



April 10, 2015

ENGROSSED HOUSE BILL No. 1002

DIGEST OF HB 1002 (Updated April 9, 2015 9:59 am - DI 51)

Citations Affected: IC 2-2.1; IC 2-2.2 ; IC 2-7; IC 3-8; IC 3-13; IC 4-2; IC 5-14; IC 21-36.

Synopsis: Ethics. Makes the following changes in the laws governing legislative ethics, lobbyist and legislative liaison reporting, and executive agency ethics: (1) Reenacts the legislative ethics statute in a different Indiana Code location and makes changes, including the following: Expands the interests that must be disclosed in a statement of economic interests filed by a legislator or legislative candidate. Requires a filer to report the name of a lobbyist who is a relative of the filer. Requires both the house and the senate to adopt a code of ethics, provide ethics education to members, and review filed statements of economic interests. Sets term and appointment procedures for the house and senate ethics committees. Sets procedures related to filing and reviewing complaints. Establishes the office of legislative ethics in the legislative services agency. (2) Makes changes in the lobbyist registration and reporting law, including the following: Relocates
(Continued next page)

Effective: July 1, 2015.

Bosma, Pelath, Steuerwald, Kersey

(SENATE SPONSORS — LONG, LANANE)

January 15, 2015, read first time and referred to Committee on Government and Regulatory Reform.

February 10, 2015, amended, reported — Do Pass.

February 12, 2015, read second time, ordered engrossed. Engrossed.

February 16, 2015, read third time, passed. Yeas 97, nays 0.

SENATE ACTION

February 24, 2015, read first time and referred to Committee on Rules & Legislative Procedure.

April 9, 2015, amended, reported favorably — Do Pass.

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Digest Continued

definitions and defines family business. Requires reporting the name of any legislator who is a close relative of the lobbyist. Authorizes the imposition of civil penalties for failure to file required reports and statements. Specifies that failure to file statements and reports constitutes a Level 6 felony if the omission is not corrected within 10 days after being notified of the violation by the lobby registration commission. (3) Moves provisions related to legislative liaison reporting to a different Indiana Code location and makes the following changes: Eliminates the reporting of lobbying expenditures by legislative liaisons in the executive branch and for state educational institutions. Requires state educational institutions to report certain expenses related to lobbying by their employees and related foundations. (4) Makes changes in the ethics statute applicable to state agencies, including the following: Changes the definition of employer. Limits the circumstances in which post employment restrictions on employees of the executive branch may be waived. Makes changes to the restrictions on post employment and consulting activity of state officers, employees, and special state appointees. Provides that a state officer, state employee, or special state appointee may not use state materials, funds, property, personnel, facilities, or equipment for purposes other than official state business unless the use is expressly permitted by a general written policy or regulation that has been approved by the state ethics commission or the use is to coordinate the state officer's official, personal, and political calendars, to provide transportation and security for the state officer and any employee or special state appointee who accompanies the state officer, or for incidental or de minimus political communications or activity involving the state officer. Repeals the existing legislative ethics and legislative liaison reporting statutes.

EH 1002—LS 7502/DI 75



April 10, 2015

First Regular Session of the 119th General Assembly (2015)

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 2014 Regular Session and 2014 Second Regular Technical Session of the General Assembly.

ENGROSSED HOUSE BILL No. 1002

A BILL FOR AN ACT to amend the Indiana Code concerning state offices and administration.

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

- 1 SECTION 1. IC 2-2.1-3 IS REPEALED [EFFECTIVE JULY 1,
2 2015]. (Legislative Ethics).
3 SECTION 2. IC 2-2.2 IS ADDED TO THE INDIANA CODE AS A
4 NEW ARTICLE TO READ AS FOLLOWS [EFFECTIVE JULY 1,
5 2015]:
6 **ARTICLE 2.2. LEGISLATIVE ETHICS**
7 **Chapter 1. Definitions**
8 **Sec. 1. The definitions in this chapter apply throughout this**
9 **article.**
10 **Sec. 2. "Business entity" refers to any of the following:**
11 **(1) A sole proprietorship.**
12 **(2) A professional practice.**
13 **(3) An unincorporated association.**
14 **(4) A partnership.**

