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# SENATE BILL No. 256

Proposed Changes to January 21, 2026 printing by AM025601

## DIGEST OF PROPOSED AMENDMENT

Void agreements. Provides that an agreement or cooperative agreement between a unit and a prohibited person is contrary to public policy and is void and unenforceable.

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 4-6-17 IS ADDED TO THE INDIANA CODE AS
- 2 A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY
- 3 1, 2026]:
- 4 **Chapter 17. Foreign Agent Registration and Foreign Terrorist**
- 5 **Organizations**
- 6 **Sec. 1. As used in this chapter, "affiliate of a foreign terrorist**
- 7 **organization" means a person who:**
- 8 (1) is or was an agent, representative, employee, or servant
- 9 of a foreign terrorist organization;
- 10 (2) acts or acted in any capacity at the order or request or
- 11 under the direction or control of a foreign terrorist
- 12 organization; or
- 13 (3) provides, or at any point in the preceding five (5) years
- 14 provided, material support or resources to aid a foreign
- 15 terrorist organization.
- 16 **Sec. 2. As used in this chapter, "agent" means an agent of a**
- 17 **hostile foreign principal.**
- 18 **Sec. 3. As used in this chapter, "agent of a hostile foreign**
- 19 **principal" means a person:**
- 20 (1) who either:

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- 1 (A) is an agent, representative, employee, or servant; or  
 2 (B) acts in any capacity at the order, request, or under  
 3 the direction or control;  
 4 of a hostile foreign principal;  
 5 (2) whose activities are directly or indirectly financed in  
 6 whole or in part by a hostile foreign principal; and  
 7 (3) who engages in political activity on behalf of a hostile  
 8 foreign principal in Indiana.
- 9 Sec. 4. As used in this chapter, "foreign supported political  
 10 organization" means a political party, or a domestic partnership,  
 11 association, corporation, organization, or other combination of  
 12 persons:  
 13 (1) that has, within the previous five (5) calendar years,  
 14 received money or anything of value from a hostile foreign  
 15 principal or an agent; and  
 16 (2) that engages in political activity.
- 17 Sec. 5. As used in this chapter, "hostile foreign country" means  
 18 one (1) or more of the following:  
 19 (1) The People's Republic of China.  
 20 (2) The Russian Federation.  
 21 (3) The People's Republic of North Korea.  
 22 (4) The Islamic Republic of Iran.
- 23 Sec. 6. As used in this chapter, "foreign terrorist organization"  
 24 means any organization designated by the United States  
 25 government as a Foreign Terrorist Organization under Section 219  
 26 of the Immigration and Nationality Act (8 U.S.C. 1189).
- 27 Sec. 7. As used in this chapter, "hostile foreign principal"  
 28 means one (1) or more of the following:  
 29 (1) The government of a hostile foreign country, a political  
 30 party of a hostile foreign country, or any member of a  
 31 political party of a hostile foreign country.  
 32 (2) A nonresident alien of a hostile foreign country.  
 33 (3) A partnership, association, corporation, organization, or  
 34 other combination of persons organized under the laws of, or  
 35 having its principal place of business in, a hostile foreign  
 36 country.  
 37 (4) A partnership, association, corporation, organization, or  
 38 other combination of persons that is at least twenty percent  
 39 (20%) beneficially owned by a hostile foreign country, the  
 40 government of a hostile foreign country, a nonresident alien  
 41 of a hostile foreign country, or an entity organized under the  
 42 laws of, or having its principal place of business in, a hostile

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- 1 foreign country.
- 2 **Sec. 8. As used in this chapter, "political activity" means an**
- 3 **activity that is performed with the intent to influence:**
- 4 (1) a state or local governmental entity, agency, or public
- 5 official in Indiana; or
- 6 (2) the general public in Indiana;
- 7 concerning the formulation, adoption, or modification of the laws
- 8 or policies of the state, or the election or opposition to the election
- 9 of a candidate for state or local office.
- 10 **Sec. 9. (a) This section applies to an agent. Before acting as an**
- 11 **agent, a person who acts as an agent shall file with the attorney**
- 12 **general a true and complete registration statement in addition to**
- 13 **supplements as required.**
- 14 **(b) The registration statement must include the following:**
- 15 (1) The registrant's name.
- 16 (2) The registrant's principal business address, and all other
- 17 business addresses in the United States or elsewhere.
- 18 (3) The registrant's residential addresses, if any.
- 19 (4) If the registrant is an individual, the registrant's
- 20 nationality.
- 21 (5) If the registrant is a partnership, the names, residential
- 22 addresses, and nationalities of each partner and a true and
- 23 complete copy of the partnership's certificate of partnership.
- 24 (6) If the registrant is an association, corporation,
- 25 organization, or any other combination of individuals, the
- 26 following:
- 27 (A) The names, residential addresses, and nationalities
- 28 of each director and officer and each person performing
- 29 the functions of a director or officer.
- 30 (B) A true and complete copy of its charter, articles of
- 31 incorporation, association, constitution, bylaws, and
- 32 amendments to those documents.
- 33 (C) A copy of every other instrument or document and
- 34 a statement of the terms and conditions of every oral
- 35 agreement relating to its organization, powers, and
- 36 purposes.
- 37 (D) A statement of its ownership and control.
- 38 (7) A comprehensive statement of the nature of the
- 39 registrant's business.
- 40 (8) A complete list of the registrant's employees and a
- 41 statement of the nature of the work of each employee.
- 42 (9) The name and address of every hostile foreign principal

