



Reprinted
February 19, 2026

ENGROSSED SENATE BILL No. 256

DIGEST OF SB 256 (Updated February 18, 2026 4:34 pm - DI 151)

Citations Affected: IC 1-1; IC 4-6; IC 21-49; IC 32-22; IC 34-30;
IC 36-1.

Synopsis: Foreign agent registration, foreign terrorist organizations, and foreign adversaries. 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. Requires certain persons acting on behalf of a hostile foreign country to register
(Continued next page)

Effective: Upon passage; July 1, 2026.

**Garten, Koch, Freeman, Busch,
Baldwin, Byrne, Schmitt, Doriot**
(HOUSE SPONSORS — COMMONS, JUDY, JETER, IRELAND)

January 8, 2026, read first time and referred to Committee on Judiciary.
January 15, 2026, reported favorably — Do Pass.
January 20, 2026, read second time, amended, ordered engrossed.
January 21, 2026, engrossed.
January 26, 2026, read third time, passed. Yeas 44, nays 0.

HOUSE ACTION

January 28, 2026, read first time and referred to Committee on Judiciary.
February 16, 2026, amended, reported — Do Pass.
February 18, 2026, read second time, amended, ordered engrossed.

ES 256—LS 6708/DI 106



Digest Continued

with the attorney general. Establishes a procedure to deny state benefits to persons who aid a foreign terrorist organization. Requires a state educational institution to meet certain requirements regarding the admission and enrollment of a foreign student into qualifying programs at state educational institutions. Requires an approved postsecondary educational institution to provide to the commission for higher education the number of foreign students currently enrolled in a qualifying program and the number of foreign students enrolled in a qualifying program for each academic year for the preceding 10 years. Prohibits certain individuals and business entities from acquiring real property located in Indiana. Provides that an agreement or cooperative agreement between a unit and a prohibited person is contrary to public policy and is void and unenforceable. Repeals existing statutes regarding foreign ownership of agricultural land.

ES 256—LS 6708/DI 106



Reprinted
February 19, 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.

ENGROSSED SENATE BILL No. 256

A BILL FOR AN ACT to amend the Indiana Code concerning state offices and 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. As used in this chapter, "agent of a foreign adversary"**
7 **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 the**
11 **direction or control;**
12 **of the government of a foreign adversary; and**
13 **(2) whose activities are directly or indirectly financed in whole**
14 **or in part by the government of a foreign adversary.**
15 **Sec. 2. As used in this chapter, "business entity" means:**
16 **(1) a corporation, professional corporation, nonprofit**
17 **corporation, limited liability company, partnership, or limited**

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1 partnership; or
 2 (2) the equivalent of any entity described in subdivision (1).
 3 **Sec. 3. As used in this chapter, "controlling person" means:**
 4 (1) a beneficial owner (as defined in IC 23-1-20-3.5) of at least
 5 fifty-one percent (51%) of the shares of a business entity;
 6 (2) an officer, director, or other individual who possesses
 7 inside information about a business entity because of the
 8 officer, director, or other individual's relationship with the
 9 business entity; or
 10 (3) a person, individually or as a member of a group, who has
 11 the ability to directly or indirectly affect a business entity's
 12 management or policies.
 13 **Sec. 4. As used in this chapter, "foreign adversary" includes the**
 14 **following:**
 15 (1) The People's Republic of China.
 16 (2) The Russian Federation.
 17 (3) The People's Republic of North Korea.
 18 (4) The Islamic Republic of Iran.
 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. 5. (a) As used in this chapter, "prohibited person" includes**
 23 **the following:**
 24 (1) A business entity organized under the laws of a foreign
 25 adversary.
 26 (2) A business entity headquartered in a foreign adversary.
 27 (3) A business entity with a controlling person that is one (1)
 28 of the following:
 29 (A) An individual who is a citizen of a foreign adversary.
 30 (B) An individual who is domiciled in a foreign adversary.
 31 (C) A business entity or other entity, including a
 32 governmental entity, that is owned or controlled by an
 33 individual who is a citizen of or domiciled in a foreign
 34 adversary, or is directly controlled by the government of
 35 a foreign adversary.
 36 **The term, as used in subdivision (3)(A) and (3)(B), does not include**
 37 **an individual who holds dual citizenship with a foreign adversary**
 38 **(as defined in 15 CFR 791.4) and the United States, an individual**
 39 **who is a citizen or lawful permanent resident of the United States,**
 40 **or an individual who has been granted asylum in the United States.**
 41 (b) The term includes an agent, trustee, or fiduciary acting on
 42 behalf of a prohibited person.



1 **Sec. 6. As used in this chapter, "qualified entity" means any of**
 2 **the following:**

- 3 **(1) The state.**
 4 **(2) A state agency (as defined in IC 1-1-15-3).**
 5 **(3) A political subdivision (as defined in IC 36-1-2-13).**

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

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

10 **Sec. 8. (a) This section applies to:**

- 11 **(1) a new contract entered into after June 30, 2026; and**
 12 **(2) an existing contract amended or renewed after June 30,**
 13 **2027;**

14 **by a qualified entity for the provision of a technological product or**
 15 **service.**

16 **(b) A qualified entity shall exercise due care to ensure that a**
 17 **contractor and any subcontractors working under the contractor**
 18 **for the contract are not prohibited persons**

19 **(c) If the contractor or a subcontractor working under the**
 20 **contractor for the contract is a prohibited person, a contract to**
 21 **which this section applies must contain a provision requiring the**
 22 **contractor to confirm that the contractor and any subcontractors**
 23 **working on the contract are not acting as agents of a foreign**
 24 **adversary.**

25 **(d) A breach of the provision under subsection (b) may be**
 26 **regarded as a material breach of the contract.**

27 **SECTION 2. IC 4-6-17 IS ADDED TO THE INDIANA CODE AS**
 28 **A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY**
 29 **1, 2026]:**

30 **Chapter 17. Foreign Agent Registration and Foreign Terrorist**
 31 **Organizations**

32 **Sec. 1. This chapter does not apply to an entity that is the**
 33 **subject of, or covered by, a divestiture under the Protecting**
 34 **Americans from Foreign Adversary Controlled Applications Act,**
 35 **Pub. L. 118-50, div. H, 138 Stat. 895 (2024).**

36 **Sec. 2. As used in this chapter, "affiliate of a foreign terrorist**
 37 **organization" means a person who:**

- 38 **(1) is or was an agent, representative, employee, or servant of**
 39 **a foreign terrorist organization;**
 40 **(2) acts or acted in any capacity at the order or request or**
 41 **under the direction or control of a foreign terrorist**
 42 **organization; or**



1 (3) provides, or at any point in the preceding five (5) years
2 provided, material support or resources to aid a foreign
3 terrorist organization.

4 Sec. 3. As used in this chapter, "agent" means an agent of a
5 covered foreign principal.

6 Sec. 4. As used in this chapter, "agent of a covered foreign
7 principal" means a person who meets all of the following:

8 (1) A person who either:

9 (A) is an agent, representative, employee, or servant; or

10 (B) acts in any capacity at the order, request, or under the
11 direction or control

12 of a covered foreign principal.

13 (2) A person whose activities are directly or indirectly
14 financed in whole or in part by a covered foreign principal.

