 4 engage in activities that violate the foreign student's
 5 obligations to the state of Indiana, the United States, or to the
 6 state educational institution.

7 (c) If a state educational institution obtains information while
 8 conducting a foreign influence and security review on a foreign
 9 student that indicates the foreign student is an agent of a foreign
 10 adversary, the state educational institution may not enroll the
 11 foreign student.

12 (d) A state educational institution may not admit a foreign
 13 student who refuses or fails to provide the state educational
 14 institution with any information necessary to complete a foreign
 15 influence and research security review under this section.

16 Sec. 8. (a) A foreign student who is admitted into a state
 17 educational institution after a foreign influence and research
 18 security review is completed under section 7 of this chapter must
 19 sign an attestation stating that the foreign student has not accepted
 20 and will not accept any direct or indirect financial support or
 21 funding from a foreign adversary before the state educational
 22 institution may enroll the foreign student in the qualifying
 23 program.

24 (b) If a state educational institution obtains information that
 25 a foreign student has accepted direct or indirect financial support
 26 or funding from a foreign adversary, the state educational
 27 institution must immediately unenroll the foreign student.

28 Sec. 9. A foreign student who is enrolled in a qualifying
 29 program at a state educational institution must immediately
 30 disclose the following to the state educational institution:

31 (1) Any changes to the information regarding the foreign
 32 student provided in section 7(b)(5), 7(b)(6), and 7(b)(7) of
 33 this chapter.

34 (2) Any contact with an agent of a foreign adversary.

35 III. Sec. ~~46~~[10]. (a) Subject to subsection (b), the commissioner
 36 for higher education may designate a field of study as a qualifying
 37 program.

38 (b) The commissioner for higher education must provide the
 39 board of trustees of each state educational institution with notice
 40 of the designation of a field of study as a qualifying program under
 41 subsection (a) not later than ~~thirty (30) days~~[six (6) months]
 42 prior to the start of the next academic term.



— Sec. 7. Not later than July 1, 2026, and not later than every July 1 thereafter, a state educational institution shall file a copy of the information the state educational institution reported to the federal Student and Exchange Visitor Information System for the prior twelve (12) months with the commission for higher education:

1

1 SECTION 3. IC 32-22-3 IS REPEALED [EFFECTIVE JULY 1, 2026]. (Rights of a Foreign Business Entity to Hold and Convey Agricultural Land).

10 SECTION 4. IC 32-22-3.5 IS ADDED TO THE INDIANA CODE
11 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
12 JULY 1, 2026]:

Chapter 3.5. Prohibition on Ownership of Land by Certain Foreign Owned Companies and Foreign Individuals

Sec. 1. (a) As used in this chapter, "acting as an agent of a foreign adversary" means to knowingly engage in conduct at the direction of or under the control of a foreign adversary that materially advances the foreign adversary's strategic, intelligence, or military objectives.

(b) The term does not include the ownership or operation of a business entity that engages solely in ordinary commercial activities for profit and that is not subject to the direction, control, or material influence of the foreign adversary with respect to the conduct at issue.

Sec. 2. As used in this chapter, "agent of a foreign adversary"
means a person:

(1) who either:

(A) is an agent, representative, employee, or servant; or
(B) acts in any capacity at the order, request, or under
the direction or control;

of the government of a foreign adversary; and

(2) whose activities are directly or indirectly financed in whole or in part by the government of a foreign adversary.

Sec. 31. As used in this chapter, "business entity" means:

(1) a corporation, professional corporation, nonprofit corporation, limited liability company, partnership, or limited partnership; or

(2) the equivalent of any entity described in subdivision (1).

Sec. **41**. As used in this chapter, "controlling person" means:

(1) a beneficial owner (as defined in IC 23-1-20-3.5) of at

(1) a beneficial owner (as defined in TC 25-126-3.5) of at least fifty-one percent (51%) of the shares of a business

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1 entity;

2 (2) an officer, director, or other individual who possesses
3 inside information about a business entity because of the
4 officer, director, or other individual's relationship with the
5 business entity; or

6 (3) a person, individually or as a member of a group, who has
7 the ability to directly or indirectly affect a business entity's
8 management or policies.

9 Sec. ~~44~~⁴⁴[5]. As used in this chapter, "foreign adversary"
10 includes the following:

11 (1) The People's Republic of China.

12 (2) Iran.

13 (3) North Korea.

14 (4) Russia.

15 (5) A foreign government listed in 15 CFR 791.4.

16 (6) A country designated as a threat to critical infrastructure
17 by the governor under IC 1-1-16-8.

18 Sec. ~~44~~⁴⁴[6]. (a) As used in this chapter, "prohibited person"
19 includes the following:

20 (1) An individual who is a citizen of a foreign adversary.

21 (2) An individual who is domiciled in a foreign adversary.

22 (3) A business entity organized under the laws of a foreign
23 adversary.

