



January 13, 2026

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## HOUSE BILL No. 1217

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DIGEST OF HB 1217 (Updated January 13, 2026 1:45 pm - DI 154)

**Citations Affected:** IC 28-8; IC 28-16; IC 35-52.

**Synopsis:** Regulation of stablecoin. Prohibits a permitted payment stablecoin issuer or foreign payment stablecoin issuer from: (1) paying interest or any other type of yield; or (2) providing any other economic benefit; to a person in connection with the person's holding, use, or retention of a payment stablecoin. Provides that: (1) a payment stablecoin may be issued in Indiana only by a licensed payment stablecoin issuer; and (2) beginning July 1, 2028, subject to specified exceptions, a digital asset service provider may not offer or sell a payment stablecoin in Indiana that is not issued by a licensed payment stablecoin issuer. Requires the department of financial institutions (department) to: (1) administer licensure of persons to act as payment stablecoin issuers; and (2) regulate and supervise licensed payment stablecoin issuers. Establishes requirements for licensure as a payment stablecoin issuer and a process by which an applicant for licensure may appeal denial of the applicant's application. Imposes reporting requirements for licensed payment stablecoin issuers. Specifies powers of the department in regulating and supervising licensed payment stablecoin issuers. Specifies civil and criminal penalties for violations. Provides for priority of claims in an insolvency action regarding a licensed payment stablecoin issuer.

**Effective:** July 1, 2026.

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### Pierce K, Teshka

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January 5, 2026, read first time and referred to Committee on Financial Institutions.  
January 13, 2026, amended, reported — Do Pass.

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HB 1217—LS 7003/DI 119





January 13, 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.

## HOUSE BILL No. 1217

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A BILL FOR AN ACT to amend the Indiana Code concerning financial institutions.

*Be it enacted by the General Assembly of the State of Indiana:*

1 SECTION 1. IC 28-8-7.1 IS ADDED TO THE INDIANA CODE  
2 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE  
3 JULY 1, 2026]:

4 **Chapter 7.1. Payment of Interest or Yield on Stablecoin**

5 **Sec. 1. As used in this chapter, "foreign payment stablecoin**  
6 **issuer" has the meaning set forth in 12 U.S.C. 5901(12).**

7 **Sec. 2. As used in this chapter, "permitted payment stablecoin**  
8 **issuer" has the meaning set forth in 12 U.S.C. 5901(23).**

9 **Sec. 3. A permitted payment stablecoin issuer, foreign payment**  
10 **stablecoin issuer, or person acting on behalf of a permitted**  
11 **payment stablecoin issuer or foreign payment stablecoin issuer**  
12 **may not:**

13 **(1) pay to a person that holds a payment stablecoin any form**  
14 **of:**

15 **(A) interest; or**

16 **(B) yield, whether in cash, tokens, or other consideration;**  
17 **or**

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(2) provide a person that holds a payment stablecoin an economic benefit of any kind; in connection with the person's holding, use, or retention of the payment stablecoin.

SECTION 2. IC 28-16 IS ADDED TO THE INDIANA CODE AS A NEW ARTICLE TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]:

## ARTICLE 16. DIGITAL ASSETS

## Chapter 1. Definitions

## Sec. 1. The definitions in:

- (1) this chapter; and
- (2) 12 U.S.C. 5901;

**apply throughout this article.**

Sec. 2. "Department" means the department of financial institutions.

**Sec. 3. "Hardware wallet" means:**

**(1) a physical device that:**

- (A) is not continuously connected to the Internet; and**
- (B) enables an individual to secure and transfer digital assets; or**

**(2) a physical device that enables the owner of digital assets to retain independent control over the digital assets.**

**Sec. 4. "Licensed payment stablecoin issuer", or "licensee"** means a person that is licensed under IC 28-16-2-4.

Sec. 5. "Software wallet" means a software application that:

- (1) enables an individual to secure and transfer digital assets; or
- (2) enables the owner of digital assets to retain independent control over the digital assets.

## Chapter 2. Regulation of Stablecoin

Sec. 1. This chapter does not apply to a permitted payment stablecoin issuer to the extent that federal law precludes or preempts the application of this chapter.

**Sec. 2. A payment stablecoin may be issued in Indiana only by a licensed payment stablecoin issuer.**

**Sec. 3. (a) This section does not apply to any of the following:**

(1) A direct transfer of a digital asset between two (2) individuals acting on the individuals' own behalf and for the individuals' own lawful purposes, without the involvement of an intermediary.

