

Reprinted

February 25, 2010

ENGROSSED**HOUSE BILL No. 1001**

DIGEST OF HB 1001 (Updated February 24, 2010 2:50 pm - DI 75)

Citations Affected: IC 2-2.1; IC 2-7; IC 3-9; IC 4-2; IC 5-14.

Synopsis: Government ethics. Provides that legislative statements of economic interests are not required to report gifts made to the filer or purchases by a lobbyist from the filer's business. Requires legislative branch lobbyists to report such gifts and purchases. Requires the lobby registration commission to compile reports of these gifts and purchases and provide them to the legislator or candidate. Provides that legislators may not accept honoraria for appearances or speeches but may accept payment or reimbursement of travel expenses for appearances or speeches. Reduces the amount of a single gift or
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Effective: Upon passage; July 1, 2010; November 1, 2010; January 1, 2011; November 1, 2011; January 1, 2012.

Bauer, Murphy, Bosma, Van Haften

(SENATE SPONSORS _ MILLER, BRODEN, SIMPSON, ALTING, ARNOLD, BECKER, BOOTS, BRAY, BREAUX, BUCK, CHARBONNEAU, DEIG, DELPH, DILLON, ERRINGTON, GARD, HEAD, HERSHMAN, HOLDMAN, HUME, KENLEY, KRUSE, LANANE, LANDSKE, LAWSON C, LEISING, LEWIS, LONG, MERRITT, MISHLER, MRVAN, NUGENT, PAUL, RANDOLPH, ROGERS, SCHNEIDER, SIPES, SKINNER, STEELE, STUTZMAN, TALLIAN, TAYLOR, WALKER, WALTZ, WATERMAN, WYSS, YODER, YOUNG R, YOUNG R MICHAEL, ZAKAS)

November 17, 2009, read first time and referred to Committee on Rules and Legislative Procedures.
January 5, 2010, reported _ Do Pass.

January 7, 2010, read second time, ordered engrossed. Engrossed.
January 11, 2010, read third time, passed. Yeas 97, nays 2.

SENATE ACTION

January 11, 2010, read first time and referred to Committee on Rules and Legislative Procedure.
February 16, 2010, amended, reported favorably _ Do Pass.
February 18, 2010, read second time, amended, ordered engrossed.
February 19, 2010, engrossed.
February 22, 2010, returned to second reading.
February 24, 2010, re-read second time, amended, ordered engrossed.

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expenditure that must be reported by a lobbyist from \$100 to \$50. Reduces the calendar year threshold of gifts and expenditures that must be reported from \$500 to \$250. Provides that a lobbyist may not make a gift with a value of more than \$50 to a legislative person unless the lobbyist receives the approval of the legislative person before making the gift and informs the legislative person of the cost of the gift the lobbyist wants to make at the time the lobbyist seeks consent to the gift. Provides that a lobbyist may not pay expenses for out-of-state travel for a legislative person with exceptions for: (1) "public policy meetings" approved by speaker of the house of representatives or the president pro tempore of the senate; or (2) expenses that are associated with the legislative person's service as an officer, member of the board of directors, employee, or independent contractor of the person paying the expenses. Provides that the definition of a legislative branch "lobbyist" does not include public officials, public employees, or a national organization established for the education and support of legislative leadership, legislators, legislative staff, or related government employees. Requires expenditures that can be "clearly and reasonably" attributed to a particular legislative person to be reported with respect to that legislative person. Requires that a lobbyist's expenditure report must include expenses for a function or activity to which all of any of the following are invited: (1) Members of the general assembly. (2) Members of the house of representatives. (3) Members of the senate. (4) Members of a standing or other committee established by the rules of the house of representative or senate. (5) Members of a study committee. (6) Members of a caucus of the house of representatives or the senate. Establishes rules for reporting an expenditure made by more than one lobbyist, the reporting of expenditures with respect to a particular legislative person, and allocation of expenditures made with respect to several legislative persons. Changes the time during which a lobbyist must report certain expenditures with a legislator from seven days to 15 business days. Increases the daily penalty for failure to file lobbyist registration statements and activity reports from \$10 per day to not more than \$100 per day. Increases the maximum penalty for failure to file lobbyist registration statements and activity reports from \$100 to \$4,500. Defines "conflict of interest" for lobbyists. Requires lobbyists to file with the lobby registration commission a description of the procedure that will be utilized if conflicts arise. Requires the procedure to be incorporated into the lobbyist's contract with clients. Requires the lobby registration commission to make available on the Internet all reports, statements, and documents filed with the commission and all manuals, indices, summaries, and other documents the commission is required to compile, publish, or maintain. Requires "legislative liaisons" of agencies in the executive branch of state government and of state educational institutions to report certain expenditures annually to the lobby registration commission. Provides that individuals who are candidates for election to the general assembly in 2010 may not become a lobbyist or legislative liaison before June 1, 2011. Provides that after December 31, 2011, a legislator must wait 365 days after leaving the general assembly before becoming a lobbyist or

legislative liaison. Provides that a state elected official may not use the state elected official's name or likeness in an audio, video, or newspaper publication paid for entirely or in part with appropriations made by the general assembly, regardless of the source of the money. Provides that this prohibition does not apply to a communication made by the governor concerning the public health or safety or by a state elected official for a publication that has a "compelling public policy reason" that is approved by the budget committee and the budget agency. Provides that a state elected official may use the title of the office the state elected official holds in a communication. Provides that elected state officers and candidates for state office may not raise funds during the same period during long session when legislators are barred