15 (3) A person who engages in political activity on behalf of a
16 covered foreign principal in Indiana.

17 Sec. 5. As used in this chapter, "foreign supported political
18 organization" means a political party, or a domestic partnership,
19 association, corporation, organization, or other combination of
20 persons:

21 (1) that has, within the previous three (3) calendar years,
22 received money or anything of value from a covered foreign
23 principal or an agent, unless the money or thing of value:

24 (A) was obtained through bona fide commercial activity
25 engaged in connection with an arm's length transaction; or

26 (B) is less than ten percent (10%) of the annual revenue of
27 the:

28 (i) political party;

29 (ii) domestic partnership;

30 (iii) association;

31 (iv) corporation;

32 (v) organization; or

33 (vi) other combination of persons; and

34 (2) that engages in political activity.

35 Sec. 6. As used in this chapter, "hostile foreign country" means
36 one (1) or more of the following:

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

38 (2) The Russian Federation.

39 (3) The People's Republic of North Korea.

40 (4) The Islamic Republic of Iran.

41 (5) A foreign country listed in 15 CFR 791.4.

42 (6) A country designated as a threat to critical infrastructure



1 by the governor under IC 1-1-16-8.

2 **Sec. 7. As used in this chapter, "foreign terrorist organization"**
 3 **means any organization designated by the United States**
 4 **government as a Foreign Terrorist Organization under Section 219**
 5 **of the Immigration and Nationality Act (8 U.S.C. 1189).**

6 **Sec. 8. As used in this chapter, "covered foreign principal"**
 7 **means one (1) or more of the following:**

8 (1) The government of a hostile foreign country, a political
 9 party of a hostile foreign country, or any member of a
 10 political party of a hostile foreign country.

11 (2) A nonresident alien of a hostile foreign country.

12 (3) A partnership, association, corporation, organization, or
 13 other combination of persons organized under the laws of, or
 14 having its principal place of business in, a hostile foreign
 15 country.

16 (4) A partnership, association, corporation, organization, or
 17 other combination of persons that is at least fifty-one percent
 18 (51%) beneficially owned by a hostile foreign country, the
 19 government of a hostile foreign country, a nonresident alien
 20 of a hostile foreign country, or an entity organized under the
 21 laws of, or having its principal place of business in, a hostile
 22 foreign country.

23 **Sec. 9. As used in this chapter, "political activity" means an**
 24 **activity that is performed with the intent to influence:**

25 (1) a state or local governmental entity, agency, or public
 26 official in Indiana; or

27 (2) the general public in Indiana;
 28 concerning the formulation, adoption, or modification of the laws
 29 or policies of the state, or the election or opposition to the election
 30 of a candidate for state or local office.

31 **Sec. 10. (a) This section applies to a person who acts as an agent**
 32 **of a covered foreign principal after December 31, 2026.**

33 (b) Before or not later than thirty (30) calendar days after
 34 beginning to act as an agent of a covered foreign principal, a
 35 person who acts as an agent shall file with the attorney general a
 36 true and complete registration statement in addition to
 37 supplements as required.

38 (c) The registration statement must include the following:

39 (1) The registrant's name.

40 (2) The registrant's principal business address.

41 (3) If the registrant is a partnership, the names of each
 42 partner and the locations of their domiciles.



1 (4) If the registrant is an association, corporation,
2 organization, or any other combination of individuals, the
3 names and the locations of the domiciles of each director,
4 officer, and person performing the functions of a director or
5 officer.

6 (5) A description of the circumstances requiring the filing of
7 the registration statement, including the following:

8 (A) The name and primary foreign address of the covered
9 foreign principal for whom the registrant is acting or will
10 act as an agent.

11 (B) Each category described in section 8(1) through 8(4) of
12 this chapter that applies to the covered foreign principal.

13 (C) The nature of the relationship between the registrant
14 and the covered foreign principal that qualifies the
15 registrant as an agent of a covered foreign principal under
16 section 4 of this chapter.

17 (6) A comprehensive statement of the nature of the
18 registrant's business.

19 (7) Other statements, information, or documents pertinent to
20 the purposes of this chapter as the attorney general may
21 require by regulation.

22 (d) A registrant must update the information required to reflect
23 any material change in the information not later than ninety (90)
24 calendar days after the material change occurred.

25 (e) An agent shall pay a fee of five hundred dollars (\$500) at the
26 time the agent files an initial registration statement under this
27 chapter.

28 (f) An agent shall pay a fee of one hundred dollars (\$100) each
29 time the agent files a supplemental registration statement under
30 this section.

31 (g) A fee established by the attorney general in accordance with
32 this section must accompany an application for registration or
33 renewal of registration.

34 (h) Failure to comply with subsections (b) through (d) is a
35 violation of this chapter.

36 Sec. 11. (a) This section applies to the political activity of a
37 foreign supported political organization occurring after December
38 31, 2026.

39 (b) Before February 1 of each year, a foreign supported political
40 organization must file with the attorney general a registration
41 statement in addition to supplements as required by the attorney
42 general.



1 (c) The registration statement must include the following:

2 (1) The name of the foreign supported political organization,
3 its business address, and the names and addresses of all
4 officers and directors of the foreign supported political
5 organization.

6 (2) If the foreign supported political organization is affiliated
7 with or is a chapter of a national organization, the name of the
8 national organization, its address, and the names and titles of
9 its officers and directors.

10 (3) A statement that describes any:

11 (A) expenditures made by the organization; and

12 (B) money or thing of value received by the organization
13 from a covered foreign principal or an agent;

14 for the purpose of political activity during the preceding calendar
15 year.

16 (d) A registrant must update the information required to reflect
17 any material change in the information not later than ninety (90)
18 calendar days after the material change occurred.

19 (e) A foreign supported political organization shall pay a fee of
20 five hundred dollars (\$500) at the time the organization files an
21 initial registration statement under this section.

22 (f) A fee established by the attorney general in accordance with
23 this chapter must accompany an application for registration or
24 renewal of registration.

25 (g) Failure to comply with subsections (b) through (d) is a
26 violation of this chapter.

27 Sec. 12. (a) This section applies after December 31, 2026.

28 (b) It is a violation of this chapter if a person:

29 (1) without exercising reasonable care, submits a registration
30 statement required to be filed under this chapter that is
31 materially incorrect;

32 (2) fails to file a corrected registration statement or report
33 after being requested to do so by the attorney general; or

34 (3) fails to make a filing required by section 10 or section 11
35 of this chapter.

36 Sec. 13. (a) Whenever the attorney general has reasonable cause
37 to believe a person or entity may be an affiliate of a foreign
38 terrorist organization, the attorney general may exercise all
39 existing civil investigative powers, including the issuance of civil
40 investigative demands, to determine whether the entity is an
41 affiliate of a foreign terrorist organization.

42 (b) If the attorney general determines, based on the attorney



1 general's investigation, that a person or entity is an affiliate of a
 2 foreign terrorist organization, the attorney general shall notify the
 3 person or entity of the attorney general's determination and
 4 provide the entity with thirty (30) days in which to submit a formal
 5 response to the attorney general's determination.

6 (c) The attorney general shall provide the attorney general's
 7 determination, the evidence on which it is based, and the person's
 8 or entity's response to the governor.