(2) A transaction involving transfer of a digital asset by an individual between:



(b) Except as provided in subsection (a), beginning July 1, 2028, a digital asset service provider may not offer or sell in Indiana a payment stablecoin that is not issued by a licensed payment stablecoin issuer.

**Sec. 4. (a) The department shall:**

**(1) establish standards and processes for:**

(A) licensure of persons to act as permitted payment stablecoin issuers in Indiana, including examination and qualification standards and processes; and

qualification standards and processes, and  
**(B) regulation and supervision of licensed payment stablecoin issuers in Indiana;**

that prioritize the financial soundness of licensed payment stablecoin issuers; and

**(2) receive and evaluate applications submitted by applicants to the department for licensure as a permitted payment stablecoin issuer in Indiana.**

(b) A person that wishes to be licensed as a permitted payment stablecoin issuer in Indiana must submit an application for licensure to the department in the form and manner prescribed by the department.

**(c) The department shall evaluate an application for licensure submitted under subsection (b) as follows:**

**(1) The department shall determine whether the application is substantially complete. An application is substantially complete for purposes of this subdivision if the application contains sufficient information for the department to render a decision regarding the factors set forth in subdivision (2).**

**(2) If the department finds an application to be substantially complete under subdivision (1), the department shall evaluate the application based on the following criteria:**

**(A) The ability of the applicant, based on the applicant's financial condition and resources, to meet the requirements set forth under 12 U.S.C. 5903.**

**(B) Whether an officer or director of the applicant has been convicted of a felony offense involving insider**



**trading, embezzlement, cybercrime, money laundering, financing of terrorism, or financial fraud.**

**(C) The competence, experience, and integrity of the officers, directors, and principal shareholders of the applicant, of any subsidiaries of the applicant, and of any parent company of the applicant, including:**

(i) the record of the officers', directors', and principal shareholders' compliance with state and federal laws and regulations; and

(ii) the ability of the officers, directors, and principal shareholders to fulfill any commitments to, and any conditions imposed by, the department in connection with licensure as a permitted payment stablecoin issuer in Indiana.

**(D) Whether the redemption policy of the applicant meets the standards set forth under 12 U.S.C. 5903.**

**(E) Any other factors established under federal regulations or by the department that are necessary to ensure the applicant's financial soundness as a permitted payment stablecoin issuer.**

**(d) Not later than thirty (30) days after receiving an application for licensure under subsection (b), the department shall notify the applicant as to:**

**(1) whether the department considers the application to be substantially complete under subsection (c)(1); and**

(2) if the application is not substantially complete, the additional information the applicant must provide in order for the application to be considered substantially complete.

(e) If the department finds an application for licensure under subsection (b) to be substantially complete, the department shall consider the application to no longer be substantially complete only if there is a material change in circumstances sufficient to require the department to treat the application as a new application.

**(f) Not later than one hundred twenty (120) days after receiving a substantially complete application for licensure under subsection (b), the department shall:**

(1) either approve or deny the application; and

**(2) notify the applicant of the department's approval or denial of the application.**

(g) The department shall deny a substantially complete application for licensure under subsection (b) only if the department finds, based on the factors under subsection (c)(2), that



1 the operations of the applicant as a permitted payment stablecoin  
2 issuer would be financially unsound. The department shall not  
3 consider issuance of payment stablecoins on an open, public, or  
4 decentralized network to be a ground for finding that the  
5 operations of an applicant as a permitted payment stablecoin issuer  
6 would be financially unsound.

7 (h) Not later than thirty (30) days after the date on which the  
8 department notifies an applicant of the department's denial of the  
9 applicant's application for licensure under subsection (g), the  
10 department shall provide the applicant with written notice  
11 explaining the reasons for the denial with specificity, including:

- 12 (1) all findings made by the department with respect to all  
13 identified material shortcomings in the application; and  
14 (2) actionable recommendations as to how the applicant can  
15 address the identified material shortcomings.

16 (i) Not later than thirty (30) days after an applicant receives a  
17 notice under subsection (h), the applicant may request, in writing,  
18 an opportunity to appeal the denial in an oral hearing before the  
19 department.

20 (j) Upon the department's receipt of an applicant's timely  
21 request under subsection (i), the department shall provide the  
22 applicant notice of the time, which may not be later than thirty (30)  
23 days after the date on which the department receives the request,  
24 and place at which the applicant may appear, personally or  
25 through counsel, to submit written materials or provide oral  
26 testimony and oral argument in appeal of the denial.

27 (k) Not later than sixty (60) days after the date of an applicant's  
28 hearing under subsection (j), the department shall provide the  
29 applicant with notice of the department's final determination,  
30 which must contain a statement of the basis for the department's  
31 determination, including the department's specific findings.

