



**STATE OF INDIANA
OFFICE OF ADMINISTRATIVE LAW PROCEEDINGS**

FILED: Jan 29, 2026

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Petitioners,

Administrative Cause Nos.: BMV-2508-003622
and BMV-2508-003626

V.

Agency Action Nos.: UID: 490999 and 502096

Bureau of Motor Vehicles,
Respondent.

Ultimate Authority: Office of Administrative Law Proceedings

FINAL ADMINISTRATIVE DECISION

The Administrative Law Judge (ALJ) Aaron Bonar, having heard the evidence and arguments presented in this matter, now issues this Final Order addressing the decision by the Bureau of Motor Vehicles (BMV) to replace ██████████ (Petitioners) Real-ID compliant credentials with non-Real-ID compliant credentials. **This decision is favorable to the BMV.** Any party dissatisfied with this decision may appeal. Appeal instructions are at the end of this document.

Jurisdiction

The ALJ assigned to this matter by the Director of the Office of Administrative Law Proceedings (OALP), see Indiana Code (IC) § 4-15-10.5-13, has jurisdiction over this case pursuant to IC § 4-15-10.5-12, which gives OALP jurisdiction over agency administrative actions subject to the Indiana Administrative Orders and Procedures Act at IC § 4-21.5 (AOPA) or “any other statute that requires or allows the office to take action.” The OALP has jurisdiction over this case because this case is governed by AOPA.

Issue

The issue in this case is: whether the BMV properly denied Petitioners’ applications for non-Real ID compliant credentials when the application was made after Petitioners were issued Real-ID compliant credentials.

Procedural History

1. On August 6, 2025, before receiving an agency action letter from the BMV, Petitioners filed their respective appeals with OALP. Their petitions stated that they had requested

that the BMV replace their Real-ID compliant credentials with non-Real-ID compliant credentials, but the BMV would not do so.

2. By separate letters dated August 22, 2025, the BMV informed Petitioners that their requests to replace their current Real-ID compliant credentials with non-Real-ID compliant credentials could not be completed. These letters were filed with OALP on August 26, 2025.
3. On September 9, 2025, Petitioners were each sent a Notice of Initial Pre-Hearing Conference (IPHC) setting pre-hearing conferences for September 24, 2025.
4. The IPHCs were held as scheduled on September 24, 2025. By agreement of the parties, an evidentiary hearing was set for October 30, 2025. After one continuance over Petitioners' objections, the evidentiary hearing was reset for November 6, 2025.
5. The administrative hearing was held by telephone as scheduled on November 6, 2025. [REDACTED] Counsel for BMV Laura Keith; and BMV Representative Michele Lyda all appeared for the hearing via telephone. Each person called into the hearing from their respective locations.
6. Though the administrative cases were not consolidated, Petitioners presented their cases-in-chief in one presentation. Accordingly, this order addresses both administrative cases.
7. The following witnesses testified at the administrative hearing: [REDACTED] and Michele Lyda.
8. The following Exhibits¹ were admitted into evidence without objection:
 - a. Petitioners' Exhibit 1, IC §§ 9-24-11-1 and 9-24-11-2 (1 page).
 - b. Petitioners' Exhibit 2, BMV Agency Action Letters to Petitioners dated August 22, 2025 (2 pages).
 - c. Petitioners' Exhibit 3, Copies of Driver's Licenses held by Petitioner [REDACTED] (2 pages).
 - d. Petitioners' Exhibit 6, 140 Indiana Administrative Code (IAC) 7-1.1-3(a) (2 pages).
 - e. Petitioners' Exhibit 7, 6 Code of Federal Regulations (CFR) §§ 37.1-37.3 (6 pages).
 - f. Petitioners' Exhibit 8, 6 CFR § 37.5 (1 page).
 - g. Petitioners' Exhibit 9, IC § 9-14-12-2 (1 page).

¹ Petitioners each submitted the same proposed exhibits separately. For the purposes of this order, the separate exhibits will be treated as one set of exhibits.

- h. Petitioners' Exhibit 10, H.R. 1268 (6 pages).
 - i. BMV's Exhibit A1, BMV Action Letter to [REDACTED] dated August 22, 2025 (1 page).²
 - j. BMV's Exhibit A2, BMV Action Letter to [REDACTED] dated August 22, 2025 (1 page).
 - k. BMV's Exhibit B1, [REDACTED] Operator's License Application dated March 13, 2018 (9 pages).
 - l. BMV's Exhibit B2, [REDACTED] Operator's License Application dated June 17, 2021 (7 pages).
 - m. BMV's Exhibit C,³ Excerpt from Transportation Security Administration (TSA) Official Website FAQ dated May 27, 2025 (3 pages).
9. Upon BMV's request, pursuant to IC § 4-21.5-3-26(f), and without objection by the Petitioners, the ALJ took official notice of the following:
- a. BMV's Attachment 1, 140 IAC 7-1.1-3(a) (1 page)
 - b. BMV's Attachment 2, IC § 9-24-11-2 (1 page)

