

MEMORANDUM

To: Crypto Task Force Meeting Log
From: Crypto Task Force Staff
Re: Meeting with Representatives of Restored Law PLLC, Indiana House, and Megawatt

On January 21, 2026, Crypto Task Force Staff met with representatives from Restored Law PLLC, Indiana House, and Megawatt.

The topic discussed was approaches to addressing issues related to regulation of crypto assets. Restored Law PLLC, Indiana House, and Megawatt representatives provided the attached documents, which were discussed during the meeting.



HOUSE BILL No. _____

DIGEST OF INTRODUCED BILL

Citations Affected: IC 2-3.5; IC 2-5-56; IC 5-10; IC 5-10.3; IC 5-10.4; IC 5-13-9-11; IC 5-36; IC 8-14-15.2-9; IC 10-12-2; IC 21-9-5-10; IC 28-8-4.1-201; IC 33-38-6-23; IC 33-39-7-11; IC 34-46-7; IC 35-37-7; IC 36-1; IC 36-8-8-5.

Synopsis: Regulation and investment of cryptocurrency. Provides that the administrator or manager of the following shall offer a cryptocurrency exchange traded fund as a regular investment program: (1) The legislators' defined contribution plan. (2) The Hoosier START plan. (3) The public employees' retirement fund hybrid plan. (4) The public employees' retirement fund My Choice plan. (5) The teachers' retirement fund hybrid plan (including the teachers' pre-1996 account). (6) The teachers' retirement fund My Choice plan. (7) The 529 education savings plan. Provides that the assets of the following may be invested in cryptocurrency exchange traded funds: (1) The legislators' defined benefit plan. (2) The state excise police, gaming agent, gaming control officer, and conservation enforcement officers' retirement plan. (3) The special death benefit fund. (4) The public employees' retirement fund hybrid plan. (5) The pension relief fund. (6) The teachers' retirement fund hybrid plan (including the teachers' pre-1996 account). (7) The judges' retirement system. (8) The prosecuting attorneys retirement fund. (9) The 1977 police officers' and firefighters' pension and disability fund. Provides that the treasurer of state may invest the assets of the following in stablecoin cryptocurrency exchange traded funds: (1) The trust Indiana investment pool. (2) The next generation trust fund. (3) The state police benefit system. Establishes the blockchain and digital assets task force and (Continued next page)

Effective: July 1, 2026.

Pierce K

_____, read first time and referred to Committee on _____



provides that the task force shall: (1) evaluate governmental use cases, consumer protection, tax administration, and investment governance for digital assets; and (2) develop, and submit to the governor and the legislative council, recommended legislation for introduction in the 2027 legislation session establishing not more than two state or local blockchain pilot projects for the purpose of testing blockchain implementation in Indiana. Prohibits a public agency, county, municipality, or township from adopting or enforcing a rule, ordinance, or other regulation that does any of the following: (1) Prohibits, restricts, or impairs an individual's ability to: (A) accept digital assets as a method of payment for legal goods and services; or (B) take custody of digital assets using specified technologies. (2) Prohibits, restricts, or impairs the ability of an individual or business to engage in specified activities pertaining to blockchains. (3) Imposes taxes or fees on: (A) use or acceptance of digital assets as a method of payment for legal goods and services; or (B) taking or maintaining custody of digital assets using a self-hosted wallet or hardware wallet; that are not applicable to comparable financial transactions that do not involve digital assets. (4) Prohibits a digital asset mining business from operating in an area zoned for industrial use, or subjects a digital asset mining business located in an area zoned for industrial use to noise restrictions that are not applicable to other businesses operating in an area zoned for industrial use. (5) Prohibits private digital asset mining in a private residence located in an area that is zoned for residential use, or subjects private digital asset mining in a residence located in an area zoned for residential use to noise restrictions that do not apply to other residences in an area zoned for residential use. Provides that development or use of software for noncustodial transfer of digital assets does not constitute money transmission for purposes of statutes regarding licensure of money transmitters. Provides that a court may compel a person to disclose a digital asset private key only if no other admissible information is sufficient to provide access to the digital asset.



Second Regular Session of the 124th General Assembly (2026)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2025 Regular Session of the General Assembly.

HOUSE BILL _____

A BILL FOR AN ACT to amend the Indiana Code concerning state and local administration.

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

1 SECTION 1. IC 2-3.5-3-4, AS AMENDED BY P.L.35-2012,
2 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2026]: Sec. 4. (a) The board shall administer the system,
4 which may be commingled for investment purposes with the other
5 funds administered by the board.
6 (b) The board shall:
7 (1) determine eligibility for and make payments of benefits under
8 this chapter, IC 2-3.5-4, and IC 2-3.5-5;
9 (2) in accordance with the powers and duties granted in
10 IC 5-10.3-3-7.1, IC 5-10.3-5-3 through IC 5-10.3-5-6,
11 IC 5-10.5-4, and IC 5-10.5-6, administer the system;
12 (3) provide by rule for the implementation of this chapter,
13 IC 2-3.5-4, and IC 2-3.5-5; and
14 (4) authorize deposits.
15 (c) A determination by the board may be appealed under IC 4-21.5.



1 (d) The powers and duties of:

- 2 (1) the director and the actuary of the board; and
 3 (2) the attorney general;

4 with respect to the fund are those specified in IC 5-10.3-3, IC 5-10.3-4,
 5 IC 5-10.5-4, and IC 5-10.5-6.

6 (e) The board may hire additional personnel, including hearing
 7 officers, to assist in the implementation of this chapter.

8 (f) Legislators' retirement system records of individual participants
 9 and participants' information are confidential, except for the name and
 10 years of service of a retirement system participant.

11 **(g) The board may invest the assets of the defined benefit fund**
 12 **in cryptocurrency exchange traded funds.**

13 SECTION 2. IC 2-3.5-5-3.3 IS ADDED TO THE INDIANA CODE
 14 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 15 1, 2026]: **Sec. 3.3. (a) As used in this section, "cryptocurrency"**
 16 **means a virtual currency that:**

- 17 (1) is not issued by a central authority;
 18 (2) is designed to function as a medium of exchange; and
 19 (3) uses encryption technology to:
 20 (A) regulate the generation of units of currency;
 21 (B) verify fund transfers; and
 22 (C) prevent counterfeiting.

23 **The term does not include a stablecoin.**

24 (b) As used in this section, "stablecoin" means a virtual
 25 currency:

- 26 (1) the value of which is tied to coin or paper legal tender
 27 issued by a central authority;
 28 (2) that is fully backed by assets held in reserve; and
 29 (3) that grants the holder the right to redeem the virtual
 30 currency for the legal tender described in subdivision (1) from
 31 the issuer of the virtual currency.

32 (c) The board shall offer a cryptocurrency exchange traded fund
 33 that consists solely of one (1) or more cryptocurrencies as a regular
 34 investment program within the defined contribution fund.

35 (d) The board may adopt requirements and rules that apply to
 36 the cryptocurrency exchange traded fund within the defined
 37 contribution fund, including the following:

- 38 (1) The board's investment guidelines and limits for the
 39 cryptocurrency exchange traded fund.
 40 (2) A participant's selection of and changes to the
 41 participant's investment options.
 42 (3) The valuation of a participant's account.



1 **(4) The allocation and payment of administrative expenses for**
 2 **the cryptocurrency exchange traded fund.**

3 **(e) The board shall determine the appropriate administrative**
 4 **fees to be charged to the participant's accounts.**

5 SECTION 3. IC 2-5-56 IS ADDED TO THE INDIANA CODE AS
 6 A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY
 7 1, 2026]:

8 **Chapter 56. Blockchain and Digital Assets Task Force**

9 **Sec. 1. As used in this chapter, "blockchain pilot project" refers**
 10 **to a pilot project described in section 6 of this chapter.**

11 **Sec. 2. As used in this chapter, "controllable electronic record"**
 12 **has the meaning set forth in IC 26-1-12-102.**

13 **Sec. 3. As used in this chapter, "digital asset" means:**

- 14 **(1) virtual currency;**
 15 **(2) cryptocurrency, including stablecoins;**
 16 **(3) fungible tokens and nonfungible tokens; and**
 17 **(4) other assets that:**
 18 **(A) exist only in electronic form; and**
 19 **(B) confer economic, proprietary, or access rights or**
 20 **powers.**

21 **Sec. 4. As used in this chapter, "task force" refers to the Indiana**
 22 **blockchain and digital assets task force established by section 5 of**
 23 **this chapter.**

24 **Sec. 5. The Indiana blockchain and digital assets task force is**
 25 **established.**

26 **Sec. 6. (a) During the 2026 legislative interim, the task force**
 27 **shall:**

- 28 **(1) evaluate governmental use cases, consumer protection, tax**
 29 **administration, and investment governance for digital assets;**
 30 **and**
 31 **(2) not later than November 1, 2026:**
 32 **(A) develop; and**
 33 **(B) submit to:**
 34 **(i) the governor; and**
 35 **(ii) the legislative council in an electronic format under**
 36 **IC 5-14-6;**

