

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

LS 6609
BILL NUMBER: HB 1196

NOTE PREPARED: Dec 15, 2025
BILL AMENDED:

SUBJECT: Employment and Vaccinations.

FIRST AUTHOR: Rep. Borders
FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: X GENERAL
 X DEDICATED
 X FEDERAL

IMPACT: State & Local

Summary of Legislation: The bill provides that an employer may require an immunization only if the employer respects the employee's right to refuse an immunization. It provides that an employee shall be free from coercion or an adverse action based on the employee's refusal of an immunization. The bill requires an employer that offers an immunization at no cost to an employee to provide certain notice to the employee.

The bill also provides that a violation may be reported to the Department of Labor (DOL). It requires the department to impose a civil penalty of \$5,000 per incident. It allows an employee to bring a civil action against an employer to enforce the provisions. The bill repeals provisions concerning exemptions from COVID-19 immunization requirements. It makes a corresponding change.

Effective Date: Upon passage.

Explanation of State Expenditures: *Department of Labor (DOL):* The DOL will have increased workload and/or expenditures to enforce provisions of the bill. The bill requires the DOL to take reports of violations from employees, independent contractors, subcontractors, and students working as trainees or interns and impose civil penalties for violations. If employers are largely compliant, the agency could likely provide enforcement within current resources. Additional staff and resources may be required if there are large numbers of violations. The additional funds and resources required could be supplied through existing staff and resources currently being used in another program or with new appropriations. Ultimately, the source of funds and resources required to satisfy the requirements of this bill will depend on legislative and administrative actions.

All Agencies as Employers: The bill could increase expenditures for state agencies. Governmental entities, including state educational institutions, violating provisions of the bill would be subject to civil penalties of \$5,000 per violation. If the state as an employer requires vaccinations in violation of this bill, coerces an employee to get vaccinated, or takes an adverse employment action against an employee due to refusal to get vaccinated, the state may be required to pay actual damages, and court costs and reasonable attorney's fees to an individual who prevails in a civil action.

[This bill has the potential to impact all agencies as employers,]

Unemployment Insurance: The bill could increase expenditures from the Unemployment Insurance Benefit Fund. The bill allows individuals to receive unemployment benefits if they are fired for refusing to get vaccinated. Under current law, people who fail to receive a COVID-19 vaccine who requested an exemption and are fired because of it are eligible for unemployment benefits.

If a state agency were to fire an employee for refusing a vaccine, the agency would have increased costs to pay unemployment benefits for the individual who was fired. The impact is expected to be minor. The state is a reimbursable employer for unemployment benefits. This means that rather than paying State Unemployment Tax (SUTA) into the Unemployment Insurance Benefit Fund, the state pays the actual cost of unemployment benefits when state employees are laid off. [This bill has the potential to impact all agencies as employers, thus impacting all funds that provide operating funds to agency staff.]

Unemployment benefits are administered by the Department of Workforce Development (DWD). DWD should be able to process any additional claims for unemployment benefits within current resources.

Explanation of State Revenues: There may be an increase in General Fund revenue from the bill due to collections of \$5,000 civil penalties from employers who violate provisions of the bill.

If additional civil cases occur and court fees are collected, revenue to the state General Fund will increase. The total revenue per case would range between \$100 and \$122. The amount 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 civil, probate, and small claims cases.](#)

Explanation of Local Expenditures: *Local Units as Employers:* The bill could increase expenditures for local units. Political subdivisions may be subject to civil penalties of up to \$5,000 per violation. If the unit as an employer requires vaccinations in violation of this bill or takes an adverse employment action against an employee due to vaccination status, the state may be required to pay actual damages, court costs, and reasonable attorney's fees to an individual who prevails in a civil action.

Local units who are reimbursable employers for unemployment benefits would have increased costs if they were to fire employees for refusing a vaccine. The impact is expected to be minor.

Explanation of Local Revenues: If additional cases occur, revenue will be collected by certain local units. If the case is filed in a court of record, the county will receive \$32 and qualifying municipalities will receive a share of \$3. If the case is filed in a municipal court, the county receives \$20, and the municipality will receive \$37. The following linked document describes the fees and distribution of the revenue: [Court fees imposed in civil, probate, and small claims cases.](#)

State Agencies Affected: Department of Labor, Department of Workforce Development, all agencies as employers.

Local Agencies Affected: All units as employers, trial courts, city and town courts.

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

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