32 (l) If an applicant does not make a timely request for a hearing  
33 under subsection (i), the department shall notify the applicant in  
34 writing, not later than ten (10) days after the date by which the  
35 applicant's request for a hearing must be made under subsection  
36 (i), that the denial of the applicant's application is the final  
37 determination of the department.

38 (m) If the department fails to notify an applicant of the  
39 department's approval or denial of the applicant's substantially  
40 complete application within the time period specified in subsection  
41 (f), the application is considered approved.

42 (n) The denial of an applicant's application under this section



1       **does not prohibit the applicant from filing a subsequent application**  
2       **for licensure under this section.**

3       **(o) The department shall:**

4           **(1) notify the governor when the department begins**  
5           **processing applications under this chapter; and**

6           **(2) not later than January 1 of each year, report to the general**  
7           **assembly, in an electronic format under IC 5-14-6, regarding**  
8           **any application for licensure under this chapter:**

9           **(A) that, as of December 31 of the immediately preceding**  
10           **year, has been pending for one hundred eighty (180) days**  
11           **or more since the date on which the application was**  
12           **initially submitted; and**

13           **(B) for which the applicant has been informed that the**  
14           **application is not substantially complete;**

15           **including documentation on the status of the application and**  
16           **why the application has not yet been approved.**

17       **(p) A person licensed as a permitted payment stablecoin issuer**  
18       **under this chapter is not required to obtain any other license or**  
19       **charter to act as a permitted payment stablecoin issuer in Indiana.**

20       **Sec. 5. (a) Not later than one hundred eighty (180) days after the**  
21       **date on which a licensed payment stablecoin issuer's application**  
22       **for licensure is approved under section 4 of this chapter, and not**  
23       **later than one hundred eighty (180) days after that date in each**  
24       **year thereafter, the licensed payment stablecoin issuer shall file**  
25       **with the department a certification that the licensed payment**  
26       **stablecoin issuer has implemented anti-money laundering and**  
27       **economic sanctions compliance programs that are reasonably**  
28       **designed to prevent the licensed payment stablecoin issuer from**  
29       **facilitating:**

30           **(1) money laundering, particularly with regard to money**  
31           **laundering for cartels and organizations designated as foreign**  
32           **terrorist organizations under 8 U.S.C. 1189; and**

33           **(2) the financing of terrorist activities;**

34       **in accordance with the requirements of 12 U.S.C. 5901 et seq.**

35       **(b) The department shall make certifications filed under**  
36       **subsection (a) available to the United States Department of the**  
37       **Treasury upon request by the United States Department of the**  
38       **Treasury.**

39       **(c) The department may revoke the department's approval of a**  
40       **person's application for licensure under section 4 of this chapter if**  
41       **the person fails to file the certification required under subsection**  
42       **(a) not later than one hundred eighty (180) days after the date on**



which the department approves the person's application.

**Sec. 6. (a) The department shall adopt rules under IC 4-22-2 to implement this chapter, including for the purpose of recovering the cost of administering and enforcing this chapter by imposing and collecting proportionate and equitable fees and costs associated with receiving and evaluating applications, conducting examinations, conducting investigations, and other actions required to achieve the purposes of this chapter.**

(b) The department may conduct an examination or investigation of a licensed payment stablecoin issuer or otherwise take independent action authorized by this chapter as reasonably necessary or appropriate to administer and enforce this chapter, the department's rules implementing this chapter, and other state and federal law applicable to this chapter.

(c) To carry out the purposes of this chapter, the department may do any of the following:

(1) Enter into agreements or relationships with other state and federal government officials, regulatory agencies, and regulatory associations for the purpose of regulatory efficiency through standardization of methods and procedures and sharing of resources, records, or related information obtained under this chapter.

**(2) Conduct examinations in conjunction with other state or federal government agencies.**

(3) Use, hire, contract for, or employ analytical personnel, systems, methods, and software to examine or investigate licensed payment stablecoin issuers.

#### **(4) Incorporate:**

(A) licensing, examination, and investigation reports from other state or federal government agencies and officials; and

(B) audit reports regarding licensees and applicants for licensure under this chapter from independent certified public accountants and other qualified third-party auditors;

into the department's examination or investigation reports.

(5) Summon and examine an individual under oath and require the individual to produce records regarding any matter related to the condition and business of a licensed payment stablecoin issuer or authorized delegate of a licensed payment stablecoin issuer.