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from fundraising. Removes a requirement that candidates for the general assembly file candidate documents with the circuit court clerk. Requires the circuit court clerk to provide copies of legislative candidacy documents from the election division's or the secretary of state's web site to a person requesting to see these documents. Makes technical changes. Repeals superseded statutes.

Reprinted

February 25, 2010

Second Regular Session 116th General Assembly (2010)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2009 Regular and Special Sessions of the General Assembly.

ENGROSSED

HOUSE BILL No. 1001

A BILL FOR AN ACT to amend the Indiana Code concerning the general assembly.

Be it enacted by the General Assembly of the State of Indiana:

SOURCE: IC 2-2.1-3-2; (10)EH1001.3.1. --> SECTION 1. IC 2-2.1-3-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2011]: Sec. 2. (a) Not later than seven (7) calendar days following the first session day in January of each year every member of the general assembly shall file

with the principal clerk of the house or secretary of the senate, respectively, a written statement of the member's or candidate's economic interests for the preceding calendar year listing the following:

(1) The name of the member's or candidate's employer and the employer of the member's or candidate's spouse and the nature of the employer's business. The house of representatives and senate need not be listed as an employer.

(2) The name of any sole proprietorship owned or professional practice operated by the member or candidate or the member's or candidate's spouse and the nature of the business.

(3) The name of any partnership of which the member or

candidate or the member's or candidate's spouse is a member and the nature of the partnership's business.

(4) The name of any corporation of which the member or candidate or the member's or candidate's spouse is an officer or director and the nature of the corporation's business. Churches need not be listed.

(5) The name of any corporation in which the member or candidate or the member's or candidate's spouse or unemancipated children own stock or stock options having a fair market value in excess of ten thousand dollars (\$10,000). No time or demand deposit in a financial institution or insurance policy need be listed.

(6) The name of any state agency or the supreme court of Indiana which licenses or regulates the following:

(A) The member's or candidate's or the member's or candidate's spouse's profession or occupation.

(B) Any proprietorship, partnership, corporation, or limited liability company listed under subdivision (2), (3), or (4) and the nature of the licensure or regulation.

The requirement to file certain reports with the secretary of state or to register with the department of state revenue as a retail merchant, manufacturer, or wholesaler shall not be considered as licensure or regulation.

~~(7) The name of any person whom the member or candidate knows to have been a lobbyist in the previous calendar year and knows to have purchased any of the following:~~

~~(A) From the member or candidate; the member's or candidate's sole proprietorship; or the member's or candidate's family business; goods or services for which the lobbyist paid in excess of one hundred dollars (\$100);~~

~~(B) From the member's or candidate's partner; goods or services for which the lobbyist paid in excess of one thousand dollars (\$1,000);~~

~~This subdivision does not apply to purchases made after December 31, 1998; by a lobbyist from a legislator's retail business made in the ordinary course of business at prices that are available to the general public. For purposes of this subdivision, a legislator's business is considered a retail business if the business is a retail merchant as defined in IC 6-2.5-1-8.~~

~~(8) The name of any person or entity from whom the member or candidate received the following:~~

~~(A) Any gift of cash from a lobbyist;~~

~~(B) Any single gift other than cash having a fair market value in excess of one hundred dollars (\$100);~~

~~However, a contribution made by a lobbyist to a charitable organization (as defined in Section 501(c) of the Internal Revenue Code) in connection with a social or sports event attended by legislators need not be listed by a member of the general assembly unless the contribution is made in the name of the legislator.~~

~~(C) Any gifts other than cash having a fair market value in the aggregate in excess of two hundred fifty dollars (\$250). Campaign contributions need not be listed. Gifts from a spouse or close relative need not be listed unless the donor has a substantial economic interest in a legislative matter.~~

~~(9) (7) The name of any lobbyist who is:~~

~~(A) a member of a partnership or limited liability company;~~

(B) an officer or a director of a corporation; or

(C) a manager of a limited liability company;

of which the member or candidate for the general assembly is a partner, an officer, a director, a member, or an employee, and a description of the legislative matters which are the object of the lobbyist's activity.

~~(10)~~ (8) The name of any person or entity on whose behalf the member or candidate has appeared before, contacted, or transacted business with any state agency or official thereof, the name of the state agency, the nature of the appearance, contact, or transaction, and the cause number, if any. This requirement does not apply when the services are rendered without compensation.

~~(11)~~ (9) The name of any limited liability company of which the member of the general assembly, the candidate, or the member's or candidate's individual spouse has an interest.