24 (4) A business entity headquartered in a foreign adversary.

25 (5) A business entity with a controlling person that is one (1)
26 of the following:

27 (A) An individual who is a citizen of a foreign adversary.

28 (B) An individual who is domiciled in a foreign
29 adversary.

30 (C) A business entity or other entity, including a
31 governmental entity, that is owned or controlled by an
32 individual described in subdivision (1) or (2), or is
33 directly controlled by the government of a foreign
34 adversary.

35 The term, as used in subdivisions (1), (2), (5)(A), and (5)(B), does
36 not include an individual who holds dual citizenship with a foreign
37 adversary and the United States, an individual who is a citizen or
38 lawful permanent resident of the United States, or an individual
39 who has been granted asylum in the United States.

40 (b) The term includes an agent, trustee, or fiduciary acting on
41 behalf of a prohibited person.

42 Sec. ~~44~~⁴⁴[7].~~44~~⁴⁴(a) After June 30, 2026, a prohibited person

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1 may notdo any of the following:

2 (1) ~~↔~~[A]cquire by grant, purchase, devise, descent, or
 3 otherwise any real property located in Indiana~~↔~~[.]
 4 (2) ~~↔~~[A]cquire by grant, purchase, devise, descent, or
 5 otherwise any mineral right or water or riparian right on
 6 any real property located in Indiana~~, or~~[.]
 7 (3) ~~↔~~[E]nter into a[new] lease agreement as a lessee for
 8 any real property located in Indiana~~. This subdivision does~~
 9 ~~not apply to a lease agreement to which the following apply:~~
 10 (A) The real property that is the subject of the lease
 11 agreement will be used only for residential purposes.
 12 (B) The lease agreement is] for a term of [not]more
 13 than ~~twelve~~[twenty-four] (~~↔~~[24]) months.
 14 (b) A purchase, acquisition, or lease of real property or
 15 (4) Enter into a new lease agreement for any mineral right or
 16 riparian right on any real property located in Indiana.

17 Sec. 8. (a) This section applies to a prohibited person that
 18 owns] an interest in real property ~~that is~~[located] in ~~violation~~
 19 ~~of subsection (a) is subject to divestiture under section 7 of this~~
 20 ~~chapter.~~

21 Sec. 6.Indiana on July 1, 2026.

22 (b) A prohibited person that owns an interest in real property
 23 located in Indiana on July 1, 2026, ~~must divest~~[shall not act as
 24 an agent of a foreign adversary.

25 (c) The attorney general may bring an action under section 9
 26 of this chapter to require divestiture of a prohibited person's real
 27 property interest only if the attorney general establishes, by clear
 28 and convincing evidence, that] the prohibited ~~person's interest~~
 29 ~~in~~[person is acting as an agent of a foreign adversary.

30 (d) If the attorney general makes a prima facie showing under
 31 subsection (c), the burden of proof shifts to the prohibited person
 32 to demonstrate, by a preponderance of the evidence, that the
 33 ownership or control of] the real property ~~not later than June 30,~~
 34 ~~2029.~~

35 Sec. 7. does not present a risk of the prohibited person acting
 36 as an agent of a foreign adversary.

37 (e) A court may not order divestiture under section 9 of this
 38 chapter unless the court enters written findings of fact and
 39 conclusions of law establishing that the attorney general has
 40 satisfied the burden required under subsection (c) and that
 41 divestiture is permitted under this section.

42 Sec. 9. (a) Upon receipt of information that leads the attorney



1 general to believe a prohibited person has violated section ~~5~~⁶₇
 2 or ~~6~~⁵₈ of this chapter, the attorney general shall investigate the
 3 alleged violation and may issue subpoenas requiring the:

- 4 (1) appearance of witnesses;
- 5 (2) production of relevant records; and
- 6 (3) giving of relevant testimony.

7 (b) The attorney general shall enforce a violation of section ~~5~~⁶
 8 ~~5 and 6~~^{7 or 8} of this chapter by commencing a receivership
 9 proceeding under IC 32-30-5-1 and selling the real property or the
 10 interest in real property through the receivership. The following
 11 apply to a receivership proceeding under this section:

- 12 (1) Proceeds of the sale shall be paid as follows:

13 (A) To lienholders, in their order of priority, except for
 14 liens which under the terms of the sale are to remain on
 15 the property.

16 (B) The costs of the receivership and sale, including
 17 reasonable attorney's fees and expert fees.

18 (C) No proceeds shall be distributed from the
 19 receivership sale to the prohibited person. Any excess
 20 proceeds are forfeited and shall be transferred to the
 21 state general fund by the receiver.

22 (2) If a receivership proceeding is initiated under this section,
 23 the prohibited person is personally liable for a civil penalty
 24 in the amount of ten percent (10%) of the market value of
 25 the real property, payable to the state general fund.

