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FISCAL IMPACT STATEMENT

LS 6360

BILL NUMBER: HB 1072

NOTE PREPARED: Mar 9, 2021

BILL AMENDED: Jan 28, 2021

SUBJECT: Personal Delivery Devices.

FIRST AUTHOR: Rep. Sullivan

FIRST SPONSOR: Sen. Garten

BILL STATUS: CR Adopted - 2nd House

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill has the following provisions:

- (1) Provides that a person delivery device may operate in Indiana under certain circumstances, but may not operate on portions of any state route, U.S. route, or interstate highway comprising the state highway system located in a municipality.
- (2) Requires a personal delivery device operator to maintain certain levels of insurance coverage.
- (3) Provides that a personal delivery device is exempt from motor vehicle licensing and registration requirements.
- (4) Provides that a political subdivision may participate in the regulation of personal delivery devices.
- (5) Provides that local governments shall not be required to make or pay for infrastructure improvements for the purpose of better accommodating personal delivery devices.
- (6) Provides that a political subdivision may not enact or enforce an ordinance or resolution relating to: (a) the design, manufacture, maintenance, certification, licensing, registration, taxation, assessment, or insurance of a personal delivery device; or (b) the types of property that may be transported by a personal delivery device.

Effective Date: July 1, 2021.

Explanation of State Expenditures:

Explanation of State Revenues: *Summary* - By requiring personal delivery devices to maintain general liability coverage of up to \$100,000, this bill could increase the number of insurance policies sold in the state. As a result, revenue to the General Fund could increase from either adjusted gross income (AGI) tax or

insurance premium tax collections. Any increase in revenue is expected to be minor.

Additional Information - Domestic insurers have the option to pay taxes on insurance premiums written in the state or to pay the AGI tax. Foreign insurers are required to pay taxes on premiums written in the state, and some foreign insurers are assessed additional retaliatory taxes. In these cases, the minimum tax rate would be 1.3% of written premiums. Revenue received from the AGI and insurance premium tax is deposited in the General Fund.

To the extent individuals obtain these policies from foreign insurers, the General Fund could receive additional revenue from taxes paid on insurance premiums. If these policies are obtained from domestic insurers, the General Fund could receive additional revenue from the AGI tax. In both of these cases, any increase in General Fund revenue is indeterminable, but expected to be minor.

For FY 2020, the insurance premium tax generated approximately \$243.4 M in revenue.

Explanation of Local Expenditures: The bill prohibits local units of government from paying fees for the operation or infrastructure of personal delivery devices within a local unit's jurisdiction. No information is available concerning local unit of government payment of personal delivery device operation fees, however any impact on local expenditures is expected to be minimal.

Explanation of Local Revenues: To the extent local units of government currently maintain and enforce local ordinances concerning the use of personal delivery devices that would be superceded by this bill, local units of government could experience reductions in ordinance violation penalty revenue. There is no information available concerning local ordinances passed or in effect concerning personal delivery devices. The bill's impact on local revenue is indeterminable.

State Agencies Affected:

Local Agencies Affected: Local units with ordinances governing personal delivery devices.

Information Sources:

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