(b) Before any person who is not a member of the general assembly files the person's declaration of candidacy, declaration of intent to be a write-in candidate, or petition of nomination for office or is selected as a candidate for the office under IC 3-13-1 or IC 3-13-2, the person shall file with the clerk of the house or secretary of the senate, respectively, the same written statement of economic interests for the preceding calendar year that this section requires members of the general assembly to file.

(c) Any member of or candidate for the general assembly may file an amended statement upon discovery of additional information required to be reported.

SOURCE: IC 2-2.1-3-9.5; (10)EH1001.3.2. --> SECTION 2. IC 2-2.1-3-9.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY

1, 2010]: **Sec. 9.5. (a) As used in this section, "honorarium" means a payment of money for an appearance or a speech. The term does not include payment or reimbursement of travel expenses.**

(b) A member of the general assembly may not receive an honorarium for an appearance or a speech made or given in the member's capacity as a legislator.

SOURCE: IC 2-2.1-3-12; (10)EH1001.3.3. --> SECTION 3. IC 2-2.1-3-12 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2010]: **Sec. 12. The following constitute disorderly behavior and may be punished by the house of representatives or senate as provided in Article 4, Section 14 of the Constitution of the State of Indiana:**

(1) Willful failure to file a required statement by the deadline prescribed in this chapter or knowingly filing a false statement. or

(2) Knowing violation of section 9, 9.5, or 10 of this chapter. shall constitute disorderly behavior and may be punished by the house or senate as provided in Article 4, Section 14 of the Constitution of the State of Indiana.

SOURCE: IC 2-7-1-0.1; (10)EH1001.3.4. --> SECTION 4. IC 2-7-1-0.1 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE NOVEMBER 1, 2010]: **Sec. 0.1. The definitions in this chapter apply throughout this article.**

SOURCE: IC 2-7-1-1.3; (10)EH1001.3.5. --> SECTION 5. IC 2-7-1-1.3 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE NOVEMBER 1, 2010]: **Sec. 1.3. "Candidate" refers to a candidate for election to the general assembly.**

SOURCE: IC 2-7-1-1.7; (10)EH1001.3.6. --> SECTION 6. IC 2-7-1-1.7 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE NOVEMBER 1, 2010]: **Sec. 1.7. (a) "Close relative" of an individual refers to any of the following:**

(1) The individual's spouse.

(2) A parent of the individual or a parent of the individual's spouse.

(3) A child of the individual or a child of the individual's spouse.

(4) A sibling of the individual or a sibling of the individual's spouse.

(5) An aunt or an uncle of the individual or an aunt or uncle of the individual's spouse.

(6) A niece or nephew of the individual or a niece or nephew of the individual's spouse.

(7) A grandparent of the individual or a grandparent of the individual's spouse.

(8) A grandchild of the individual or a grandchild of the individual's spouse.

(9) A great-grandparent of the individual or a great-grandparent of the individual's spouse.

(10) A great-grandchild of the individual or a great-grandchild of the individual's spouse.

(b) A relative by adoption, half-blood, marriage, or remarriage is considered as a relative of whole kinship.

SOURCE: IC 2-7-1-1.9; (10)EH1001.3.7. --> SECTION 7. IC 2-7-1-1.9 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE NOVEMBER 1, 2010]: **Sec. 1.9. "Commission" refers to the Indiana lobby registration commission established by IC 2-7-1.6-1.**

SOURCE: IC 2-7-1-4; (10)EH1001.3.8. --> SECTION 8. IC 2-7-1-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE NOVEMBER 1, 2010]: **Sec. 4. (a) "Gift" means the voluntary transfer of anything of value without consideration.**

(b) The term does not include ~~any of the following:~~

~~(1) A gift received from a relative within the third degree of kinship of the person or of the person's spouse, or from the spouse of any such relative.~~

~~(2) a contribution (as defined in IC 3-5-2-15).~~

SOURCE: IC 2-7-1-7.2; (10)EH1001.3.9. --> SECTION 9. IC 2-7-1-7.2 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE NOVEMBER 1, 2010]: **Sec. 7.2. "Legislative body" refers to any of the following:**

(1) The general assembly.

(2) The house of representatives.

(3) The senate.

(4) A standing or other committee established by the rules of the house of representatives or the senate.

(5) A committee established by statute or by the legislative council. An individual who:

(A) is a member of a committee described in this subdivision; and

(B) is not a member of the general assembly;

is not considered to be a member of a legislative body for purposes of this article.

(6) A caucus of the house of representatives or the senate.

SOURCE: IC 2-7-1-7.5; (10)EH1001.3.10. --> SECTION 10. IC 2-7-1-7.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE NOVEMBER 1, 2010]: **Sec. 7.5. "Legislative liaison" has the meaning set forth in IC 5-14-7-3.**

SOURCE: IC 2-7-1-8; (10)EH1001.3.11. --> SECTION 11. IC 2-7-1-8 IS AMENDED TO READ AS FOLLOWS

[EFFECTIVE NOVEMBER 1, 2010]: **Sec. 8. "Legislative ~~official~~ person" means any of the following:**

(1) A member. ~~of the general assembly, or any~~

(2) A candidate.

