

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS
FISCAL IMPACT STATEMENT**

LS 6403
BILL NUMBER: HB 1066

NOTE PREPARED: Jan 22, 2026
BILL AMENDED: Jan 22, 2026

SUBJECT: Purchase and Lease of Government Vehicles.

FIRST AUTHOR: Rep. Gore
FIRST SPONSOR:

BILL STATUS: CR Adopted - 1st House

FUNDS AFFECTED: X GENERAL
 X DEDICATED
 FEDERAL

IMPACT: State & Local

Summary of Legislation: (Amended) The bill, with certain exceptions, requires a political subdivision to procure only base model vehicles. The bill removes a provision allowing the Indiana Department of Administration (IDOA) to give an exception to a state entity from the requirement of procuring a base model vehicle

The bill also requires state entities and political subdivisions to dispose of vehicles that are not base model vehicles not later than: (1) July 1, 2028; or (2) July 1 of the calendar year following the calendar year in which the vehicle reaches the end of its useful life; whichever is later.

Effective Date: July 1, 2026.

Explanation of State Expenditures: *Summary* - This bill will have an indeterminable net impact on state vehicle expenditures.

(Revised) *Additional Information* - The bill requires procured state vehicles that are not base models to be disposed of by July 1, 2028 and every July 1 thereafter. Statute and the bill are silent as to what would constitute “disposal” of vehicles that fit this criteria. To the extent sale of the motor vehicle would satisfy the “disposal” requirement, the bill could increase state revenue from vehicle sales. Additionally, disposal of a state vehicle could require the state to purchase new vehicles that meet the specifications in the bill, resulting in a new state expenditure. The total number of vehicles that would require disposal as a result of the bill is currently not known.

The bill also removes an exemption on vehicle procurement for the Governor and the State Police which is not expected to have an impact on state expenditures.

Explanation of State Revenues: See *Explanation of State Expenditures*, above.

Explanation of Local Expenditures: *Summary* - This bill will have an indeterminable net impact on local unit of government expenditures on vehicles.

Additional Information - The bill specifies vehicle lease and purchase requirements for local units of government. As a result, this bill could impact vehicle expenditures.

Additionally, the bill requires local units of government to dispose of vehicles that were acquired that do not meet the criteria in the bill. This requirement could be satisfied with the sale of these vehicles, increasing local revenue from the vehicle sale. This requirement could also require local units of government to purchase new vehicles that meet the specifications in the bill, resulting in new expenditures. Any net impact on local expenditures from vehicle sales and purchases is indeterminable.

Explanation of Local Revenues: See Explanation of Local Expenditures, above.

State Agencies Affected: All.

Local Agencies Affected: All.

Information Sources:

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