

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 ENROLLED ACT No. 1268

AN ACT to amend the Indiana Code concerning state offices and administration.

Be it enacted by the General Assembly of the State of Indiana:

SECTION 1. IC 4-3-21.5-4, AS AMENDED BY P.L.74-2020, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 4. **(a)** The task force consists of the following **voting** members:

- (1) The lieutenant governor or the lieutenant governor's designee.
- (2) The secretary of commerce or the secretary of commerce's designee.
- (3) The following members chosen by the military assets in their geographic areas:
 - (A) One (1) member representing the Southern Indiana Defense Network.
 - (B) One (1) member representing Radius Indiana.
 - (C) One (1) member representing greater Fort Wayne, Indiana.
 - (D) One (1) member representing the Defense Finance and Accounting Service, Lawrence, Indiana.
 - (E) One (1) member representing the Grissom Regional Defense Alliance.
 - (F) One (1) member representing the West Central Indiana Defense Network.
 - (G) One (1) member representing the Michigan City Coast Guard Station.
- (4) One (1) member appointed by the president pro tempore**

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of the senate.

(5) One (1) member appointed by the speaker of the house.

(b) The task force shall also include the adjutant general of the Indiana National Guard or the adjutant general's designee who shall serve as a nonvoting member.

SECTION 2. IC 4-3-21.5-6, AS ADDED BY P.L.228-2019, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 6. The governor shall designate a member of the task force to serve as chairperson of the task force. **The chairperson shall preside at all meetings but may vote only in order to decide a tie vote.**

SECTION 3. IC 4-3-21.5-10, AS ADDED BY P.L.228-2019, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 10. The affirmative votes of a majority of the voting members of the task force are required for the task force to take action on any measure, including reports required under section 12 of this chapter. **The chairperson is only considered a voting member for purposes of deciding a tie vote.**

SECTION 4. IC 5-28-6-12 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 12. **(a) On or before May 1, 2026, and each May 1 thereafter, the Indiana defense task force established by IC 4-3-21.5 shall submit a report to the corporation's office of defense development and the budget committee. The report shall identify the Indiana defense task force's identified priorities for expenditures for the state fiscal year beginning July 1 immediately following the report and shall separately account for any supplemental funding or appropriations received by the state that is allocated for those priorities.**

(b) On or before August 1, 2027, and each August 1 thereafter, the corporation's office of defense development shall submit a report to the Indiana defense task force and the budget committee. The report shall detail expenditures from amounts appropriated to the corporation's office of defense development for priorities identified by the Indiana defense task force for the state fiscal year ending June 30 immediately preceding the report and shall separately account for any supplemental funding or appropriations received by the corporation that is allocated for those priorities.

(c) Beginning with the 2026-2027 state fiscal year and each state fiscal year thereafter, the corporation's office of defense development shall consider and incorporate, to the extent practicable, the Indiana defense task force's priorities for



expenditures when formulating its annual budget.

SECTION 5. IC 5-28-44 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]:

Chapter 44. Unmanned Aircraft Systems Test Site

Sec. 1. In enacting this chapter, it is the intent of the general assembly to advance the state's leadership position in technologies related to unmanned aircraft systems to foster more opportunities for citizens of the state with respect to unmanned aircraft system technology and related industries and to support the federal government in research, development, and testing in support of commerce and national security. The general assembly finds the following:

(1) The FAA announced on January 8, 2026, that Indiana is designated as a test site for UAS.

(2) The FAA notes that test sites help the United States assess emerging technologies to modernize methods for cargo delivery, Beyond Visual Line of Sight operations, and multiple UAS operations while informing safety and security, ushering in the safe commercialization of UAS technologies and fully integrating UAS into the national airspace system.

(3) Indiana's designation as a test site was the result of a competitive process against other states and a joint application between the corporation and the operating partner. The proposal was developed under a contract between the corporation and the operating partner to pursue similar federal programs.

(4) The FAA test site will require substantial reporting and compliance activities to comply with federal laws and regulations governing the federal UAS Test Site Program and ancillary activities and is desirable for efficiency, clarity, and transparency to avoid duplicating regulatory schemes at the federal and state levels.

Sec. 2. As used in this chapter, "FAA" means the Federal Aviation Administration.

Sec. 3. As used in this chapter, "operating partner" means the Indiana based nonprofit corporation that partners with the corporation to operate and maintain the UAS test site under supervision of the corporation.

Sec. 4. As used in this chapter, "test site" means the Indiana UAS test site awarded to the corporation by the FAA.

Sec. 5. As used in this chapter, "UAS" means an unmanned



aircraft system, including counter UAS and other related entities.

Sec. 6. Subject to budget committee review, during the period that the test site remains subject to federal requirements as part of the UAS Test Site Program operated by the FAA, the corporation and operating partner are not subject to any state law concerning the following for purposes of operating the test site:

- (1) State procurement requirements.
- (2) State contracting requirements.
- (3) State fee setting requirements.

Sec. 7. (a) The operating partner shall establish a bank account that is separate and segregated from any other bank account under the operating partner's control and administer all funds for the test site in the bank account.

(b) The operating partner may administer and deposit all income, earnings, and other receipts accrued through operation of the test site in the bank account, including any state or federal funding received through a contract, or as a grant or loan.

(c) The operating partner may expend money from the bank account for operations of the test site, including costs for administration, staffing, equipment, test site activities, communications, and marketing. The operating partner may transfer revenue from the bank account to the corporation or any other state agency to be used for the following purposes:

- (1) To procure UAS technology for use by the state.
- (2) To pursue federal funding for activities related to UAS that benefit the state.
- (3) To support economic development activities related to UAS research or manufacturing.

(d) The operating partner shall keep a full and complete record of funds received and disbursed by the operating partner. The report is subject to audit and must be submitted to the corporation board not later than July 1 of each year, or more often as required by the corporation.

Sec. 8. The state examiner, or deputy examiners, field examiners, or private examiners, shall make a full and complete report of the records and receipts of the test site.

Sec. 9. The operating partner shall do the following:

- (1) Respond to requests from local, regional, or state economic development organizations for assistance with economic activities intended to attract companies, or to develop clusters of activity, within the UAS sector.
- (2) Respond to requests from state agencies for expertise



related to the procurement of UAS technology.

(3) Respond to requests from state agencies for assistance with the development of new UAS test activities within particular economic sectors.

Sec. 10. The operating partner is responsible for carrying out the FAA's requirements and obligations for the safe operation and maintenance of the test site and for managing the day to day operations of the test site under supervision of the corporation.

Sec. 11. (a) Notwithstanding any other law, the corporation may enter into an agreement with the operating partner to fulfill the requirements of this chapter and any other applicable requirement from the FAA or another federal agency.

(b) The corporation may dedicate resources as determined necessary and appropriate by the corporation to support the implementation and ongoing operation of the test site, including staff support, administrative support, and direct financial support.

Sec. 12. Not later than December 1, 2026, and, beginning after December 31, 2026, not later than June 1 and December 1 of each calendar year, the operating partner and the corporation shall submit a written report for review to the Indiana defense task force and the budget committee concerning the following:

(1) An itemization of each of the expenditures of money from the bank account established under section 7 of this chapter since the last report to the budget committee and Indiana defense task force.

(2) Anticipated expenditures for the subsequent six (6) months.

(3) Funding sources for expenditures.

(4) Any other information requested by the budget committee or the Indiana defense task force.

SECTION 6. An emergency is declared for this act.



Speaker of the House of Representatives

President of the Senate

President Pro Tempore

Governor of the State of Indiana

Date: _____ Time: _____

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