

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

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**FISCAL IMPACT STATEMENT**

**LS 6316**  
**BILL NUMBER:** HB 1092

**NOTE PREPARED:** Dec 8, 2023  
**BILL AMENDED:**

**SUBJECT:** Financial Responsibility for Aircraft.

**FIRST AUTHOR:** Rep. Mayfield  
**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

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

**IMPACT:** State & Local

**Summary of Legislation:** This bill amends the definition of "operation of aircraft" or "operate aircraft" for purposes of the aircraft financial responsibility act.

The bill provides that the Indiana Department of Transportation (INDOT) shall require proof of financial responsibility for a period of one year. (Current law provides that INDOT may require proof of financial responsibility for a period of one year.) The bill also increases the minimum amount of loss resulting from bodily injury, death, or property damage in an aircraft accident required to be reported to INDOT from \$100 to \$7,500. It also requires certain information to be included in a report of an aircraft accident.

The bill removes INDOT from a provision allowing certain entities to maintain an action to enjoin a person from engaging in the operation of an aircraft for failure to comply with the aircraft financial responsibility requirements.

The bill specifies how payments shall be made from a security deposit. It specifies the fee for service of process on the Secretary of State. It also adds an additional insured to certain provisions in the aircraft financial responsibility act.

The bill makes corresponding changes and technical corrections.

**Effective Date:** January 1, 2025.

**Explanation of State Expenditures:** The bill could increase the workload of the Attorney General to file actions against individuals who do not obtain the required financial responsibility policies. Increases in

workload are expected to be small and are within the routine administrative function of the agency.

Additional Information - Under the bill, INDOT would no longer have the ability to file actions against individuals who fail to furnish proof of financial responsibility. These actions are not currently filed by INDOT, so this provision is expected to have no impact on the Department.

By increasing the minimum loss amount, the bill could also decrease the number of aircraft accident reports provided to INDOT. Based on information obtained from the federal National Transportation Safety Board, over the past ten years there was only one aircraft accident where “minor” damage was sustained. The federal definition of “minor” damage includes engine failure or limited damage to an engine only, bent or dented skin, and/or damage to landing gear, flaps, or wingtips. It is unclear if this definition would include amounts greater than \$100 and less than \$7,500.

**Explanation of State Revenues:** Current statute defines “proof of financial responsibility” and provides three methods with which an individual can satisfy the minimum coverage specifications in statute; an insurance policy, a duly executed bond, and a financial deposit. The bill would require individuals to satisfy financial responsibility using one of these three requirements beginning in January 1, 2025.

To the extent individuals elect to purchase an insurance policy to satisfy the requirements of the bill, the bill could increase General Fund revenue from either the adjusted gross income (AGI) tax or insurance premium tax. Any increase in revenue is expected to be minor.

[For FY 2023, the insurance premium tax generated approximately \$261.8 M in revenue.]

**Explanation of Local Expenditures:** The bill could increase the workload of the local prosecuting attorney to file actions against individuals who do not obtain the required financial responsibility policies. Increases in workload are expected to be small and are within the routine administrative function of the local prosecuting attorney’s office.

**Explanation of Local Revenues:**

**State Agencies Affected:** Attorney General, INDOT.

**Local Agencies Affected:** Local prosecuting attorneys.

**Information Sources:** Andrea Zimmerman, INDOT; <https://carol.nts.gov/>.

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