

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

LS 6863

BILL NUMBER: HB 1263

NOTE PREPARED: Dec 31, 2025

BILL AMENDED:

SUBJECT: Use of SNAP Benefits.

FIRST AUTHOR: Rep. Lauer

BILL STATUS: As Introduced

FIRST SPONSOR:

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: State

Summary of Legislation: This bill prohibits Supplemental Nutrition Assistance Program (SNAP) benefits recipients from using SNAP benefits to purchase accessory foods, including: (1) energy drinks; (2) sweetened beverages; (3) soft drinks; (4) corn or potato chips; and (5) prepared desserts, including cookies, candy, ice cream, cakes, and pies. This bill allows SNAP recipients to purchase hot prepared chicken that is not fried or breaded using SNAP benefits.

This bill also requires the Office of the Secretary of Family and Social Services (FSSA) to apply for a waiver or authorization to implement the prohibition and allowance if a waiver or authorization from a federal agency is required, and allows a delay in implementation until the waiver or authorization is received.

This bill requires the Indiana Department of Health (IDOH) to include promotion of healthy eating as part of the IDOH's promotion of health and wellness activities, including by developing and making available materials that provide guidance on purchasing and preparing healthy foods on a limited budget.

Effective Date: July 1, 2026.

Explanation of State Expenditures: The bill's requirements are within routine administrative functions of FSSA and IDOH and should be able to be implemented with no additional appropriations, assuming near customary agency staffing and resource levels. *[The IDOH's administrative expenditures are currently paid from the Tobacco Master Settlement Fund, a dedicated fund.]*

Additional Information - FSSA is approved for a SNAP waiver (from the U.S. Department of Agriculture) that restricts the purchase of soft drinks and candy, effective January 1, 2026. SNAP benefits are provided solely by the federal government. The state General Fund is currently responsible for 50% of the administrative costs of the SNAP program, which will increase to 75% in FFY 2027 per federal Public Law 119-21.

IDOH currently administers the Women, Infants, Children (WIC) nutrition program. The WIC website contains a link to www.myplate.gov, a program of the U.S. Department of Agriculture, focused on healthy

eating from the five food groups and includes recipes and budget-friendly food ideas.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Family and Social Services Administration; Indiana Department of Health.

Local Agencies Affected:

Information Sources: www.fns.usda.gov/snap/waivers/foodrestriction;
www.fns.usda.gov/snap/supplemental-nutrition-assistance-program.

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