9 **Sec. 14.** The governor shall designate a person or entity as an
 10 affiliate of a foreign terrorist organization if the governor
 11 concludes, based on a review of the results of the investigation
 12 conducted by the attorney general under section 13 of this chapter
 13 and the person's or entity's formal response, that the evidence
 14 amassed by the attorney general demonstrates that it is more likely
 15 than not that the person or entity is an affiliate of a foreign
 16 terrorist organization.

17 **Sec. 15. (a)** As used in this section the term, "recipient of state
 18 funds" does not include a public depository designated under
 19 IC 5-13-9.5-3.

20 (b) Any person or entity that is designated an affiliate of a
 21 foreign terrorist organization shall:

22 (1) be denied all state funds provided by any state agency,
 23 including:

24 (A) funding;

25 (B) benefits; or

26 (C) other forms of support;

27 received or provided, directly or indirectly, from the state;

28 (2) be prohibited from entering into any contract with the
 29 state; and

30 (3) be denied any:

31 (A) employment;

32 (B) tax benefit;

33 (C) privilege; or

34 (D) other form of a state benefit or privilege, whether
 35 provided or received directly or indirectly.

36 (c) No public university, community college, school district, or
 37 other recipient of state funds may, after the date of the governor
 38 designates that a person or entity is an affiliate of a foreign
 39 terrorist organization under section 14 of this chapter, knowingly
 40 provide a grant, contract, loan, tax credit, tax exemption, or other
 41 financial benefit to an affiliate of a foreign terrorist organization.

42 **Sec. 16. (a)** A designation under section 14 of this chapter



1 remains in effect until rescinded by the governor.

2 (b) The governor shall rescind a designation under section 14 of
3 this chapter only if:

4 (1) the governor determines that the designation was
5 erroneous; or

6 (2) the governor determines that the actions of the person or
7 entity that support the designation occurred more than five

8 (5) years ago.

9 Sec. 17. (a) If the attorney general has probable cause to believe
10 a violation of this chapter has occurred, the attorney general may
11 bring an action in the name of the state in connection with a
12 violation of this chapter to seek:

13 (1) appropriate injunctive or other equitable relief;

14 (2) the costs and expenses of the suit, including reasonable
15 attorney's fees and expert fees; and

16 (3) a civil penalty of not more than five hundred dollars
17 (\$500).

18 (b) If a violation of this chapter is committed intentionally, or
19 constitutes a second or subsequent violation, the attorney general
20 may bring a civil action to recover a civil penalty of not more than
21 ten thousand dollars (\$10,000) per violation, in addition to the
22 relief provided in subsection (a)(1) and (a)(2).

23 (c) A civil penalty collected under this chapter shall be deposited
24 in the state general fund.

25 Sec. 18. The attorney general may adopt rules under IC 4-22-2
26 to carry out this chapter.

27 SECTION 3. IC 21-49-7 IS ADDED TO THE INDIANA CODE AS
28 A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE UPON
29 PASSAGE]:

30 Chapter 7. Admission and Enrollment of Certain Foreign
31 Students in Qualifying Programs

32 Sec. 1. This chapter does not apply to a foreign student who is
33 admitted to or enrolled in a qualifying program at a state
34 educational institution as of August 14, 2026.

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

37 (1) who either:

38 (A) is an agent, representative, employee, or servant; or

39 (B) acts in any capacity at the order, request, or under the
40 direction or control;

41 of the government of a foreign adversary; and

42 (2) whose activities are directly or indirectly financed in whole



1 or in part by the government of a foreign adversary.

2 **Sec. 3. As used in this chapter, "approved postsecondary**
3 **educational institution" has the meaning set forth in IC 21-7-13-6.**

4 **Sec. 4. As used in this chapter, "foreign adversary" includes the**
5 **following:**

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

7 (2) The Russian Federation.

8 (3) The People's Republic of North Korea.

9 (4) The Islamic Republic of Iran.

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

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

13 **Sec. 5. As used in this chapter, "foreign student" means an**
14 **individual who is:**

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

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

19 **Sec. 6. As used in this chapter, "qualifying program" refers to**
20 **one (1) of the following fields of study at the undergraduate,**
21 **graduate, doctoral, or postdoctoral level:**

22 (1) Chemical engineering.

23 (2) Electrical engineering.

24 (3) Industrial engineering.

25 (4) Mechanical engineering.

26 (5) Artificial intelligence.

27 (6) Computer science.

28 (7) Microbiology.

29 (8) Virology.

30 (9) A field of study designated by the commissioner for higher
31 education under section 11 of this chapter.

32 **Sec. 7. As used in this chapter, "state educational institution"**
33 **has the definition set forth in IC 21-7-13-32.**

34 **Sec. 8. (a) Beginning August 15, 2026, a state educational**
35 **institution may not admit a foreign student into a qualifying**
36 **program until the state educational institution has completed a**
37 **foreign influence and research security review for the foreign**
38 **student.**

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

42 (1) All current and past affiliations, paid or unpaid, including



1 academic, research, government, and commercial affiliations.

2 (2) All outside support related to the foreign student's
3 education, training, or research activities, including foreign
4 funding sources such as tuition aid, travel aid, complimentary
5 travel, scholarships, or stipends.

6 (3) Any agreements, including intellectual property
7 agreements, employment agreements, consulting agreements,
8 or other obligations that relate to the foreign student's
9 research, education, or training.

10 (4) Any planned external collaboration, supervision, or
11 research reporting relationship or requirement with a person
12 outside of the state educational institution.

13 (5) Whether the foreign student or the foreign student's
14 parent, sibling, or spouse, including those related by blood or
15 marriage, are any of the following:

16 (A) An employee of the government of a foreign adversary.

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

18 (C) A member of a united front organization or a similar
19 association or organization that is sponsored or supported
20 by the government of a foreign adversary and exists to
21 encourage support of the government of the foreign
22 adversary.

23 (6) Whether the foreign student was previously employed by
24 the government of a foreign adversary or served in the
25 military or security services for the government of a foreign
26 adversary.

27 (c) If a state educational institution obtains information while
28 conducting a foreign influence and security review on a foreign
29 student that indicates the foreign student is an agent of a foreign
30 adversary, the state educational institution may not enroll the
31 foreign student.

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

36 Sec. 9. (a) A foreign student who is admitted into a state
37 educational institution after a foreign influence and research
38 security review is completed under section 8 of this chapter must
39 sign an attestation stating that the foreign student has not accepted
40 and will not accept any direct or indirect financial support or
41 funding from a foreign adversary before the state educational
42 institution may enroll the foreign student in the qualifying



1 program.

2 (b) If a state educational institution obtains information that a
3 foreign student has accepted direct or indirect financial support or
4 funding from a foreign adversary, the state educational institution
5 must immediately unenroll the foreign student.

6 Sec. 10. A foreign student who is enrolled in a qualifying
7 program at a state educational institution must immediately
8 disclose the following to the state educational institution:

9 (1) Any changes to the information regarding the foreign
10 student provided in section 8(b)(5) or 8(b)(6) of this chapter.

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

12 Sec. 11. (a) Subject to subsection (b), the commissioner for
13 higher education may designate a field of study as a qualifying
14 program.

