

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

LS 6389
BILL NUMBER: HB 1052

NOTE PREPARED: Jan 27, 2026
BILL AMENDED: Jan 27, 2026

SUBJECT: Various Administrative Law Matters.

FIRST AUTHOR: Rep. Manning
FIRST SPONSOR:

BILL STATUS: CR Adopted - 1st House

FUNDS AFFECTED: X GENERAL
 X DEDICATED
 FEDERAL

IMPACT: State & Local

Summary of Legislation: (Amended) The bill does the following:

Horse Racing Commission: It adds conditions for which the Horse Racing Commission (HRC) may revoke or suspend a license or deny a license application. It adds a reference to wagering on horse racing in a provision prohibiting certain individuals from wagering at a licensed facility. It provides that appeals of certain decisions of the HRC may be appealed to the office of administrative law proceedings.

Voluntary Exclusion Program: It adds sports wagering certificate holders to the voluntary exclusion program.

Sweepstakes Game: It defines and establishes civil penalties for conducting a "sweepstakes game".

Alcoholic Beverage Permit: It allows the holder of a beer wholesaler's permit to possess, transport, sell, and deliver beer to a food manufacturer that is registered with the federal Food and Drug Administration for the purpose of adding or integrating the beer into a product or recipe. It provides that a wine retailer whose wine sales represent at least 60% of the annual gross income from the premises may allow customers to obtain sealed bottles of wine by self-service for consumption off the licensed premises. It allows the holder of a temporary wine permit to purchase, receive, and sell mixed beverages. It allows the Alcohol and Tobacco Commission (commission) to issue to the city of Gary not more than 10 new three-way permits. It allows the commission to issue a beer dealer's permit, wine dealer's permit, and liquor dealer's permit to a drug store operated in the city of Westfield and a drug store operated in the town of Sellersburg.

Tobacco Sales Certificate: It establishes requirements for the wholesale sale and distribution of tobacco products and electronic cigarettes. It adds additional information an applicant must provide to the Alcohol and Tobacco Commission when applying for a tobacco sales certificate. It provides for the suspension of a certificate if the certificate holder's employees violate employee identification requirements three or more times in one year.

THC Enforcement: It makes it a Class B misdemeanor for a person to recklessly, knowingly, or intentionally sell, barter, exchange, provide, or furnish a product or substance containing THC to a minor. It enhances the

penalty to a Class A misdemeanor or Level 6 felony in certain instances. It specifies age verification requirements for a website owned, managed, or operated by a person who distributes or sells THC directly to consumers. It allows an enforcement officer vested with full police powers and duties to engage a person who is at least 18 and less than 21 years of age to receive or purchase THC as part of an enforcement action.

Antique Firearm: It provides that certain requirements regarding the sale, rental, trade, or transfer of a handgun do not apply to an item defined as an antique firearm.

Effective Date: (Amended) Upon passage; July 1, 2026.

Explanation of State Expenditures: (Revised) *Alcohol and Tobacco Commission (ATC):* The bill would increase workload and expenditures to issue wholesale tobacco certificates, issue alcohol permits, and administer and enforce the bill's provisions. Any workload and expenditure increases would be offset from the new wholesale tobacco certificate fee and alcoholic beverage permit fees.

(Revised) *Antique Firearm:* This bill brings state law into conformity with federal law and will neither increase nor decrease law enforcement expenditures by the state or local units.

Explanation of State Revenues: *Indiana Horse Racing Commission (HRC):* The administrative changes in the bill related to licensing and appeals could impact license fee and fine revenue. Any potential impact is estimated to be minimal.

Indiana Gaming Commission (IGC): The provision adding sports wagering certificate holders to the voluntary exclusion program will not have any state fiscal impact. The provision in the bill allowing the IGC to impose \$100,000 in civil penalty related to conducting sweepstakes games could result in fine revenues deposited in the state General Fund.

(Revised) *Wholesale Tobacco Sales Certificates:* The bill would increase revenue to the Enforcement and Administration Fund by an estimated \$40,900 starting in FY 2027. A wholesale tobacco sales certificate fee is \$100 and valid for one year. Currently, the Department of State Revenue licenses cigarette and other tobacco products distributors. As of January 2026, there were 93 cigarette distributors and 316 other tobacco products distributors, for a total of 409 distributors.

(Revised) *Alcohol Permits:* The bill adds up to 10 three-way permits for the city of Gary and a beer, wine, and liquor dealer permit for a drug store in Westfield and Sellersburg. If all the permits are issued, the total initial fee revenue would be \$480,000. The revenue would be distributed as follows:

- \$177,600 to the General Fund,
- \$158,400 to the cities and towns, and
- \$144,000 to the Enforcement and Administration Fund.

The initial fee for the retailer and combined dealer permits is \$40,000. The annual permit fee for these permits is \$1,000. Revenue is distributed to the General Fund (37%); the city, town, or county in which the licensed premises are located (33%); and the Enforcement and Administration Fund (30%).

(Revised) *Penalty Provision:* A person who sells THC to a minor would commit a Class B misdemeanor, which may be upgraded to Class A misdemeanor if there is a prior or a Level 6 felony if there is serious bodily injury or death.

If additional court cases occur and fines are collected, revenue to both the Common School Fund (from criminal fines) and the state General Fund (from court fees) would increase. The maximum fine for a Class B misdemeanor is \$1,000, Class A misdemeanor is \$5,000, and a Level 6 felony is \$10,000. The total fee revenue per case would range between \$113 and \$138. The amount of court fees deposited will vary depending on whether the case is filed in a court of record or a municipal court. The following linked document describes the fees and distribution of the revenue: [Court fees imposed in criminal, juvenile, and civil violation cases.](#)

Explanation of Local Expenditures: *Penalty Provision:* If more defendants are detained in county jails prior to their court hearings, local expenditures for jail operations may increase. However, any additional expenditures would likely be small.

Explanation of Local Revenues: *Penalty Provision:* If additional court actions result in a guilty verdict, certain local units will collect more revenue. The following linked document describes the fees and distribution of the revenue: [Court fees imposed in criminal, juvenile, and civil violation cases.](#)

State Agencies Affected: Indiana Horse Racing Commission; Indiana Gaming Commission; Alcohol and Tobacco Commission; Department of Correction.

Local Agencies Affected: Trial courts, local law enforcement agencies.

Information Sources: Indiana Supreme Court, Indiana Trial Court Fee Manual.
<https://www.in.gov/dor/i-am-a/business-corp/cigarette-and-tobacco-product-distributors/>.
Legislative Services Agency. *Indiana Handbook of Taxes, Revenues, and Appropriations*, FY 2025.

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