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HOUSE BILL No. 1066

Proposed Changes to introduced printing by AM106603

DIGEST OF PROPOSED AMENDMENT

Government vehicles. Restores 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). 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. Corrects a reference.

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
8 of 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.

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- 1 (H) Mixtures containing eighty-five percent (85%) or more
 2 by volume of methanol, denatured ethanol, and other
 3 alcohols 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
 11 the 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 ~~(1)~~ (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 ~~(2)~~ (B) total cost of ownership of a clean energy vehicle is
 41 substantially more than the cost of a vehicle that is not a
 42 clean 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~~)~~ ~~(f)~~ [g] do not apply to the ~~(f)~~ ~~(g)~~ 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)~~ ~~(f)~~ ~~(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



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

(n) ~~<Not later than July 1, 2028, a>~~ [A] state entity must dispose of a vehicle that does not meet the requirements of subsection (g)(2) ~~<>~~ [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.

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

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

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

- (1) An automobile.
- (2) A truck.
- (3) A tractor.

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

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

- (1) must be a government model, base model, or standard model vehicle; and
- (2) may not be from a luxury or semi-luxury brand, if a nonluxury brand alternative exists that uses the same underlying vehicle platform.

(e) ~~<Not later than July 1, 2028, a>~~ [A] governmental body must dispose of a vehicle that does not meet the requirements of subsection (d) ~~<>~~ [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.

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