15 (b) The commissioner for higher education must provide the
16 board of trustees of each state educational institution and approved
17 postsecondary educational institution with notice of the designation
18 of a field of study as a qualifying program under subsection (a) not
19 later than six (6) months prior to the start of the next academic
20 term.

21 Sec. 12. (a) Not later than November 1, 2026, an approved
22 postsecondary educational institution shall provide to the
23 commission for higher education the following information:

24 (1) The number of foreign students enrolled in a qualifying
25 program at the approved postsecondary educational
26 institution as of August 15, 2026.

27 (2) The number of foreign students enrolled in a qualifying
28 program at the approved postsecondary educational
29 institution for each academic year for the preceding ten (10)
30 years.

31 (b) This section expires July 1, 2027.

32 SECTION 4. IC 32-22-3 IS REPEALED [EFFECTIVE JULY 1,
33 2026]. (Rights of a Foreign Business Entity to Hold and Convey
34 Agricultural Land).

35 SECTION 5. IC 32-22-3.5 IS ADDED TO THE INDIANA CODE
36 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
37 JULY 1, 2026]:

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

40 Sec. 1. (a) As used in this chapter, "acting as an agent of a
41 foreign adversary" means to knowingly engage in conduct at the
42 direction of or under the control of a foreign adversary that



1 materially advances the foreign adversary's strategic, intelligence,
2 or military objectives.

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

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

10 (1) who either:

11 (A) is an agent, representative, employee, or servant; or

12 (B) acts in any capacity at the order, request, or under the
13 direction or control;

14 of the government of a foreign adversary; and

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

17 Sec. 3. As used in this chapter, "business entity" means:

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

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

22 Sec. 4. As used in this chapter, "controlling person" means:

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

25 (2) an officer, director, or other individual who possesses
26 inside information about a business entity because of the
27 officer, director, or other individual's relationship with the
28 business entity; or

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

32 Sec. 5. As used in this chapter, "foreign adversary" includes the
33 following:

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

35 (2) The Russian Federation.

36 (3) The People's Republic of North Korea.

37 (4) The Islamic Republic of Iran.

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

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

41 Sec. 6. (a) As used in this chapter, "prohibited person" includes
42 the following:



- 1 (1) An individual who is a citizen of a foreign adversary.
- 2 (2) An individual who is domiciled in a foreign adversary.
- 3 (3) A business entity organized under the laws of a foreign
- 4 adversary.
- 5 (4) A business entity headquartered in a foreign adversary.
- 6 (5) A business entity with a controlling person that is one (1)
- 7 of the following:
- 8 (A) An individual who is a citizen of a foreign adversary.
- 9 (B) An individual who is domiciled in a foreign adversary.
- 10 (C) A business entity or other entity, including a
- 11 governmental entity, that is owned or controlled by an
- 12 individual described in subdivision (1) or (2), or is directly
- 13 controlled by the government of a foreign adversary.

14 The term, as used in subdivisions (1), (2), (5)(A), and (5)(B), does
 15 not include an individual who holds dual citizenship with a foreign
 16 adversary and the United States, an individual who is a citizen or
 17 lawful permanent resident of the United States, an individual for
 18 whom an I-140 petition has been approved by or is pending with
 19 the United States Citizenship and Immigration Services, or an
 20 individual who has been granted asylum in the United States.

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

23 Sec. 7. After June 30, 2026, a prohibited person may not do any
 24 of the following:

- 25 (1) Acquire by grant, purchase, devise, descent, or otherwise
- 26 any real property located in Indiana.
- 27 (2) Acquire by grant, purchase, devise, descent, or otherwise
- 28 any mineral right or water or riparian right on any real
- 29 property located in Indiana.
- 30 (3) Enter into a new lease agreement as a lessee for any real
- 31 property located in Indiana. This subdivision does not apply
- 32 to a lease agreement to which the following apply:
- 33 (A) The real property that is the subject of the lease
- 34 agreement will be used only for residential purposes.
- 35 (B) The lease agreement is for a term of not more than
- 36 twenty-four (24) months.
- 37 (4) Enter into a new lease agreement for any mineral right or
- 38 riparian right on any real property located in Indiana.

39 Sec. 8. (a) This section applies to a prohibited person that owns
 40 an interest in real property located in Indiana on July 1, 2026.

41 (b) A prohibited person that owns an interest in real property
 42 located in Indiana on July 1, 2026, shall not act as an agent of a



1 foreign adversary.

2 (c) The attorney general may bring an action under section 9 of
3 this chapter to require divestiture of a prohibited person's real
4 property interest only if the attorney general establishes, by clear
5 and convincing evidence, that the prohibited person is acting as an
6 agent of a foreign adversary.

7 (d) If the attorney general makes a prima facie showing under
8 subsection (c), the burden of proof shifts to the prohibited person
9 to demonstrate, by a preponderance of the evidence, that the
10 ownership or control of the real property does not present a risk of
11 the prohibited person acting as an agent of a foreign adversary.

12 (e) A court may not order divestiture under section 9 of this
13 chapter unless the court enters written findings of fact and
14 conclusions of law establishing that the attorney general has
15 satisfied the burden required under subsection (c) and that
16 divestiture is permitted under this section.

17 Sec. 9. (a) Upon receipt of information that leads the attorney
18 general to believe a prohibited person has violated section 7 or 8 of
19 this chapter, the attorney general shall investigate the alleged
20 violation and may issue subpoenas requiring the:

- 21 (1) appearance of witnesses;
22 (2) production of relevant records; and
23 (3) giving of relevant testimony.

24 (b) The attorney general shall enforce a violation of section 7 or
25 8 of this chapter by commencing a receivership proceeding under
26 IC 32-30-5-1 and selling the real property or the interest in real
27 property through the receivership. The following apply to a
28 receivership proceeding under this section:

- 29 (1) Proceeds of the sale shall be paid as follows:
30 (A) To lienholders, in their order of priority, except for
31 liens that under the terms of the sale are to remain on the
32 property.
33 (B) The costs of the receivership and sale, including
34 reasonable attorney's fees and expert fees.
35 (C) No proceeds shall be distributed from the receivership
36 sale to the prohibited person. Any excess proceeds are
37 forfeited and shall be transferred to the state general fund
38 by the receiver.

