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

LS 6786 | **NOTE PREPARED:** Jan 27, 2026
BILL NUMBER: HB 1200 | **BILL AMENDED:** Jan 27, 2026

SUBJECT: Bureau of Motor Vehicles.

FIRST AUTHOR: Rep. Pressel | **BILL STATUS:** CR Adopted - 1st House
FIRST SPONSOR:

FUNDS AFFECTED: GENERAL
X DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: (Amended) *Personalized License Plates* - This bill allows additional license plates issued by the BMV to be designed as a personalized license plate.

Motor Vehicle Equipment - The bill provides that a motor vehicle may be equipped with an appropriate, functioning rear view camera that provides the driver a view of the highway for a distance of at least 200 feet to the rear of the vehicle instead of a mirror.

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.

Advertising of Illegal Substances - The bill provides that an advertisement that violates the prohibition on advertising certain illegal products must be removed from public circulation not later than October 1, 2026.

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

<u>Explanation of State Expenditures:</u> (Revised) The bill could increase the workload of the Attorney General to the extent illegal products are advertised on billboards in the state. Increases in workload could be offset with the collection of civil penalties allowable under current law.

<u>Explanation of State Revenues:</u> (Revised) *Summary* - The bill would increase state revenue received from (1) personalized license plate requests and (2) a one-time increase in revenue from drivers license fees paid in FY 2027. The bill could also increase General Fund revenue received from court fees and civil penalties collected from unauthorized advertisements of illegal substances after October 1, 2026.

Additional Information -

(Revised) *Illegal Substance Advertising* - The bill prohibits illegal substances from being advertised in Indiana after October 1, 2026. To the extent these advertisements remain displayed after this date, the Attorney General could seek civil penalties from advertising companies of $5,000 for a first offense, $10,000 for a second offense, and $15,000 for each offense after that. Revenue received from civil penalties is deposited in the General Fund.

Additionally, if the Attorney General files a civil action against a nongovernmental party and prevails, court fees may be collected from the defendant [IC 33-37-3-1]. Additional court fees will increase revenue to the state General Fund. 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.

(Revised) *Rear View Cameras* - The bill adds situations where a vehicle can be outfitted with a working rear view camera. The bill could reduce the number of Class C infraction violations for illegal equipment in the state, however any decrease in General Fund revenue is expected to be minimal.

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.

(Revised) *Illegal Substance Advertising* - 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: BMV.

Local Agencies Affected: MVHA recipients.

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