
HOUSE BILL No. 1217

AM121701 has been incorporated into introduced printing.

Synopsis: Regulation of stablecoin.

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2026

IN 1217—LS 7003/DI 119



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Introduced

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

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
10 payment stablecoin issuer, or person acting on behalf of a
11 permitted payment stablecoin issuer or foreign payment stablecoin
12 issuer may not:
13 (1) pay to a person that holds a payment stablecoin any form
14 of:
15 (A) interest; or

2026

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1 (B) yield, whether in cash, tokens, or other
 2 consideration; or
 3 (2) provide a person that holds a payment stablecoin an
 4 economic benefit of any kind;
 5 in connection with the person's holding, use, or retention of the
 6 payment stablecoin.

7 SECTION 2. IC 28-16 IS ADDED TO THE INDIANA CODE AS
 8 A NEW ARTICLE TO READ AS FOLLOWS [EFFECTIVE JULY 1,
 9 2026]:

10 **ARTICLE 16. DIGITAL ASSETS**

11 **Chapter 1. Definitions**

12 **Sec. 1. The definitions in:**

13 (1) this chapter; and

14 (2) 12 U.S.C. 5901;

15 apply throughout this article.

16 **Sec. 2. "Department"** means the department of financial
 17 institutions.

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

19 (1) a physical device that:

20 (A) is not continuously connected to the Internet; and

21 (B) enables an individual to secure and transfer digital
 22 assets; or

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

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

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

28 (1) enables an individual to secure and transfer digital assets;
 29 or

30 (2) enables the owner of digital assets to retain independent
 31 control over the digital assets.

32 **Chapter 2. Regulation of Stablecoin**

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

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

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

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



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

(A) an account in the United States; and

(B) an account outside the United States;

that are held by the individual and that are administered by the same entity.

(3) A transaction conducted by means of a hardware wallet or software wallet that facilitates an individual's custody of digital assets.

(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

(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.



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(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

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1 application for licensure under subsection (b) only if the
 2 department finds, based on the factors under subsection (c)(2), that
 3 the operations of the applicant as a permitted payment stablecoin
 4 issuer would be financially unsound. The department shall not
 5 consider issuance of payment stablecoins on an open, public, or
 6 decentralized network to be a ground for finding that the
 7 operations of an applicant as a permitted payment stablecoin issuer
 8 would be financially unsound.

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

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

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

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

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

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

41 (m) If the department fails to notify an applicant of the
 42 department's approval or denial of the applicant's substantially

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complete application within the time period specified in subsection (f), the application is considered approved.

(n) The denial of an applicant's application under this section does not prohibit the applicant from filing a subsequent application for licensure under this section.

(o) The department shall:

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

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

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

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

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

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

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

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

(2) the financing of terrorist activities;

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

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

(c) The department may revoke the department's approval of



a person's application for licensure under section 4 of this chapter if the person fails to file the certification required under subsection (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



1 payment stablecoin issuer or authorized delegate of a
2 licensed payment stablecoin issuer.

3 (d) Rules adopted by the department to regulate licensed
4 payment stablecoin issuers must, at minimum, ensure that licensed
5 payment stablecoin issuers are in compliance with federal laws and
6 regulations applicable to permitted payment stablecoin issuers.

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

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

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

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

- 25 (1) the licensee violates this chapter or a rule adopted or
26 order issued under this chapter;
- 27 (2) the licensee does not cooperate with an examination or
28 investigation by the department;
- 29 (3) the licensee engages in fraud, intentional
30 misrepresentation, or gross negligence;
- 31 (4) the competence, experience, character, or general fitness
32 of:

33 (A) the licensee; or

34 (B) a:

- 35 (i) person in control;
- 36 (ii) key individual; or
- 37 (iii) responsible person;

38 of the licensee or of an authorized delegate of the
39 licensee; indicates that it is not in the public interest to
40 permit the person to issue payment stablecoins;

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

42 (6) the licensee is insolvent, suspends payment of the



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licensee's obligations, or makes a general assignment for the benefit of the licensee's creditors.

(b) In determining whether a licensee is engaging in an unsafe or unsound practice for purposes of subsection (a)(5), the department may consider the size and condition of the licensee's payment stablecoin issuance, the magnitude of a loss, the severity of a violation of this chapter, and the previous conduct of the licensee or other person responsible for the violation.

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

(1) cause immediate and irreparable harm to:

(A) the licensee;

(B) the licensee's customers; or

(C) the public; or

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

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

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

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

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

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

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

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

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

(f) A person that is served with an order to cease and desist under this section may petition a court for a judicial order setting aside, limiting, or suspending the enforcement, operation, or effectiveness of the order pending the completion of an

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1 administrative proceeding under subsection (e)(2).

2 Sec. 9. The department may enter into a consent order with a
3 person at any time to resolve a matter arising under this chapter
4 or under a rule adopted or order issued under this chapter. A
5 consent order under this section:

6 (1) must be signed by the person to whom the consent order
7 is issued or by the person's authorized representative;

8 (2) must indicate the person's agreement with the terms set
9 forth in the consent order; and

10 (3) may provide that the consent order does not constitute an
11 admission by the person of a violation of this chapter or of a
12 rule adopted or order issued under this chapter.

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

14 (1) makes a false statement, misrepresentation, or false
15 certification; or

16 (2) makes a false entry or omits a material entry;
17 in a record filed or required to be maintained under this chapter,
18 including a certification filed under section 5 of this chapter,
19 commits a Class A misdemeanor.

20 (b) A person that:

21 (1) is not licensed under this chapter;

22 (2) knowingly engages in an activity for which a license is
23 required under this chapter; and

24 (3) receives not more than seven hundred fifty dollars (\$750)
25 within a thirty (30) day period as a result of the activity
26 under subdivision (2);

27 commits a Class A misdemeanor.

28 (c) A person that:

29 (1) is not licensed under this chapter;

30 (2) knowingly engages in an activity for which a license is
31 required under this chapter; and

32 (3) receives more than seven hundred fifty dollars (\$750)
33 within a thirty (30) day period as a result of the activity
34 under subdivision (2);

35 commits a Level 6 felony.

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

41 (1) not more than ten thousand dollars (\$10,000) per
42 violation; plus



(2) the department's cost of investigating and prosecuting the violation, including the department's reasonable attorney's fees.

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

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

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

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

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

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