26 (3) At the receivership sale, lienholders shall be able to have
 27 a credit bid in an amount that is not more than the amount
 28 owed to the lienholder on the date of the sale, as established
 29 in the court order for the sale of the property.

30 (4) Upon commencement of an action under this section, the
 31 attorney general shall promptly file a notice of lis pendens
 32 with the clerk of court. Upon the entry of an order for the
 33 sale of the real property under this section, the attorney
 34 general shall promptly record a copy of the order in the
 35 office of the recorder of the county where the property is
 36 located.

37 (c) Notwithstanding section ~~8~~⁹₁₀ of this chapter, the
 38 responsibility for determining whether an individual or other
 39 entity is subject to section ~~5 and 6~~^{7 or 8} of this chapter rests
 40 solely with the prohibited person and the attorney general and no
 41 other individual or entity. An individual or other entity who is not
 42 a prohibited person shall bear no civil or criminal liability for



1 failing to determine or make inquiry of whether an individual or
 2 other entity is a prohibited person.

3 (d) Except for an interest created after the effective date of the
 4 lis pendens notice filed under subsection (b)(4), divestiture of a
 5 prohibited person's title under this section shall not be a basis to
 6 void, invalidate, or otherwise extinguish any bona fide mortgage,
 7 lien, or other interest granted by, through, or under the prohibited
 8 person. An interest created after the effective date of the lis
 9 pendens notice filed under subsection (b)(4) is void upon entry of
 10 an order for the sale of the real property under this section.

11 Sec. ~~8~~¹⁰. (a) As used in this section, "reporting person"
 12 means a person in the business of providing real estate closing and
 13 settlement services in Indiana that is:

- 14 (1) listed as the closing or settlement agent on the closing or
 15 settlement statement for a real estate transfer;
- 16 (2) if no person described in subdivision (1) is involved in a
 17 transfer of real property, the person that prepares the
 18 closing or settlement statement for the transfer;
- 19 (3) if no person described in subdivisions (1) or (2) is
 20 involved in a transfer of real property, the person that files
 21 with the recorder's office the deed or other instrument that
 22 transfers ownership of the real property;
- 23 (4) if no person described in subdivisions (1) through (3) is
 24 involved in a transfer of real property, the person that
 25 underwrites an owner's title insurance policy for the
 26 transferee with respect to the transferred real property, such
 27 as a title insurance company;
- 28 (5) if no person described in subdivisions (1) through (4) is
 29 involved in a transfer of real property, the person that
 30 disburses in any form, including from an escrow account or
 31 trust account, the greatest amount of funds in connection
 32 with the transfer of the real property;
- 33 (6) if no person described in subdivisions (1) through (5) is
 34 involved in a transfer of real property, the person that
 35 provides an evaluation of the status of the title; or
- 36 (7) if no person described in subdivisions (1) through (6) is
 37 involved in a transfer of real property, then the person that
 38 prepares the deed or, if no deed is involved, any other legal
 39 instrument that transfers ownership of the real property.

40 If the reporting person is an employee, agent, or partner acting
 41 within the scope of the individual's employment, agency, or
 42 partnership, the individual's employer, principal, or partnership



1 is the reporting person.

2 (b) If a reporting person participates in a transfer of real
 3 property that violates this chapter, the reporting person shall file
 4 a report with the attorney general in the form and manner
 5 prescribed by the attorney general.

6 (c) Upon receipt of information that leads the attorney general
 7 to believe that a reporting person failed to file a report as required
 8 under this section or intentionally provided inaccurate information
 9 in a report filed under this section, the attorney general may
 10 investigate the alleged violation and issue subpoenas requiring the:

- 11 (1) appearance of witnesses;
- 12 (2) production of relevant records; and
- 13 (3) giving of relevant testimony.

14 (d) If a reporting person fails to comply with subsection (b),
 15 the attorney general may impose a civil penalty of ten thousand
 16 dollars (\$10,000) per violation. A civil penalty collected under this
 17 section shall be deposited in the state general fund.

18 SECTION 5. IC 34-30-2.1-525.4 IS REPEALED [EFFECTIVE
 19 JULY 1, 2026]. Sec. 525.4. IC 32-22-3-4.5(c) (Concerning agricultural
 20 land purchased or leased by a prohibited person).

21 SECTION 6. IC 34-30-2.1-525.5 IS REPEALED [EFFECTIVE
 22 JULY 1, 2026]. Sec. 525.5. IC 32-22-3-6.5(c) (Concerning agricultural
 23 land held by a prohibited person).

24 SECTION 7. IC 34-30-2.1-525.6 IS ADDED TO THE INDIANA
 25 CODE AS A NEW SECTION TO READ AS FOLLOWS
 26 [EFFECTIVE JULY 1, 2026]: **Sec. 525.6. IC 32-22-3.5-~~7~~9**
 27 (Concerning land held by a prohibited person).

28 SECTION 8. An emergency is declared for this act.

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