

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

LS 6518

BILL NUMBER: HB 1343

NOTE PREPARED: Jan 22, 2026

BILL AMENDED:

SUBJECT: Military and Veteran Matters.

FIRST AUTHOR: Rep. Bartels

FIRST SPONSOR:

BILL STATUS: CR Adopted - 1st House

FUNDS AFFECTED: X GENERAL
X DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: This bill requires certain water vessels to include an engine cut-off switch. It provides that a sailing vessel at least seven meters in length must comply with federal regulations.

The bill makes changes to the employment eligibility requirements for employees of the Indiana Department of Veterans' Affairs (IDVA).

The bill makes changes to the purpose of the Military Family Relief Fund (MFRF). It provides that IDVA shall report to the Indiana Veterans' Affairs Commission (commission), at least quarterly, as to the status of all applications regarding assistance from the fund during the previous quarter. It adds provisions indicating who is eligible for a grant from MFRF. The bill provides that IDVA shall make a comprehensive assessment of an applicant's financial condition and needs when making a determination regarding an award from MFRF. It provides that an applicant may not be eligible for assistance from MFRF if the applicant's federal gross income, or the combined federal gross income of the applicant and the applicant's spouse, exceeds two times the poverty guideline unless the commission approves an income waiver. It provides that an applicant must establish that the applicant has incurred a genuine hardship to be eligible to receive assistance from MFRF. The bill provides that IDVA or commission may impose stipulations or conditions concerning an applicant seeking an award from the MFRF. It makes changes to the subject matter that must be included in administrative rules established by the commission. It makes certain changes relating to the review of grants from the MFRF to employees of IDVA. It also provides that an applicant may appeal a denied request for short term financial assistance from the MFRF.

The bill authorizes the Adjutant General of the Indiana National Guard (Adjutant General) to establish a military police force of the Indiana National Guard. It provides that a member of the military police force of the Indiana National Guard has police powers:

- (1) when the member is called to state active duty; and
- (2) if the individual successfully completes either army or air military police occupational training and receives qualifying instruction on Indiana law enforcement prescribed by the Adjutant General.

The bill makes changes to the authorized duties and responsibilities of the Adjutant General in which the State Armory Board (board) may make contributions. It provides that the board may utilize any and all appropriate methods to lease or purchase real estate. It provides that an armory may not be erected on land that is leased for less than 25 years. (Current law provides that an armory may not be erected on land that is leased for less than 50 years.) It also provides that the board may adopt policies or procedures for the use and governance of armories. (Current law authorizes the board to adopt rules for the use and governance of armories.) The bill specifies the types of donated property that the board may reconvey if the board determines that the property is no longer usable. It provides that if the board receives from the Adjutant General information of the disbandment of the organization of the armed forces of Indiana occupying and using an armory, the board shall take charge of the armory. It also makes various changes to provisions relating to the sale of property owned by the board.

This bill establishes the Indiana Civilian Cyber Corps program (program) as a subdivision of the Indiana Guard Reserve. It provides that the program includes civilian volunteers who have expertise in addressing cybersecurity incidents and who volunteer at the invitation of the Adjutant General. It provides that the work product of a Civilian Cyber Corps volunteer or adviser, including any information voluntarily submitted to the volunteer or adviser, is exempt from disclosure. It also provides that a Civilian Cyber Corps volunteer or adviser is immune from tort liability for an injury to a person or damage to property that occurs while the volunteer or adviser is deployed and acting on behalf of the Adjutant General if certain conditions are met.

The bill provides that the Adjutant General may appoint additional general officers. (Current law authorizes the appointment of assistant adjutants general.)

The bill changes the definitions of "veteran" for purposes of provisions relating to: (1) the Governor's commission on supplier diversity; (2) the state civil service system; and (3) authorizing preference points for the appointment of veterans.

The bill removes a requirement that the National Guard Tuition Supplement Grant (NGTSG) must be used within eight years after the date the individual first applies and becomes eligible for benefits.

The bill repeals:

- (1) the Indiana Cyber Civilian Corps Program Advisory Board;
- (2) a provision relating to contracts to use Stout Field as a commercial runway;
- (3) a definition of "qualified service member";
- (4) a provision requiring a muffler or underwater exhaust for a boat; and
- (5) a provision prohibiting the use of a boat motor equipped with a muffler cutout or bypass.

