

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

LS 7033

BILL NUMBER: HB 1422

NOTE PREPARED: Jan 6, 2026

BILL AMENDED:

SUBJECT: Immigration Matters.

FIRST AUTHOR: Rep. Payne

BILL STATUS: As Introduced

FIRST SPONSOR:

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: State & Local

Summary of Legislation: *Hiring Preference:* This bill requires certain state agencies to give hiring preference to an individual who is a citizen or national of the United States over another individual who is an alien if the two individuals are equally qualified.

H-1B Visas: This bill provides that the state agencies may not sponsor an individual for a new H-1B visa after July 1, 2026, unless certain information is submitted to the Attorney General and the Attorney General approves the state agency sponsoring the individual. The bill also requires the state agencies to prepare and submit a report that includes certain information regarding each employee the state agency sponsored for a new H-1B visa during the immediately preceding state fiscal year. It requires the Attorney General to post the reports on its website.

Prohibition on Provision of Legal Services: The bill prohibits the state or a political subdivision from directly or indirectly funding services related to an immigration proceeding to an individual with unlawful status or to an entity that is a party to a legal action for the purpose of challenging, obstructing, or delaying the enforcement of certain federal immigration laws. It provides a private right of action for a violation of this prohibition.

Effective Date: July 1, 2026.

Explanation of State Expenditures: *Summary* - The bill's provisions are expected to be accomplished by all state agencies, state educational institutions (SEIs), and the Attorney General within existing resource and funding levels. Beginning in FY 2027, the bill could decrease state expenditures on new H-1B sponsorships to the extent that the Attorney General does not approve a sponsorship request.

Prohibition on Provision of Legal Services: This may reduce expenditures by the state and local units for pro bono legal services, any decrease may be small. The Attorney General (AG) may bring an action for injunctive relief to enforce the prohibition on the funding of legal services under specified circumstances.

Civil Actions: See *Explanation of Local Expenditures*.

Additional Information - The bill would increase state agency and SEI workload to request approval from the Attorney General to hire certain individuals as well as to annually report certain information to the Attorney General concerning H-1B visa employees. The bill would also require the Attorney General to approve H-1B visa employees after July 1, 2026, and to post state agency reports on H-1B visa employees on the Attorney General's website. SEIs had nearly 550 employees on H-1B visas in the 2025 federal fiscal year.

Explanation of State Revenues: *Civil Actions:* If additional civil cases occur and court fees are collected, revenue to the state General Fund will increase. The total revenue per case would range between \$100 and \$122. The amount 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 civil, probate, and small claims cases](#).

Explanation of Local Expenditures: *Prohibition on Provision of Legal Services:* See Explanation of State Expenditures.

Civil Actions: This bill allows both the AG and individuals to bring civil actions against state or local government bodies that violate the provisions of this bill. If an individual brings an action and prevails, that person is entitled to have reasonable legal fees paid by the political entity found to be in violation. This could result in a significant expenditure by an entity depending on the size of legal bills accrued, but most legal entities will be unaffected by this provision.

Explanation of Local Revenues: If additional cases occur, revenue will be collected by certain local units. If the case is filed in a court of record, the county will receive \$32 and qualifying municipalities will receive a share of \$3. If the case is filed in a municipal court, the county receives \$20, and the municipality will receive \$37. The following linked document describes the fees and distribution of the revenue: [Court fees imposed in civil, probate, and small claims cases](#).

State Agencies Affected: Attorney General; Executive branch agencies; State educational institutions.

Local Agencies Affected: Trial courts, city and town courts.

Information Sources: U.S. Citizenship and Immigration Services: H-1B Employer Data Hub; <https://www.uscis.gov/tools/reports-and-studies/h-1b-employer-data-hub>
Indiana Supreme Court, Indiana Trial Court Fee Manual

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