

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

LS 6671
BILL NUMBER: HB 1226

NOTE PREPARED: Jan 28, 2026
BILL AMENDED: Jan 20, 2026

SUBJECT: Public Purchasing.

FIRST AUTHOR: Rep. Lindauer
FIRST SPONSOR: Sen. Schmitt

BILL STATUS: As Passed House

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: State & Local

Summary of Legislation: *Public Purchasing from Indiana Businesses*— The bill provides a price preference to a business that is not an Indiana business but offers to provide supplies manufactured, assembled, or produced in Indiana. The bill provides that an Indiana business that offers to provide supplies manufactured, assembled, or produced in Indiana is eligible for an additional price preference for a contract awarded by a state agency. (Under current law, the additional price preference applies only when two or more equal bids are submitted.)

Purchase of Flags— The bill provides a 25% price preference for the purchase of flags that are manufactured in the United States.

Effective Date: July 1, 2026.

Explanation of State Expenditures: *Public Purchasing from Indiana Businesses*— By removing the condition of equal bids from one or more non-Indiana business, and adding Indiana businesses providing supplies originating in Indiana for additional price preference to the probability would increase for an Indiana business to qualify for the additional price preferences within current law on the sale of supplies manufactured, assembled, or produced in Indiana to a state agency. As a result, state expenditures may increase slightly in future state fiscal years.

Purchase of Flags— Price preferences towards a United States manufacturer of flags (either American or Indiana State Flags) could increase the bidding amount accepted and state expenditures in future years. Any impact to state expenditures would depend on terms of future awarded contracts.

Explanation of State Revenues:

Explanation of Local Expenditures: *Purchase of Flags*— Price preferences towards a United States manufacturer of flags (either American or Indiana State Flags) could increase the bidding amount accepted and local government expenditures in future years. Any impact to local government expenditures would depend on terms of future awarded contracts.

Explanation of Local Revenues:

State Agencies Affected: All.

Local Agencies Affected: Political subdivisions.

Information Sources:

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