(3) An officer of the general assembly.

(4) An employee ~~or~~ of the general assembly.

(5) A member of the immediate family of anyone described in subdivision (1), (2), (3), or (4).

A lobbyist who is a close relative of a legislative person is not considered a legislative person.

(6) A paid consultant of the general assembly. ~~or~~

(7) An agency of the general assembly.

SOURCE: IC 2-7-1-9; (10)EH1001.3.12. --> SECTION 12. IC 2-7-1-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE NOVEMBER 1, 2010]: **Sec. 9. "Lobbying" means communicating by any means, or paying others to communicate by any means, with any legislative ~~official~~ person with the purpose of influencing any legislative action.**

SOURCE: IC 2-7-1-10; (10)EH1001.3.13. --> SECTION 13. IC 2-7-1-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE NOVEMBER 1, 2010]: Sec. 10. (a) "Lobbyist" means any person who:

- (1) engages in lobbying; and
- (2) in any registration year, receives or expends an aggregate of **at least** five hundred dollars (\$500) in compensation or expenditures reportable under this article for lobbying, whether the compensation or expenditure is solely for lobbying or the lobbying is incidental to that individual's regular employment.

(b) The following are not considered lobbyists:

- (1) A public employee or public official.**
- (2) The National Conference of State Legislatures.**
- (3) The National Conference of Insurance Legislators.**
- (4) The American Legislative Exchange Council.**
- (5) Women in Government.**
- (6) The Council of State Governments.**
- (7) The National Black Caucus of State Legislators.**
- (8) Any other national organization established for the education and support of legislative leadership, legislators, legislative staff, or related government employees.**

SOURCE: IC 2-7-1-10.5; (10)EH1001.3.14. --> SECTION 14. IC 2-7-1-10.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE NOVEMBER 1, 2010]: Sec. 10.5. "Member", except as used in section 8(5) of this chapter, IC 2-7-3-3(a), and IC 2-7-7-8, refers to a member of the general assembly.

SOURCE: IC 2-7-2-2; (10)EH1001.3.15. --> SECTION 15. IC 2-7-2-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE NOVEMBER 1, 2010]: Sec. 2. (a) Each registration statement shall be filed not later than January 15 or within fifteen (15) days after ~~the registrant~~ **a person** becomes a lobbyist, whichever is later. Each registration statement expires on December 31 of the year for which it was issued. The commission may accept registration statements before January 1 of the year to which they apply, as the commission determines.

(b) Subject to subsections (c) and (d), the commission shall impose a late registration fee of ~~ten not more than one hundred~~ **ten not more than one hundred** dollars ~~(\$10) (\$100)~~ per day for each day after the deadline until the statement is filed.

(c) The late registration fee shall not exceed ~~one hundred four thousand five hundred~~ **one hundred four thousand five hundred** dollars ~~(\$100) (\$4,500)~~.

(d) The commission may waive the late registration fee if the commission determines that the circumstances make imposition of the fee inappropriate.

SOURCE: IC 2-7-3-2; (10)EH1001.3.16. --> SECTION 16. IC 2-7-3-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE NOVEMBER 1, 2010]: Sec. 2. (a) One (1) activity report shall be filed not later than May 31, covering the period from November 1 of the immediately preceding calendar year through April 30. The other activity report shall be filed not later than November 30, covering the period from May 1 through October 31. The commission shall provide a copy of an activity report to a member of the general assembly at the request of the member.

(b) Subject to subsections (c) and (d), the commission shall impose a penalty of ~~ten not more than one hundred~~ **one hundred** dollars ~~(\$10) (\$100)~~ per day for each day that the person fails to file any report required by this chapter until the report is filed.

(c) The penalty shall not exceed ~~one hundred four thousand five hundred~~ **one hundred four thousand five hundred** dollars ~~(\$100) (\$4,500)~~ per report.

(d) The commission may waive the penalty if the commission determines that the circumstances make imposition of the penalty inappropriate.

SOURCE: IC 2-7-3-3; (10)EH1001.3.17. --> SECTION 17. IC 2-7-3-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE NOVEMBER 1, 2010]: Sec. 3. (a) The activity reports of each lobbyist shall include the following **information**:

- (1) A complete and current statement of the information required to be supplied under IC 2-7-2-3

and IC 2-7-2-4.

(2) Total expenditures on lobbying (prorated, if necessary) broken down to include at least the following categories:

(A) Compensation to others who perform lobbying services.

(B) Reimbursement to others who perform lobbying services.

(C) Receptions.