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



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

5 **(4) Upon commencement of an action under this section, the**
 6 **attorney general shall promptly file a notice of lis pendens**
 7 **with the clerk of court. Upon the entry of an order for the sale**
 8 **of the real property under this section, the attorney general**
 9 **shall promptly record a copy of the order in the office of the**
 10 **recorder of the county where the property is located.**

11 **(c) The responsibility for determining whether an individual or**
 12 **other entity is subject to section 7 or 8 of this chapter rests solely**
 13 **with the prohibited person and the attorney general and no other**
 14 **individual or entity. An individual or other entity who is not a**
 15 **prohibited person shall bear no civil or criminal liability for failing**
 16 **to determine or make inquiry of whether an individual or other**
 17 **entity is a prohibited person.**

18 **(d) Except for an interest created after the effective date of the**
 19 **lis pendens notice filed under subsection (b)(4), divestiture of a**
 20 **prohibited person's title under this section shall not be a basis to**
 21 **void, invalidate, or otherwise extinguish any bona fide mortgage,**
 22 **lien, or other interest granted by, through, or under the prohibited**
 23 **person. An interest created after the effective date of the lis**
 24 **pendens notice filed under subsection (b)(4) is void upon entry of**
 25 **an order for the sale of the real property under this section.**

26 SECTION 6. IC 34-30-2.1-525.4 IS REPEALED [EFFECTIVE
 27 JULY 1, 2026]. ~~Sec. 525.4. IC 32-22-3-4.5(c) (Concerning agricultural~~
 28 ~~land purchased or leased by a prohibited person):~~

29 SECTION 7. IC 34-30-2.1-525.5 IS REPEALED [EFFECTIVE
 30 JULY 1, 2026]. ~~Sec. 525.5. IC 32-22-3-6.5(c) (Concerning agricultural~~
 31 ~~land held by a prohibited person):~~

32 SECTION 8. IC 34-30-2.1-525.6 IS ADDED TO THE INDIANA
 33 CODE AS A NEW SECTION TO READ AS FOLLOWS
 34 [EFFECTIVE JULY 1, 2026]: **Sec. 525.6. IC 32-22-3.5-9 (Concerning**
 35 **land held by a prohibited person).**

36 SECTION 9. IC 36-1-32-3, AS ADDED BY P.L.136-2024,
 37 SECTION 52, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 38 JULY 1, 2026]: Sec. 3. **(a) A unit may not enter into a sister city**
 39 **agreement or any cooperative agreement with a prohibited person.**

40 **(b) Any agreement or cooperative agreement between a unit and**
 41 **a prohibited person is contrary to public policy and is void and**
 42 **unenforceable.**



1 **SECTION 10. An emergency is declared for this act.**



COMMITTEE REPORT

Mr. President: The Senate Committee on Judiciary, to which was referred Senate Bill No. 256, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill DO PASS.

(Reference is to SB 256 as introduced.)

CARRASCO, Chairperson

Committee Vote: Yeas 8, Nays 2

 SENATE MOTION

Mr. President: I move that Senate Bill 256 be amended to read as follows:

Page 1, delete line 4 and insert "**Chapter 17. Foreign Agent Registration and Foreign Terrorist Organizations**

Sec. 1. As used in this chapter, "affiliate of a foreign terrorist organization" means a person who:

- (1) is or was an agent, representative, employee, or servant of a foreign terrorist organization;**
- (2) acts or acted in any capacity at the order or request or under the direction or control of a foreign terrorist organization; or**
- (3) provides, or at any point in the preceding five (5) years provided, material support or resources to aid a foreign terrorist organization."**

Page 1, line 5, delete "Sec. 1." and insert "**Sec. 2.**".

Page 1, line 7, delete "Sec. 2." and insert "**Sec. 3.**".

Page 1, line 16, after "activity" insert "**on behalf of a hostile foreign principal**".

Page 1, line 17, delete "Sec. 3." and insert "**Sec. 4.**".

Page 2, delete lines 8 through 42, begin a new paragraph, and insert: "**Sec. 5. As used in this chapter, "hostile foreign country" means one (1) or more of the following:**

- (1) The People's Republic of China.**
- (2) The Russian Federation.**
- (3) The People's Republic of North Korea.**
- (4) The Islamic Republic of Iran.**

Sec. 6. As used in this chapter, "foreign terrorist organization"

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means any organization designated by the United States government as a Foreign Terrorist Organization under Section 219 of the Immigration and Nationality Act (8 U.S.C. 1189).

Sec. 7. As used in this chapter, "hostile foreign principal" means one (1) or more of the following:

- (1) The government of a hostile foreign country, a political party of a hostile foreign country, or any member of a political party of a hostile foreign country.
- (2) A nonresident alien of a hostile foreign country.
- (3) A partnership, association, corporation, organization, or other combination of persons organized under the laws of, or having its principal place of business in, a hostile foreign country.
- (4) A partnership, association, corporation, organization, or other combination of persons that is at least twenty percent (20%) beneficially owned by a hostile foreign country, the government of a hostile foreign country, a nonresident alien of a hostile foreign country, or an entity organized under the laws of, or having its principal place of business in, a hostile foreign country.

Sec. 8. As used in this chapter, "political activity" means an activity that is performed with the intent to influence:

- (1) a state or local governmental entity, agency, or public official in Indiana; or
- (2) the general public in Indiana;

concerning the formulation, adoption, or modification of the laws or policies of the state, or the election or opposition to the election of a candidate for state or local office.

Sec. 9. (a) This section applies to an agent. Before acting as an agent, a person who acts as an agent shall file with the attorney general a true and complete registration statement in addition to supplements as required.

(b) The registration statement must include the following:

- (1) The registrant's name.
- (2) The registrant's principal business address, and all other business addresses in the United States or elsewhere.
- (3) The registrant's residential addresses, if any.
- (4) If the registrant is an individual, the registrant's nationality.
- (5) If the registrant is a partnership, the names, residential addresses, and nationalities of each partner and a true and complete copy of the partnership's certificate of partnership.



(6) If the registrant is an association, corporation, organization, or any other combination of individuals, the following:

(A) The names, residential addresses, and nationalities of each director and officer and each person performing the functions of a director or officer.

(B) A true and complete copy of its charter, articles of incorporation, association, constitution, bylaws, and amendments to those documents.

(C) A copy of every other instrument or document and a statement of the terms and conditions of every oral agreement relating to its organization, powers, and purposes.

(D) A statement of its ownership and control.

(7) A comprehensive statement of the nature of the registrant's business.

(8) A complete list of the registrant's employees and a statement of the nature of the work of each employee.

(9) The name and address of every hostile foreign principal for whom the registrant is acting or has agreed to act.

(10) The character of the business or other activities of every hostile foreign principal and, if a hostile foreign principal is not a natural person, a statement of the ownership and control of each hostile foreign principal.

(11) The extent, if any, to which each hostile foreign principal is supervised, directed, owned, controlled, financed, or subsidized, in whole or in part, by a government of a foreign country or foreign political party, or by another agent or hostile foreign principal.

(12) A comprehensive statement of the nature and method of performance of each contract with a hostile foreign principal.

(13) A comprehensive statement of the existing and proposed activities engaged in, or to be engaged in, by the registrant as an agent, including a detailed statement of any activity that is a political activity.

(14) The nature and amount of contributions, income, money, or things of value, if any, that the registrant has received within the preceding sixty (60) days from each hostile foreign principal, either as compensation or for disbursement or otherwise, and the form and time of each such payment and from whom received.

(15) A detailed statement of every activity that the registrant



assumes, purports, or agrees to perform for the registrant or any other person other than a hostile foreign principal and that requires registration under this chapter, including a detailed statement of any activity that is a political activity.

(16) The name, business, and residence addresses, and if an individual, the nationality, of any person other than a hostile foreign principal for whom the registrant is acting or has agreed to act and the following:

(A) Information concerning the extent that the person is supervised, directed, owned, controlled, financed, or subsidized, in whole or in part, by any government of a foreign country or foreign political party or by any other foreign principal from a hostile foreign country.

(B) Information concerning the nature and amount of contributions, income, money, or things of value, if any, that the registrant has received during the preceding sixty (60) days from each person in connection with any of the activities under subdivision (15), either as compensation or for disbursement or otherwise, and the form and time of each payment and from whom payment was received.

