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**SENATE BILL No. 226**

AM022601 has been incorporated into January 23, 2026 printing.

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**Synopsis:** Indiana department of administration.

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SB 226—LS 6961/DI 137



January 23, 2026

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.

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## SENATE BILL No. 226

A BILL FOR AN ACT to amend the Indiana Code concerning state and local administration.

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

1 SECTION 1. IC 4-13-1.3-4 IS AMENDED TO READ AS  
2 FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 4. (a) The department  
3 may do the following regarding purchasing and contracting by state  
4 agencies:

- 5 (1) Adopt rules under IC 4-22-2 necessary to implement IC 5-22.
- 6 (2) Consider and decide matters of policy.
- 7 (3) Enforce IC 5-22 and rules adopted under subdivision (1).
- 8 **(4) Implement category management for purchasing and**
- 9 **contracting by state agencies.**

10 (b) The department may not adopt rules that affect the rights or  
11 obligations of the state or of a contractor under a contract in existence  
12 on the effective date of a rule.

13 SECTION 2. IC 4-13-1.3-5 IS AMENDED TO READ AS  
14 FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 5. (a) **With the consent**  
15 **of the department**, each state agency shall nominate a purchasing  
16 representative from among its employees to the department. The  
17 department may appoint the nominated employee as the purchasing

SB 226—LS 6961/DI 137



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- 1 representative or ~~request~~ **require** another nomination.
- 2 (b) The purchasing representative shall do the following:
- 3 (1) Serve as a liaison between the state agency and the
- 4 department.
- 5 (2) Prepare all forms that the department requires to be
- 6 completed by the state agency.
- 7 (c) If a state agency has branches, facilities, or institutions located
- 8 at multiple sites, the department may appoint a purchasing
- 9 representative for any or all of the sites.
- 10 (d) The department shall provide training in purchasing
- 11 procedures for the purchasing representatives.
- 12 (e) If a purchasing representative's actions are not satisfactory to
- 13 the department, the department may revoke the appointment of the
- 14 representative and require the state agency to nominate another
- 15 representative.
- 16 (f) A state agency may not make purchases during any period
- 17 during which the state agency does not have a purchasing
- 18 representative.
- 19 SECTION 3. IC 5-22-8-3, AS AMENDED BY P.L.195-2007,
- 20 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 21 JULY 1, 2026]: Sec. 3. (a) This section applies only if the purchasing
- 22 agent expects the purchase to be:
- 23 (1) at least fifty thousand dollars (\$50,000); and
- 24 (2) not more than one hundred fifty thousand dollars (\$150,000).
- 25 (b) A purchasing agent may purchase supplies under this section
- 26 by inviting quotes from at least three (3) persons known to deal in the
- 27 lines or classes of supplies to be purchased.
- 28 (c) The purchasing agent shall mail an invitation to quote to the
- 29 persons described in subsection (b) at least seven (7) days before the
- 30 time fixed for receiving quotes.
- 31 (d) If the purchasing agent receives a satisfactory quote, the
- 32 purchasing agent shall award a contract to the lowest responsible and
- 33 responsive offeror for each line or class of supplies required.
- 34 (e) The purchasing agent may reject all quotes.
- 35 (f) If the purchasing agent does not receive a quote from a
- 36 responsible and responsive offeror, the purchasing agent may purchase
- 37 the supplies under IC 5-22-10-10.
- 38 **(g) A purchasing agent for a state agency must comply with**
- 39 **IC 5-35.7-7-3 when making a purchase under this section.**
- 40 **(h) This section does not apply to a contract entered into by the**
- 41 **Indiana department of transportation for the construction, repair,**
- 42 **or maintenance of a highway, street, road, or bridge.**

SB 226—LS 6961/DI 137



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1 SECTION 4. IC 5-35.7-4-2, AS ADDED BY P.L.182-2025,  
2 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
3 JULY 1, 2026]: Sec. 2. A contract between a state agency and a  
4 contractor must contain the following provisions:

5 (1) To the extent practicable, clearly defined scopes and success  
6 metrics.

7 (2) Liquidated damages or other remedies for missed deadlines  
8 or overages.

9 (3) A requirement for either of the following, **as determined by**  
10 **the department:**

11 (A) An independent ~~third party review verifying that the~~  
12 ~~parties to the contract performed their obligations under the~~  
13 ~~contract in compliance with the terms of the contract.~~  
14 **verification and validation under IC 5-35.7-4.5.**(B) Other

15 appropriate methods or means for verification and  
16 validation of the terms of the contract.