(D) Entertainment, including meals. ~~However, a function to which the entire general assembly is invited is not lobbying under this article.~~

(E) Gifts made to ~~an employee of the general assembly or a member of the immediate family of an employee of the general assembly;~~ **a legislative person.**

(3) **Subject to section 3.5 of this chapter,** a statement of ~~expenditures and gifts each:~~

(A) expenditure for entertainment (including meals and drink); or

(B) gift;

that ~~equal one hundred equals fifty~~ **dollars (\$100) (\$50) or more in one (1) day, or expenditures for entertainment (including meals and drink) or gifts that together total more than five two hundred fifty dollars (\$500) (\$250) during the calendar year, if the expenditures and gifts are made by the registrant lobbyist or his the lobbyist's agent to benefit a specific legislative person.**

~~(A) a member of the general assembly;~~

~~(B) an officer of the general assembly;~~

~~(C) an employee of the general assembly; or~~

~~(D) a member of the immediate family of anyone included in clause (A), (B), or (C);~~

~~(4) Whenever a lobbyist makes an expenditure that is for the benefit of all of the members of the general assembly on a given occasion, the total amount expended shall be reported, but the lobbyist shall not prorate the expenditure among each member of the general assembly.~~

~~(5) (4) A list of the general subject matter of each bill or resolution concerning which a lobbying effort was made within the registration period.~~

~~(6) The name of the beneficiary of each expenditure or gift made by the lobbyist or his agent that is required to be reported under subdivision (3).~~

~~(7) (5) The name of each member of the general assembly from whom the lobbyist has received an affidavit required under IC 2-2.1-3-3.5.~~

(b) In the second semiannual report, when total amounts are required to be reported, totals shall be stated both for the period covered by the statement and for the entire reporting year.

(c) An amount reported under this section is not required to include

the following:

(1) Overhead costs.

(2) Charges for any of the following:

(A) Postage.

(B) Express mail service.

(C) Stationery.

(D) Facsimile transmissions.

(E) Telephone calls.

(3) Expenditures for the personal services of clerical and other support staff persons who are not lobbyists.

(4) Expenditures for leasing or renting an office.

(5) Expenditures for lodging, meals, and other personal expenses of the lobbyist.

(d) A report of an expenditure under subsection (a)(3) must state the following information:

(1) The name of the lobbyist making the expenditure.

(2) A description of the expenditure.

(3) The amount of the expenditure.

SOURCE: IC 2-7-3-3.3; (10)EH1001.3.18. --> SECTION 18. IC 2-7-3-3.3 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE NOVEMBER 1, 2010]: **Sec. 3.3. (a) This section does not apply to gifts made between close relatives.**

(b) A lobbyist shall file a written report whenever the lobbyist makes a gift with respect to a legislative person that is required to be included in a report under section 3(a)(3) of this chapter.

(c) A report under this section must state the following:

- (1) The name of the lobbyist making the gift.**
- (2) A description of the gift.**
- (3) The amount of the gift.**

(d) A lobbyist shall file a copy of a report required by this section with all the following:

- (1) The commission.**
- (2) The legislative person to whom the report is made.**
- (3) The principal clerk of the house of representatives, if the legislative person is a member of, or a candidate for election to, the house of representatives.**

(4) The secretary of the senate, if the legislative person is a member of, or candidate for election to, the senate.

(e) A lobbyist shall file a report required by this section not later than fifteen (15) business days after making the gift. A report filed under this section is confidential and is not available for public inspection or copying until ten (10) business days after the report

is filed with the commission.

(f) Not later than January 7 each year, the commission shall provide to each member and candidate a written compilation of all reports filed under subsection (d) relating to that member or candidate. The compilation must provide the following information to the member or candidate for each gift reported under subsection (d):

- (1) A description of the gift.**
- (2) The amount of the gift.**
- (3) The name of the lobbyist making the gift.**

SOURCE: IC 2-7-3-3.5; (10)EH1001.3.19. --> SECTION 19. IC 2-7-3-3.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE NOVEMBER 1, 2010]: **Sec. 3.5. (a) If an expenditure for entertainment (including meals and drink) or a gift can clearly and reasonably be attributed to a particular legislative person, the expenditure must be reported with respect to that particular legislative person.**

(b) A report of an expenditure with respect to a particular legislative person:

- (1) must report actual amounts; and**
- (2) may not allocate to the particular legislative person a prorated amount derived from an expense made with respect to several legislative persons; to the extent practicable.**

(c) An activity report must report expenditures for a function or activity to which all the members of a legislative body are invited. Expenditures reported for a function or activity described in this subsection may not be allocated and reported with respect to a particular legislative person.

(d) If two (2) or more lobbyists contribute to an expenditure, each lobbyist shall report the actual amount the lobbyist contributed to the expenditure. For purposes of reporting such an expenditure, the following apply:

(1) For purposes of determining whether the expenditure is reportable, the total amount of the expenditure with respect to a particular legislative person must be determined and not the amount that each lobbyist contributed to that expenditure.

(2) Each lobbyist shall report the actual amount the lobbyist contributed to the expenditure, even if that amount would not have been reportable under this section if only one (1) lobbyist

made an expenditure of that amount.

(e) The report of an expenditure with respect to a particular

legislative person may not include any amount that the particular legislative person contributed to the expenditure.

