

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

LS 6705

BILL NUMBER: HB 1153

NOTE PREPARED: Jan 29, 2026

BILL AMENDED: Jan 27, 2026

SUBJECT: Auto Dealer Matters.

FIRST AUTHOR: Rep. Lawson

BILL STATUS: 2nd Reading - 1st House

FIRST SPONSOR:

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill requires a dealer to collect and retain certain identifying information from a potential purchaser. The bill beginning July 1, 2026, requires a transport operator to either: (1) have an established place of business with a physical Indiana address; or (2) provide the Secretary of State (Secretary) with proof of the transport operator's valid registration from the United States Department of Transportation authorizing the transport operator to operate within Indiana; to apply for a registration number. It also provides that a dealership that operates without a license from the secretary commits a Class A infraction.

Effective Date: July 1, 2026.

Explanation of State Expenditures:

Explanation of State Revenues: *Summary* - The bill could increase revenue deposited in the Dealer Enforcement Account from motor vehicle dealers who fail to collect purchaser information and transport operators who do not maintain a physical place of business within the state. The bill's net impact on civil penalty revenue deposited in the Dealer Enforcement Account is indeterminable.

The bill could also increase revenue to the General Fund from court fees and Class A infraction judgements for operating as a motor vehicle dealer without a license. Increases in General Fund revenue are indeterminable.

Last, the bill could reduce revenue to the Dealer Enforcement Account, State Highway Fund, Crossroads 200 Fund, and State Construction Fund from decreases in transport operator license plates. Decreases in revenue to these Funds is expected to be minimal.

Additional Information -

Violations Discovered by the Secretary of State: To the extent (1) a motor vehicle dealer fails to collect the purchaser information required by the bill and (2) transport operators are discovered to not maintain a

physical place of business within the state, the number of enforcement actions taken by the Secretary of State could increase. The maximum civil penalty for violation of any provision of motor vehicle dealer regulations is a maximum civil penalty of \$10,000 per offense that is deposited in the Dealer Enforcement Account. Any increase in state revenue is indeterminable.

Transport Operators License Plates: By requiring transport operators to maintain a physical place of business within the state, this requirement could decrease state revenue from fees paid for transport operator license plates. The fee for a first set of transport operator license plates is \$139.25 and for each additional plate is \$34.25. The following table shows the distribution of fees for transport operator license plates.

State Fund	First Set Transport Plates	Each Add'l Set Transport Plates
State Construction Fund	\$0.25	\$0.25
SOS Dealer Compliance Fund	\$9.00	\$9.00
Crossroads 2000 Fund	\$5.00	\$9.00
Highway Road and Street Account*	\$30.00	--
Motor Vehicle Highway Account*	\$95.00	\$15.00
Total	\$139.25	\$34.25

*The State Highway Fund receives a distribution from revenue deposited in this Account

Dealer Licensing: The bill adds a criminal provision to operating as an unlicensed dealer in the state. Currently, individuals that sell more than 12 vehicles in a calendar year are required to register as a dealer. The current penalty for failure to obtain a dealer license would be under the Secretary's existing enforcement mechanism of any violation of IC 9-32; with a maximum \$10,000 civil penalty per offense that is deposited in the Dealer Enforcement Account. The bill will add a Class A infraction for failure to obtain a dealer's license from the Secretary of State, which could be cited in addition to the existing civil penalties the Secretary of State can collect.

The maximum judgment for a Class A infraction is \$10,000, which would be deposited in the state General Fund. Fee revenue per case ranges from \$85.50 and \$103, 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:

Explanation of Local Revenues: *Transport Operators Place of Business* - Local units of government receive distributions of Motor Vehicle Highway Account and Highway Road and Street Account funds based on a formula using vehicle registrations, population, and lane miles. Decreases in transport operator license plate fee revenue deposited in each Account will decrease local revenue, however any decrease is expected to be minimal.

Dealer Licensing - 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: Secretary of State, Department of Revenue, Department of Child Services.

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

Information Sources: Indiana Supreme Court, Indiana Trial Court Fee Manual

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