

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

**LS 6738**

**BILL NUMBER:** HB 1191

**NOTE PREPARED:** Dec 28, 2025

**BILL AMENDED:**

**SUBJECT:** Decriminalization of Marijuana.

**FIRST AUTHOR:** Rep. Gore

**BILL STATUS:** As Introduced

**FIRST SPONSOR:**

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

**IMPACT:** State & Local

**Summary of Legislation:** The bill decriminalizes possession of two ounces or less of marijuana.

**Effective Date:** July 1, 2026.

**Explanation of State Expenditures:** The bill would have little or no effect on the future offender population of the Department of Correction (DOC). Between FY 2021 and 2025, there were a total of only 24 individuals committed to DOC facilities for possession of marijuana as a Level 6 felony (as the maximum convicted charge). Possession of marijuana is only enhanced to a Level 6 felony if the person has a prior drug conviction *and* the weight of the marijuana is at least 30 grams (about 1 ounce). The bill increases that threshold to 4 ounces.

**Additional Information:** A Level 6 felony is punishable by a prison term ranging from 6 to 30 months, with an advisory sentence of 1 year. Incremental costs to house an adult offender is \$4,825 annually per prisoner for medical care, food, and clothing. The incremental cost for juvenile facilities was \$8,986 annually or \$24.62 daily.

**Explanation of State Revenues:** Decriminalizing less than two ounces of marijuana would decrease the number of court cases, especially misdemeanor cases, which would decrease court fee revenue to the state General Fund. The total fee revenue to the state per case is \$138 for cases filed in a court of record (circuit or superior) and \$113 for cases filed in a municipal court.

If there are fewer convictions, revenue to the Common School Fund could decrease. The maximum fine for a Class B misdemeanor is \$1,000, for a Class A misdemeanor is \$5,000, and for a Level 6 felony is \$10,000. Revenue could also be reduced if there are fewer fees imposed for drug-related convictions for marijuana possession. The following linked document describes the fees and distribution of the revenue: [Court fees imposed in criminal, juvenile, and civil violation cases](#).

**Additional Information:** There are about 2,700 misdemeanor marijuana possession convictions each year. About 1,900 of these have only one convicted charge, although they may have other dismissed charges. The

number of misdemeanor cases that might be eliminated is indeterminate, as it is unknown whether these defendants had amounts less than or greater than the new thresholds.

Currently, possession of any amount of marijuana is a Class B misdemeanor. The bill would set a minimum threshold of at least 2 ounces (about 57 grams), legalizing all smaller amounts and eliminating those charges and potentially those cases. Marijuana possession is not enhanced by weight alone. It is enhanced to a Class A misdemeanor if the person has a prior conviction for a drug offense. This remains unchanged by the bill.

The enhancement to a Level 6 felony currently requires a prior conviction *and* at least 30 grams (1.1 ounce). This amount would be increased to 4 ounces by the bill. There are an average of 104 annual convictions for Level 6 felony marijuana possession (as the highest convicted charge). Some of these convictions might remain misdemeanors, if under 4 ounces.

**Explanation of Local Expenditures:** Setting a 2-ounce threshold for marijuana possession offenses could reduce local jail populations for pre- and post-trial confinements if it reduces the number of cases and/or convictions. It could also potentially reduce costs to counties for public defense expenses, and reduce the supervisory burden on community corrections agencies and probation departments.

A Class A misdemeanor is punishable by up to one year in jail, and a Class B misdemeanor by up to 180 days. The Gateway reports show that in CY 2023, housing offenders in 33 Indiana county jails cost an average of \$56 to \$79 per day, while the average cost for community corrections supervision is \$10.96 per day and for probation supervision is \$3.39 per day.

Of the roughly 100 annual convictions for Level 6 felony marijuana possession that are not committed to the DOC, 67% are considered “time served” at the date of sentencing, with the remainder of their sentence suspended. About 20% are given time in community corrections programs.

**Explanation of Local Revenues:** Court fee revenue would decrease to certain local units if fewer court cases occur. If a case is filed in a court of record, the county general fund will receive \$47.40 and qualifying municipalities will receive a share of \$3.60. If the case is filed in a municipal court, the county receives \$30, and the municipality will receive \$46. Revenue could also be reduced if there are fewer fees imposed for drug-related convictions. 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:** Department of Correction.

**Local Agencies Affected:** Community corrections; county sheriffs; local law enforcement agencies; probation departments; trial courts.

**Information Sources:** Department of Correction; Indiana Sheriffs’ Association, Indiana Supreme Court, Indiana Trial Court Fee Manual; Indiana Gateway for Government Units, 2023 Annual Financial Reports, <https://gateway.ifionline.org/public/download.aspx>; Bureau of Justice Statistics, 2023 Annual Survey of Jails Data Series, <https://www.icpsr.umich.edu/web/NACJD/series/7>.

**Fiscal Analyst:** Heather Puletz, 317-234-9484.