(f) An activity report may not report expenditures or gifts relating to property or services received by a legislative person if the legislative person paid for the property or services the amount that would be charged to any purchaser of the property or services in the ordinary course of business.

(g) An activity report may not report expenditures or gifts made between close relatives unless the expenditure or gift is made in connection with a legislative action.

(h) An activity report may not report expenditures or gifts relating to the performance of a legislative person's official duties, including the legislative person's service as a member of any of the following:

(1) The legislative council.

(2) The budget committee.

(3) A standing or other committee established by the rules of the house of representatives or the senate.

(4) A study committee established by statute or by the legislative council.

(5) A statutory board or commission.

(i) An activity report may not report a contribution (as defined in IC 3-5-2-15).

SOURCE: IC 2-7-3-7; (10)EH1001.3.20. --> SECTION 20. IC 2-7-3-7 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE NOVEMBER 1, 2010]: **Sec. 7. (a) This section does not apply to a purchase by a lobbyist from a member's or candidate's business made in the ordinary course of business at prices that are available to the general public.**

(b) As used in this section, "purchase" refers to a purchase of goods or services for which the lobbyist paid more than one hundred dollars (\$100) from any of the following:

(1) A member or candidate.

(2) A member's or candidate's sole proprietorship.

(3) A member's or candidate's family business, regardless of the manner of the family business's legal organization.

(c) A lobbyist shall file a written report with respect to a member or candidate whenever the lobbyist makes a purchase.

(d) A report required by this section must state the following:

(1) The name of the lobbyist making the purchase.

(2) A description of the purchase.

(3) The amount of the purchase.

(e) A lobbyist shall file a copy of a report required by this section with all the following:

(1) The commission.

(2) The member or candidate with respect to whom the report is made.

(3) The principal clerk of the house of representatives, if the member or candidate is a member of, or a candidate for election to, the house of representatives.

(4) The secretary of the senate, if the member or candidate is a member of, or candidate for election to, the senate.

(f) A lobbyist shall file a report required by this section not later than fifteen (15) business days after making the purchase. A report filed under this section is confidential and is not available for public inspection or copying until ten (10) business days after the report is filed with the commission.

(g) Not later than January 7 each year, the commission shall provide to each member and candidate a written compilation of all reports filed under subsection (e) relating to that member or candidate. The compilation must provide the following information to the member or candidate for each purchase:

- (1) A description of the purchase.**
- (2) The amount of the purchase.**
- (3) The name of the lobbyist making the purchase.**

SOURCE: IC 2-7-4-5.5; (10)EH1001.3.21. --> SECTION 21. IC 2-7-4-5.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE NOVEMBER 1, 2010]: **Sec. 5.5. (a) The commission shall make copies of all the following available on the Internet:**

- (1) Reports, statements, other documents required to be filed under this article.**
- (2) Manuals, indices, summaries, and other documents the commission is required to compile, publish, or maintain under this article.**

(b) The commission shall make copies of all reports required to be made by legislative liaisons under IC 5-14-7 available on the Internet.

SOURCE: IC 2-7-4-6; (10)EH1001.3.22. --> SECTION 22. IC 2-7-4-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE NOVEMBER 1, 2010]: **Sec. 6. (a) The commission shall inspect and audit at least five percent (5%) of all registration statements and reports filed with the commission under this chapter by requiring the ~~registrant~~ lobbyist to produce verifying documents. The statements and reports inspected and audited shall be selected at random by a computer random number generator. Nothing in this**

chapter shall be construed as prohibiting the commission from inspecting and auditing any statement or report if the commission has reason to believe that a violation of this chapter may have occurred.

(b) Verifying documents under this section while in the possession of the commission are confidential.

SOURCE: IC 2-7-5-1; (10)EH1001.3.23. --> SECTION 23. IC 2-7-5-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE NOVEMBER 1, 2011]: **Sec. 1. It is unlawful for any A legislative official to person may not receive compensation or reimbursement other than from the state for personally engaging in lobbying.**

SOURCE: IC 2-7-5-7; (10)EH1001.3.24. --> SECTION 24. IC 2-7-5-7 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2012]: **Sec. 7. (a) An individual who is a member of the general assembly after December 31, 2011, may not be:**

- (1) registered as a lobbyist under this article; or**
 - (2) employed as a legislative liaison;**
- during the period described in subsection (b).**

(b) The period referred to in subsection (a):

- (1) begins on the day the individual ceases to be a member of the general assembly; and**
- (2) ends three hundred sixty-five (365) days after the date the individual ceases to be a member of the general assembly.**

SOURCE: IC 2-7-5-7.1; (10)EH1001.3.25. --> SECTION 25. IC 2-7-5-7.1 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 7.1. (a) This section applies only to an individual who is a:**

- (1) candidate for nomination for election to the general assembly in 2010; or**
- (2) member of the general assembly on November 3, 2010.**

(b) An individual described in subsection (a) may not be:

- (1) registered as a lobbyist under this article; or**
- (2) employed as a legislative liaison;**

before June 1, 2011.

