

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

**LS 7004**  
**BILL NUMBER:** HB 1268

**NOTE PREPARED:** Mar 4, 2026  
**BILL AMENDED:** Feb 27, 2026

**SUBJECT:** Indiana Defense Task Force Funding.

**FIRST AUTHOR:** Rep. Bartels  
**FIRST SPONSOR:** Sen. Goode

**BILL STATUS:** Enrolled

**FUNDS AFFECTED:** X GENERAL  
DEDICATED  
X FEDERAL

**IMPACT:** State

**Summary of Legislation:** This bill 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. It also adds the Adjutant General (TAG) of the Indiana National Guard or the TAG's designee as a nonvoting member of the task force. It provides that the chairperson of the task force may only vote to decide a tie vote.

The bill provides that, on or before May 1, 2026, and each May 1 thereafter, the task force shall submit a report to the IEDC's Office of Defense Development (office) and the Budget Committee. It also provides that the report shall identify the task force's identified priorities for expenditures for the following state fiscal year.

The bill provides that on or before August 1, 2027, and each August 1 thereafter, the office shall submit a report to the task force and the Budget Committee that details expenditures from amounts appropriated to the office for priorities identified by the task force for the previous state fiscal year. It also provides that, beginning with the 2026-2027 state fiscal year, and each state fiscal year thereafter, the office shall consider and incorporate, to the extent practicable, the task force's identified priorities for expenditures when the office formulates its annual budget.

The bill provides that the IEDC and an operating partner shall administer the federal Unmanned Aircraft System Test Site program Indiana.

**Effective Date:** Upon passage; July 1, 2026

**Explanation of State Expenditures:** *Task Force Membership:* This bill adds three members to the task force. Task force members are entitled to reimbursement for certain expenses, and expenditures related to those expenses may increase as a result of this provision. Any increase is expected to be small and should be met within existing task force resources.

The bill also creates additional workload for the TAG or the TAG's appointee, but the increased workload

should be met within existing resources.

*Task Force Consultation and Reporting:* This bill requires the task force to submit an annual report to IEDC's Office of Defense Development and to the Budget Committee. The bill requires the office to incorporate the task force's priorities during budget formulation. These requirements constitute additional workload for the task force and the office but are within their routine administrative functions and should be met within existing resources.

*Unmanned Aircraft System Test Site:* IEDC may need to provide staff support, administrative support, and direct financial support to the operating partner to support implementation and ongoing operation of the test site. The bill's requirements represent an additional workload and expenditures for IEDC. Existing staffing and resource levels may be insufficient for full implementation. The additional funds and resources required could be supplied through existing staff and resources currently being used in another program or with new appropriations.

The bill allows the operating partner to transfer revenue accrued through operation of the test site to the IEDC to be used for the following purposes: to procure UAS technology for use by the state, to pursue federal funding for activities related to the UAS, and to support economic development activities related to UAS research or manufacturing. [Federal law provides \$6 M in matching funding annually through FY 2028 for operating partners across 9 test sites.]

**Explanation of State Revenues:** *Unmanned Aircraft System Test Site:* There could be a potential increase in state revenue from the operating partner's potential revenue transfer to the IEDC. The revenue transfer depends on the operating partner's receipts and expenses. The transferred revenue would be used for specific UAS purposes.

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** IEDC, Indiana Defense Task Force, Adjutant General.

**Local Agencies Affected:**

**Information Sources:** FAA UAS Broad Agency Announcement Program Site, <https://www.faa.gov/uas/programspartnerships/BA>; FAA UAS Test Site Program Overview, [https://www.faa.gov/uas/programs\\_partnerships/test\\_sites](https://www.faa.gov/uas/programs_partnerships/test_sites).

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