

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

LS 6897
BILL NUMBER: HB 1247

NOTE PREPARED: Jan 1, 2026
BILL AMENDED:

SUBJECT: Underground Utility Facilities.

FIRST AUTHOR: Rep. Pressel
FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: Local

Summary of Legislation: This bill amends Indiana's 811 law, which requires the location and marking of underground utility facilities (facilities) before planned excavation or demolition projects, to provide that if the operator of a facility (operator) fails to: (1) provide to the person responsible for an excavation or demolition (excavator) required information as to the location of the operator's facilities; or (2) provide to the association known as the Indiana Underground Plant Protection Service (association) an electronic positive response indicating that the operator either has provided the required notice to the excavator or has no facilities in the location of the proposed project; within the time specified in the law, the excavator may engage the services of a third party utility locator (locator) to determine whether the operator has underground facilities in the location of the proposed project and, if applicable, provide the marking information for those facilities.

It also provides that an excavator that elects to engage the services of a locator must: (1) select a locator that is authorized by the operator to act on the operator's behalf; and (2) notify the association of the locator's completion of the services for which the locator was engaged, along with the amount paid by the excavator to the locator for those services. The bill also requires the operator on whose behalf the services were performed to submit to the excavator payment in an amount equal to three times the amount paid by the excavator for the services.

The bill provides that not later than June 1, 2026, each operator subject to the 811 law must provide to the association a notice that authorizes one or more locators to act on the operator's behalf for purposes of these provisions and that upon receiving the required notices, the association shall compile a listing of the authorized locators for each operator. It also provides that after June 30, 2026, upon receiving a notice of a planned project, the association shall immediately provide the listing to the person that submitted the notice. It requires the association to develop and adopt policies and procedures to implement these provisions.

Effective Date: Upon passage.

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures: This requires that no later than June 1, 2026, underground facility operators must provide Indiana 811 with one or more third party utility locators that can provide service on its behalf. The workload of municipal utilities may increase in deciding on which third party locators to use.

This bill imposes that underground facilities that fail to timely respond to Indiana 811 notices pay the excavating party three times what was paid for a third party utility locator to determine if the excavation area has underground facilities. If an owner does not provide required information, electronic acknowledgment, or a determination regarding the presence of underground facilities by the earlier of two full working days or the excavation start date, the owner may be required to pay the excavator three times the cost of a third-party utility locator. The bill may increase expenditures for municipal utilities with underground facilities that do not respond promptly to such notices.

Explanation of Local Revenues:

State Agencies Affected:

Local Agencies Affected: Municipal Utilities

Information Sources:

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