(17) A detailed statement of the money and other things of value spent or disposed of by the registrant during the preceding sixty (60) days in furtherance of or in connection with activities that require registration under this chapter.

(18) Notwithstanding any other laws, a detailed statement of any contributions of money or other things of value made by the registrant during the preceding sixty (60) days in connection with an election to any political office or in connection with any primary election, convention, or caucus held to select candidates for any political office.

(19) Other statements, information, or documents as required by the attorney general.

(20) Statements and copies of documents that are necessary to make the statements made in the registration statement and supplements not misleading.

(c) In addition to the information required under subsection (b), a registrant must also file copies of each written agreement and the terms and conditions of each oral agreement, including any modifications, or, where no contract exists, a full statement of all the circumstances, by reason of which the registrant is an agent.

(d) A registrant must update the information required under subsection (b) at least once every quarter.



(e) An agent shall pay a fee of five hundred dollars (\$500) at the time the agent files an initial registration statement under this chapter.

(f) An agent shall pay a fee of one hundred dollars (\$100) each time the agent files a supplemental registration statement under this section.

(g) A fee established by the attorney general in accordance with this section must accompany an application for registration or renewal of registration.

(h) Failure to comply with subsections (a) through (d) is a violation of this chapter.

Sec. 10. (a) Before January 1, 2027, a foreign supported political organization must file with the attorney general a true and complete registration statement in addition to supplements as required.

(b) The registration statement must include the following:

(1) The name of the foreign supported political organization, its business address, and the names, titles, and addresses of all officers and directors of the foreign supported political organization.

(2) If the foreign supported political organization is affiliated with or is a chapter of a national organization, the name of the national organization, its address, and the names and addresses of its officers and directors.

(3) A detailed statement of any expenditures of money or anything of value made by the organization within the prior calendar year for the purpose of political activity.

(4) A detailed statement of all money or anything of value received by the organization from a hostile foreign principal or an agent during the preceding calendar year.

(c) A registrant must update the information required under subsection (b) at least once every quarter.

(d) A foreign supported political organization shall pay a fee of five hundred dollars (\$500) at the time the agent files an initial registration statement under this section.

(e) A fee established by the attorney general in accordance with this chapter must accompany an application for registration or renewal of registration.

(f) Failure to comply with subsections (a) through (c) is a violation of this chapter.

Sec. 11. It is a violation of this chapter if a person or agent:

(1) submits a registration statement required to be filed under



(D) other form of a state benefit or privilege, whether provided or received directly or indirectly.

(b) No public university, community college, school district, or other recipient of state funds may, after the date of the governor designates that a person or entity is an affiliate of a foreign terrorist organization under section 13 of this chapter, knowingly provide a grant, contract, loan, tax credit, tax exemption, or other financial benefit to an affiliate of a foreign terrorist organization.

Sec. 15. (a) A designation under section 13 of this chapter remains in effect until rescinded by the governor.

(b) The governor shall rescind a designation under section 13 of this chapter only if:

- (1) the governor determines that the designation was erroneous; or**
- (2) the governor determines that the actions of the person or entity that support the designation occurred more than five**
- (5) years ago.**

Sec. 16. (a) If the attorney general has reasonable cause to believe a violation of this chapter has occurred, the attorney general may bring an action in the name of the state in connection with a violation of this chapter to seek:

- (1) appropriate injunctive or other equitable relief;**
- (2) the costs and expenses of the suit, including reasonable attorney's fees and expert fees; and**
- (3) a civil penalty of not more than five hundred dollars (\$500).**

(b) If a violation of this chapter is committed intentionally, or constitutes a second or subsequent violation, the attorney general may bring a civil action to recover a civil penalty of not more than ten thousand dollars (\$10,000) per violation, in addition to the relief provided in subsection (a)(1) and (a)(2).

(c) A civil penalty collected under this chapter shall be deposited in the state general fund.

Sec. 17. The attorney general may adopt rules under IC 4-22-2 to carry out this chapter."

Delete pages 3 through 6.

Renumber all SECTIONS consecutively.

(Reference is to SB 256 as printed January 16, 2026.)

GARTEN



COMMITTEE REPORT

Mr. Speaker: Your Committee on Judiciary, to which was referred Senate Bill 256, 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, line 17, delete "hostile" and insert "**covered**".

Page 2, line 1, delete "hostile" and insert "**covered**".

Page 2, line 7, delete "hostile" and insert "**covered**".

Page 2, line 9, delete "hostile" and insert "**covered**".

Page 2, line 10, delete "hostile" and insert "**covered**".

Page 2, line 16, delete "five (5)" and insert "**three (3)**".

Page 2, line 17, delete "hostile" and insert "**covered**".

Page 2, line 18, delete "agent; and" and insert "**agent, unless the money or thing of value:**

(A) was obtained through bona fide commercial activity engaged in connection with an arm's length transaction; or (B) is less than ten percent (10%) of the annual revenue of the:

(i) political party;

(ii) domestic partnership;

(iii) association;

(iv) corporation;

(v) organization; or

(vi) other combination of persons; and".

Page 2, between lines 25 and 26, begin a new line block indented and insert:

"(5) A foreign country listed in 15 CFR 791.4.

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

Page 2, line 30, delete "hostile" and insert "**covered**".

Page 2, line 41, delete "twenty percent" and insert "**fifty-one percent (51%)**".

Page 2, line 42, delete "(20%)".

Page 3, line 13, delete "an agent. Before acting as an" and insert "**a person who acts as an agent of a covered foreign principal after December 31, 2026.**

(b) Before or not later than thirty (30) calendar days after beginning to act as an agent of a covered foreign principal,"

Page 3, line 14, delete "agent,".

Page 3, line 17, delete "(b)" and insert "(c)".

Page 3, line 19, delete "address, and all other" and insert "**address.**".



Page 3, delete lines 20 through 23.

Page 3, line 24, delete "(5)" and insert "(3)".

Page 3, line 24, delete "the names, residential" and insert **"the names of each partner and the locations of their domiciles."**

Page 3, delete lines 25 through 26.

Page 3, line 27, delete "(6)" and insert "(4)".

Page 3, line 28, after "the" insert **"names and the locations of the domiciles of each director, officer, and person performing the functions of a director or officer."**

Page 3, delete lines 29 through 40, begin a new line block indented and insert:

"(5) A description of the circumstances requiring the filing of the registration statement, including the following:

(A) The name and primary foreign address of the covered foreign principal for whom the registrant is acting or will act as an agent.

(B) Each category described in section 7(1) through 7(4) of this chapter that applies to the covered foreign principal.

(C) The nature of the relationship between the registrant and the covered foreign principal that qualifies the registrant as an agent of a covered foreign principal under section 3 of this chapter."

Page 3, line 41, delete "(7)" and insert "(6)".

Page 3, after line 42, begin a new line block indented and insert:

"(7) Other statements, information, or documents pertinent to the purposes of this chapter as the attorney general may require by regulation."

Delete page 4.

Page 5, delete lines 1 through 24.

Page 5, line 25, delete "under".