(d) Rules adopted by the department to regulate licensed



1 payment stablecoin issuers must, at minimum, ensure that licensed  
2 payment stablecoin issuers are in compliance with federal laws and  
3 regulations applicable to permitted payment stablecoin issuers.

4 (e) The department shall provide notice to licensed payment  
5 stablecoin issuers of any changes in federal laws and regulations  
6 applicable to permitted payment stablecoin issuers.

7 Sec. 7. (a) A licensed payment stablecoin issuer shall provide to  
8 the department, at the department's request, and at the location  
9 and in the format specified by the department, any record the  
10 department reasonably requires to conduct a complete  
11 examination for purposes of this chapter. The department may  
12 utilize multistate record production standards and examination  
13 procedures if the standards will reasonably achieve the  
14 requirements of this chapter.

15 (b) Unless otherwise directed by the department, a licensed  
16 payment stablecoin issuer shall pay all costs reasonably incurred  
17 in connection with an examination of the licensed payment  
18 stablecoin issuer, or of an authorized delegate of the licensed  
19 payment stablecoin issuer, under this chapter.

20 Sec. 8. (a) The department may suspend or revoke a license  
21 issued under this chapter if:

22 (1) the licensee violates this chapter or a rule adopted or order  
23 issued under this chapter;

24 (2) the licensee does not cooperate with an examination or  
25 investigation by the department;

26 (3) the licensee engages in fraud, intentional  
27 misrepresentation, or gross negligence;

28 (4) the competence, experience, character, or general fitness  
29 of:

30 (A) the licensee; or

31 (B) a:

32 (i) person in control;

33 (ii) key individual; or

34 (iii) responsible person;

35 of the licensee or of an authorized delegate of the licensee;  
36 indicates that it is not in the public interest to permit the  
37 person to issue payment stablecoins;

38 (5) the licensee engages in an unsafe or unsound practice; or

39 (6) the licensee is insolvent, suspends payment of the licensee's  
40 obligations, or makes a general assignment for the benefit of  
41 the licensee's creditors.

42 (b) In determining whether a licensee is engaging in an unsafe



1       **or unsound practice for purposes of subsection (a)(5), the**  
2       **department may consider the size and condition of the licensee's**  
3       **payment stablecoin issuance, the magnitude of a loss, the severity**  
4       **of a violation of this chapter, and the previous conduct of the**  
5       **licensee or other person responsible for the violation.**

6       **(c) If the department determines that a violation of this chapter,**  
7       **or of a rule adopted or order issued under this chapter, by a**  
8       **licensee is likely to:**

9       **(1) cause immediate and irreparable harm to:**

- 10       **(A) the licensee;**
- 11       **(B) the licensee's customers; or**
- 12       **(C) the public; or**

13       **(2) cause insolvency or significant dissipation of assets of the**  
14       **licensee;**

15       **the department may issue an order requiring the licensee to cease**  
16       **and desist from the violation.**

17       **(d) If the department has reason to believe that a person who is**  
18       **not licensed under this chapter is engaging in an activity for which**  
19       **a license is required under this chapter:**

20       **(1) the department may issue an order to the person to show**  
21       **cause as to why the department should not issue an order**  
22       **requiring the person to cease and desist from the activity; or**

23       **(2) if the department determines that the person's activity is**  
24       **likely to cause immediate and irreparable harm, the**  
25       **department may petition a court for ex parte issuance of an**  
26       **order temporarily enjoining the person from engaging in the**  
27       **activity.**

28       **(e) An order issued by the department with regard to a person**  
29       **under subsection (c) or (d):**

30       **(1) is effective upon service of the order on the person;**

31       **(2) expires ten (10) days after the order is issued unless the**  
32       **department commences an administrative review of the order**  
33       **under IC 4-21.5; and**

34       **(3) remains effective and enforceable pending the completion**  
35       **of an administrative review under subdivision (2).**

36       **(f) A person that is served with an order to cease and desist**  
37       **under this section may petition a court for a judicial order setting**  
38       **aside, limiting, or suspending the enforcement, operation, or**  
39       **effectiveness of the order pending the completion of an**  
40       **administrative proceeding under subsection (e)(2).**

41       **Sec. 9. The department may enter into a consent order with a**  
42       **person at any time to resolve a matter arising under this chapter**



1       **or under a rule adopted or order issued under this chapter. A**  
2       **consent order under this section:**

3       **(1) must be signed by the person to whom the consent order**  
4       **is issued or by the person's authorized representative;**  
5       **(2) must indicate the person's agreement with the terms set**  
6       **forth in the consent order; and**  
7       **(3) may provide that the consent order does not constitute an**  
8       **admission by the person of a violation of this chapter or of a**  
9       **rule adopted or order issued under this chapter.**

