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HOUSE BILL No. 1389

Proposed Changes to January 27, 2026 printing by AM138903

DIGEST OF PROPOSED AMENDMENT

Adoption. Allows a governmental entity to consider whether a foster or adoptive parent shares the same religion or faith tradition as: (1) a child being placed for adoption or foster services; or (2) the parent or parents of a child being placed for adoption or foster services. Specifies that a governmental entity may not discriminate against a foster or adoptive parent unless the discriminatory act is required to advance a compelling governmental interest and is the least restrictive means of advancing the governmental interest. Provides that the new chapter concerning anti-discrimination in adoption and foster proceedings does not prohibit the department of child services from taking action to prevent child abuse or neglect or limit the department from enforcing certain licensing requirements.

A BILL FOR AN ACT to amend the Indiana Code concerning family law and juvenile law.

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

- 1 SECTION 1. IC 31-9-2-5.2 IS ADDED TO THE INDIANA CODE
- 2 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
- 3 1, 2026]: **Sec. 5.2. "Adoption or foster care service", for purposes**
- 4 **of IC 31-10-3.5, refers to any one (1) or more of the following:**
- 5 **(1) Promoting foster parenting.**
- 6 **(2) Coordinating placement of a child in a home or facility**
- 7 **licensed under IC 31-27.**
- 8 **(3) Recruiting a foster parent or an adoptive parent.**
- 9 **(4) Licensing or certifying a foster family home.**
- 10 **(5) Promoting adoption.**
- 11 **(6) Assisting with an adoption or supporting an adoptive**
- 12 **parent.**
- 13 **(7) Performing or assisting with a home study.**
- 14 **(8) Assisting with a kinship guardianship or a kinship**

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- 1 caregiver.
- 2 (9) Providing any family preservation service.
- 3 (10) Providing any family support service or temporary
- 4 family reunification service.
- 5 SECTION 2. IC 31-9-2-40.9 IS ADDED TO THE INDIANA
- 6 CODE AS A NEW SECTION TO READ AS FOLLOWS
- 7 [EFFECTIVE JULY 1, 2026]: Sec. 40.9. "Discriminate", for
- 8 purposes of IC 31-10-3.5, includes any one (1) or more of the
- 9 following acts when done wholly or partially based on a person's
- 10 sincerely held religious belief:
- 11 (1) Denying or otherwise making unavailable any funding to
- 12 the person, including:
- 13 (A) a state grant;
- 14 (B) a loan;
- 15 (C) a scholarship;
- 16 (D) a guarantee; or
- 17 (E) an entitlement or a state benefit.
- 18 (2) Terminating, altering the terms of, or refusing to enter
- 19 into a contract with the person, including a subcontract or
- 20 cooperative agreement.
- 21 (3) Refusing to recognize or taking any adverse action
- 22 against a person's:
- 23 (A) license;
- 24 (B) certificate;
- 25 (C) custody award or agreement; or
- 26 (D) any other similar status.
- 27 (4) Refusing to place a child with the person, [except for the](#)
- 28 [reasons set forth in IC 31-10-3.5-1](#).
- 29 (5) Altering in any way the person's tax treatment, including:
- 30 (A) imposing a tax penalty;
- 31 (B) denying or otherwise making unavailable an
- 32 exemption from taxation; or
- 33 (C) disallowing or otherwise making unavailable a
- 34 deduction for state tax purposes of any charitable
- 35 donation made by or to the person.
- 36 (6) Imposing on the person any of the following:
- 37 (A) A monetary fine.
- 38 (B) A fee.
- 39 (C) A penalty.
- 40 (D) A damages award.
- 41 (E) An injunction.
- 42 (7) Taking any of the following actions:

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- 1 (A) Refusing to hire or promote the person.
- 2 (B) Forcing the person to resign.
- 3 (C) Firing, demoting, or disciplining the person.
- 4 (D) Altering the terms or conditions of the person's
- 5 employment.
- 6 (E) Retaliating against the person.
- 7 (F) Taking any other adverse employment action against
- 8 the person.

9 SECTION 3. IC 31-9-2-89, AS AMENDED BY P.L.3-2016,
 10 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 11 JULY 1, 2026]: Sec. 89. (a) "Person", for purposes of IC 31-19-19,
 12 IC 31-19-25, and the juvenile law, means:

- 13 (1) a human being;
- 14 (2) a corporation;
- 15 (3) a limited liability company;
- 16 (4) a partnership;
- 17 (5) an unincorporated association; or
- 18 (6) a governmental entity.

19 (b) "Person", for purposes of section 44.5 of this chapter, means
 20 an adult or a minor.

21 (c) "Person", for purposes of IC 31-27, means an individual who
 22 is at least twenty-one (21) years of age, a corporation, a partnership, a
 23 voluntary association, or other entity.

24 (d) "Person", for purposes of the Uniform Child Custody
 25 Jurisdiction Act under IC 31-21, has the meaning set forth in
 26 IC 31-21-2-13.

27 (e) "Person", for purposes of the Uniform Interstate Family
 28 Support Act under IC 31-18.5, has the meaning set forth in
 29 IC 31-18.5-1-2.

