

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

LS 6575

BILL NUMBER: HB 1269

NOTE PREPARED: Feb 2, 2026

BILL AMENDED: Jan 27, 2026

SUBJECT: Unlawful Proposition Penalties.

FIRST AUTHOR: Rep. Bauer

BILL STATUS: As Passed House

FIRST SPONSOR: Sen. Freeman

FUNDS AFFECTED: **GENERAL**
 X DEDICATED
 FEDERAL

IMPACT: State & Local

Summary of Legislation: The bill provides that at the time of sentencing for a person convicted of making an unlawful proposition the court may require the person to complete a prostitution offender program approved by the court. It requires a person ordered to complete a prostitution offender program to pay a fee.

Effective Date: July 1, 2026.

Explanation of State Expenditures:

Explanation of State Revenues: The bill would increase dedicated revenue to the Human Trafficking Prevention and Victim Assistance fund. Between FY 2018 and FY 2024, OFMA found on average 10 individuals per year who were convicted and sentenced for unlawful proposition as a misdemeanor. As proposed, the bill is estimated to increase dedicated revenue by approximately \$2,000 annually.

If individuals are sentenced and convicted for unlawful proposition and required to participate in the Prostitution Offender Program, the bill would increase revenue to the Human Trafficking Prevention and Victim Assistance Fund. The bill requires that \$200 of the \$300 program fee be deposited into the Human Trafficking Prevention and Victim Assistance Fund. [In addition, a person required to complete the program operated by the county shall pay a county program fee of \$200. *See Explanation of Local Revenues.*]

Explanation of Local Expenditures:

Explanation of Local Revenues: If fees are collected from individuals convicted of making an unlawful proposition, the bill would also increase revenue to local units by approximately \$100 per case, for an estimated total of approximately \$1,000 annually.

Law Enforcement Agency: The bill provides that \$100 per case be distributed to the law enforcement agency that arrested the individual. The estimated total collected by local law enforcement agencies is approximately \$1,000 annually.

County General Fund: In addition to the required fees, if a defendant is required to complete a prostitution offender program that is operated by the county, the bill provides that the individual shall pay \$200 to the county auditor for deposit in the county general fund to defray the expenses of participation in the program. It is unknown how many counties operate a prostitution offender program.

State Agencies Affected: Indiana Criminal Justice Institute; Indiana State Comptroller.

Local Agencies Affected: Local law enforcement agencies; county auditor.

Information Sources: IC 35-45-4-3; U.S. Department of Justice, National Institute of Justice, *Final Report on the Evaluation of the First Offender Prostitution Program* (March 2008), <https://nij.ojp.gov/library/publications/final-report-evaluation-first-offender-prostitution-program>;

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