Findings of Fact

1. On March 13, 2018, [REDACTED] applied to renew his Indiana driver's license. [REDACTED] signed the application, which clearly states that the renewed license will be a Real-ID compliant driver's license. After reviewing several documents provided by [REDACTED] to prove his identity, the BMV issued a Real-ID compliant Indiana driver's license. See BMV Exhibit B1.
2. Similarly, on June 17, 2021, [REDACTED] applied to renew her Indiana driver's license. [REDACTED] signed the application, which clearly states that the renewed license will be a Real-ID compliant driver's license. After reviewing several documents provided by [REDACTED] to prove her identity, the BMV issued a Real-ID compliant Indiana driver's license. See BMV Exhibit B2.
3. [REDACTED] (collectively Petitioners) signed their respective applications, both of which included the following language from the Residency and Application Confirmation section:

I hereby swear or affirm that I have provided all information on this application (including all addendums) for an Indiana BMV-issued driver's license or learner's permit and that it is accurate. I further swear or affirm

² BMV filed two separate proposed exhibit lists, one for [REDACTED] and one for [REDACTED]. At the administrative hearing, the ALJ renumbered these exhibits to keep a clear record.

³ BMV filed two Exhibit Cs that were the same for both administrative cases. For the purposes of this order, BMV's Exhibit Cs will be referenced as one Exhibit C.

that I have read, or have had read to me, all required information and that it is accurate. I understand that knowingly making false statements on this application, or any addendums to this application, may constitute a crime or perjury.

See BMV Exhibits B1 and B2.

4. Michele Lyda is the Director of Credentials for the BMV. Ms. Lyda ensures that the BMV issues driver's licenses in compliance with federal and state statutes and regulations. See Testimony of Michele Lyda (Lyda testimony).
5. The State of Indiana started issuing Real-ID compliant driving credentials in 2010 in compliance with the federal Real ID Act of 2005. The Real ID standards were established to fight identity fraud and to create more secure credentials that could be used to satisfy certain federal identification requirements, such as using one's driver's license to board a domestic flight. All states and U.S. territories now issue Real-ID compliant credentials and identification cards. See Lyda testimony and BMV Exhibit C.
6. A Real ID credential is issued for initial applications for an Indiana driver's license. However, when an individual with a non-Real-ID compliant credential applies to renew that credential, the individual may choose to retain the non-Real-ID compliant credential or submit documentation to obtain a Real-ID compliant credential. The individual's choice to obtain a Real-ID compliant credential is shown on the individual's driver's license renewal application. See Lyda testimony.
7. Specifically, 140 IAC 7-1.1-3(a), a legally and properly promulgated rule of the BMV, clearly states that only an individual

... who applies for a renewed, a replacement, or an amended driver's license or identification card and otherwise qualifies for a driver's license or an identification card, but does not comply with the documentation requirements in this section, may receive a driver's license or an identification card with a notation that the driver's license or identification card may not be accepted for federal identification purposes.

Such a license would be a non-Real-ID compliant license. See Lyda testimony and Petitioners' Exhibit 6.

8. If an individual applies for a Real-ID compliant credential, the documents submitted with the application are used in a one-time verification process to verify the individual's

identity. Once verified, the verification is added to the individual's driving record. See Lyda testimony.

9. On or around August 6, 2025, Petitioners appeared at a Hamilton County, Indiana BMV licensing branch. Petitioners requested that their Real-ID compliant credentials be "replaced with" or reissued as non-Real-ID compliant credentials. See Testimony of [REDACTED] (testimony).
10. On or around the same date, both the branch staff and staff at the BMV Contact Center, a customer service section of the BMV, declined to fulfill Petitioners' requests. Id.
11. By letters dated August 22, 2025, the BMV informed Petitioners that their requests to be issued non-Real-ID compliant credentials could not be completed. The letter stated two primary reasons for denying Petitioners' requests: 1. There is no legal provision that allows the BMV to, essentially, "un-verify" previously verified Real ID credentials, and that doing so would be tantamount to falsifying records; and 2. There is no legal provision that allows Petitioners to "opt out" of having a Real ID credential once it has been issued. See Petitioners' Exhibit 2 and BMV Exhibits A1 and A2.
12. Petitioners cited several federal and state provisions that, they believe, would allow the BMV to revoke or rescind Petitioners' Real-ID compliant credentials and issue non-Real-ID compliant credentials to Petitioners. See Testimony of [REDACTED] ([REDACTED] testimony), [REDACTED] testimony, and Petitioners' Exhibits 6-10.
13. Until August 22, 2025, Petitioners renewed their driver's licenses several times without issue. Petitioners testified that they were not *required* to "opt in" or "opt out" of any markers or identifiers on their licenses until the issue surrounding the Real-ID compliant credential arose. See [REDACTED] Testimony and Petitioners' Exhibit 3.