10      **Sec. 10. (a) A person that intentionally:**

11       **(1) makes a false statement, misrepresentation, or false**  
12       **certification; or**  
13       **(2) makes a false entry or omits a material entry;**  
14       **in a record filed or required to be maintained under this chapter,**  
15       **including a certification filed under section 5 of this chapter,**  
16       **commits a Class A misdemeanor.**

17       **(b) A person that:**

18       **(1) is not licensed under this chapter;**  
19       **(2) knowingly engages in an activity for which a license is**  
20       **required under this chapter; and**  
21       **(3) receives not more than seven hundred fifty dollars (\$750)**  
22       **within a thirty (30) day period as a result of the activity under**  
23       **subdivision (2);**

24       **commits a Class A misdemeanor.**

25       **(c) A person that:**

26       **(1) is not licensed under this chapter;**  
27       **(2) knowingly engages in an activity for which a license is**  
28       **required under this chapter; and**  
29       **(3) receives more than seven hundred fifty dollars (\$750)**  
30       **within a thirty (30) day period as a result of the activity under**  
31       **subdivision (2);**

32       **commits a Level 6 felony.**

33       **(d) If the department determines, after notice to the person and**  
34       **an opportunity for the person to be heard, that a person has**  
35       **violated this chapter, the department may, in addition to or instead**  
36       **of all other remedies available under this chapter, impose upon the**  
37       **person a civil penalty in an amount equal to:**

38       **(1) not more than ten thousand dollars (\$10,000) per**  
39       **violation; plus**  
40       **(2) the department's cost of investigating and prosecuting the**  
41       **violation, including the department's reasonable attorney's**  
42       **fees.**



1                   **Sec. 11. The following apply to an insolvency proceeding**  
2                   **regarding a licensed payment stablecoin issuer:**

3                   **(1) Subject to subdivision (3), the claim of a person holding**  
4                   **payment stablecoins issued by the licensed payment stablecoin**  
5                   **issuer has priority, in ratable proportion to the claims of**  
6                   **other persons holding payment stablecoins issued by the**  
7                   **licensed payment stablecoin issuer, over the claims of the**  
8                   **licensed payment stablecoin issuer and any other claimant**  
9                   **against the licensed payment stablecoin issuer, with respect to**  
10                   **the licensed payment stablecoin issuer's required reserves**  
11                   **under 12 U.S.C. 5903.**

12                   **(2) Notwithstanding any other provision of law, a person**  
13                   **holding a payment stablecoin issued by the licensed payment**  
14                   **stablecoin issuer has a valid claim against the licensed**  
15                   **payment stablecoin issuer.**

16                   **(3) Subdivision (1) does not apply to claims other than those**  
17                   **arising directly from the holding of payment stablecoins.**

18                   **SECTION 3. IC 35-52-28-15 IS ADDED TO THE INDIANA**  
19                   **CODE AS A NEW SECTION TO READ AS FOLLOWS**  
20                   **[EFFECTIVE JULY 1, 2026]: Sec. 15. IC 28-16-2-10 defines a crime**  
21                   **concerning payment stablecoin.**



## COMMITTEE REPORT

Mr. Speaker: Your Committee on Financial Institutions, to which was referred House Bill 1217, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 1, between the enacting clause and line 1, begin a new paragraph and insert:

**"SECTION 1. IC 28-8-7.1 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]:**

**Chapter 7.1. Payment of Interest or Yield on Stablecoin**

**Sec. 1. As used in this chapter, "foreign payment stablecoin issuer" has the meaning set forth in 12 U.S.C. 5901(12).**

**Sec. 2. As used in this chapter, "permitted payment stablecoin issuer" has the meaning set forth in 12 U.S.C. 5901(23).**

**Sec. 3. A permitted payment stablecoin issuer, foreign payment stablecoin issuer, or person acting on behalf of a permitted payment stablecoin issuer or foreign payment stablecoin issuer may not:**

**(1) pay to a person that holds a payment stablecoin any form of:**

**(A) interest; or**

**(B) yield, whether in cash, tokens, or other consideration; or**

**(2) provide a person that holds a payment stablecoin an economic benefit of any kind;**

**in connection with the person's holding, use, or retention of the payment stablecoin."**

Page 2, line 10, delete "licensed" and insert "permitted".

Page 2, line 12, delete "chapter to a permitted payment" and insert "chapter".

Page 2, delete line 13.

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1217 as introduced.)

TESHKA

Committee Vote: yeas 11, nays 0.

**HB 1217—LS 7003/DI 119**

