

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

LS 7003

BILL NUMBER: HB 1217

NOTE PREPARED: Jan 20, 2026

BILL AMENDED: Jan 13, 2026

SUBJECT: Regulation of Stablecoin.

FIRST AUTHOR: Rep. Pierce K

BILL STATUS: As Passed House

FIRST SPONSOR: Sen. Baldwin

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: State & Local

Summary of Legislation: *Stablecoin Interest* - This bill 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.

Stablecoin Issuing - The bill 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.

Licensing - The bill 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. It 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. It imposes reporting requirements for licensed payment stablecoin issuers. It specifies powers of the department in regulating and supervising licensed payment stablecoin issuers.

The bill also specifies civil and criminal penalties for violations. It provides for priority of claims in an insolvency action regarding a licensed payment stablecoin issuer.

Effective Date: July 1, 2026.

Explanation of State Expenditures: *Department of Financial Institutions (DFI)*: The bill would increase the workload and expenditures of DFI to create and administer a payment stablecoin issuer license, regulate licensed payment stablecoin issuers, and develop rules. Any expenditures from licensing and regulating payment stablecoin issuers would be offset from the fees established to administer the bill's provisions. [The DFI is funded through the Financial Institutions Fund with appropriations of \$12.5 M in FY 2026 and FY 2027.]

Penalty Provision: A Level 6 felony is punishable by a prison term ranging from 6 to 30 months, with an advisory sentence of 1 year. The sentence depends on mitigating and aggravating circumstances. Assuming offenders can be housed in existing facilities with no additional staff, the marginal cost for medical care, food, and clothing is approximately \$4,825 annually, or \$13.22 daily, per prisoner. However, any additional expenditures are likely to be small.

Explanation of State Revenues: The bill could significantly increase fee revenue from licensing fees and administration fees, such as examinations from payment stablecoin issuers. The revenue increase would depend on the fees set by the DFI and the number of payment stablecoin issuers who apply, such as depository institutions. The fee revenue would be deposited into the Financial Institutions Fund. As of December 2025, there are 111 depository institutions that may apply to be a payment stablecoin issuer.

Licensing fees may range from \$500 to \$2,000 per initial license with additional licensing fees for additional locations. Examination fees are set at \$80 per hour with a \$20 per day late fee for late exams.

Civil Penalty: The bill may increase civil penalty revenue by a likely small amount. The DFI may impose a civil penalty up to \$10,000 if a person violates the bill's provisions. The bill does not state where the money will be deposited.

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.](#)

Penalty Provision: The bill creates a Class A misdemeanor for making a false record. It also creates a Class A misdemeanor for engaging in activity for which a license is required without a license. If the person is not licensed and receives more than \$750, the violation is upgraded to a level 6 felony. The increase in penalty revenue from these violations is expected to be small.

If additional court cases occur and fines are collected, revenue to both the Common School Fund (from fines) and the state General Fund (from court fees) would increase. The maximum fine for a Class A misdemeanor is \$5,000 and for a Level 6 felony is \$10,000. The total fee revenue per case would range between \$113 and \$138. The amount of court fees 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 criminal, juvenile, and civil violation cases.](#)

Explanation of Local Expenditures: ***Penalty Provision:*** If more defendants are detained in county jails prior to their court hearings, local expenditures for jail operations may increase. However, any additional expenditures would likely be small.

Explanation of Local Revenues: ***Court Fee Revenue:*** 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.](#)

Penalty Provision: If additional court actions result in a guilty verdict, certain local units will collect more

revenue. The following linked document describes the fees and distribution of the revenue: [Court fees imposed in criminal, juvenile, and civil violation cases.](#)

State Agencies Affected: Department of Financial Institutions; Department of Correction.

Local Agencies Affected: Trial courts, local law enforcement agencies.

Information Sources: Indiana Sheriffs' Association, Indiana Supreme Court, Indiana Trial Court Fee Manual; Department of Corrections; Indiana Gateway for Government Units, 2023 Annual Financial Reports, <https://gateway.ifionline.org/public/download.aspx> Bureau of Justice Statistics, 2023 Annual Survey of Jails Data Series, <https://www.icpsr.umich.edu/web/NACJD/series/7>.

DFI Extranet, <https://extranet.dfi.in.gov/Depository/InstitutionListing/>.

Regulated Payment Stablecoins Become a Reality in the U.S.,

<https://www.stlouisfed.org/on-the-economy/2025/dec/regulated-payment-stablecoins-become-reality-us>.

Fiscal Analyst: Nate Bodnar, 317-234-9476.