37 **recommended legislation for introduction in the 2027 legislative**
 38 **session establishing not more than two (2) state or local blockchain**
 39 **pilot projects for the purpose of testing blockchain implementation**
 40 **in Indiana.**

41 **(b) The recommended legislation under subsection (a) must, at**
 42 **minimum, require the following with regard to a blockchain pilot**



- 1 project:
- 2 (1) That the blockchain pilot project:
- 3 (A) must comply with:
- 4 (i) IC 26-1 with regard to controllable electronic records;
- 5 and
- 6 (ii) any statutory restrictions applicable to central bank
- 7 digital currency; and
- 8 (B) may not impose:
- 9 (i) a mandate on private acceptance of digital assets; or
- 10 (ii) state custody of private cryptographic keys.
- 11 (2) That the department of financial institutions shall:
- 12 (A) administer the blockchain pilot project; and
- 13 (B) not later than July 1, 2028, submit to the task force a
- 14 report regarding the results of the blockchain pilot project.
- 15 (c) If one (1) or more blockchain pilot projects are established
- 16 in accordance with legislation recommended by the task force
- 17 under subsection (a), the task force shall, not later than November
- 18 1, 2028:
- 19 (1) evaluate the report submitted to the task force by the
- 20 department of financial institutions under subsection
- 21 (b)(2)(B); and
- 22 (2) submit to:
- 23 (A) the governor; and
- 24 (B) the legislative council in an electronic format under
- 25 IC 5-14-6;
- 26 a report of the results of the pilot projects, the task force's
- 27 findings regarding the pilot projects, and any recommended
- 28 legislation with regard to wider blockchain implementation in
- 29 Indiana.
- 30 **Sec. 7. This chapter expires December 31, 2028.**
- 31 SECTION 4. IC 5-10-1.1-4.3 IS ADDED TO THE INDIANA
- 32 CODE AS A NEW SECTION TO READ AS FOLLOWS
- 33 [EFFECTIVE JULY 1, 2026]: Sec. 4.3. (a) As used in this section,
- 34 "cryptocurrency" means a virtual currency that:
- 35 (1) is not issued by a central authority;
- 36 (2) is designed to function as a medium of exchange; and
- 37 (3) uses encryption technology to:
- 38 (A) regulate the generation of units of currency;
- 39 (B) verify fund transfers; and
- 40 (C) prevent counterfeiting.
- 41 The term does not include a stablecoin (as defined in
- 42 IC 2-3.5-5-3.3).



1 **(b) The deferred compensation committee shall offer a**
 2 **cryptocurrency exchange traded fund that consists solely of one (1)**
 3 **or more cryptocurrencies as a regular investment program within**
 4 **the state employees' deferred compensation plan.**

5 **(c) The deferred compensation committee may adopt**
 6 **requirements and rules that apply to the cryptocurrency exchange**
 7 **traded fund within the plan, including the following:**

8 **(1) The deferred compensation committee's investment**
 9 **guidelines and limits for the cryptocurrency exchange traded**
 10 **fund.**

11 **(2) A plan participant's selection of and changes to the plan**
 12 **participant's investment options.**

13 **(3) The valuation of a plan participant's account.**

14 **(4) The allocation and payment of administrative expenses for**
 15 **the cryptocurrency exchange traded fund.**

16 **(d) The deferred compensation committee shall determine the**
 17 **appropriate administrative fees to be charged to the plan**
 18 **participant accounts.**

19 SECTION 5. IC 5-10-5.5-2, AS AMENDED BY P.L.193-2016,
 20 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 21 JULY 1, 2026]: Sec. 2. (a) There is hereby created a state excise police,
 22 gaming agent, gaming control officer, and conservation enforcement
 23 officers' retirement plan to establish a means of providing special
 24 retirement, disability and survivor benefits to employees of the
 25 department, the Indiana gaming commission, and the commission who
 26 are engaged exclusively in the performance of law enforcement duties.

27 (b) The assets of the retirement plan created by this section may be
 28 commingled for investment purposes with the assets of other funds
 29 administered by the board.

30 **(c) The board may invest the assets of the retirement plan**
 31 **created by this section in cryptocurrency exchange traded funds.**

32 SECTION 6. IC 5-10-9.8-2, AS AMENDED BY P.L.99-2020,
 33 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 34 JULY 1, 2026]: Sec. 2. (a) The special death benefit fund is established
 35 for the purpose of paying lump sum death benefits under the following
 36 statutes:

37 (1) IC 5-10-10.

38 (2) IC 5-10-11.

39 (3) IC 10-12-6.

40 (4) IC 36-8-6-20.

41 (5) IC 36-8-7-26.

42 (6) IC 36-8-7.5-22.



- 1 (7) IC 36-8-8-20.
- 2 (b) The fund consists of:
- 3 (1) appropriations by the general assembly;
- 4 (2) fees remitted to the board under IC 35-33-8-3.2,
- 5 IC 5-10-10-4.5, IC 5-10-10-4.8, and IC 5-10-10-4.9;
- 6 (3) contributions from employers;
- 7 (4) gifts; and
- 8 (5) interest or other investment income earned on money in the
- 9 fund.
- 10 (c) The fund shall be administered by the board. The expenses of
- 11 administering the fund shall be paid from money in the fund.
- 12 (d) The board shall invest the money in the fund not currently
- 13 needed to meet the obligations of the fund in the same manner as the
- 14 board's other funds may be invested. Interest that accrues from these
- 15 investments shall be deposited in the fund.
- 16 (e) Money in the fund at the end of a state fiscal year does not revert
- 17 to the state general fund.
- 18 **(f) The board may invest the assets of the fund in**
- 19 **cryptocurrency exchange traded funds.**
- 20 SECTION 7. IC 5-10.3-5-3, AS AMENDED BY P.L.32-2021,
- 21 SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 22 JULY 1, 2026]: Sec. 3. (a) The board shall invest its assets with the
- 23 care, skill, prudence, and diligence that a prudent person acting in a
- 24 like capacity and familiar with such matters would use in the conduct
- 25 of an enterprise of a like character with like aims. The board shall also
- 26 diversify such investments in accordance with prudent investment
- 27 standards.
- 28 (b) The board may invest:
- 29 (1) up to five percent (5%) of the excess of its cash working
- 30 balance in debentures of the corporation for innovation
- 31 development subject to IC 30-4-3-3; **and**
- 32 **(2) the assets of the retirement allowance account described**
- 33 **in section 1 of this chapter in cryptocurrency exchange traded**
- 34 **funds.**
- 35 **This subsection does not authorize other funds or accounts to**
- 36 **invest in cryptocurrency exchange traded funds.**
- 37 (c) The board is not subject to IC 4-13, IC 4-13.6, and IC 5-16 when
- 38 managing real property as an investment. Any management agreements
- 39 entered into by the board must ensure that the management agent acts
- 40 in a prudent manner with regard to the purchase of goods and services.
- 41 Contracts for the management of investment property shall be
- 42 submitted to the governor, the attorney general, and the budget agency



1 for approval. A contract for management of real property as an
2 investment:

3 (1) may not exceed a four (4) year term and must be based upon
4 guidelines established by the board;

5 (2) may provide that the property manager may collect rent and
6 make disbursements for routine operating expenses such as
7 utilities, cleaning, maintenance, and minor tenant finish needs;

8 (3) must establish, consistent with the board's duty under
9 IC 30-4-3-3(c), guidelines for the prudent management of
10 expenditures related to routine operation and capital
11 improvements; and

12 (4) may provide specific guidelines for the board to purchase new
13 properties, contract for the construction or repair of properties,
14 and lease or sell properties without individual transactions
15 requiring the approval of the governor, the attorney general, the
16 Indiana department of administration, and the budget agency.
17 However, each individual contract involving the purchase or sale
18 of real property is subject to review and approval by the attorney
19 general at the specific request of the attorney general.

20 (d) Whenever the board takes bids in managing or selling real
21 property, the board shall require a bid submitted by a trust (as defined
22 in IC 30-4-1-1(a)) to identify all of the following:

23 (1) Each beneficiary of the trust.

24 (2) Each settlor empowered to revoke or modify the trust.

25 SECTION 8. IC 5-10.3-5-3.5 IS ADDED TO THE INDIANA
26 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
27 [EFFECTIVE JULY 1, 2026]: **Sec. 3.5. (a) As used in this section,**
28 **"cryptocurrency" means a virtual currency that:**

29 **(1) is not issued by a central authority;**

30 **(2) is designed to function as a medium of exchange; and**

31 **(3) uses encryption technology to:**

32 **(A) regulate the generation of units of currency;**

33 **(B) verify fund transfers; and**

34 **(C) prevent counterfeiting.**

35 **The term does not include a stablecoin (as defined in**
36 **IC 2-3.5-5-3.3).**

37 **(b) The board shall offer a cryptocurrency exchange traded**
38 **fund that consists solely of one (1) or more cryptocurrencies as a**
39 **regular investment program within the annuity savings account**
40 **described in section 1 of this chapter.**

41 **(c) The board may adopt requirements and rules that apply to**
42 **the cryptocurrency exchange traded fund within the annuity**



1 savings account, including the following:

2 (1) The board's investment guidelines and limits for the
3 cryptocurrency exchange traded fund.

