



CONFERENCE COMMITTEE REPORT DIGEST FOR ESB 256

Citations Affected: IC 1-1-15.3; IC 4-6-17; IC 21-49-7; IC 32-22; IC 34-30-2.1; IC 36-1-32-3.

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 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. **(This conference committee report does the following: (1) Amends provisions concerning contracts entered into, amended, or renewed by a qualified entity for the provision of a technological product or service. (2) Amends provisions concerning certain individuals acquiring real property located in Indiana. (3) Removes provisions concerning the Protecting Americans from Foreign Adversary Controlled Applications Act. (4) Removes provisions concerning individuals for whom an I-140 petition has been approved by or is pending with the United States Citizenship and Immigration Services. (5) Makes technical corrections.)**

Effective: Upon passage; July 1, 2026.



CONFERENCE COMMITTEE REPORT

MR. PRESIDENT:

Your Conference Committee appointed to confer with a like committee from the House upon Engrossed House Amendments to Engrossed Senate Bill No. 256 respectfully reports that said two committees have conferred and agreed as follows to wit:

that the Senate recede from its dissent from all House amendments and that the Senate now concur in all House amendments to the bill and that the bill be further amended as follows:

- 1 Delete everything after the enacting clause and insert the following:
- 2 SECTION 1. IC 1-1-15.3 IS ADDED TO THE INDIANA CODE
- 3 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
- 4 JULY 1, 2026]:
- 5 **Chapter 15.3. Prohibition on Technology Contracts with**
- 6 **Certain Foreign Owned Companies**
- 7 **Sec. 1. As used in this chapter, "business entity" means:**
- 8 (1) a corporation, professional corporation, nonprofit
- 9 corporation, limited liability company, partnership, or limited
- 10 partnership; or
- 11 (2) the equivalent of any entity described in subdivision (1).
- 12 **Sec. 2. As used in this chapter, "controlling person" means:**
- 13 (1) a beneficial owner (as defined in IC 23-1-20-3.5) of at least
- 14 fifty-one percent (51%) of the shares of a business entity;
- 15 (2) an officer, a director, or another individual who possesses
- 16 inside information about a business entity because of the
- 17 officer, director, or other individual's relationship with the
- 18 business entity; or
- 19 (3) a person, individually or as a member of a group, who has
- 20 the ability to directly or indirectly affect a business entity's

management or policies.

Sec. 3. 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. 4. (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, a trustee, or a fiduciary acting on behalf of a prohibited person.

Sec. 5. 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. 6. (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. 7. (a) After:

- (1) June 30, 2026, a new contract entered into; and
 - (2) June 30, 2027, an existing contract amended or renewed;
- by a qualified entity for the provision of a technological product or service must contain a provision requiring the contractor to confirm that the contractor and any subcontractors working under the contract for the contractor are not prohibited persons.

(b) A breach of the provisions under this section may be regarded as a material breach of the contract.

SECTION 2. IC 4-6-17 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY

1, 2026]:

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.

Sec. 2. As used in this chapter, "agent" means an agent of a covered foreign principal.

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, a representative, an employee, or a 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.

Sec. 4. As used in this chapter, "covered 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, an association, a corporation, an organization, or any other combination of persons organized under the laws of, or having its principal place of business in, a hostile foreign country.
- (4) A partnership, an association, a corporation, an organization, or any other combination of persons that is at least fifty-one percent (51%) 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. 5. As used in this chapter, "foreign supported political organization" means a political party, or a domestic partnership, an association, a corporation, an organization, or any other combination of persons:

- (1) that has, within the previous three (3) calendar years, received money or anything of value from a covered foreign principal or an 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

(2) that engages in political activity.

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

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 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, 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.

