

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

LS 6786

BILL NUMBER: HB 1200

NOTE PREPARED: Dec 30, 2025

BILL AMENDED:

SUBJECT: Bureau of Motor Vehicles.

FIRST AUTHOR: Rep. Pressel

BILL STATUS: As Introduced

FIRST SPONSOR:

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: State & Local

Summary of Legislation: *Transaction Rounding* - This bill provides that the total for a transaction at a license branch of the Bureau of Motor Vehicles (BMV) must be rounded down to the nearest \$0.00 or \$0.05.

Personalized License Plates - This bill allows additional license plates issued by the BMV to be designed as a personalized license plate.

BMV Examinations - This bill allows an applicant for a driver's license or permit to take an examination of the individual's ability to read and understand highway signs and the individual's knowledge of Indiana traffic laws by satisfactorily completing an online examination approved by the BMV.

BMV Credentials - The bill amends the information required to be provided by an applicant for a driver's license or permit. It amends the required age an individual must be to obtain a driver's license from 16 years and 90 days of age to 16 years of age.

Credential Expiration and Renewal - The bill amends the time that an expired driver's license of an individual temporarily residing outside Indiana because of service in the armed forces remains valid. It also changes the time for an individual who is 75 years of age or older and renewing a physical credential to provide proof to the BMV that the individual passed an eyesight examination from 30 days to 60 days. The bill removes the limitation that a renewal identification card cannot be issued by electronic service if the card expired more than 180 days prior to the date of the application for renewal.

Commercial Drivers License - The bill also requires an individual to demonstrate sufficient proficiency of the English language to operate a commercial motor vehicle.

Effective Date: Upon passage; July 1, 2026; January 1, 2027; July 1, 2027.

Explanation of State Expenditures:

Explanation of State Revenues: *Summary* - The bill will decrease state revenue received from rounding

transactions down but increase revenue received from personalized license plate requests and a one-time increase in revenue from drivers license fees paid in FY 2027. The bill is expected to increase net revenue collected by the Bureau of Motor Vehicles (BMV) starting in FY 2027.

Additional Information -

Transaction Rounding - The provision allowing the BMV to round transactions down to the nearest \$0.00 or \$0.05 is expected to have a minimal impact on revenue the agency receives. This change will mirror the federal decision to discontinue circulation of pennies in the currency inventory.

Personalized License Plates - Expanding the list of license plates offered by the BMV that are also available as a personalized license plate could increase revenue the agency receives from the personalized license plate administrative fee annually. Currently, the BMV charges a fee of \$45 for a personalized license plate. Of this amount, \$34 is deposited in the BMV Commission Fund, \$7 for the Motor Vehicle Highway Account (MVHA), and \$4 for the Crossroads 2000 Fund. Of the distribution to the MVHA, the State Highway Fund (INDOT) would receive \$4.34 and local units of government would receive \$2.66 from the Fund's distribution formula. Any increase in state revenue from personalized license plate administrative revenue is indeterminable.

Drivers Licenses - By decreasing the age at which individuals can apply for a drivers license by 90 days, the bill could result in a one-time increase in revenue from drivers license fees. Utilizing BMV data, annually there are 22,000 16 year olds who receive their drivers license each year. Assuming 25% of these individuals would immediately become eligible for a drivers license on July 1, 2026, the BMV could collect an additional \$96,250 in one-time revenue from drivers license fees in FY 2027.

The following table shows the fee revenue distribution for operator's licenses.

State Fund	Operator's License	Revenue Distribution
Motor Vehicle Highway Account	\$4.50	\$24,750
Crossroads 2000 Fund	\$2.00	\$11,000
BMV Technology Fund	\$0.50	\$2,750
Integrated Public Safety	\$1.25	\$6,875
BMV Commission Fund	\$9.25	\$50,875
Total	\$17.50	\$96,250

Explanation of Local Expenditures:

Explanation of Local Revenues: Local units of government receive distributions of MVHA funds based on a formula using vehicle registrations, population, and lane miles. Increases in BMV revenue deposited in the MVHA will increase local revenue, however any increase in local revenue is expected to be minimal.

State Agencies Affected: BMV.

Local Agencies Affected: MVHA recipients.

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