4 (2) A member's selection of and changes to the member's
5 investment options.

6 (3) The valuation of a member's account.

7 (4) The allocation and payment of administrative expenses for
8 the cryptocurrency exchange traded fund.

9 (d) The board shall determine the appropriate administrative
10 fees to be charged to the member accounts.

11 SECTION 9. IC 5-10.3-11-2, AS AMENDED BY P.L.35-2012,
12 SECTION 83, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
13 JULY 1, 2026]: Sec. 2. (a) The state board shall:

14 (1) make payments from the pension relief fund;

15 (2) administer the pension relief fund in accordance with the
16 powers and duties granted it in IC 5-10.3-5-3 through
17 IC 5-10.3-5-6, IC 5-10.5-4, and IC 5-10.5-6; and

18 (3) provide by rule and regulation for the implementation of this
19 chapter.

20 (b) The state board may invest the assets of the pension relief
21 fund in cryptocurrency exchange traded funds.

22 SECTION 10. IC 5-10.3-12-22.5 IS ADDED TO THE INDIANA
23 CODE AS A NEW SECTION TO READ AS FOLLOWS
24 [EFFECTIVE JULY 1, 2026]: Sec. 22.5. (a) As used in this section,
25 "cryptocurrency" means a virtual currency that:

26 (1) is not issued by a central authority;

27 (2) is designed to function as a medium of exchange; and

28 (3) uses encryption technology to:

29 (A) regulate the generation of units of currency;

30 (B) verify fund transfers; and

31 (C) prevent counterfeiting.

32 The term does not include a stablecoin (as defined in
33 IC 2-3.5-5-3.3).

34 (b) The board shall offer a cryptocurrency exchange traded
35 fund that consists solely of one (1) or more cryptocurrencies as a
36 regular investment program within the plan.

37 (c) The board may adopt requirements and rules that apply to
38 the cryptocurrency exchange traded fund within the plan,
39 including the following:

40 (1) The board's investment guidelines and limits for the
41 cryptocurrency exchange traded fund.

42 (2) A member's selection of and changes to the member's



1 **investment options.**

2 **(3) The valuation of a member's account.**

3 **(4) The allocation and payment of administrative expenses for**
 4 **the cryptocurrency exchange traded fund.**

5 **(d) The board shall determine the appropriate administrative**
 6 **fees to be charged to the member accounts.**

7 SECTION 11. IC 5-10.4-3-10, AS ADDED BY P.L.2-2006,
 8 SECTION 28, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 9 JULY 1, 2026]: Sec. 10. (a) The board shall invest its assets with the
 10 care, skill, prudence, and diligence that a prudent person acting in a
 11 like capacity and familiar with such matters would use in the conduct
 12 of an enterprise of a like character with like aims. The board also shall
 13 diversify investments in accordance with prudent investment standards,
 14 subject to the limitations and restrictions set forth in IC 5-10.2-2-18.

15 (b) The board may:

16 (1) make or have investigations made concerning investments;

17 **and**

18 (2) contract for and employ investment counsel to advise and
 19 assist in the purchase and sale of securities; **and**

20 **(3) invest the assets of the retirement allowance accounts**
 21 **described in IC 5-10.4-2-2 in cryptocurrency exchange traded**
 22 **funds.**

23 **This subsection does not authorize other funds or accounts to**
 24 **invest in cryptocurrency exchange traded funds.**

25 (c) The board is not subject to IC 4-13, IC 4-13.6, or IC 5-16 when
 26 managing real property as an investment. A management agreement
 27 entered into by the board shall ensure that the management agent acts
 28 in a prudent manner regarding the purchase of goods and services.
 29 Contracts for the management of investment property shall be
 30 submitted to the governor, the attorney general, and the budget agency
 31 for approval. A contract for the management of real property as an
 32 investment:

33 (1) may not exceed a four (4) year term and must be based upon
 34 guidelines established by the board;

35 (2) may provide that the property manager may collect rent and
 36 make disbursements for routine operating expenses such as
 37 utilities, cleaning, maintenance, and minor tenant finish needs;

38 (3) shall establish, consistent with the board's duty under
 39 IC 30-4-3-3(c), guidelines for the prudent management of
 40 expenditures related to routine operation and capital
 41 improvements; and

42 (4) may provide specific guidelines for the board to:



- 1 (A) purchase new properties;
 2 (B) contract for the construction or repair of properties; and
 3 (C) lease or sell properties;
 4 without individual transactions requiring the approval of the
 5 governor, the attorney general, the Indiana department of
 6 administration, and the budget agency. However, each individual
 7 contract involving the purchase or sale of real property is subject
 8 to review and approval by the attorney general at the specific
 9 request of the attorney general.
- 10 (d) Whenever the board takes bids in managing or selling real
 11 property, the board shall require a bid submitted by a trust (as defined
 12 in IC 30-4-1-1(a)) to identify all the following:
- 13 (1) Each beneficiary of the trust.
 14 (2) Each settlor empowered to revoke or modify the trust.
- 15 SECTION 12. IC 5-10.4-3-10.5 IS ADDED TO THE INDIANA
 16 CODE AS A NEW SECTION TO READ AS FOLLOWS
 17 [EFFECTIVE JULY 1, 2026]: **Sec. 10.5. (a) As used in this section,**
 18 **"cryptocurrency" means a virtual currency that:**
- 19 (1) **is not issued by a central authority;**
 20 (2) **is designed to function as a medium of exchange; and**
 21 (3) **uses encryption technology to:**
- 22 (A) **regulate the generation of units of currency;**
 23 (B) **verify fund transfers; and**
 24 (C) **prevent counterfeiting.**
- 25 **The term does not include a stablecoin (as defined in**
 26 **IC 2-3.5-5-3.3).**
- 27 (b) **The board shall offer a cryptocurrency exchange traded**
 28 **fund that consists solely of one (1) or more cryptocurrencies as a**
 29 **regular investment program within the annuity savings accounts**
 30 **described in IC 5-10.4-2-2.**
- 31 (c) **The board may adopt requirements and rules that apply to**
 32 **the cryptocurrency exchange traded fund within the annuity**
 33 **savings accounts, including the following:**
- 34 (1) **The board's investment guidelines and limits for the**
 35 **cryptocurrency exchange traded fund.**
 36 (2) **A member's selection of and changes to the member's**
 37 **investment options.**
 38 (3) **The valuation of a member's account.**
 39 (4) **The allocation and payment of administrative expenses for**
 40 **the cryptocurrency exchange traded fund.**
- 41 (d) **The board shall determine the appropriate administrative**
 42 **fees to be charged to the member accounts.**



1 SECTION 13. IC 5-10.4-8-8.5 IS ADDED TO THE INDIANA
2 CODE AS A NEW SECTION TO READ AS FOLLOWS
3 [EFFECTIVE JULY 1, 2026]: **Sec. 8.5. (a) As used in this section,**
4 **"cryptocurrency" means a virtual currency that:**

- 5 (1) is not issued by a central authority;
- 6 (2) is designed to function as a medium of exchange; and
- 7 (3) uses encryption technology to:
 - 8 (A) regulate the generation of units of currency;
 - 9 (B) verify fund transfers; and
 - 10 (C) prevent counterfeiting.

11 **The term does not include a stablecoin.**

12 (b) **The board shall offer a cryptocurrency exchange traded**
13 **fund that consists solely of one (1) or more cryptocurrencies as a**
14 **regular investment program within the plan.**

15 (c) **The board may adopt requirements and rules that apply to**
16 **the cryptocurrency exchange traded fund within the plan,**
17 **including the following:**

- 18 (1) **The board's investment guidelines and limits for the**
19 **cryptocurrency exchange traded fund.**
- 20 (2) **A member's selection of and changes to the member's**
21 **investment options.**
- 22 (3) **The valuation of a member's account.**
- 23 (4) **The allocation and payment of administrative expenses for**
24 **the cryptocurrency exchange traded fund.**

25 (d) **The board shall determine the appropriate administrative**
26 **fees to be charged to the member accounts.**

27 SECTION 14. IC 5-13-9-11, AS AMENDED BY P.L.223-2025,
28 SECTION 3, AND P.L.230-2025, SECTION 8, IS AMENDED TO
29 READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: **Sec. 11. (a) The**
30 **following definitions apply throughout this section:**

- 31 (1) **"Clearinghouse" refers to the clearinghouse registered with the**
32 **department of state revenue under IC 6-8.1-9.5-3.5.**
- 33 (2) **"Investment pool" means the local government investment**
34 **pool established by subsection (b).**
- 35 (3) **"Board" refers to the Indiana local government investment**
36 **pool board established by section 12 of this chapter.**

37 (b) **The local government investment pool is established within the**
38 **office and custody of the treasurer of state.**

39 (c) **An officer designated in section 1 of this chapter may pay any**
40 **funds held by the officer into the investment pool, for the purpose of**
41 **deposit, investment, and reinvestment of the funds by the treasurer of**
42 **state on behalf of the unit of government paying the funds into the**



1 investment pool.