(c) An individual described in subsection (a) may be registered as a lobbyist after May 31, 2011.

(d) This section expires January 1, 2012.

SOURCE: IC 2-7-5-8; (10)EH1001.3.26. --> SECTION 26. IC 2-7-5-8 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE NOVEMBER 1, 2010]: **Sec. 8. (a) This section does not apply to gifts made between close relatives.**

(b) A lobbyist may not make a gift with a value of fifty dollars (\$50) or more to a legislative person unless the lobbyist receives the

consent of the legislative person before the gift is made. The lobbyist must inform the particular legislative person of the cost of the gift at the time the lobbyist seeks the consent of the legislative person.

SOURCE: IC 2-7-5-9; (10)EH1001.3.27. --> SECTION 27. IC 2-7-5-9 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE NOVEMBER 1, 2010]: **Sec. 9. (a) This section does not apply to the following:**

(1) Expenses associated with travel outside Indiana for any purpose that is paid for by an organization or corporation of which the legislative person or the legislative person's spouse is an officer, member of the board of directors, employee, or independent contractor.

(2) Travel expenses of a legislative person attending a public policy meeting if:

(A) the legislative person's sole purpose for attending the meeting is to serve as a speaker or other key participant in the meeting; and

(B) the speaker of the house of representatives or the president pro tempore of the senate approves the payment of the travel expenses in writing.

(b) As used in this section, "travel expenses" includes expenses for transportation, lodging, meals, registration fees, and other expenses associated with travel.

(c) Except as provided in subsection (a), a lobbyist may not pay for or reimburse for travel expenses of a legislative person for travel outside Indiana for any purpose.

SOURCE: IC 2-7-5-10; (10)EH1001.3.28. --> SECTION 28. IC 2-7-5-10 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2010]:

Sec. 10. (a) Except as provided in subsection (c), this section does not apply to a lobbyist if the lobbyist's activity under this chapter is governed by the Rules of Professional Conduct of the Indiana supreme court.

(b) As used in this section, "conflict of interest" means a circumstance where:

(1) the representation of a client will be directly adverse to another client; or

(2) there is a significant risk that the representation of one (1) or more clients will be materially limited by the lobbyist's responsibilities to:

(A) another client; or

(B) a personal interest of the lobbyist.

(c) A lobbyist shall file with the commission a written statement that describes the procedures that the lobbyist and the lobbyist's client will follow if the lobbyist or the client determines at any time that the lobbyist's representation of the client might involve a conflict of interest. The lobbyist shall file the statement with the commission at the time the lobbyist files the lobbyist's annual registration statement under IC 2-7-2. If the lobbyist's activity under this chapter is governed by the Rules of Professional Conduct of the Indiana supreme court, the lobbyist shall file a statement to that effect with the commission.

(d) The statement filed under subsection (c) must be included in the agreement between the lobbyist and the client for the lobbyist's services as a lobbyist.

(e) A lobbyist may not represent a client if the representation involves a conflict of interest except as is provided in the statement filed by the lobbyist under subsection (c).

SOURCE: IC 2-7-6-3; (10)EH1001.3.29. --> SECTION 29. IC 2-7-6-3 IS AMENDED TO READ AS

FOLLOWS [EFFECTIVE NOVEMBER 1, 2010]: Sec. 3. ~~Whoever~~ **A person who** knowingly or intentionally makes a false report under this ~~chapter~~ **article** that overstates or understates the amount of ~~any or all expenditures or gifts~~ **an expenditure or gift** commits a Class D felony.

SOURCE: IC 2-7-6-6; (10)EH1001.3.30. --> SECTION 30. IC 2-7-6-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE NOVEMBER 1, 2010]: Sec. 6. (a) The commission may impose either or both of the following sanctions if, after a hearing under IC 4-21.5-3, the commission finds that a lobbyist failed to file a report with ~~a member of the general assembly~~ **a legislative person** required by ~~IC 2-7-3-6~~ **IC 2-7-3-3.3 or IC 2-7-3-7:**

(1) Revoke the registration of the lobbyist.

(2) Assess a civil penalty against the lobbyist. A civil penalty assessed under this subdivision may not be more than five hundred dollars (\$500).

(b) In imposing sanctions under subsection (a), the commission shall consider the following:

(1) Whether the failure to file the report was willful or negligent.

(2) Any mitigating circumstances.

SOURCE: IC 3-9-2-12; (10)EH1001.3.31. --> SECTION 31. IC 3-9-2-12 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2010]: Sec. 12. (a) This section does not apply to:

(1) a member of the general assembly; or

(2) a candidate's committee of a member of the general assembly;

with respect to an office other than a legislative office **or a state office** to which the member seeks election.

(b) As used in this section, "affected person" refers to any of the following:

(1) An individual who holds a legislative office.

(2) A candidate for a legislative office.

(3) An individual who holds a state office.

(4) A candidate for a state office.

