

# HOUSE BILL No. 1066

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 5-22-5.

**Synopsis:** Purchase and lease of government vehicles. Removes an exemption for the governor and the state police department from the requirement of procuring a government, base, or standard model vehicle that is not from a luxury or semi-luxury brand (base model vehicle). With certain exceptions, requires a political subdivision to procure only base model vehicles. Removes a provision allowing the Indiana department of administration to give an exception to a state entity from the requirement of procuring a base model vehicle. Requires state entities and political subdivisions to dispose of vehicles not later than January 1, 2028, that are not base model vehicles.

**Effective:** July 1, 2026.

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December 5, 2025, read first time and referred to Committee on Government and Regulatory Reform.

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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 No. 1066

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 5-22-5-8.5, AS AMENDED BY P.L.66-2025,  
2       SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
3       JULY 1, 2026]: Sec. 8.5. (a) **This section applies only to a state**  
4       **entity.**

5       **(b) This section does not apply to the short term or temporary**  
6       **lease of a vehicle.**

7       ~~(a)~~ (c) As used in this section, "clean energy vehicle" means any of  
8       the following:

9       (1) A vehicle that operates on one (1) or more of the following  
10       energy sources:

11       (A) A rechargeable energy storage system.

12       (B) Hydrogen.

13       (C) Compressed air.

14       (D) Compressed or liquid natural gas.

15       (E) Solar energy.

16       (F) Liquefied petroleum gas.

17       (G) Methanol, denatured ethanol, and other alcohols.



- 1 (H) Mixtures containing eighty-five percent (85%) or more by  
 2 volume of methanol, denatured ethanol, and other alcohols  
 3 with gasoline or other fuel.  
 4 (I) Natural gas.  
 5 (J) Coal-derived liquid fuels.  
 6 (K) Non-alcohol fuels derived from biological material.  
 7 (L) P-Series fuels.  
 8 (M) Electricity.  
 9 (N) Biodiesel or ultra low sulfur diesel fuel.  
 10 (2) A vehicle that operates on gasoline and one (1) or more of the  
 11 energy sources listed in subdivision (1).  
 12 (3) A vehicle that operates on diesel fuel and one (1) or more of  
 13 the energy sources listed in subdivision (1).  
 14 ~~(b)~~ (d) As used in this section, "state entity" means the following:  
 15 (1) A state agency.  
 16 (2) Any other authority, board, branch, commission, committee,  
 17 department, division, or other instrumentality of the executive  
 18 (including the administrative), legislative, or judicial department  
 19 of state government.  
 20 The term includes a state elected official's office and excludes a state  
 21 educational institution.  
 22 ~~(c)~~ (e) As used in this section, "total cost of ownership" means the  
 23 total cost of the following for a vehicle:  
 24 (1) Energy.  
 25 (2) Operations.  
 26 (3) Maintenance.  
 27 (4) Support infrastructure.  
 28 ~~(d)~~ (f) As used in this section, "vehicle" includes the following:  
 29 (1) An automobile.  
 30 (2) A truck.  
 31 (3) A tractor.  
 32 ~~(e)~~ (g) Except as provided in subsections ~~(f)~~ (h) and ~~(k)~~ (m), if a  
 33 state entity purchases or leases a vehicle, ~~it the state entity~~ must  
 34 purchase or lease **a vehicle that satisfies both of the following:**  
 35 **(1) The vehicle must be** a clean energy vehicle, unless the  
 36 Indiana department of administration, determines that the:  
 37 ~~(f)~~ (A) purchase or lease of a clean energy vehicle is  
 38 inappropriate because of the purposes for which the vehicle  
 39 will be used; or  
 40 ~~(g)~~ (B) total cost of ownership of a clean energy vehicle is  
 41 substantially more than the cost of a vehicle that is not a clean  
 42 energy vehicle.



(2) The vehicle:

(A) must be a government model, base model, or standard model vehicle; and

(B) may not be from a luxury or semi-luxury brand, if a nonluxury brand alternative exists that uses the same underlying vehicle platform.

~~(f)~~ (h) The requirements of subsection ~~(e)~~ (e)(1) do not apply to the ~~(t)~~ purchase or lease of vehicles by or for:

(1) the state police department; or

(2) the governor. ~~and~~

~~(2) short term or temporary lease of vehicles.~~

~~(g)~~ (i) The Indiana department of administration shall adopt rules or guidelines to provide a preference for the purchase or lease by state entities of clean energy vehicles:

(1) manufactured wholly or partially in Indiana; or

(2) containing parts manufactured in Indiana.

~~(h)~~ (j) Before August 1, each state entity shall annually submit to the Indiana department of administration information regarding the use of clean energy vehicles by the state entity. The information must specify the following for the preceding state fiscal year:

(1) The amount of energy sources described in subsection ~~(a)~~ ~~(t)~~ (c)(1) purchased by the state entity.

(2) The amount of conventional fuels purchased by the state entity.

(3) The average price per gallon paid by the state entity for each type of fuel purchased by the state entity.

(4) The total number of vehicles purchased or leased by the state agency that were clean energy vehicles and the total number of vehicles purchased or leased by the state agency that were not clean energy vehicles.

(5) Any other information required by the Indiana department of administration.

~~(i)~~ (k) Before September 1, the Indiana department of administration shall annually submit to the general assembly in an electronic format under IC 5-14-6 and to the governor a report that lists the information required under subsection ~~(h)~~ (j) for each state entity and for all state agencies in the aggregate.

~~(j)~~ (l) Before July 1, 2025, The Indiana department of administration shall make recommendations to state entities regarding the procurement of clean energy vehicles.

~~(k)~~ (m) A state agency may submit a request to the Indiana department of administration, for an exception to the requirements of



1 subsection ~~(e)~~: **(e)(1)**. The Indiana department of administration may  
 2 grant an exception if it finds the state agency's purchase or lease of a  
 3 vehicle that does not meet the requirements of subsection ~~(e)~~ **(e)(1)** is  
 4 necessary for the state agency's intended use of the vehicle.

5 **(n) Not later than July 1, 2028, a state entity must dispose of a**  
 6 **vehicle that does not meet the requirements of subsection (g)(2).**

7 SECTION 2. IC 5-22-5-8.6 IS ADDED TO THE INDIANA CODE  
 8 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
 9 1, 2026]: **Sec. 8.6. (a) This section applies only to the governmental**  
 10 **body of a political subdivision.**

11 **(b) This section does not apply to the short term or temporary**  
 12 **lease of a vehicle.**

13 **(c) As used in this section, "vehicle" includes the following:**

14 **(1) An automobile.**

15 **(2) A truck.**

16 **(3) A tractor.**

17 **The term does not include firefighting apparatus or an ambulance**  
 18 **owned or operated by a governmental body.**

19 **(d) If a governmental body purchases or leases a vehicle, the**  
 20 **vehicle:**

21 **(1) must be a government model, base model, or standard**  
 22 **model vehicle; and**

23 **(2) may not be from a luxury or semi-luxury brand, if a**  
 24 **nonluxury brand alternative exists that uses the same**  
 25 **underlying vehicle platform.**

26 **(e) Not later than July 1, 2028, a governmental body must**  
 27 **dispose of a vehicle that does not meet the requirements of**  
 28 **subsection (d).**