2 (d) The treasurer of state may pay state funds into the investment
3 pool for the purpose of deposit, investment, and reinvestment of the
4 state funds.

5 (e) The treasurer of state shall establish an account in the investment
6 pool for the operator of the clearinghouse. The treasurer shall hold
7 amounts paid by the department of state revenue for deposit in the
8 clearinghouse operator's account in the investment pool.

9 (f) Upon signed written request of the operator of the clearinghouse,
10 the treasurer of state shall distribute the money in the operator's
11 account established under subsection (e):

- 12 (1) to the operator of the clearinghouse; or
13 (2) to specific investment pool accounts of political subdivisions
14 represented by the clearinghouse, if the written request submitted
15 under this subsection specifies:
16 (A) the political subdivision to which the funds are to be
17 disbursed;
18 (B) the specific amount of the funds to be disbursed; and
19 (C) the specific investment pool account to which the
20 disbursement is owed.

21 The clearinghouse shall assume liability for any legal or administrative
22 claims filed against a disbursement made by the treasurer of state that
23 complies with this section.

24 (g) Any interest accrued by the investment pool on funds held in the
25 operator's account shall be distributed to the political subdivisions at a
26 rate equal to the percentage owed to that political subdivision based on
27 the overall setoff paid by the department of state revenue. No interest
28 shall accrue under this subsection on any fees owed to the
29 clearinghouse under IC 6-8.1-9.5-10(b).

30 (h) The treasurer of state shall invest the funds in the investment
31 pool in the same manner, in the same type of instruments, and subject
32 to the same limitations provided for the deposit and investment of state
33 funds by the treasurer of state under IC 5-13-10.5. **However, the**
34 **treasurer of state may invest the funds in the investment pool in**
35 **cryptocurrency exchange traded funds consisting of one (1) or**
36 **more stablecoins (as defined in IC 2-3.5-5-3.3).**

37 (i) The treasurer of state:

- 38 (1) shall administer the investment pool in accordance with the
39 policies of the board; and
40 (2) with the permission of the board, may contract with
41 accountants, attorneys, regulated investment advisors, money
42 managers, and other finance and investment professionals to



- 1 make investments and provide for the public accounting and legal
- 2 compliance necessary to ensure and maintain the safety, liquidity,
- 3 and yield of the investment pool.
- 4 (j) The treasurer of state shall follow the policies established by the
- 5 board. The treasurer of state must ensure the following:
- 6 (1) The administrative expenses of the investment pool shall be
- 7 accounted for by the treasurer of state and shall be paid from the
- 8 earnings of the investment pool.
- 9 (2) The earnings of the investment pool in excess of the
- 10 administrative expenses of the investment pool shall be credited
- 11 to the state and each unit of government participating in the
- 12 investment pool in a manner that equitably reflects the different
- 13 amounts and terms of the state's investment and each unit's
- 14 investment in the investment pool.
- 15 (3) The state and each unit of government participating in the
- 16 investment pool shall receive electronic or paper reports,
- 17 including:
- 18 (A) a daily transaction confirmation, reflecting any activity in
- 19 the state's or unit's account; and
- 20 (B) a monthly report showing:
- 21 (i) the state's or unit's investment activity in the investment
- 22 pool; and
- 23 (ii) the performance and composition of the investment pool.
- 24 (k) A unit of government participating in the investment pool may
- 25 elect to have any funds due from the state wired directly to the
- 26 custodian bank of the investment pool for credit to the unit's investment
- 27 pool account by submitting in writing a request to the state comptroller
- 28 to wire the funds as directed. An election made by a unit of government
- 29 under this subsection may be revoked at any time by the unit by
- 30 submitting in writing a request to the state comptroller to cease wiring
- 31 the funds as previously directed by the unit.

32 SECTION 15. IC 5-36 IS ADDED TO THE INDIANA CODE AS
 33 A NEW ARTICLE TO READ AS FOLLOWS [EFFECTIVE JULY 1,
 34 2026]:

35 **ARTICLE 36. AUTHORITY OF ADMINISTRATIVE**
 36 **AGENCIES TO REGULATE DIGITAL ASSETS**

37 **Chapter 1. Definitions**

38 **Sec. 1. The definitions in this chapter apply throughout this**
 39 **article.**

40 **Sec. 2. "Blockchain" means data that is:**

- 41 **(1) shared across a network to create a ledger of verified**
- 42 **transactions or information among network participants; and**



1 (2) linked using cryptography to maintain the integrity of the
2 ledger and to execute other functions;
3 including data that is distributed among network participants in an
4 automated manner to concurrently update network participants on
5 the state of the ledger and any other functions.

6 Sec. 3. "Blockchain protocol" means executable software that:

7 (1) is governed by a set of predefined rules that:

8 (A) execute autonomously without human intervention;
9 and

10 (B) can be altered by a predetermined process;

11 including predefined rules that use a previously existing
12 blockchain as a base;

13 (2) facilitates transfer of data and electronic records and
14 allows the data and electronic records to be broadcast to
15 nodes; and

16 (3) is deployed to a blockchain;

17 including a smart contract or network of smart contracts.

18 Sec. 4. "Digital asset" means:

19 (1) virtual currency;

20 (2) cryptocurrency, including stablecoins;

21 (3) fungible tokens and nonfungible tokens; and

22 (4) other assets that:

23 (A) exist only in electronic form; and

24 (B) confer economic, proprietary, or access rights or
25 powers.

26 Sec. 5. "Digital asset mining" means using computing devices to
27 run software that is specifically designed or utilized for the purpose
28 of validating data and securing a blockchain network.

29 Sec. 6. "Digital asset mining business" means multiple
30 computing devices at a single location that:

31 (1) are used to perform digital asset mining; and

32 (2) consume, in total, an annual average of more than one (1)
33 megawatt of energy in performing digital asset mining.

34 Sec. 7. "Hardware wallet" means:

35 (1) a physical device that:

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

37 (B) allows an individual to secure and transfer digital
38 assets; or

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

41 Sec. 8. "Node" means software:

42 (1) that:



- 1 **(A) communicates with other devices or participants on a**
- 2 **blockchain to maintain consensus and integrity of the**
- 3 **blockchain;**
- 4 **(B) creates and validates blocks of transactions;**
- 5 **(C) contains and updates a copy of a blockchain; or**
- 6 **(D) performs any combination of the functions described**
- 7 **in clauses (A) through (D); and**
- 8 **(2) that does not exercise discretion over transactions initiated**
- 9 **by the end user of a blockchain protocol.**
- 10 **Sec. 9. "Private digital asset mining" means digital asset**
- 11 **mining:**
- 12 **(1) that is conducted by an individual; and**
- 13 **(2) the individual's conduct of which does not consume an**
- 14 **annual average of more than one (1) megawatt of energy.**
- 15 **Sec. 10. "Public agency" means a board, commission,**
- 16 **department, division, bureau, committee, agency, office,**
- 17 **instrumentality, authority, or other entity exercising any part of**
- 18 **the executive, including the administrative, power of the state.**
- 19 **Sec. 11. "Self-hosted wallet" means a digital interface used to:**
- 20 **(1) secure and transfer digital assets; and**
- 21 **(2) retain independent control over the digital assets by the**
- 22 **owner of the digital assets.**
- 23 **Sec. 12. "Smart contract" means a computer program that:**
- 24 **(1) is hosted and executed on a blockchain network; and**
- 25 **(2) consists of code specifying predetermined conditions that,**
- 26 **when met, trigger predetermined outcomes.**
- 27 **Sec. 13. "Stake" or "staking" means committing digital assets**
- 28 **to a blockchain network to participate in the blockchain network's**
- 29 **operations by validating transactions, proposing or attesting to**
- 30 **blocks, and securing the blockchain network.**
- 31 **Sec. 14. "Validate" means performance of a process by which**
- 32 **a blockchain protocol, through its consensus mechanism, confirms**
- 33 **the authenticity and accuracy of transactions or other data entries**
- 34 **that are then recorded on a blockchain protocol.**
- 35 **Chapter 2. Regulation of Digital Assets**
- 36 **Sec. 1. (a) A public agency may not adopt or enforce a rule or**
- 37 **other regulation that would have the effect of prohibiting,**
- 38 **restricting, or impairing the ability of a person to:**
- 39 **(1) use or accept digital assets as a method of payment for**
- 40 **legal goods and services; or**
- 41 **(2) take or maintain custody of digital assets using a**
- 42 **self-hosted wallet or hardware wallet.**



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- (b) A public agency may not impose taxes or fees on:**
 - (1) use or acceptance of digital assets as a method of payment for legal goods and services; or**
 - (2) taking or maintaining custody of digital assets using a self-hosted wallet or hardware wallet;**

that are not applicable to comparable financial transactions that do not involve digital assets.