(c) As used in this section, "prohibited period" means the period:

(1) beginning on the day in January in each odd-numbered year the general assembly reconvenes under IC 2-2.1-1-2; and

(2) through the day the general assembly adjourns sine die in an odd-numbered year under IC 2-2.1-1-2.

(d) During the prohibited period, an affected person, an affected person's candidate's committee, and a legislative caucus committee may not do any of the following:

(1) Solicit campaign contributions.

(2) Accept campaign contributions.

(3) Conduct other fundraising activities. This subdivision does not prohibit an affected person from participating in party activities conducted by a regular party committee.

SOURCE: IC 3-9-5-3; (10)EH1001.3.32. --> SECTION 32. IC 3-9-5-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2011]: Sec. 3. **(a)** A candidate for legislative office and the candidate's committee shall file each report, notice, or other instrument required by this article with the election division. ~~The candidate and committee shall also file a duplicate copy with the county election board of the county in which the candidate resides.~~

(b) The circuit court clerk shall, at the request of any person, furnish the person a copy of a report, notice, or other instrument required by this article for a candidate for a legislative office from electronic records maintained on the secretary of state's or election division's web site. The circuit court clerk shall charge for a copy of records furnished under this subsection as provided in IC 5-14-3.

SOURCE: IC 4-2-6-15; (10)EH1001.3.33. --> SECTION 33. IC 4-2-6-15 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 15. **(a) This section does not apply to the following:**

(1) A communication made by the governor concerning the public health or safety.

(2) A communication:

(A) that a compelling public policy reason justifies the state officer to make; and

(B) the expenditure for which is approved by the budget agency after an advisory recommendation from the budget committee.

(b) This section does not prohibit a state officer from using in a communication the title of the office the state officer holds.

(c) As used in this section, "communication" refers only to the following:

(1) An audio communication.

(2) A video communication.

(3) A print communication in a newspaper (as defined in IC 5-3-1-0.4).

(d) A state officer may not use the state officer's name or likeness in a communication paid for entirely or in part with appropriations made by the general assembly, regardless of the source of the money.

SOURCE: IC 5-14-7; (10)EH1001.3.34. --> SECTION 34. IC 5-14-7 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE NOVEMBER 1, 2010]:

Chapter 7. Legislative Liaisons

Sec. 1. The definitions in IC 2-7-1 apply in this chapter.

Sec. 2. As used in this chapter, "employer" refers to either of the following:

(1) An agency (as defined in IC 4-2-6-1).

(2) A state educational institution (as defined in IC 21-7-13-32).

Sec. 3. As used in this chapter, "legislative liaison" refers to an individual:

(1) designated by an employer; and

(2) who receives at least ten percent (10%) of the individual's annual compensation to engage in lobbying.

Sec. 4. (a) An employer shall annually file a single, aggregate report of expenditures for lobbying activities by each of the employer's legislative liaisons stating expenditures for entertainment (including meals and drink) or gifts that:

(1) total per legislative person:

(A) fifty dollars (\$50) or more in one (1) day; or

(B) together more than two hundred fifty dollars (\$250) during the calendar year; and

(2) would be reportable to the lobby registration commission by a registered lobbyist under IC 2-7.

(b) A report under this section may not include the following:

(1) Items provided under a statute or from an agency for

redistribution to constituents.

(2) Items provided during the performance of official duties by a legislative person, including the legislative person's service as a member of, or participant in, any of the following:

(A) The legislative council.

(B) The budget committee.

(C) A standing or other committee established by the rules of the house of representatives or the senate.

(D) A study committee established by statute or by the legislative council.

(E) A statutory board or commission.

(3) A scholarship, student employment, or other financial aid granted to a legislative person for attendance at a state educational institution.

(4) Expenditures relating to an economic development effort, function, or event by an agency, including those hosted by the Indiana economic development corporation.

Sec. 5. (a) A report required by this chapter must:

(1) be filed with the commission not later than November 30 of each year; and

(2) cover the period from November 1 of the previous year through October 31 of the year in which the report is filed.

(b) The first report required by this chapter must:

(1) be filed with the commission not later than November 30, 2011; and

(2) cover the period from November 1, 2010, through October 31, 2011.

Sec. 6. If an employer has no expenditures for entertainment (including meals and drink) or gifts to report, a statement of that fact is required and is sufficient to comply with the reporting requirements of this chapter.

Sec. 7. (a) The commission shall post reports received under this chapter on the commission's web site.

(b) If the commission does not receive a report from an employer under this chapter, the commission shall notify the employer and post a copy of the notice on the commission's web site.

SOURCE: IC 2-7-1-1.5; IC 2-7-1-15; IC 2-7-1-17; IC 2-7-3-6.

; (10)EH1001.3.35. --> SECTION 35. THE FOLLOWING ARE REPEALED [EFFECTIVE NOVEMBER 1, 2010]: IC 2-7-1-1.5; IC 2-7-1-15; IC 2-7-1-17; IC 2-7-3-6.

SOURCE: ; (10)EH1001.3.36. -->

SOURCE: --> SECTION 36. **An emergency is declared for this act.**