

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

LS 6403
BILL NUMBER: HB 1066

NOTE PREPARED: Jan 28, 2026
BILL AMENDED: Jan 28, 2026

SUBJECT: Purchase and Lease of Government Vehicles.

FIRST AUTHOR: Rep. Gore
FIRST SPONSOR:

BILL STATUS: 2nd Reading - 1st House

FUNDS AFFECTED: X GENERAL
 X DEDICATED
 FEDERAL

IMPACT: State & Local

Summary of Legislation: (Amended) With certain exceptions, this bill requires a political subdivision to procure only base model vehicles. The bill removes a provision that allows the Indiana Department of Administration (IDOA) to permit a state entity to procure a vehicle that is not a base model vehicle.

The bill also requires a state entity to dispose of vehicles that are not base model vehicles at a time and in a prudent manner as determined by the Commissioner of the IDOA. It also provides that a state entity or political subdivision is not prohibited from purchasing, installing, modifying, or affixing equipment and accessories necessary for the state entity's or political subdivision's operational, public safety, maintenance, or emergency response functions, regardless of whether the equipment and accessories are installed at the time of purchase or after.

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 state entities to dispose of vehicles that do not meet the criteria in the bill. 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:

Fiscal Analyst: Bill Brumbach, 317-232-9559