Sec. 2. A public agency may not adopt or enforce a rule or other regulation that would have the effect of prohibiting, restricting, or impairing the ability of an individual or business to do any of the following:

- (1) Operate a node for the purpose of connecting to a blockchain protocol and participating in the operation of the blockchain protocol.**
- (2) Develop software on a blockchain protocol.**
- (3) Transfer digital assets to another individual or business using a blockchain protocol.**
- (4) Participate in staking on a blockchain protocol.**

Sec. 3. A public agency may not adopt or enforce a rule or other regulation:

- (1) that prohibits a digital asset mining business that otherwise meets the requirements for operation in an area zoned for industrial use from operating in an area zoned for industrial use; or**
- (2) that:**
 - (A) limits the level of noise generated by a digital asset mining business that is located in an area zoned for industrial use; and**
 - (B) is not applicable to other businesses operating in an area zoned for industrial use.**

Sec. 4. A public agency may not adopt or enforce a rule or other regulation:

- (1) that prohibits private digital asset mining in a residence located in an area that is zoned for residential use; or**
- (2) that:**
 - (A) limits the level of noise generated by private digital asset mining in a residence located in an area that is zoned for residential use; and**
 - (B) is not applicable to other residences in an area zoned for residential use.**

SECTION 16. IC 8-14-15.2-9, AS ADDED BY P.L.189-2018, SECTION 79, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE



- 1 JULY 1, 2026]: Sec. 9. (a) The trustee shall:
- 2 (1) administer and manage the trust;
- 3 (2) invest the money in the trust; and
- 4 (3) deposit in the trust any interest that accrues from the
- 5 investment of these funds.
- 6 (b) Notwithstanding IC 5-13, the trustee shall invest the money in
- 7 the trust not currently needed to meet the obligations of the trust in the
- 8 same manner as money is invested by the Indiana public retirement
- 9 system under IC 5-10.3-5. However, the trustee may not invest the
- 10 money in the trust in equity securities. The trustee shall also comply
- 11 with the prudent investor rule set forth in IC 30-4-3.5. The trustee may
- 12 contract with investment management professionals, investment
- 13 advisors, and legal counsel to assist in the investment of the trust and
- 14 may pay the state expenses incurred under those contracts from the
- 15 trust.
- 16 (c) IC 4-9.1-1-8 and IC 4-9.1-1-9 do not apply to a trust established
- 17 under this chapter.
- 18 (d) Money in the trust fund at the end of a state fiscal year does not
- 19 revert to the state general fund.
- 20 (e) **The trustee may invest the assets of the trust in**
- 21 **cryptocurrency exchange traded funds consisting of one (1) or**
- 22 **more stablecoins (as defined in IC 2-3.5-5-3.3).**
- 23 SECTION 17. IC 10-12-2-2 IS AMENDED TO READ AS
- 24 FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 2. (a) The department
- 25 may:
- 26 (1) establish and operate an actuarially sound pension plan
- 27 governed by a pension trust; and
- 28 (2) make the necessary annual contribution in order to prevent
- 29 any deterioration in the actuarial status of the trust fund.
- 30 (b) The department shall make contributions to the trust fund. An
- 31 employee beneficiary shall make contributions to the trust fund through
- 32 authorized monthly deductions from wages.
- 33 (c) The trust fund:
- 34 (1) may not be commingled with any other funds; and
- 35 (2) shall be invested only in accordance with state laws for the
- 36 investment of trust funds, together with other investments as are
- 37 specifically designated in the pension trust.
- 38 Subject to the terms of the pension trust, the trustee, with the approval
- 39 of the department and the pension advisory board, may establish
- 40 investment guidelines and limits on all types of investments, including
- 41 stocks and bonds, and take other action necessary to fulfill its duty as
- 42 a fiduciary for the trust fund.



1 (d) The trustee shall invest the trust fund assets with the same care,
 2 skill, prudence, and diligence that a prudent person acting in a like
 3 capacity and familiar with these matters would use in the conduct of an
 4 enterprise of a similar character with similar aims.

5 (e) The trustee shall diversify the trust fund's investments in
 6 accordance with prudent investment standards. The investment of the
 7 trust fund is subject to section 3 of this chapter.

8 (f) The trustee shall receive and hold as trustee for the uses and
 9 purposes set forth in the pension trust the funds paid by the department,
 10 the employee beneficiaries, or any other person or persons.

11 (g) The trustee shall engage pension consultants to supervise and
 12 assist in the technical operation of the pension plan so that there is no
 13 deterioration in the actuarial status of the plan.

14 (h) Before October 1 of each year, the trustee, with the aid of the
 15 pension consultants, shall prepare and file a report with the department
 16 and the state board of accounts. The report must include the following
 17 with respect to the fiscal year ending on the preceding June 30:

18 SCHEDULE I. Receipts and disbursements.

19 SCHEDULE II. Assets of the pension trust, listing investments as
 20 to book value and current market value at the end of the fiscal
 21 year.

22 SCHEDULE III. List of terminations, showing cause and amount
 23 of refund.

24 SCHEDULE IV. The application of actuarially computed "reserve
 25 factors" to the payroll data, properly classified for the purpose of
 26 computing the reserve liability of the trust fund as of the end of
 27 the fiscal year.

28 SCHEDULE V. The application of actuarially computed "current
 29 liability factors" to the payroll data, properly classified for the
 30 purpose of computing the liability of the trust fund for the end of
 31 the fiscal year.

32 SCHEDULE VI. An actuarial computation of the pension liability
 33 for all employees retired before the close of the fiscal year.

34 (i) The minimum annual contribution by the department must be of
 35 sufficient amount, as determined by the pension consultants, to prevent
 36 any deterioration in the actuarial status of the pension plan during that
 37 year. If the department fails to make the minimum contribution for five
 38 (5) successive years, the pension trust terminates and the trust fund
 39 shall be liquidated.

40 (j) Except as provided by applicable federal law, in the event of
 41 liquidation, the department shall take the following actions:

42 (1) All expenses of the pension trust must be paid.



- 1 (2) Adequate provision must be made for continuing pension
- 2 payments to retired persons.
- 3 (3) Each employee beneficiary must receive the net amount paid
- 4 into the trust fund from the employee beneficiary's wages.
- 5 (4) Any amount remaining in the pension trust after the
- 6 department makes the payments described in subdivisions (1)
- 7 through (3) must be equitably divided among the employee
- 8 beneficiaries in proportion to the net amount paid from each
- 9 employee beneficiary's wages into the trust fund.
- 10 **(k) The trustee may invest the trust fund assets in**
- 11 **cryptocurrency exchange traded funds consisting of one (1) or**
- 12 **more stablecoins (as defined in IC 2-3.5-5-3.3).**
- 13 SECTION 18. IC 10-12-2-7 IS AMENDED TO READ AS
- 14 FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 7. (a) The:
- 15 (1) mortality reserve account referred to in section 4 of this
- 16 chapter;
- 17 (2) disability reserve account referred to in section 5 of this
- 18 chapter; and
- 19 (3) dependent pension reserve account referred to in section 6 of
- 20 this chapter;
- 21 may be commingled and operated as one (1) fund, known as the police
- 22 benefit fund, under the terms of a supplementary trust agreement
- 23 between the department and the trustee for the exclusive benefit of
- 24 employee beneficiaries and their dependents.
- 25 (b) The trustee shall receive and hold as trustee for the uses and
- 26 purposes set out in the supplementary trust agreement all funds paid to
- 27 it as the trustee by the department or by any other person or persons.
- 28 (c) The trustee shall hold, invest, and reinvest the police benefit
- 29 fund in:
- 30 (1) investments that trust funds are permitted to invest in under
- 31 Indiana law; and
- 32 (2) other investments as may be specifically designated in the
- 33 supplementary trust agreement.
- 34 (d) The trustee, with the assistance of the pension engineers, shall,
- 35 not more than ninety (90) days after the close of the fiscal year, prepare
- 36 and file with the department and the department of insurance a detailed
- 37 annual report showing receipts, disbursements, case histories, and
- 38 recommendations as to the contributions required to keep the program
- 39 in operation.
- 40 (e) Contributions by the department to the police benefit fund shall
- 41 be provided in the general appropriations to the department.
- 42 **(f) The trustee may invest the police benefit fund assets in**



1 **cryptocurrency exchange traded funds consisting of one (1) or**
 2 **more stablecoins (as defined in IC 2-3.5-5-3.3).**

3 SECTION 19. IC 21-9-5-10 IS ADDED TO THE INDIANA CODE
 4 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 5 1, 2026]: **Sec. 10. (a) As used in this section, "cryptocurrency"**
 6 **means a virtual currency that:**

- 7 (1) is not issued by a central authority;
 8 (2) is designed to function as a medium of exchange; and
 9 (3) uses encryption technology to:
 10 (A) regulate the generation of units of currency;
 11 (B) verify fund transfers; and
 12 (C) prevent counterfeiting.

