



CONFERENCE COMMITTEE REPORT DIGEST FOR EHB 1268

Citations Affected: IC 4-3-21.5; IC 5-28.

Synopsis: Indiana defense matters. Adds one voting member to the Indiana defense task force (task force) appointed by the president pro tempore of the senate and one voting member to the task force appointed by the speaker of the house. Adds the adjutant general of the Indiana National Guard or the adjutant general's designee as a nonvoting member of the task force. Provides that, on or before May 1, 2026, and each May 1 thereafter, the task force shall submit a report to the Indiana economic development corporation's office of defense development and the budget committee. Provides that the report shall identify the task force's identified priorities for expenditures for the following state fiscal year. Provides that on or before August 1, 2027, and each August 1 thereafter, the corporation's office of defense development shall submit a report to the task force and the budget committee that details expenditures from amounts appropriated to the corporation's office of defense development for priorities identified by the task force for the previous state fiscal year. Provides that, 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 task force's identified priorities for expenditures when the corporation's office of defense development formulates its annual budget. Provides that the IEDC and an operating partner shall administer the federal Unmanned Aircraft System Test Site program Indiana. **(This conference committee report: (1) restores the version of the bill passed out of the house; (2) adds one voting member to the task force appointed by the president pro tempore of the senate and one voting member to the task force appointed by the speaker of the house; (3) provides that the IEDC and an operating partner shall administer the federal Unmanned Aircraft System Test Site program Indiana; and (4) requires the IEDC and operating partner to submit periodic reports to the budget committee and task force.)**

Effective: Upon passage; July 1, 2026.



Adopted	Rejected
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CONFERENCE COMMITTEE REPORT

MR. SPEAKER:

Your Conference Committee appointed to confer with a like committee from the Senate upon Engrossed Senate Amendments to Engrossed House Bill No. 1268 respectfully reports that said two committees have conferred and agreed as follows to wit:

that the House recede from its dissent from all Senate amendments and that the House now concur in all Senate amendments to the bill and that the bill be further amended as follows:

- 1 Delete everything after the enacting clause and insert the following:
- 2 SECTION 1. IC 4-3-21.5-4, AS AMENDED BY P.L.74-2020,
- 3 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 4 JULY 1, 2026]: Sec. 4. **(a)** The task force consists of the following
- 5 **voting** members:
- 6 (1) The lieutenant governor or the lieutenant governor's designee.
- 7 (2) The secretary of commerce or the secretary of commerce's
- 8 designee.
- 9 (3) The following members chosen by the military assets in their
- 10 geographic areas:
- 11 (A) One (1) member representing the Southern Indiana
- 12 Defense Network.
- 13 (B) One (1) member representing Radius Indiana.
- 14 (C) One (1) member representing greater Fort Wayne, Indiana.
- 15 (D) One (1) member representing the Defense Finance and
- 16 Accounting Service, Lawrence, Indiana.
- 17 (E) One (1) member representing the Grissom Regional
- 18 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 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

- 1 **the bank account established under section 7 of this chapter**
- 2 **since the last report to the budget committee and Indiana**
- 3 **defense task force.**
- 4 **(2) Anticipated expenditures for the subsequent six (6)**
- 5 **months.**
- 6 **(3) Funding sources for expenditures.**
- 7 **(4) Any other information requested by the budget committee**
- 8 **or the Indiana defense task force.**
- 9 **SECTION 6. An emergency is declared for this act.**
 (Reference is to EHB 1268 as reprinted February 17, 2026.)

Conference Committee Report
on
Engrossed House Bill 1268

Signed by:

Representative Bartels
Chairperson

Senator Goode

Representative DeLaney

Senator Spencer

House Conferees

Senate Conferees