30 (f) "Person", for purposes of IC 31-10-3.5, means:

- 31 (1) an individual; or
- 32 (2) a legal entity, including a religious organization.

33 SECTION 4. IC 31-9-2-107.2 IS ADDED TO THE INDIANA
 34 CODE AS A NEW SECTION TO READ AS FOLLOWS
 35 [EFFECTIVE JULY 1, 2026]: Sec. 107.2. "Religious organization",
 36 for purposes of section 89 of this chapter, refers to any of the
 37 following:

- 38 (1) A house of worship, including a church, synagogue,
 39 shrine, mosque, or temple.
- 40 (2) A religious:
- 41 (A) group;
- 42 (B) corporation;

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- 1 (C) association;
- 2 (D) school or educational institution;
- 3 (E) ministry;
- 4 (F) order;
- 5 (G) society; or
- 6 (H) entity, regardless of whether the entity is integrated
- 7 or affiliated with a house of worship.
- 8 (3) Any officer, owner, employee, manager, religious leader,
- 9 clergy, or minister of an entity described in this section.

10 SECTION 5. IC 31-9-2-119.5 IS ADDED TO THE INDIANA
 11 CODE AS A NEW SECTION TO READ AS FOLLOWS
 12 [EFFECTIVE JULY 1, 2026]: Sec. 119.5. "State benefit", for
 13 purposes of section 40.9 of this chapter, means any program
 14 administered, controlled, or funded by the state that provides any
 15 one (1) or more of the following:

- 16 (1) Cash.
- 17 (2) Payments.
- 18 (3) Grants.
- 19 (4) Contracts.
- 20 (5) Loans.
- 21 (6) In-kind assistance.

22 SECTION 6. IC 31-10-3.5 IS ADDED TO THE INDIANA CODE
 23 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
 24 JULY 1, 2026]:

25 **Chapter 3.5. Antidiscrimination in Adoption and Foster**
 26 **Proceedings**

27 **Sec. 1. (a) Except as provided in subsection (b), a**
 28 **governmental entity may not discriminate against any of the**
 29 **following:**

- 30 (1) A person that provides, or declines to provide, an
- 31 adoption or foster care service in a manner consistent with
- 32 the person's sincerely held religious belief.
- 33 (2) An adoptive parent (as defined in IC 31-9-2-6) who raises,
- 34 or intends to raise, a child in a manner consistent with the
- 35 adoptive parent's sincerely held religious belief.
- 36 (3) A foster parent (as defined in IC 31-9-2-47) who raises, or
- 37 intends to raise, a child in a manner consistent with the
- 38 foster parent's sincerely held religious belief.
- 39 (4) A person that in a matter concerning adoption or foster
- 40 care service:
- 41 (A) maintains any policy and procedure; or
- 42 (B) otherwise acts;

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- 1 consistent with the person's sincerely held religious belief.
- 2 (b) A governmental entity may consider whether a person
- 3 described in subsection (a) shares the same religion or faith
- 4 tradition as[:
- 5 (1) a child when considering placement of the child to
- 6 prioritize the child's placement with a person of the same
- 7 religion or faith tradition]; or
- 8 (2) the child's parent or parents when considering placement
- 9 of the child to prioritize the child's placement with a person
- 10 who shares the same religion or faith tradition of the parent
- 11 or parents of the child.
- 12 (c) A governmental entity may not discriminate against a
- 13 person described in subsection (a) unless the discriminatory act:
- 14 (1) as applied to the person described in subsection (a), is
- 15 required to advance a compelling governmental interest; and
- 16 (2) is the least restrictive means of advancing the
- 17 governmental interest].
- 18 Sec. 2. (a) Notwithstanding IC 34-13-3-3 and subject to
- 19 subsection (b), a person may:
- 20 (1) bring a cause of action against a governmental entity for
- 21 a violation of section 1 of this chapter; or
- 22 (2) assert the violation of section 1 of this chapter as a claim
- 23 or defense in a judicial proceeding.
- 24 (b) A person may not bring a cause of action against any court
- 25 under this section.
- 26 (c) A person does not need to exhaust any administrative
- 27 remedy before commencing an action under this section.
- 28 Sec. 3. Relief against the governmental entity may include any
- 29 of the following:
- 30 (1) Declaratory relief.
- 31 (2) Injunctive relief.
- 32 (3) Compensatory damages.
- 33 (4) Reasonable attorney's fees and costs.
- 34 [Sec. 4. This chapter does not:
- 35 (1) prohibit the department from taking an action authorized
- 36 by state law to prevent child abuse or neglect as defined in
- 37 IC 31-9-2-14(c); or
- 38 (2) limit the department from enforcing licensing
- 39 requirements under IC 31-27 that are consistent with this
- 40 chapter.
- 41] SECTION 7. IC 34-11-2-17.1 IS ADDED TO THE INDIANA
- 42 CODE AS A NEW SECTION TO READ AS FOLLOWS

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1 [EFFECTIVE JULY 1, 2026]: **Sec. 17.1. An action against a**
2 **governmental entity for discrimination under IC 31-10-3.5-2 must**
3 **be commenced not more than two (2) years after the date of the act**
4 **complained of.**

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