13 **The term does not include a stablecoin (as defined in**
 14 **IC 2-3.5-5-3.3).**

15 (b) **The board shall offer a cryptocurrency exchange traded**
 16 **fund that consists solely of one (1) or more cryptocurrencies as a**
 17 **regular investment program within an education savings program**
 18 **established under this article.**

19 (c) **The board may adopt requirements and rules that apply to**
 20 **the cryptocurrency exchange traded fund within the program,**
 21 **including the following:**

- 22 (1) **The board's investment guidelines and limits for the**
 23 **cryptocurrency exchange traded fund.**
 24 (2) **An account owner's selection of and changes to the**
 25 **account owner's investment options.**
 26 (3) **The valuation of accounts.**
 27 (4) **The allocation and payment of administrative expenses for**
 28 **the cryptocurrency exchange traded fund.**

29 (d) **The board shall determine the appropriate administrative**
 30 **fees to be charged to the accounts.**

31 SECTION 20. IC 28-8-4.1-201, AS ADDED BY P.L.198-2023,
 32 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 33 JULY 1, 2026]: **Sec. 201. The following definitions apply throughout**
 34 **this chapter:**

- 35 (1) **"Acting in concert" means persons knowingly acting together**
 36 **with a common goal of jointly acquiring control of a licensee**
 37 **whether or not pursuant to an express agreement.**
 38 (2) **"Authorized delegate" means a person a licensee designates to**
 39 **engage in money transmission on behalf of the licensee.**
 40 (3) **"Average daily money transmission liability", with respect to**
 41 **a calendar quarter, means:**
 42 (A) **the sum of the amounts of a licensee's outstanding money**



- 1 transmission obligations in Indiana at the end of each day in
 2 the calendar quarter; divided by
 3 (B) the total number of days in that calendar quarter.
- 4 For purposes of this subdivision, a "calendar quarter" is a quarter
 5 ending on March 31, June 30, September 30, or December 31.
- 6 (4) "Bank Secrecy Act" means:
 7 (A) the Bank Secrecy Act (31 U.S.C. 5311 et seq.); and
 8 (B) regulations adopted under the Bank Secrecy Act (31
 9 U.S.C. 5311 et seq.).
- 10 (5) "Closed loop stored value" means stored value that is
 11 redeemable by the issuer only for goods or services provided by
 12 the issuer or the issuer's affiliate or by franchisees of the issuer or
 13 the issuer's affiliate, except to the extent required by applicable
 14 law to be redeemable in cash for its cash value.
- 15 (6) "Control" means any of the following:
 16 (A) The power to vote, directly or indirectly, at least
 17 twenty-five percent (25%) of the outstanding voting shares or
 18 voting interests of a licensee or of a person in control of a
 19 licensee.
 20 (B) The power to elect or appoint a majority of key individuals
 21 or executive officers, managers, directors, trustees, or other
 22 persons exercising managerial authority of a person in control
 23 of a licensee.
 24 (C) The power to exercise, directly or indirectly, a controlling
 25 influence over the management or policies of a licensee or of
 26 a person in control of a licensee. For purposes of this clause,
 27 a person is presumed to exercise a controlling influence if the
 28 person holds the power to vote, directly or indirectly, at least
 29 ten percent (10%) of the outstanding voting shares or voting
 30 interests of a licensee or of a person in control of a licensee.
 31 However, a person presumed to exercise a controlling
 32 influence under this clause may rebut the presumption of
 33 control if the person is a passive investor.
- 34 For purposes of this subdivision, the percentage of a person
 35 controlled by any other person is determined by aggregating the
 36 other person's interest with the interest of any other immediate
 37 family member of that person, including the person's spouse,
 38 parents, children, siblings, mothers-in-law and fathers-in-law,
 39 sons-in-law and daughters-in-law, and any other person who
 40 shares the person's home.
- 41 (7) "Department" refers to the members of the department of
 42 financial institutions.



- 1 (8) "Director" refers to the director of the department appointed
 2 under IC 28-11-2-1.
 3 (9) "Eligible rating" means a credit rating of any of the three (3)
 4 highest rating categories provided by an eligible rating service,
 5 including any rating category modifiers, such as "plus" or "minus"
 6 for S&P Global, or an equivalent modifier for any other eligible
 7 rating service. The term includes the following:
 8 (A) A long term credit rating equal to at least A- by S&P
 9 Global, or an equivalent long term credit rating for any other
 10 eligible rating service.
 11 (B) A short term credit rating equal to at least A-2 by S&P
 12 Global, or an equivalent short term credit rating for any other
 13 eligible rating service.
 14 In any case in which the credit ratings differ among eligible rating
 15 services, the highest rating applies in determining whether the
 16 credit rating is an "eligible rating" as defined in this subdivision.
 17 (10) "Eligible rating service" means:
 18 (A) a nationally recognized statistical rating organization, as
 19 defined by the United States Securities and Exchange
 20 Commission; or
 21 (B) any other organization designated as such by the director.
 22 (11) "Federally insured depository financial institution" means:
 23 (A) a bank;
 24 (B) a credit union;
 25 (C) a savings and loan association;
 26 (D) a trust company;
 27 (E) a corporate fiduciary;
 28 (F) a savings association;
 29 (G) a savings bank;
 30 (H) an industrial bank; or
 31 (I) an industrial loan company;
 32 that is organized under the law of the United States or any state of
 33 the United States and that has federally or privately insured
 34 deposits as permitted by state or federal law.
 35 (12) "In Indiana", with respect to the location of a transaction,
 36 means the following:
 37 (A) At a physical location in Indiana, for a transaction
 38 requested in person.
 39 (B) For a transaction requested electronically or by telephone,
 40 a determination made by the provider of money transmission,
 41 by relying on the following, that the person requesting the
 42 transaction is in Indiana:



- 1 (i) Information, provided by the person, regarding the
 2 location of the individual's residential address or the
 3 business entity's principal place of business or other physical
 4 address location, as applicable.
- 5 (ii) Any records associated with the person that the provider
 6 of money transmission may have that indicate the person's
 7 location, including an address associated with an account.
- 8 (13) "Individual" means a natural person.
- 9 (14) "Key individual" means an individual ultimately responsible
 10 for establishing or directing policies and procedures of a licensee,
 11 such as an executive officer, manager, director, or trustee.
- 12 (15) "Licensee" means a person licensed under this chapter.
- 13 (16) "Material litigation" means litigation that, according to
 14 United States generally accepted accounting principles, is
 15 significant to a person's financial health and would be required to
 16 be disclosed in the person's annual audited financial statements,
 17 report to shareholders, or similar records.
- 18 (17) "Money" means a medium of exchange that is issued by the
 19 United States government or by a foreign government. The term
 20 includes a monetary unit of account established by an
 21 intergovernmental organization or by agreement between two (2)
 22 or more governments.
- 23 (18) "Monetary value" means a medium of exchange, whether or
 24 not redeemable in money.
- 25 (19) "Money transmission" means any of the following:
- 26 (A) Selling or issuing payment instruments to a person located
 27 in Indiana.
- 28 (B) Selling or issuing stored value to a person located in
 29 Indiana.
- 30 (C) Receiving money for transmission from a person located
 31 in Indiana.
- 32 The term does not include the provision of solely online or
 33 telecommunications services or network access. **The term does**
 34 **not include development or use of software for noncustodial**
 35 **transfer of digital assets (as defined by IC 5-36-1-4).**
- 36 (20) "MSB accredited state" means a state agency that is
 37 accredited by the Conference of State Bank Supervisors and
 38 Money Transmitter Regulators Association for money
 39 transmission licensing and supervision.
- 40 (21) "Multistate licensing process" means an agreement entered
 41 into by and among state regulators related to:
- 42 (A) coordinated processing of applications for money



- 1 transmission licenses;
- 2 (B) applications for the acquisition and control of a licensee;
- 3 (C) control determinations; or
- 4 (D) notice and information requirements for a change of key
- 5 individuals.
- 6 (22) "NMLS" means the Nationwide Multistate Licensing System
- 7 and Registry:
- 8 (A) developed by the Conference of State Bank Supervisors
- 9 and the American Association of Residential Mortgage
- 10 Regulators; and
- 11 (B) owned and operated by the State Regulatory Registry,
- 12 LLC, or by any successor or affiliated entity;
- 13 for the licensing and registry of persons in financial services
- 14 industries.
- 15 (23) "Outstanding money transmission obligation", as established
- 16 and extinguished in accordance with applicable state law, means:
- 17 (A) any payment instrument or stored value that:
- 18 (i) is issued or sold by a licensee to a person located in the
- 19 United States, or reported as sold by an authorized delegate
- 20 of the licensee to a person located in the United States; and
- 21 (ii) has not yet been paid or refunded by or for the licensee,
- 22 or escheated in accordance with applicable abandoned
- 23 property laws; or
- 24 (B) any money that:
- 25 (i) is received for transmission by a licensee, or by an
- 26 authorized delegate of the licensee, from a person located in
- 27 the United States; and
- 28 (ii) has not been received by the payee or refunded to the
- 29 seller, or escheated in accordance with applicable
- 30 abandoned property laws.
- 31 For purposes of this subdivision, a person is located "in the
- 32 United States" if the person is located in any state, territory, or
- 33 possession of the United States or in the District of Columbia, the
- 34 Commonwealth of Puerto Rico, or a United States military
- 35 installation located in a foreign country.
- 36 (24) "Passive investor" means a person that:
- 37 (A) does not have the power to elect a majority of key
- 38 individuals or executive officers, managers, directors, trustees,
- 39 or other persons exercising managerial authority over a person
- 40 in control of a licensee;
- 41 (B) is not employed by and does not have any managerial
- 42 duties with respect to the licensee or a person in control of the



