

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

LS 6977
BILL NUMBER: HB 1371

NOTE PREPARED: Jan 1, 2026
BILL AMENDED:

SUBJECT: Background Colors for Licenses and Permits.

FIRST AUTHOR: Rep. Isa
FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: **GENERAL**
 X DEDICATED
 FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill requires the Bureau of Motor Vehicles (BMV) to apply a unique background color to a driver's license, a learner's permit, or an identification card issued after December 31, 2026, to an individual who: (1) is an alien with lawful status; or (2) is not registered to vote at the time of issuance.

Effective Date: July 1, 2026.

Explanation of State Expenditures: Based on previous information provided from the BMV for credential redesigns, this bill could increase one-time BMV Commission Fund expenditures between \$0.70 M and \$1.38 M in FY 2027.

Explanation of State Revenues: *Summary* - This bill could increase state revenue from BMV credential fees as early as FY 2027, however any increase in revenue is indeterminable but expected to be small.

Additional Information - In instances where the BMV receives a completed online voter registration from an individual that currently holds a credential created by the bill, the BMV would be required to notify them of the ability to receive a standard BMV credential. As a result, the bill could increase the number of individuals who apply for standard BMV-credentials.

Identification cards are issued at no cost to individuals who are authorized to vote. All other credentials issued by the BMV distribute collections to Motor Vehicle Highway Account (MVHA), Crossroads 2000 Fund, BMV Commission Fund, Integrated Public Safety Communication Fund, and the BMV Commission Fund, but by varying amounts depending on the type of credential requested.

The following table shows the fee revenue distribution for operator's licenses and learner's permits.

State Fund	Operator's License	Learner's Permit
Motor Vehicle Highway Account	\$4.50	\$0.25
Crossroads 2000 Fund	\$2.00	\$2.00
BMV Technology Fund	\$0.50	\$0.50
Integrated Public Safety	\$1.25	\$1.25
BMV Commission Fund	\$9.25	\$5.00
Total	\$17.50	\$9.00

Explanation of Local Expenditures:

Explanation of Local Revenues: Local units of government receive distributions of MVHA funds based on a formula using vehicle registrations, population, and lane miles. Increases in BMV credential fee revenue deposited in the MVHA will increase local revenue, however any increase in local revenue is expected to be minimal.

State Agencies Affected: BMV.

Local Agencies Affected: MVHA funding recipients.

Information Sources: Cody Eckart, BMV;
https://www.in.gov/bmv/resources/files/DL_Security_and_Authenticity_flyer.pdf;

Fiscal Analyst: Bill Brumbach, 317-232-9559.