(c) The registration statement must include the following:

- (1) The registrant's name.
- (2) The registrant's principal business address.
- (3) If the registrant is a partnership, the names of each partner and the locations of their domiciles.
- (4) If the registrant is an association, a corporation, an organization, or any other combination of individuals, the names and the locations of the domiciles of each director, officer, and person performing the functions of a director or officer.
- (5) A description of the circumstances requiring the filing of the registration statement, including the following:

- 1 (A) The name and primary foreign address of the covered
- 2 foreign principal for whom the registrant is acting or will
- 3 act as an agent.
- 4 (B) Each category described in section 4(1) through 4(4) of
- 5 this chapter that applies to the covered foreign principal.
- 6 (C) The nature of the relationship between the registrant
- 7 and the covered foreign principal that qualifies the
- 8 registrant as an agent of a covered foreign principal under
- 9 section 3 of this chapter.
- 10 (6) A comprehensive statement of the nature of the
- 11 registrant's business.
- 12 (7) Other statements, information, or documents pertinent to
- 13 the purposes of this chapter as the attorney general may
- 14 require by regulation.
- 15 (d) A registrant must update the information required to reflect
- 16 any material change in the information not later than ninety (90)
- 17 calendar days after the material change occurred.
- 18 (e) An agent shall pay a fee of five hundred dollars (\$500) at the
- 19 time the agent files an initial registration statement under this
- 20 chapter.
- 21 (f) An agent shall pay a fee of one hundred dollars (\$100) each
- 22 time the agent files a supplemental registration statement under
- 23 this section.
- 24 (g) A fee established by the attorney general in accordance with
- 25 this section must accompany an application for registration or
- 26 renewal of registration.
- 27 (h) Failure to comply with subsections (b) through (d) is a
- 28 violation of this chapter.
- 29 Sec. 10. (a) This section applies to the political activity of a
- 30 foreign supported political organization occurring after December
- 31 31, 2026.
- 32 (b) Before February 1 of each year, a foreign supported political
- 33 organization must file with the attorney general a registration
- 34 statement in addition to supplements as required by the attorney
- 35 general.
- 36 (c) The registration statement must include the following:
- 37 (1) The name of the foreign supported political organization,
- 38 its business address, and the names and addresses of all
- 39 officers and directors of the foreign supported political
- 40 organization.
- 41 (2) If the foreign supported political organization is affiliated
- 42 with or is a chapter of a national organization, the name of the
- 43 national organization, its address, and the names and titles of
- 44 its officers and directors.
- 45 (3) A statement that describes any:
- 46 (A) expenditures made by the organization; and
- 47 (B) money or thing of value received by the organization
- 48 from a covered foreign principal or an agent;
- 49 for the purpose of political activity during the preceding
- 50 calendar year.
- 51 (d) A registrant must update the information required to reflect

any material change in the information not later than ninety (90) calendar days after the material change occurred.

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

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

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

Sec. 11. (a) This section applies after December 31, 2026.

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

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

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

(3) fails to make a filing required by section 9 or 10 of this chapter.

Sec. 12. (a) Whenever the attorney general has reasonable cause to believe a person or entity may be an affiliate of a foreign terrorist organization, the attorney general may exercise all existing civil investigative powers, including the issuance of civil investigative demands, to determine whether the entity is an affiliate of a foreign terrorist organization.

(b) If the attorney general determines, based on the attorney general's investigation, that a person or entity is an affiliate of a foreign terrorist organization, the attorney general shall notify the person or entity of the attorney general's determination and provide the entity with thirty (30) days in which to submit a formal response to the attorney general's determination.

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

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

Sec. 14. (a) 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) Any person or entity that is designated an affiliate of a foreign terrorist organization shall:

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

(A) funding;

(B) benefits; or

- (C) other forms of support;
received or provided, directly or indirectly, from the state;
- (2) be prohibited from entering into any contract with the state; and
- (3) be denied any:
 - (A) employment;
 - (B) tax benefit;
 - (C) privilege; or
 - (D) other form of a state benefit or privilege, whether provided or received directly or indirectly.