- 1 licensee;
- 2 (C) does not have the power to exercise, directly or indirectly,
- 3 a controlling influence over the management or policies of the
- 4 licensee or a person in control of the licensee; and
- 5 (D) either:
- 6 (i) attests to as facts the characteristics of passivity set forth
- 7 in clauses (A) through (C), in a form and by a medium
- 8 prescribed by the director; or
- 9 (ii) commits to the characteristics of passivity set forth in
- 10 clauses (A) through (C) in a written document.
- 11 (25) "Payment instrument" means a written or electronic check,
- 12 draft, money order, traveler's check, or other written or electronic
- 13 instrument for the transmission or payment of money or monetary
- 14 value, whether or not negotiable. The term does not include:
- 15 (A) stored value; or
- 16 (B) any instrument that:
- 17 (i) is redeemable by the issuer only for goods or services
- 18 provided by the issuer or its affiliate, or franchisees of the
- 19 issuer or its affiliate, except to the extent required by
- 20 applicable law to be redeemable in cash for its cash value;
- 21 or
- 22 (ii) is not sold to the public but is issued and distributed as
- 23 part of a loyalty, rewards, or promotional program.
- 24 (26) "Person" means any individual, general partnership, limited
- 25 partnership, limited liability company, corporation, trust,
- 26 association, joint stock corporation, or other corporate entity, as
- 27 so identified by the director.
- 28 (27) "Receiving money for transmission" means receiving money
- 29 or monetary value in the United States for transmission within or
- 30 outside the United States by electronic or other means. The term
- 31 "money received for transmission" has a corresponding meaning.
- 32 (28) "Stored value" means monetary value representing a claim,
- 33 against the issuer, that is evidenced by an electronic or digital
- 34 record and that is intended and accepted for use as a means of
- 35 redemption for money or monetary value, or payment for goods
- 36 or services. The term includes "prepaid access" as defined in 31
- 37 CFR 1010.100. The term does not include:
- 38 (A) a payment instrument;
- 39 (B) closed loop stored value; or
- 40 (C) stored value not sold to the public but issued and
- 41 distributed as part of a loyalty, rewards, or promotional
- 42 program.



1 (29) "Tangible net worth" means the aggregate assets of a
 2 licensee, excluding all intangible assets, less liabilities, as
 3 determined in accordance with United States generally accepted
 4 accounting principles.

5 SECTION 21. IC 33-38-6-23, AS AMENDED BY P.L.35-2012,
 6 SECTION 103, IS AMENDED TO READ AS FOLLOWS
 7 [EFFECTIVE JULY 1, 2026]: Sec. 23. (a) The board of trustees of the
 8 Indiana public retirement system (referred to as "the system" in this
 9 section) shall administer the fund, which may be commingled for
 10 investment purposes with any public pension and retirement fund
 11 administered by the system.

12 (b) The board shall do the following:

13 (1) Determine eligibility for and make payments of benefits under
 14 IC 33-38-7 and IC 33-38-8.

15 (2) In accordance with the powers and duties granted it in
 16 IC 5-10.3-3-7.1, IC 5-10.3-5-3 through IC 5-10.3-5-6,
 17 IC 5-10.5-4, and IC 5-10.5-6, administer the fund.

18 (3) Provide by rule for the implementation of this chapter and
 19 IC 33-38-7 and IC 33-38-8.

20 (4) Authorize deposits.

21 (c) A determination by the board may be appealed under the
 22 procedures in IC 4-21.5.

23 (d) The powers and duties of:

24 (1) the director and the actuary of the board; and

25 (2) the attorney general;

26 with respect to the fund are those specified in IC 5-10.3-3, IC 5-10.3-4,
 27 IC 5-10.5-4, and IC 5-10.5-6.

28 (e) The board may hire additional personnel, including hearing
 29 officers, to assist it in the implementation of this chapter.

30 (f) Fund records of individual participants and participants'
 31 information are confidential, except for the name and years of service
 32 of a fund participant.

33 **(g) The board may invest the assets of the fund in**
 34 **cryptocurrency exchange traded funds.**

35 SECTION 22. IC 33-39-7-11, AS AMENDED BY P.L.35-2012,
 36 SECTION 105, IS AMENDED TO READ AS FOLLOWS
 37 [EFFECTIVE JULY 1, 2026]: Sec. 11. (a) The board shall administer
 38 the fund, which may be commingled with any public pension and
 39 retirement fund administered by the Indiana public retirement system
 40 for investment purposes.

41 (b) The board shall do the following:

42 (1) Determine eligibility for and make payments of benefits under



- 1 this chapter.
- 2 (2) In accordance with the powers and duties granted the board in
- 3 IC 5-10.3-3-7.1, IC 5-10.3-5-3 through IC 5-10.3-5-6,
- 4 IC 5-10.5-4, and IC 5-10.5-6, administer the fund.
- 5 (3) Provide by rule for the implementation of this chapter.
- 6 (4) Authorize deposits.
- 7 (c) A determination by the board may be appealed under IC 4-21.5.
- 8 (d) The powers and duties of:
- 9 (1) the director and the actuary of the board; and
- 10 (2) the attorney general;
- 11 with respect to the fund are those specified in IC 5-10.3-3, IC 5-10.3-4,
- 12 IC 5-10.5-4, and IC 5-10.5-6.
- 13 (e) The board may hire additional personnel, including hearing
- 14 officers, to assist in the implementation of this chapter.
- 15 (f) Fund records of individual participants and participants'
- 16 information are confidential, except for the name and years of service
- 17 of a fund participant.
- 18 **(g) The board may invest the assets of the fund in**
- 19 **cryptocurrency exchange traded funds.**

20 SECTION 23. IC 34-46-7 IS ADDED TO THE INDIANA CODE

21 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE

22 JULY 1, 2026]:

23 **Chapter 7. Privileged Financial Information**

24 **Sec. 1. As used in this chapter, "digital asset" means:**

- 25 (1) virtual currency;
- 26 (2) cryptocurrency, including stablecoins;
- 27 (3) fungible tokens and nonfungible tokens; and
- 28 (4) other assets that:
- 29 (A) exist only in electronic form; and
- 30 (B) confer economic, proprietary, or access rights or
- 31 powers.

32 **Sec. 2. As used in this chapter, "digital asset private key" means**

33 **an alphanumeric code that is used to:**

- 34 (1) prove ownership of; and
- 35 (2) access;

36 **digital assets.**

37 **Sec. 3. A court may compel a person to disclose a digital asset**

38 **private key only if no other admissible information is sufficient to**

39 **provide access to the digital asset.**

40 SECTION 24. IC 35-37-7 IS ADDED TO THE INDIANA CODE

41 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE

42 JULY 1, 2026]:



1 **Chapter 7. Privileged Financial Information**

2 **Sec. 1. As used in this chapter, "digital asset" means:**

- 3 (1) virtual currency;
- 4 (2) cryptocurrency, including stablecoins;
- 5 (3) fungible tokens and nonfungible tokens; and
- 6 (4) other assets that:
- 7 (A) exist only in electronic form; and
- 8 (B) confer economic, proprietary, or access rights or
- 9 powers.

10 **Sec. 2. As used in this chapter, "digital asset private key" means**
 11 **an alphanumeric code that is used to:**

- 12 (1) prove ownership of; and
- 13 (2) access;

14 **a digital asset.**

15 **Sec. 3. A court may compel a person to disclose a digital asset**
 16 **private key only if no other admissible information is sufficient to**
 17 **provide access to the digital asset.**

18 SECTION 25. IC 36-1-3-15 IS ADDED TO THE INDIANA CODE
 19 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 20 1, 2026]: **Sec. 15. (a) The definitions in IC 5-36-1 apply throughout**
 21 **this section.**

22 **(b) A unit may not adopt or enforce a rule or other regulation**
 23 **that would have the effect of prohibiting, restricting, or impairing**
 24 **the ability of a person to:**

- 25 (1) use or accept digital assets as a method of payment for
- 26 legal goods and services; or
- 27 (2) take custody of digital assets using a self-hosted wallet or
- 28 hardware wallet.

29 **(c) A unit may not impose taxes or fees on:**

- 30 (1) use or acceptance of digital assets as a method of payment
- 31 for legal goods and services; or
- 32 (2) taking or maintaining custody of digital assets using a
- 33 self-hosted wallet or hardware wallet;

34 **that are not applicable to comparable financial transactions that**
 35 **do not involve digital assets.**

36 SECTION 26. IC 36-1-30.5 IS ADDED TO THE INDIANA CODE
 37 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
 38 JULY 1, 2026]:

39 **Chapter 30.5. Regulation of Digital Asset Mining**

40 **Sec. 1. The definitions in IC 5-36-1 apply throughout this**
 41 **chapter.**

42 **Sec. 2. A unit may not adopt or enforce an ordinance or other**



1 regulation that would have the effect of prohibiting, restricting, or
2 impairing the ability of an individual or business to do any of the
3 following:

- 4 (1) Operate a node for the purpose of connecting to a
5 blockchain protocol and participating in the operation of the
6 blockchain protocol.
- 7 (2) Develop software on a blockchain protocol.
- 8 (3) Transfer digital assets to another individual or business
9 using a blockchain protocol.
- 10 (4) Participate in staking on a blockchain protocol.

