

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

LS 6786
BILL NUMBER: HB 1200

NOTE PREPARED: Mar 2, 2026
BILL AMENDED: Feb 27, 2026

SUBJECT: Bureau of Motor Vehicles.

FIRST AUTHOR: Rep. Pressel
FIRST SPONSOR: Sen. Crider

BILL STATUS: Enrolled

FUNDS AFFECTED: X GENERAL
X DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: *Personalized License Plates* - This bill allows additional license plates issued by the Bureau of Motor Vehicles (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.

Variable Speed Limits - The bill prohibits the Indiana Department of Transportation (INDOT) from implementing variable speed limits or using electronic variable speed limit signs.

BMV- The 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. It also 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 Licenses and Motor Vehicles - The bill adds requirements for an individual to operate a commercial motor vehicle and requires an individual to demonstrate sufficient proficiency of the English language to operate a commercial motor vehicle. It also provides that an individual commits a Level 6 felony if the individual: (1) represents that a false record is a valid commercial driver's license; or (2) does not have proper documentation while driving with a commercial driver's license issued by any jurisdiction other than a state, territory, or possession of the United States. The bill also provides that a business enterprise may not

educate, train, or otherwise prepare an individual to operate a commercial motor vehicle if certain circumstances exist.

The bill makes certain changes to the requirements for the issuance of a nondomiciled commercial driver's license and allows for the revocation of an individual's nondomiciled commercial driver's license in certain circumstances. It also 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.

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.

Township Capital Improvement Plans: The bill also amends certain requirements for township capital improvement plans.

Effective Date: Upon passage; July 1, 2023 (retroactive), July 1, 2026; January 1, 2027.

Explanation of State Expenditures: Summary - The bill could increase the number of Level 6 felony convictions in the state from changes to CDL criminal provisions. The bill could also increase the workload of the Attorney General, Bureau of Motor Vehicles (BMV), and Indiana Department of Transportation (INDOT). The bill could also impact State Highway Fund expenditures from prohibitions on progressive design build contracting.

Additional Information - Attorney General - The bill could increase the workload of the Attorney General to the extent (1) illegal products are advertised on billboards in the state and (2) business enterprises in the state train or prepare an ineligible individual to obtain a CDL. Increases in workload could be offset with the collection of civil penalties allowable under current law as well as civil penalties established by the bill.

CDL Criminal Provisions - The bill creates Level 6 felony penalties for offenses related to falsifying public records to obtain a commercial driving license (CDL). A Level 6 felony is punishable by a prison term ranging from 6 to 30 months, with an advisory sentence of 1 year. The sentence depends on mitigating and aggravating circumstances. Assuming offenders can be housed in existing facilities with no additional staff, the marginal cost for medical care, food, and clothing is approximately \$4,825 annually, or \$13.22 daily, per prisoner. However, any additional expenditures are likely to be small.

BMV: The bill would impact the BMV in the following ways; (1) increase agency workload to revoke nondomiciled CDLs in certain instances, (2) decrease BMV Commission Fund expenditures to transmit insurance verification notices, and (3) decrease agency workload to verify and suspend driving privileges for failure to verify financial responsibility.

The bill also requires CDL examinations to be offered only in English. This requirement would mirror recently announced federal policy. Current federal law allows CDL knowledge tests to be administered in foreign languages without an interpreter but also requires drivers to read and speak English sufficiently to converse, understand traffic signs, and complete reports. This requirement is not expected to have a fiscal impact on the agency.

Contracting Prohibitions: The bill prohibits INDOT from entering into contracts with progressive design

build contractors. The bill's impact on INDOT contracting expenditures is indeterminable, but is expected to be minimal.

Variable Speed Limits: The bill would increase Indiana Department of Transportation (INDOT) workload to remove variable speed limit signs within the state. Increases in workload are expected to be accomplished within existing resource and funding levels.

Explanation of State Revenues: 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 would also decrease revenue to the Local Road and Bridge Matching Grant Fund by approximately \$84,000 per year beginning in FY 2027 by exempting low speed motor vehicles from the electric and hybrid supplemental registration fees.

The penalty provisions of the bill could (1) increase General Fund revenue from court fees and penalties collected from (a) unauthorized advertisements of illegal substances and (b) CDL criminal provisions and (2) increase Attorney General Contingency Fund revenue from civil penalties paid by business enterprises who assist ineligible individuals obtain a CDL.

Additional Information -

CDL Criminal Provisions - The bill institutes a \$5,000 civil penalty for individuals and a \$50,000 civil penalty levied against commercial motor vehicle operators in the state for certain violations pertaining to false public records to obtain a CDL. Revenue would be deposited in the General Fund. The bill also institutes a \$50,000 civil penalty for business enterprises that train or prepare an ineligible individual to obtain a CDL. Revenue would be deposited in the Attorney General Contingency Fund.

Additionally, the bill could increase Level 6 felony convictions in the state. If additional court cases occur and fines are collected, revenue to both the Common School Fund (from criminal fines) and the state General Fund (from court fees) would increase. The maximum fine for a Level 6 felony is \$10,000. The total fee revenue per case would range between \$113 and \$138. The amount of court fees 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 criminal, juvenile, and civil violation cases.](#)

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.](#)

Electric Vehicle Registration- The bill exempts low speed vehicles from the electric and hybrid supplemental

registration fees. The supplemental registration fee for CY 2026 is \$242 for electric vehicles and \$81 for hybrid vehicles, with revenue collections deposited in the Local Road and Bridge Matching Grant Fund. Exempting low speed vehicles from the fee would decrease revenue to the Fund by approximately \$84,000 per year, beginning in FY 2027. For FY 2025, the Local Road and Bridge Matching Grant Fund received approximately \$369 M in revenue from all sources.

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: *CDL Criminal Provisions* - If more defendants are detained in county jails prior to their court hearings, local expenditures for jail operations may increase. However, any additional expenditures would likely be small.

Project Earmarking: The bill prohibits Motor Vehicle Highway Account (MVHA) and Local Road and Street funds from being used for projects that are selected by individual county officials. This could increase local expenditures for certain projects as state funds would not be eligible for use.

Township Capital Improvement Plans: The bill would delay township implementation requirements for

capital improvement plans to 2028. This change would temporarily decrease local workload.

Explanation of Local Revenues: *Changes in MVHA Revenue-* The bill makes changes that will impact revenue distributed to the Motor Vehicle Highway Account (MVHA). 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.

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.](#)

CDL Criminal Provisions - 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: BMV; Department of Correction.

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

Information Sources: Cody Eckart, BMV; Tamytha Cooper, BMV. Indiana Sheriffs' Association, Indiana Supreme Court, Indiana Trial Court Fee Manual; Department of Corrections; 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>; 49 CFR 383.133; 49 CFR 391.11

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