(c) No public university, community college, school district, or other recipient of state funds may, after the date 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 probable 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.

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.

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

3 **(1) who either:**

4 **(A) is an agent, a representative, an employee, or a**
 5 **servant; or**

6 **(B) acts in any capacity at the order, request, or under the**
 7 **direction or control;**

8 **of the government of a foreign adversary; and**

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

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

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

24 **(1) a citizen of a foreign adversary; and**

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

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

31 **(1) Chemical engineering.**

32 **(2) Electrical engineering.**

33 **(3) Industrial engineering.**

34 **(4) Mechanical engineering.**

35 **(5) Artificial intelligence.**

36 **(6) Computer science.**

37 **(7) Microbiology.**

38 **(8) Virology.**

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

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

43 **Sec. 8. (a) Beginning August 15, 2026, a state educational**
 44 **institution may not admit a foreign student into a qualifying**
 45 **program until the state educational institution has completed a**
 46 **foreign influence and research security review for the foreign**
 47 **student.**

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

51 **(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 research 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

1 student provided in section 8(b)(5) or 8(b)(6) of this chapter.

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

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

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

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

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

18 (2) The number of foreign students enrolled in a qualifying
19 program at the approved postsecondary educational
20 institution for each academic year for the preceding ten (10)
21 years.

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

23 SECTION 4. IC 32-22-3 IS REPEALED [EFFECTIVE JULY 1,
24 2026]. (Rights of a Foreign Business Entity to Hold and Convey
25 Agricultural Land).

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

29 Chapter 3.5. Prohibition on Ownership of Land by Certain
30 Foreign Owned Companies and Foreign Individuals

31 Sec. 1. (a) As used in this chapter, "acting as an agent of a
32 foreign adversary" means to knowingly engage in conduct at the
33 direction of or under the control of a foreign adversary that
34 materially advances the foreign adversary's strategic, intelligence,
35 or military objectives.

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

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

43 (1) who either:

44 (A) is an agent, a representative, an employee, or a
45 servant; or

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

48 of the government of a foreign adversary; and

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

51 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, a director, or any 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, or an individual who has been granted asylum in the United States.

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

Sec. 7. Except as provided in section 7.5 of this chapter, 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. 7.5. An individual who has a valid, unexpired nonimmigrant visa may purchase real property located in Indiana if:

(1) the individual's visa is valid for more than twelve (12) months after the acquisition of the real property;

(2) the real property is zoned for single family residential use;

(3) the real property is not more than one-half (1/2) acre; and

(4) the individual has been determined not to be an agent of a foreign adversary.

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, 7.5, 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, 7.5, 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 (1) Proceeds of the sale shall be paid as follows:

2 (A) To lienholders, in their order of priority, except for
3 liens that under the terms of the sale are to remain on the
4 property.

5 (B) The costs of the receivership and sale, including
6 reasonable attorney's fees and expert fees.

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

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

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

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

25 (c) The responsibility for determining whether an individual or
26 other entity is subject to section 7, 7.5, or 8 of this chapter rests
27 solely with the prohibited person and the attorney general and no
28 other individual or entity. An individual or other entity who is not
29 a prohibited person shall bear no civil or criminal liability for
30 failing to determine or make inquiry of whether an individual or
31 other entity is a prohibited person.

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

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

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

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

50 SECTION 9. IC 36-1-32-3, AS ADDED BY P.L.136-2024,
51 SECTION 52, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

1 JULY 1, 2026]: Sec. 3. **(a)** A unit may not enter into a sister city
2 agreement or any cooperative agreement with a prohibited person.

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

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

(Reference is to ESB 256 as reprinted February 19, 2026.)

Conference Committee Report
on
Engrossed Senate Bill 256

Signed by:

Senator Garten
Chairperson

Representative Commons

Senator Baldwin

Representative Judy

Senate Conferees

House Conferees