

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

**LS 6963**  
**BILL NUMBER: HB 1272**

**NOTE PREPARED: Jan 4, 2026**  
**BILL AMENDED:**

**SUBJECT:** Collateral Recovery Services.

**FIRST AUTHOR:** Rep. Shonkwiler  
**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED: X GENERAL  
DEDICATED  
FEDERAL**

**IMPACT:** State

**Summary of Legislation:** The bill renames the Private Investigator and Security Guard Licensing Board as the Private Investigator, Security Guard, and Collateral Recovery Agency Licensing Board, and adds two additional members to the Board.

The bill establishes licensure for a collateral recovery agency. The bill requires a person to be licensed as a collateral recovery agency to repossess collateral, attempt to repossess collateral, hold one's self out as being in the business of repossessing collateral, or use license plate recognition.

The bill provides certain requirements: (1) for an applicant seeking licensure as a collateral recovery agency; (2) for a licensee to maintain licensure; and (3) for a legal owner when personal effects are in or on the collateral at the time of repossession. The bill requires equipment used to repossess collateral to meet certain criteria. The bill also makes conforming changes.

**Effective Date:** July 1, 2026.

**Explanation of State Expenditures:** *Summary*— The bill will increase workload for the Professional Licensing Agency (PLA) to update their license database to accommodate the new license subtype, and to aide the Private Investigator and Security Guard Licensing Board with developing rules and updating their website information. These are routine administrative functions and would likely be accomplished within existing staff and resource levels.

The bill adds two members to the Private Investigator and Security Guard Licensing Board which may increase the total per diem and mileage allowance paid to the Board's members in a state fiscal year. However, it is likely the increase would be minimal.

*Additional Information*— The Private Investigator and Security Guard Licensing Board had only \$10 in expenditures on average over the last four fiscal years (FY 2022 - FY 2025).

**Explanation of State Revenues:** *Summary*— The amount of licensing revenue the bill could generate from

fees is indeterminable and would depend on the fee structure set by rule. If fees were set at the same level as private investigator and security guard firms (\$300 for initial license), it is possible that fee revenues could total approximately \$6,000 in the first year of implementation.

*Additional Information*– There are approximately 20 collateral recovery agencies (CRAs) within Indiana that have either an American Recovery Association Certified Collateral Recovery Specialist or Recovery Industry Services Company certification. These CRAs have approximately 156 branches/locations in Indiana.

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** Professional Licensing Agency; Private Investigator and Security Guard Licensing Board; Department of Correction.

**Local Agencies Affected:**

**Information Sources:** Legislative Services Agency, *Indiana Handbook of Taxes, Revenues, and Appropriations*, Fiscal Year 2025; American Recovery Association website: [www.repo.org](http://www.repo.org); Recovery Industry Services Company website: [www.riscus.com/agentservices/riscpromembership](http://www.riscus.com/agentservices/riscpromembership).

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