17 SECTION 5. IC 5-35.7-4.5 IS ADDED TO THE INDIANA CODE  
18 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE  
19 UPON PASSAGE]:

20 **Chapter 4.5. Independent Verification and Validation**  
21 **Oversight Program**

22 **Sec. 1. As used in this chapter, "program" means the**  
23 **independent verification and validation oversight program**  
24 **established by the department under section 2 of this chapter.**

25 **Sec. 2. Not later than June 30, 2026, the department shall**  
26 **establish and maintain an independent verification and validation**  
27 **oversight program to provide independent oversight of contracting**  
28 **activities conducted by state agencies.**

29 **Sec. 3. The program may review, assess, and issue required**  
30 **changes and recommendations for contracts between state agencies**  
31 **and contractors.**

32 SECTION 6. IC 5-35.7-8 IS ADDED TO THE INDIANA CODE  
33 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE  
34 UPON PASSAGE]:

35 **Chapter 8. Procurement and Purchasing Governance**

36 **Sec. 1. This chapter applies to all state agencies.**

37 **Sec. 2. (a) Beginning July 1, 2026, each state agency shall**  
38 **submit an annual procurement and purchasing plan to the**  
39 **department and the budget agency.**

40 **(b) An annual procurement and purchasing plan required**  
41 **under subsection (a) must include at least the following:**

42 **(1) All requests for procurement the state agency anticipates**

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- 1           **to be solicited in the subsequent state fiscal year.**
- 2           **(2) A strategy to complete contracts scheduled to expire in**
- 3           **the subsequent state fiscal year.**
- 4           **(3) Any other information required by the department.**
- 5           **(c) An annual procurement and purchasing plan required**
- 6           **under subsection (a) must align with the state agency's annual**
- 7           **spending plan submitted to the budget agency.**
- 8           **Sec. 3. (a) Except as provided in subsection (b), a state agency**
- 9           **must complete any incomplete contracts that were scheduled to**
- 10           **expire in the previous biennium in a manner prescribed by the**
- 11           **department.**
- 12           **(b) A state agency may apply to the department and the budget**
- 13           **agency to receive a waiver from the requirements in subsection (a).**
- 14           SECTION 7. IC 10-18-1-18, AS AMENDED BY P.L.17-2005,
- 15           SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 16           UPON PASSAGE]: Sec. 18. The commission may do the following:
- 17           ~~(1) Make and execute contracts and other instruments that may~~
- 18           ~~be required in connection with the erection and maintenance of~~
- 19           ~~a suitable structure or structures upon or within Memorial Place.~~
- 20           ~~(2) (1) Adopt rules for the following:~~
- 21           (A) The proper management, government, and use of
- 22           Memorial Place and the structures situated on Memorial
- 23           Place.
- 24           (B) The government of employees.
- 25           ~~(3) (2) Acquire by condemnation the right to limit the kind,~~
- 26           ~~character, and height of buildings upon and the use of real estate~~
- 27           ~~or buildings located within three hundred (300) feet of the~~
- 28           ~~outside boundaries.~~
- 29           ~~(4) (3) Adopt reasonable rules as are proper to limit the kind,~~
- 30           ~~character, and height of buildings located or erected within three~~
- 31           ~~hundred (300) feet of the outside boundaries of Memorial Place~~
- 32           ~~and the use of the buildings or real estate. A building constructed~~
- 33           ~~or maintained or business conducted in violation of any rule may~~
- 34           ~~be abated as a nuisance in an action begun and prosecuted by the~~
- 35           ~~commission.~~
- 36           ~~(5) (4) Receive donations, gifts, devises, and bequests and use~~
- 37           ~~them in connection with the purposes of this chapter.~~
- 38           ~~(6) (5) Establish a nonprofit corporation to do the following:~~
- 39           (A) Promote public support for the purposes of the
- 40           commission and this chapter.
- 41           (B) Preserve and promote the historical and educational
- 42           activities of the commission.