Page 5, line 26, delete "subsection (b) at least once every quarter." and insert **"to reflect any material change in the information not later than ninety (90) calendar days after the material change occurred."**

Page 5, line 38, delete "Before January 1, 2027," and insert **"This section applies to the political activity of a foreign supported political organization occurring after December 31, 2026.**

(b) Before February 1 of each year,"

Page 5, line 39, delete "true and".

Page 5, line 40, delete "complete".

Page 5, line 41, delete "required." and insert **"required by the attorney general."**



Page 5, line 42, delete "(b)" and insert "(c)".

Page 6, line 2, delete "names, titles, and addresses" and insert **"names and addresses"**.

Page 6, line 8, delete "addresses" and insert **"titles"**.

Page 6, line 9, delete "detailed".

Page 6, line 9, delete "of any expenditures of money or" and insert **"that describes any:**

(A) expenditures made by the organization; and

(B) money or thing of value received by the organization from a covered foreign principal or an agent;

for the purpose of political activity during the preceding calendar year."

Page 6, delete lines 10 through 14.

Page 6, line 15, delete "(c)" and insert "(d)".

Page 6, line 15, delete "under".

Page 6, line 16, delete "subsection (b) at least once every quarter." and insert **"to reflect any material change in the information not later than ninety (90) calendar days after the material change occurred."**

Page 6, line 17, delete "(d)" and insert "(e)".

Page 6, line 18, delete "agent" and insert **"organization"**.

Page 6, line 20, delete "(e)" and insert "(f)".

Page 6, line 23, delete "(f)" and insert "(g)".

Page 6, line 25, after "Sec. 11." insert **"(a) This section applies after December 31, 2026.**

(b)".

Page 6, line 25, delete "person or agent:" and insert **"person:"**.

Page 6, line 26, after "(1)" insert **"without exercising reasonable care,"**.

Page 8, line 2, delete "reasonable" and insert **"probable"**.

Page 8, after line 19, begin a new paragraph and insert:

"SECTION 2. IC 36-1-32-3, AS ADDED BY P.L.136-2024, SECTION 52, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 3. **(a)** A unit may not enter into a sister city agreement or any cooperative agreement with a prohibited person.

(b) Any agreement or cooperative agreement between a unit and a prohibited person is contrary to public policy and is void and unenforceable."

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.



(Reference is to SB 256 as reprinted January 21, 2026.)

JETER

Committee Vote: yeas 12, nays 0.

HOUSE MOTION

Mr. Speaker: I move that Engrossed Senate Bill 256 be amended to read as follows:

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

"SECTION 1. IC 1-1-15.3 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]:

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

Sec. 1. 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. 2. 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. 3. As used in this chapter, "controlling person" means:

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

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

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

Sec. 4. As used in this chapter, "foreign adversary" includes the



following:

- (1) The People's Republic of China.
- (2) The Russian Federation.
- (3) The People's Republic of North Korea.
- (4) The Islamic Republic of Iran.
- (5) A foreign government listed in 15 CFR 791.4.
- (6) A country designated as a threat to critical infrastructure by the governor under IC 1-1-16-8.

Sec. 5. (a) As used in this chapter, "prohibited person" includes the following:

- (1) A business entity organized under the laws of a foreign adversary.
- (2) A business entity headquartered in a foreign adversary.
- (3) A business entity with a controlling person that is one (1) of the following:
 - (A) An individual who is a citizen of a foreign adversary.
 - (B) An individual who is domiciled in a foreign adversary.
 - (C) A business entity or other entity, including a governmental entity, that is owned or controlled by an individual who is a citizen of or domiciled in a foreign adversary, or is directly controlled by the government of a foreign adversary.

The term, as used in subdivision (3)(A) and (3)(B), does not include an individual who holds dual citizenship with a foreign adversary (as defined in 15 CFR 791.4) and the United States, an individual who is a citizen or lawful permanent resident of the United States, or an individual who has been granted asylum in the United States.

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

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

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

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

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

Sec. 8. (a) This section applies to:

- (1) a new contract entered into after June 30, 2026; and
- (2) an existing contract amended or renewed after June 30, 2027;



by a qualified entity for the provision of a technological product or service.

(b) A qualified entity shall exercise due care to ensure that a contractor and any subcontractors working under the contractor for the contract are not prohibited persons

(c) If the contractor or a subcontractor working under the contractor for the contract is a prohibited person, a contract to which this section applies must contain 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.

(d) A breach of the provision under subsection (b) may be regarded as a material breach of the contract."

Page 2, delete lines 1 through 11, begin a new paragraph and insert:

"Sec. 3. As used in this chapter, "agent of a covered foreign principal" means a person who meets all of the following:

(1) A person 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 a covered foreign principal.

(2) A person whose activities are directly or indirectly financed in whole or in part by a covered foreign principal.

(3) A person who engages in political activity on behalf of a covered foreign principal in Indiana."

Page 4, line 29, delete "(a)" and insert "(b)".

Page 5, line 20, delete "(a) through (c)" and insert "(b) through (d)".

Page 6, line 12, after "(a)" insert "As used in this section the term, "recipient of state funds" does not include a public depository designated under IC 5-13-9.5-3.

(b)".

Page 6, line 28, delete "(b)" and insert "(c)".

Page 7, between lines 18 and 19, begin a new paragraph and insert:
"SECTION 3. IC 21-49-7 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]:

Chapter 7. Admission and Enrollment of Certain Foreign Students in Qualifying Programs

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



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. 3. As used in this chapter, "approved postsecondary educational institution" has the meaning set forth in IC 21-7-13-6.

Sec. 4. As used in this chapter, "foreign adversary" includes the following:

(1) The People's Republic of China.

(2) The Russian Federation.

(3) The People's Republic of North Korea.

(4) The Islamic Republic of Iran.

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

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

Sec. 5. As used in this chapter, "foreign student" means an individual who is:

(1) a citizen of a foreign adversary; and

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

Sec. 6. As used in this chapter, "qualifying program" refers to one (1) of the following fields of study at the undergraduate, graduate, doctoral, or postdoctoral level:

(1) Chemical engineering.

(2) Electrical engineering.

(3) Industrial engineering.

(4) Mechanical engineering.

(5) Artificial intelligence.

(6) Computer science.

(7) Microbiology.

(8) Virology.

(9) A field of study designated by the commissioner for higher education under section 11 of this chapter.

Sec. 7. As used in this chapter, "state educational institution" has the definition set forth in IC 21-7-13-32.

Sec. 8. (a) Beginning August 15, 2026, a state educational



institution may not admit a foreign student into a qualifying program until the state educational institution has completed a foreign influence and research security review for the foreign student.

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

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

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

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

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

(5) Whether the foreign student or the foreign student's parent, sibling, or spouse, including those related by blood or marriage, are any of the following:

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

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

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

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

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

(d) A state educational institution may not admit a foreign student who refuses or fails to provide the state educational institution with any information necessary to complete a foreign



influence and research security review under this section.

Sec. 9. (a) A foreign student who is admitted into a state educational institution after a foreign influence and research security review is completed under section 8 of this chapter must sign an attestation stating that the foreign student has not accepted and will not accept any direct or indirect financial support or funding from a foreign adversary before the state educational institution may enroll the foreign student in the qualifying program.