Conclusions of Law

14. The administrative proceeding is conducted under the provisions of IC § 4-21.5- 3.
15. The ALJ may not defer to the agency's initial determination and merely determine whether the agency's action was reasonable. *Indiana Dept. of Natural Resources v. United Refuse Co., Inc.*, 615 N.E.2d 100, 104 (1993). An administrative case must be heard under a de novo standard of review. IC § 4-21.5-3-14. The ALJ is required to hold a hearing, weigh evidence presented at the hearing, and make findings of fact based upon the evidence presented at the hearing. *United Refuse Co., Inc.*, 615 N.E.2d at 104; IC § 4-21.5-3-27(a).

16. The BMV has the power to issue and regulate driver's licenses issued in the State of Indiana. See IC § 9-24-11-2 and 140 IAC 7.
17. Petitioners are appealing the denial of their request to obtain non-Real-ID compliant Indiana driver's licenses. Therefore, under IC § 4-21.5-3-14(c), the Petitioners bear the burden of proof.
18. 140 IAC 7-1.1-3(a) clearly states that non-Real-ID compliant credentials may only be issued to those who: 1) apply to renew their Indiana driver's licenses; and 2) do not provide the relevant documentation used to verify Real IDs.
19. Both Petitioners submitted the relevant documentation to the BMV to obtain a Real ID credential, were verified for Real ID purposes, and signed the application acknowledging that they understood all the information on the form, which includes the acknowledgment that they were both applying to renew their driver's licenses as Real-ID compliant credentials.
20. Petitioners presented no evidence that a provision exists to "un-verify" a Real ID credential in either the Indiana Code or the Indiana Administrative Code. Likewise, Petitioners cited no substantive federal statute or regulation that establishes a process by which a Real ID credential may be unverified. Petitioners' arguments regarding these matters were, at best, conjecture based on a selective reading of relevant statutes.⁴ See totality of the record.
21. Petitioners did not provide any citations to any federal or state provisions granting the BMV the ability to rescind or revoke Petitioners' Real-ID compliant Indiana driver's licenses or allowing Petitioners to "opt out" of having a Real ID at a later date. The ALJ's own research likewise yielded no such provisions.
22. Petitioners failed to present evidence indicating that they were unaware or uninformed that they were applying for a Real-ID compliant Indiana credential when they applied to renew their driver's licenses, meaning that they willingly consented to the one-time Real-ID verification process and were thus issued Real-ID compliant credentials.
23. Petitioners testified that they were able to *voluntarily* opt in or opt out of some markers on their driver's licenses and update information. For example, Petitioners' ages, weights, organ donor statuses, and veteran statuses were updated or removed

⁴ For example, Petitioners often cited IC § 9-24-11-2's language regarding issuing Indiana driver's licenses "in a manner the [BMV] considers necessary and prudent." Similarly, Petitioners argued that sections of the federal Real ID Act or Code of Federal Regulations somehow allowed states to not comply with the Act. In neither case did Petitioners sufficiently explain how the BMV was acting imprudently or how the federal regulations allowed the State of Indiana to issue them non-Real-ID-compliant driving credentials.

periodically by Petitioners as they went to renew their driver's licenses. See [REDACTED] testimony.

24. At no point did the BMV indicate to Petitioners that updating these markers would equate to falsifying records. There are other provisions allowing the BMV to update, add, or remove specific markers, such as whether a person is an organ donor. See [REDACTED] testimony and Petitioners' Exhibit 9.
25. The ALJ does not find Petitioners' testimony regarding the above opt-in/opt-out driver's license markers compelling. It is true that updating personal information and opting in or out of other programs or markers is possible when applying to renew an Indiana driver's license and that doing so may not constitute an offense of falsifying records.
26. However, none of those items relate to obtaining Real ID credentials. Those markers are separate from the Real ID verification process and are governed by their own rules and regulations, which may or may not apply to the Real ID verification process. Petitioners failed to show why the rules and regulations surrounding an organ donation driver's license marker, for example, should govern any aspect of the Real ID verification process.
27. Petitioners testified that they revoked their consent regarding obtaining a Real ID, that "ongoing and infinite" consent amounts to coercion by the BMV to force Petitioners to keep a Real-ID compliant credential, and that it necessary and prudent for the BMV to issue Petitioners non-Real-ID compliant credentials. See [REDACTED] testimony.
28. The ALJ does not find these arguments compelling. As indicated in their respective Operator's License Applications, which clearly state that the renewed license will be Real-ID compliant, Petitioners signed the Residency and Application Confirmation section on each respective application discussed above in the Findings of Fact section.
29. The ALJ finds that Petitioners consented to the Real ID verification process when they applied to renew their respective credentials in 2018 and 2021. As Real ID verification is not an ongoing process, there is no justiciable issue regarding ongoing consent once the verification process is complete.
30. The ALJ finds the BMV's argument regarding the "un-verifying" of Real ID credentials compelling. As established above, Real ID verification is a one-time process – that is, once the Real ID information has been verified, it is considered verified indefinitely for the purposes of the BMV. See Lyda testimony.