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1 (C) Operate for the benefit of the purposes of the  
 2 commission and this chapter.  
 3 The corporation is subject to audit by the state board of accounts  
 4 as if it were a state agency.  
 5 ~~(7)~~ (6) Transfer money donated to the commission for the  
 6 purposes described in subdivision ~~(6)~~ (5) to a corporation  
 7 established under subdivision ~~(6)~~ (5).  
 8 ~~(8)~~ (7) Transfer:  
 9 (A) artifacts;  
 10 (B) images; or  
 11 (C) documents of cultural heritage, historical, or museum  
 12 relevance;  
 13 under the commission's control to a corporation established  
 14 under subdivision ~~(6)~~ (5) without complying with IC 5-22-21 and  
 15 IC 5-22-22.  
 16 SECTION 8. IC 10-18-1-26 IS AMENDED TO READ AS  
 17 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 26. (a) The  
 18 commission may do the following:  
 19 (1) Make or sell the following:  
 20 (A) Pictures, models, books, and other representations of  
 21 the monuments and grounds.  
 22 (B) Souvenirs.  
 23 (2) Establish and maintain souvenir shops on property that the  
 24 commission manages.  
 25 (3) Hire and pay salaries for full-time or part-time employees for  
 26 the souvenir shops.  
 27 ~~(4) Contract with a nonprofit organization or corporation for the~~  
 28 ~~continuous management of the souvenir shops.~~  
 29 ~~(5)~~ (4) Report annually to the governor on the activities,  
 30 revenues, expenditures, and profits of the souvenir shops.  
 31 (b) Notwithstanding section 27 of this chapter, the following apply  
 32 to the profits from souvenir shop sales:  
 33 (1) The souvenir shop fund is established. The souvenir shop  
 34 fund shall be administered by the commission.  
 35 (2) Profits from the sales at souvenir shops established under  
 36 subsection (a) shall be deposited in the souvenir shop fund.  
 37 (3) The treasurer of state shall invest the money in the souvenir  
 38 shop fund not currently needed to meet the obligations of the  
 39 fund in the same manner as other public funds may be invested.  
 40 (4) The expenses of administering the souvenir shop fund shall  
 41 be paid from money in the fund.

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- 1 (5) The commission may spend the money in the souvenir shop
- 2 fund for the following purposes:
- 3 (A) Maintenance or repair of properties managed by the
- 4 commission.
- 5 (B) Maintenance, repair, and acquisition of the following:
- 6 (i) Battle flags.
- 7 (ii) Appropriate artifacts.
- 8 (iii) Appropriate memorabilia.
- 9 (6) All money accruing to the souvenir shop fund is appropriated
- 10 continuously for the purposes listed in subdivision (5).
- 11 (7) Money in the souvenir shop fund at the end of a state fiscal
- 12 year does not revert to the state general fund.

13 (c) A person may not make or sell pictures, models, books, or  
 14 other representations of the monuments or grounds unless the person  
 15 is authorized to do so by the commission.

16 SECTION 9. IC 10-18-1-30 IS REPEALED [EFFECTIVE UPON  
 17 PASSAGE]. Sec. 30: (a) The commission may not enter into a contract  
 18 for:

- 19 (1) the purchase or sale of property, material, or supplies; or
- 20 (2) the performance of work or labor, except for salaries of
- 21 employees;
- 22 if the work and labor or materials and supplies cost more than ten
- 23 thousand dollars (\$10,000) without first giving notice of its intention
- 24 to purchase or sell the materials or supplies or to contract for the work
- 25 or labor by publication in a newspaper of general circulation printed
- 26 and published in the English language in Indianapolis for two (2)
- 27 successive weeks before the time fixed for the letting of the contract or
- 28 the sale of the property.

29 (b) A contract under this section must be in writing. The other  
 30 contracting party shall furnish bond for the faithful performance of the  
 31 contract in an amount fixed by the commission and with surety to the  
 32 commission's approval, conditioned upon the faithful performance of  
 33 the contract. However, if the commission decides to purchase a  
 34 patented article or material or an article or material of a special type,  
 35 character, or design of construction or make that may be purchased  
 36 from only one (1) person, firm, limited liability company, or  
 37 corporation, their agents or representatives, or for which there is a  
 38 fixed, standard price, the commission is not required to take or receive  
 39 competitive bids. However, the commission shall publish in the manner  
 40 set forth under subsection (a) the number and character of the article  
 41 or kind and quality of material proposed to be purchased; the unit price;

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- 1 and the total sum to be paid:
- 2 (c) A contract made in violation of this section is void:
- 3 SECTION 10. An emergency is declared for this act.

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SB 226—LS 6961/DI 137



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