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

Sec. 10. A foreign student who is enrolled in a qualifying program at a state educational institution must immediately disclose the following to the state educational institution:

- (1) Any changes to the information regarding the foreign student provided in section 8(b)(5) or 8(b)(6) of this chapter.**
- (2) Any contact with an agent of a foreign adversary.**

Sec. 11. (a) Subject to subsection (b), the commissioner for higher education may designate a field of study as a qualifying program.

(b) The commissioner for higher education must provide the board of trustees of each state educational institution and approved postsecondary educational institution with notice of the designation of a field of study as a qualifying program under subsection (a) not later than six (6) months prior to the start of the next academic term.

Sec. 12. (a) Not later than November 1, 2026, an approved postsecondary educational institution shall provide to the commission for higher education the following information:

- (1) The number of foreign students enrolled in a qualifying program at the approved postsecondary educational institution as of August 15, 2026.**
- (2) The number of foreign students enrolled in a qualifying program at the approved postsecondary educational institution for each academic year for the preceding ten (10) years.**

(b) This section expires July 1, 2027.

SECTION 4. IC 32-22-3 IS REPEALED [EFFECTIVE JULY 1, 2026]. (Rights of a Foreign Business Entity to Hold and Convey Agricultural Land).



SECTION 5. IC 32-22-3.5 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE 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. 3. 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. 4. As used in this chapter, "controlling person" means:

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

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

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

Sec. 5. As used in this chapter, "foreign adversary" includes the following:

(1) The People's Republic of China.



- (2) The Russian Federation.
- (3) The People's Republic of North Korea.
- (4) The Islamic Republic of Iran.
- (5) A foreign government listed in 15 CFR 791.4.
- (6) A country designated as a threat to critical infrastructure by the governor under IC 1-1-16-8.

Sec. 6. (a) As used in this chapter, "prohibited person" includes the following:

- (1) An individual who is a citizen of a foreign adversary.
- (2) An individual who is domiciled in a foreign adversary.
- (3) A business entity organized under the laws of a foreign adversary.
- (4) A business entity headquartered in a foreign adversary.
- (5) A business entity with a controlling person that is one (1) of the following:
 - (A) An individual who is a citizen of a foreign adversary.
 - (B) An individual who is domiciled in a foreign adversary.
 - (C) A business entity or other entity, including a governmental entity, that is owned or controlled by an individual described in subdivision (1) or (2), or is directly controlled by the government of a foreign adversary.

The term, as used in subdivisions (1), (2), (5)(A), and (5)(B), does not include an individual who holds dual citizenship with a foreign adversary and the United States, an individual who is a citizen or lawful permanent resident of the United States, an individual for whom an I-140 petition has been approved by or is pending with the United States Citizenship and Immigration Services, or an individual who has been granted asylum in the United States.

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

Sec. 7. After June 30, 2026, a prohibited person may not do any of the following:

- (1) Acquire by grant, purchase, devise, descent, or otherwise any real property located in Indiana.
- (2) Acquire by grant, purchase, devise, descent, or otherwise any mineral right or water or riparian right on any real property located in Indiana.
- (3) Enter into a new lease agreement as a lessee for any real property located in Indiana. This subdivision does not apply to a lease agreement to which the following apply:
 - (A) The real property that is the subject of the lease agreement will be used only for residential purposes.



(B) The lease agreement is for a term of not more than twenty-four (24) months.

(4) Enter into a new lease agreement for any mineral right or riparian right on any real property located in Indiana.

Sec. 8. (a) This section applies to a prohibited person that owns an interest in real property located in Indiana on July 1, 2026.

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

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

(d) If the attorney general makes a prima facie showing under subsection (c), the burden of proof shifts to the prohibited person to demonstrate, by a preponderance of the evidence, that the ownership or control of the real property does not present a risk of the prohibited person acting as an agent of a foreign adversary.

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

Sec. 9. (a) Upon receipt of information that leads the attorney general to believe a prohibited person has violated section 7 or 8 of this chapter, the attorney general shall investigate the alleged violation and may issue subpoenas requiring the:

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

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

- (1) Proceeds of the sale shall be paid as follows:
 - (A) To lienholders, in their order of priority, except for liens that under the terms of the sale are to remain on the property.
 - (B) The costs of the receivership and sale, including reasonable attorney's fees and expert fees.



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

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

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

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

(c) The responsibility for determining whether an individual or other entity is subject to section 7 or 8 of this chapter rests solely with the prohibited person and the attorney general and no other individual or entity. An individual or other entity who is not a prohibited person shall bear no civil or criminal liability for failing to determine or make inquiry of whether an individual or other entity is a prohibited person.

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

SECTION 6. IC 34-30-2.1-525.4 IS REPEALED [EFFECTIVE JULY 1, 2026]. ~~Sec. 525.4. IC 32-22-3-4.5(c) (Concerning agricultural land purchased or leased by a prohibited person):~~

SECTION 7. IC 34-30-2.1-525.5 IS REPEALED [EFFECTIVE JULY 1, 2026]. ~~Sec. 525.5. IC 32-22-3-6.5(c) (Concerning agricultural land held by a prohibited person):~~

SECTION 8. IC 34-30-2.1-525.6 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: **Sec. 525.6. IC 32-22-3.5-9 (Concerning**



land held by a prohibited person)."

Page 7, after line 25, begin a new paragraph and insert:
"SECTION 10. An emergency is declared for this act."
 Renumber all SECTIONS consecutively.

(Reference is to ESB 256 as printed February 16, 2026.)

COMMONS

HOUSE MOTION

Mr. Speaker: I move that Engrossed Senate Bill 256 be amended to read as follows:

Page 1, between lines 5 and 6, begin a new paragraph and insert:

"Sec. 1. This chapter does not apply to an entity that is the subject of, or covered by, a divestiture under the Protecting Americans from Foreign Adversary Controlled Applications Act, Pub. L. 118-50, div. H, 138 Stat. 895 (2024)."

Page 1, line 6, delete "1." and insert "2."

Page 1, line 16, delete "2." and insert "3."

Page 2, line 1, delete "3." and insert "4."

Page 2, line 12, delete "4." and insert "5."

Page 2, line 30, delete "5." and insert "6."

Page 2, line 39, delete "6." and insert "7."

Page 3, line 1, delete "7." and insert "8."

Page 3, line 18, delete "8." and insert "9."

Page 3, line 26, delete "9." and insert "10."

Page 4, line 6, delete "7(1) through 7(4)" and insert **"8(1) through 8(4)"**.

Page 4, line 11, delete "3" and insert "4".

Page 4, line 31, delete "10." and insert "11."

Page 5, line 22, delete "11." and insert "12."

Page 5, line 29, delete "9 or section 10" and insert **"10 or section 11"**.

Page 5, line 31, delete "12." and insert "13."

Page 6, line 4, delete "13." and insert "14."

Page 6, line 7, delete "12" and insert "13".

Page 6, line 12, delete "14." and insert "15."

Page 6, line 31, delete "13" and insert "14".

Page 6, line 34, delete "15." and insert "16."



Page 6, line 34, delete "13" and insert "14".

Page 6, line 36, delete "13" and insert "14".

Page 7, line 1, delete "16." and insert "17.".

Page 7, line 17, delete "17." and insert "18.".

(Reference is to ESB 256 as printed February 16, 2026.)

JUDY