11 **Sec. 3. A unit may not adopt or enforce an ordinance or other
12 regulation:**

- 13 (1) that prohibits a digital asset mining business that
14 otherwise meets the requirements for operation in an area
15 zoned for industrial use from operating in an area zoned for
16 industrial use; or
- 17 (2) that:
 - 18 (A) limits the level of noise generated by a digital asset
19 mining business that is located in an area zoned for
20 industrial use; and
 - 21 (B) is not applicable to other businesses operating in an
22 area zoned for industrial use.

23 **Sec. 4. A unit may not adopt or enforce an ordinance or other
24 regulation:**

- 25 (1) that prohibits private digital asset mining in a residence
26 located in an area that is zoned for residential use; or
- 27 (2) that:
 - 28 (A) limits the level of noise generated by private digital
29 asset mining in a residence located in an area that is zoned
30 for residential use; and
 - 31 (B) is not applicable to other residences in an area zoned
32 for residential use.

33 SECTION 27. IC 36-8-8-5, AS AMENDED BY P.L.85-2022,
34 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
35 JULY 1, 2026]: Sec. 5. (a) The system board shall:

- 36 (1) determine eligibility for and make payments of benefits,
37 except as provided in section 12 of this chapter;
- 38 (2) in accordance with the powers and duties granted it in
39 IC 5-10.3-5-3 through IC 5-10.3-5-6, IC 5-10.5-4, and
40 IC 5-10.5-5, administer the 1977 fund;
- 41 (3) provide by rule for the implementation of this chapter; and
- 42 (4) authorize deposits.



1 (b) A determination by the system board may be appealed under the
2 procedures in IC 4-21.5.

3 (c) The powers and duties of the director appointed by the system
4 board, the actuary of the system board, and the attorney general, with
5 respect to the 1977 fund, are those specified in IC 5-10.3-3,
6 IC 5-10.3-4, and IC 5-10.5.

7 (d) The system board may hire additional personnel, including
8 hearing officers, to assist it in the implementation of this chapter.

9 (e) The 1977 fund records of individual members and membership
10 information are confidential, except for the name and years of service
11 of a 1977 fund member.

12 (f) After July 1, 2022, if the system board determines that a new
13 police officer or firefighter in PERF should be a member of the 1977
14 fund, the system board shall require the employer to:

15 (1) transfer the member into the 1977 fund; and

16 (2) contribute the amount that the system board determines is
17 necessary to fund fully the member's service credit in the 1977
18 fund for all service earned as a police officer or firefighter in
19 PERF.

20 **(g) The system board may invest the assets of the 1977 fund in**
21 **cryptocurrency exchange traded funds.**



Proposed Attendees and Titles

- **Rick Tapia** – Attorney and Founder, Restored Law PLLC; Indiana-based digital asset and financial technology counsel; primary outside legal advisor helping Indiana House members think through HB 1042 and related policy.
- **Danny Kelly** – Indiana House Republican Policy Director; serving as primary policy liaison for House leadership on financial services and digital asset issues.
- **Representative Jake Teshka** – Chair, Indiana House Financial Institutions Committee; lead House member overseeing HB 1042 and related financial regulatory legislation.
- **Representative Kyle Pierce** – Vice Chair, Indiana House Financial Institutions Committee; supporting leadership and committee work on digital asset and financial technology matters and drafter of HB 1042.
- **Ilya Rekhter** – CEO, Megawatt; U.S.-based Bitcoin mining and infrastructure company with operations in Indiana, providing industry perspective on mining, grid interaction, and compliance.

Proposed Meeting Agenda and Substantive Discussion Plan

1. Introductions and Context (10 minutes)

- Brief introductions of each participant, including their role in Indiana’s legislative process or industry.
- Short overview of Indiana’s current status on digital asset policy and how HB 1042 emerged (e.g., desire to provide clarity for legitimate builders while protecting consumers and coordinating with federal regulators).
- Clarify that the objective is to obtain high-level, non-binding staff feedback, not to seek endorsement of any particular bill.

2. Overview of HB 1042 – Structure and Key Policy Objectives (15–20 minutes)

- Walk through the core components of the bill in an organized manner (e.g., definitions, treatment of non-custodial software and node operation, treatment of custodial activity, and any safe harbors or exemptions).
- Explain the bill’s main goals:
 - Provide clear, technology-neutral guardrails for digital asset businesses operating in Indiana.
 - Distinguish non-custodial activity (wallet software, node operation, validators) from money transmission or custodial activity.

- Reduce regulatory uncertainty for legitimate actors while preserving tools for law enforcement and consumer protection.
- Identify any provisions that were drafted with federal securities law in mind (for example, custody language, staking-as-a-service considerations, or references to broker-dealer-like activities).

3. Discussion of Potential Touchpoints with Federal Securities Law (25–30 minutes)

- Invite SEC staff to share, at a high level, how the Commission currently thinks about:
 - When digital asset activities may implicate securities laws (offer and sale of tokens, investment contracts, staking programs, lending/earn products).
 - How the SEC views non-custodial software, node operation, and validator services in relation to securities law obligations, if and when the underlying asset is a security.
 - Current thinking on custody of digital asset securities, including broker-dealer and qualified custodian considerations.
- Use specific sections of HB 1042 as examples, asking whether any formulations might inadvertently:
 - Create perceived conflicts with existing or proposed SEC rules or guidance; or
 - Be misunderstood by market participants as suggesting that state law “overrides” federal securities obligations.
- Ask for any suggestions, in conceptual terms, on how state-level language can better avoid confusion while still providing clarity for innovators and service providers.

4. Industry Perspective and Practical Implications (15–20 minutes)

- Invite Ilya Rekhter to briefly explain Megawatt’s operations and how state and federal clarity (or lack thereof) affects:
 - Decisions on where to locate infrastructure and invest capital.
 - How mining and validator operators think about securities, commodities, and money transmission frameworks.
- Discuss how companies like Megawatt navigate overlapping requirements from state regulators, the SEC, the CFTC, and banking regulators.

- Explore whether there are practical examples where narrowly tailored state language could either:
 - Help reduce unnecessary friction for compliant operators; or
 - Risk creating confusion about federal obligations if not drafted carefully.

5. **Feedback on Drafting Approach and Next Steps (10–15 minutes)**

- Ask SEC staff for high-level feedback on the overall drafting approach:
 - Are there particular concepts or phrases that tend to create misunderstanding in the market when used in statutes or regulations?
 - Are there areas where state legislatures can be especially helpful in complementing federal oversight (e.g., clear definitions of money transmission, explicit recognition of non-custodial activity, consumer protection provisions that do not address securities status)?
- Discuss potential follow-up: written comments, informal feedback on specific provisions, or a future staff-level touchpoint once the bill language is refined.
- Confirm the most appropriate channels and points of contact for ongoing dialogue so Indiana leadership can ensure alignment with the SEC’s investor protection and market integrity priorities.

Analysis to Help Inform the Discussion

- **Regulatory Alignment Objective:** HB 1042 is not attempting to define what is or is not a “security” under federal law. The intent is to give Indiana-based innovators and consumers clearer expectations about how digital asset activity is treated at the state level (particularly in money transmission, custodial services, and non-custodial infrastructure), while respecting that federal securities law remains supreme where applicable.
- **Non-Custodial vs. Custodial Activity:** A central theme of the bill is drawing a workable line between non-custodial software/node operation (where the user maintains control of their keys) and custodial arrangements (where a third party controls or can unilaterally move assets). Understanding how the SEC views this distinction (in practice, not just in theory) will help avoid state language that could be misconstrued as altering securities obligations.
- **Staking, Validators, and Yield Products:** Many emerging business models involve staking-as-a-service, validator operations, or yield-generating programs. These can raise Howey-type questions even when the underlying network is permissionless and decentralized. Indiana leadership wants to ensure that any references to staking or

validator services do not inadvertently cut across SEC enforcement or rulemaking priorities.

- **Custody and Market Structure:** To the extent HB 1042 touches on custody concepts, there is a risk that state law language could be read as conflicting with, or preempting, federal requirements for digital asset securities custody (e.g., broker-dealer rules, qualified custodian issues). Early, high-level SEC staff feedback on how to phrase these provisions will help Indiana avoid creating confusion for registrants.
- **Signal to Good-Faith Actors:** Indiana's broader policy goal is to send a clear signal that good-faith, compliant digital asset businesses are welcome and that the state is not a haven for fraud or regulatory arbitrage. Coordination with SEC staff will help ensure that Indiana's framework supports federal investor-protection goals while providing practical clarity for builders deciding where to invest and hire.