The bill makes technical corrections and conforming amendments.

Effective Date: July 1, 2026.

Explanation of State Expenditures: *National Guard Military Police Force:* This bill specifies the circumstances under which members of the Indiana National Guard Military Police Force have police powers. It also specifies that the Indiana Law Enforcement Academy (ILEA) may train members of the military police (MPs), but it does not require ILEA to provide specified training. It is likely that any additional training prescribed by the Adjutant General will be either met within existing resources or will be contingent upon receipt of additional federal funds.

IDVA Employees: This bill places certain residency and service requirements on employees of IDVA. These requirements will decrease the pool of eligible applicants and may decrease costs associated with the hiring process.

Military Family Relief Fund: This bill put additional restrictions and requirements on applicants for MFRF grants, which is likely to decrease expenditures from the MFRF.

State Armory Board: This bill changes multiple aspects of how the board functions. In sum, it provides additional flexibility to the board in its use and disposition of existing properties as well as in the purchase, lease or receipt by donation of property in the future. This may increase expenditures in the near term as projects that would not previously have been authorized will be able to proceed, but expenditures will still be limited by the appropriations process. The board may experience a corresponding increase in workload, but any increase is expected to be met within existing resources.

Veteran Preference Eligibility: This bill slightly narrows the number of veterans who are eligible for veteran preference in the hiring process in the state classified service, which may decrease costs associated with conducting additional interviews. The same criteria are applied to the state preference for contracting with veteran-owned small businesses, which may decrease the number of eligible businesses.

Civilian Cyber Corps: This bill terminates the Civilian Cyber Corps Program Advisory Board and places the Civilian Cyber Corps under the auspices of Indiana Guard Reserve. These positions are voluntary and will not require additional expenditures unless personnel are activated, at which point the state may pay for certain travel expenses. The bill also authorizes but does not require the Adjutant General to enter into contracts in support of the Civilian Cyber Corps. Any expenses are expected to be met within existing resources.

Additional General Officers: This bill allows the Adjutant General to appoint additional general officers to the Indiana National Guard. This provision brings code into alignment with current practice, and no net increase in pay or benefits is expected.

National Guard Tuition Supplement Grant: This bill extends the amount of time over which an individual can use the National Guard Tuition Supplement Grant, but it does not increase the total amount of the grant. This change may result in a small increase in program expenditures. [Currently, a waiver is required to allow an individual to use the grant over more than eight years, but such waivers are typically granted.]

Watercraft Regulations: This bill makes changes regarding safety and other design features of recreational watercraft. These regulations are typically enforced by the Department of Natural Resources, which may experience an increase in associated workload. Any workload increase is expected to be met within existing resources.

Additional Information: National Guard Military Police Force: The Indiana National Guard has at least 4 military police (MP) companies (approximately 150 personnel each) and 2 MP detachments (approximately 40 personnel each) that are specifically trained to conduct law enforcement and area security operations. Additionally, many non-MP Guard troops routinely train on civil disturbance and site security missions. The Indiana National Guard is comprised of approximately 9,800 Army National Guard and 1,900 Air National Guard.

Military Family Relief Fund: The MFRF processed 1,636 applications in FY 2024, awarding 793 grants for

a total of \$926,500. A majority of the money in the MFRF is received in the form of fees for military service-affiliated license plates. Average annual license plate fee revenue to the MFRF since 2019 has been approximately \$1.9 M. As of June 30, 2025, the MFRF had a balance of \$3.1 M and the trust fund had a balance of approximately \$12 M.

Explanation of State Revenues: *Civilian Cyber Corps:* This bill authorizes but does not require the Adjutant General to set fees associated with services provided by the Corps. It does not specify where those fees will be deposited. It is likely that any fees charges will be used to offset the operational costs associated with deploying members of the Cyber Corps. The fiscal impact of this provision is indeterminate at this time.

Watercraft Regulations: This bill make changes to watercraft regulations, which may increase fine revenue associated with enforcement. Any increase is expected to be small.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Indiana National Guard, Indiana Guard Reserve, Indiana Department of Veterans' Affairs, Department of Natural Resources, agencies hiring veterans or contracting with veteran-owned small businesses.

Local Agencies Affected:

Information Sources: Dan Gilbert, Indiana National Guard; Kyle Gross, IDVA.

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