

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

**LS 6782**

**BILL NUMBER:** HB 1386

**NOTE PREPARED:** Dec 22, 2025

**BILL AMENDED:**

**SUBJECT:** Massage Establishment Liability Insurance.

**FIRST AUTHOR:** Rep. Heaton

**BILL STATUS:** As Introduced

**FIRST SPONSOR:**

**FUNDS AFFECTED:**  **GENERAL**  
 **DEDICATED**  
 **FEDERAL**

**IMPACT:** State & Local

**Summary of Legislation:** The bill makes it a Class A misdemeanor if a person operates a massage establishment and knowingly or intentionally employs an individual who: (1) is providing massages; and (2) does not have certain professional liability insurance.

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

**Explanation of State Expenditures:** This provision could increase workload for the Office of the Attorney General to investigate these complaints.

**Explanation of State Revenues:** *Penalty Provision:* If additional court cases occur and fines are collected, revenue to both the Common School Fund (from fines) and the state General Fund (from court fees) would increase. The maximum fine for a Class A misdemeanor is \$5,000. The total fee revenue per case would range between \$113 and \$138. The amount of court fees deposited will vary depending on whether the case is filed in a court of record or a municipal court. The following linked document describes the fees and distribution of the revenue: [Court fees imposed in criminal, juvenile, and civil violation cases](#).

**Explanation of Local Expenditures:** *Penalty Provision:* A Class A misdemeanor is punishable by up to one year in jail. The Gateway reports show that in CY 2023, housing offenders in 33 Indiana county jails cost an average of \$56 to \$79 per day.

**Explanation of Local Revenues:** *Penalty Provision:* If additional court actions occur and guilty verdicts are entered, more revenue will be collected by certain local units. If the case is filed in a court of record, the county general fund will receive \$47.40 and qualifying municipalities will receive a share of \$3.60. If the case is filed in a municipal court, the county receives \$30, and the municipality will receive \$46. The following linked document describes the fees and distribution of the revenue: [Court fees imposed in criminal, juvenile, and civil violation cases](#).

**State Agencies Affected:** Office of the Attorney General.

**Local Agencies Affected:** Trial courts, local law enforcement agencies.

**Information Sources:** Department of Correction;  
Indiana Sheriffs' Association, Indiana Supreme Court, Indiana Trial Court Fee Manual;  
<https://www.in.gov/attorneygeneral/consumer-protection-division/licensing/>;  
Indiana Gateway for Government Units, 2023 Annual Financial Reports,  
<https://gateway.ifionline.org/public/download.aspx>;  
Bureau of Justice Statistics, 2023 Annual Survey of Jails Data Series,  
<https://www.icpsr.umich.edu/web/NACJD/series/7>.

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