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- 1 for whom the registrant is acting or has agreed to act.  
 2 (10) The character of the business or other activities of every  
 3 hostile foreign principal and, if a hostile foreign principal is  
 4 not a natural person, a statement of the ownership and  
 5 control of each hostile foreign principal.  
 6 (11) The extent, if any, to which each hostile foreign  
 7 principal is supervised, directed, owned, controlled, financed,  
 8 or subsidized, in whole or in part, by a government of a  
 9 foreign country or foreign political party, or by another  
 10 agent or hostile foreign principal.  
 11 (12) A comprehensive statement of the nature and method of  
 12 performance of each contract with a hostile foreign  
 13 principal.  
 14 (13) A comprehensive statement of the existing and proposed  
 15 activities engaged in, or to be engaged in, by the registrant as  
 16 an agent, including a detailed statement of any activity that  
 17 is a political activity.  
 18 (14) The nature and amount of contributions, income,  
 19 money, or things of value, if any, that the registrant has  
 20 received within the preceding sixty (60) days from each  
 21 hostile foreign principal, either as compensation or for  
 22 disbursement or otherwise, and the form and time of each  
 23 such payment and from whom received.  
 24 (15) A detailed statement of every activity that the registrant  
 25 assumes, purports, or agrees to perform for the registrant or  
 26 any other person other than a hostile foreign principal and  
 27 that requires registration under this chapter, including a  
 28 detailed statement of any activity that is a political activity.  
 29 (16) The name, business, and residence addresses, and if an  
 30 individual, the nationality, of any person other than a hostile  
 31 foreign principal for whom the registrant is acting or has  
 32 agreed to act and the following:  
 33 (A) Information concerning the extent that the person is  
 34 supervised, directed, owned, controlled, financed, or  
 35 subsidized, in whole or in part, by any government of a  
 36 foreign country or foreign political party or by any  
 37 other foreign principal from a hostile foreign country.  
 38 (B) Information concerning the nature and amount of  
 39 contributions, income, money, or things of value, if any,  
 40 that the registrant has received during the preceding  
 41 sixty (60) days from each person in connection with any  
 42 of the activities under subdivision (15), either as

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- 1 compensation or for disbursement or otherwise, and the  
 2 form and time of each payment and from whom  
 3 payment was received.
- 4 (17) A detailed statement of the money and other things of  
 5 value spent or disposed of by the registrant during the  
 6 preceding sixty (60) days in furtherance of or in connection  
 7 with activities that require registration under this chapter.
- 8 (18) Notwithstanding any other laws, a detailed statement of  
 9 any contributions of money or other things of value made by  
 10 the registrant during the preceding sixty (60) days in  
 11 connection with an election to any political office or in  
 12 connection with any primary election, convention, or caucus  
 13 held to select candidates for any political office.
- 14 (19) Other statements, information, or documents as  
 15 required by the attorney general.
- 16 (20) Statements and copies of documents that are necessary  
 17 to make the statements made in the registration statement  
 18 and supplements not misleading.
- 19 (c) In addition to the information required under subsection  
 20 (b), a registrant must also file copies of each written agreement and  
 21 the terms and conditions of each oral agreement, including any  
 22 modifications, or, where no contract exists, a full statement of all  
 23 the circumstances, by reason of which the registrant is an agent.
- 24 (d) A registrant must update the information required under  
 25 subsection (b) at least once every quarter.
- 26 (e) An agent shall pay a fee of five hundred dollars (\$500) at  
 27 the time the agent files an initial registration statement under this  
 28 chapter.
- 29 (f) An agent shall pay a fee of one hundred dollars (\$100) each  
 30 time the agent files a supplemental registration statement under  
 31 this section.
- 32 (g) A fee established by the attorney general in accordance  
 33 with this section must accompany an application for registration  
 34 or renewal of registration.
- 35 (h) Failure to comply with subsections (a) through (d) is a  
 36 violation of this chapter.
- 37 Sec. 10. (a) Before January 1, 2027, a foreign supported  
 38 political organization must file with the attorney general a true and  
 39 complete registration statement in addition to supplements as  
 40 required.
- 41 (b) The registration statement must include the following:
- 42 (1) The name of the foreign supported political organization,

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1 its business address, and the names, titles, and addresses of  
 2 all officers and directors of the foreign supported political  
 3 organization.

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

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

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

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

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

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

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

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

25 (1) submits a registration statement required to be filed  
 26 under this chapter that is materially incorrect;

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

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

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

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

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

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

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

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

- 16 (A) funding;  
17 (B) benefits; or  
18 (C) other forms of support;

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

20 (2) be prohibited from entering into any contract with the  
21 state; and

22 (3) be denied any:

- 23 (A) employment;  
24 (B) tax benefit;  
25 (C) privilege; or  
26 (D) other form of a state benefit or privilege, whether  
27 provided or received directly or indirectly.

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

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

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

38 (1) the governor determines that the designation was  
39 erroneous; or

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

42 (5) years ago.

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

- 5           **(1) appropriate injunctive or other equitable relief;**
- 6           **(2) the costs and expenses of the suit, including reasonable**
- 7           **attorney's fees and expert fees; and**
- 8           **(3) a civil penalty of not more than five hundred dollars**
- 9           **(\$500).**

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

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

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

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

23           [\(b\) Any agreement or cooperative agreement between a unit](#)  
24 [and a prohibited person is contrary to public policy and is void and](#)  
25 [unenforceable.](#)

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