

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

LS 6462

BILL NUMBER: SB 149

NOTE PREPARED: Jan 5, 2026

BILL AMENDED:

SUBJECT: Tolling Transponders.

FIRST AUTHOR: Sen. Pol

BILL STATUS: As Introduced

FIRST SPONSOR:

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill allows a person who: (1) lives or works in a county where there is a toll road or tollway; and (2) pays for tolls assessed while driving on the toll road or tollway with a transponder; to apply for a credit to be added to the person's qualifying account for use towards future tolls. It provides that a person who pays for tolls using a transponder that is connected to a qualified account that is not registered to: (1) the person; (2) the person's employer; (3) a car rental company that owns the car being driven by the person; or (4) another person with the same permanent residence as the person; commits a Class B misdemeanor.

Effective Date: July 1, 2026.

Explanation of State Expenditures: *Summary* - This bill could increase General Fund expenditures significantly to provide tolling transponder credits to eligible individuals who apply with the BMV. Any increase in state expenditures to provide tolling credits is currently indeterminable (*an information request is pending with the Indiana Finance Authority*) but is expected to be significant or require a renegotiation of existing state tollways with concessionaires.

Additionally, the bill would increase the workload and expenditures of the Bureau of Motor Vehicles (BMV) to create a web-based application portal for tolling transponder credits as well as update BMV computer systems to transmit requisite information from approved applications to I-Pass, EZ-Pass, and RiverLink concerning credit amounts. *An information request with the BMV is pending*, however agency costs are also expected to be significant.

Additional Information -

Indiana Finance Authority (IFA): The IFA reports that the requirements in the bill would require a renegotiation of toll road and bridge leases in the state to make credit payments to state residents. The renegotiation could increase tolls paid by vehicles to offset revenue losses from credits provided to state residents. Any net impact on state expenditures would ultimately depend on the outcome of the renegotiation

with the tolling concessionaires.

Bureau of Motor Vehicles (BMV): The bill would require BMV computer system updates to transmit information to I-Pass, EZ-Pass, and RiverLink concerning credits. The bill could also increase BMV workload and expenditures to create a website for tolling credit applications before the end of CY 2026.

Tolling Credits: The bill would allow state residents who (1) have a tolling transponder and (2) live or work in a county with a toll road or bridge, to receive a credit towards future tolling after completing an application process with the BMV. The credit to be applied is 75% of the applicants tolling expenses either (1) over the previous period or (2) from the applicants last application. After an initial application, an individual can only apply for a future tolling credit every 30 days. It is expected that the largest expense for tolling credits would come in the first year of administration, as the bill has no specified look-back period for calculating tolling transponder credits for initial applications. Based on dates in the bill concerning when the BMV is to have an online application portal in operation, the first expenses for tolling transponder credits is expected to occur in the second half of FY 2027.

The bill requires the BMV to load credits to approved applicants' tolling transponder accounts within 10 days of approval, but the bill is silent on the BMV's requirement to approve applications received. Tolling transponder credits for approved applications would be provided from the General Fund and payments would be made by the State Comptroller every 90 days.

Explanation of State Revenues: The bill establishes a Class B misdemeanor for improper use of a qualifying account tolling transponder. 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 B misdemeanor is \$1,000. 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 B misdemeanor is punishable by up to 180 days in jail.

Explanation of Local Revenues: *Penalty Provision:* If additional court actions result in a guilty verdict, certain local units will collect more revenue. 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: BMV, IFA, State Comptroller.

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

Information Sources: Cody Eckart, BMV; Jim McGoff, IFA; Indiana Supreme Court, Indiana Trial Court Fee Manual

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