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- 1 **(5) A limited partnership.**
 2 **(6) A limited liability partnership.**
 3 **(7) A corporation.**
 4 **(8) A professional corporation.**
 5 **(9) A limited liability company.**
 6 **(10) A trust.**
 7 **(11) A business trust.**
 8 **(12) A real estate investment trust.**
 9 **(13) Any other form of organization permitted under Indiana**
 10 **law for business purposes.**
 11 **Sec. 3. (a) "Close relative" refers to the following relatives of an**
 12 **individual:**
 13 **(1) The individual's parent.**
 14 **(2) The individual's spouse.**
 15 **(3) The individual's children.**
 16 **(b) A relative by adoption, half-blood, marriage, or remarriage**
 17 **is considered as a relative of whole kinship.**
 18 **Sec. 4. "Compensation" means any money, thing of value, or**
 19 **economic benefit conferred on, or received by, a person in return**
 20 **for services rendered, or for services to be rendered, whether by**
 21 **that person or another person.**
 22 **Sec. 5. "Ethics committee" refers to either of the following:**
 23 **(1) The house legislative ethics committee established by**
 24 **IC 2-2.2-3-1(a).**
 25 **(2) The senate legislative ethics committee established by**
 26 **IC 2-2.2-3-1(b).**
 27 **Sec. 6. "Filer" refers to an individual who files a statement of**
 28 **economic interests under IC 2-2.2-2.**
 29 **Sec. 7. (a) "Honorarium" means a payment of money for an**
 30 **appearance or a speech.**
 31 **(b) The term does not include the following:**
 32 **(1) Payment or reimbursement of travel expenses.**
 33 **(2) An item given as an award or that has nominal value.**
 34 **Sec. 8. "House" refers to the Indiana house of representatives.**
 35 **Sec. 9. "Information of a confidential nature" means**
 36 **information:**
 37 **(1) obtained by reason of being a member of the general**
 38 **assembly; and**
 39 **(2) that has not been, or will not be, communicated to the**
 40 **general public.**
 41 **Sec. 10. "Legislative matter" means a bill, a resolution, an issue,**
 42 **or a proposal presented in, or considered by, the house or senate or**



1 any committee or subcommittee of the house or the senate.

2 Sec. 11. "Lobbyist" refers to a lobbyist (as defined in
3 IC 2-7-1-10) registered under IC 2-7-2.

4 Sec. 12. "Member" refers to either of the following:

5 (1) A member of the house.

6 (2) A member of the senate.

7 Sec. 13. "Minority leader" refers to the leader of the caucus of
8 the party of the house or the senate that has the greatest number
9 of members fewer than the caucus of the house or senate that has
10 the greatest number of members.

11 Sec. 14. "Person" refers to an individual, a business entity, a
12 nonprofit corporation, a governmental agency, or a political
13 subdivision.

14 Sec. 15. "Presiding officer" refers to the following:

15 (1) For the house, the speaker of the house.

16 (2) For the senate, the president pro tempore of the senate.

17 Sec. 16. "Principal administrative officer" refers to the
18 following:

19 (1) For the house, the principal clerk of the house.

20 (2) For the senate, the principal secretary of the senate.

21 Sec. 17. (a) "Relative" of an individual refers to any of the
22 following:

23 (1) The individual's spouse.

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

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

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

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

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

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

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

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

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

42 (b) A relative by adoption, half-blood, marriage, or remarriage



1 is considered as a relative of whole kinship.

2 Sec. 18. "Senate" refers to the Indiana senate.

3 Sec. 19. (a) "State agency" has the meaning set forth in
4 IC 4-13-1-1(b).

5 (b) The term does not include a state educational institution or
6 an agency of a political subdivision (as defined in IC 36-1-2-13).

7 Chapter 2. Statement of Economic Interests

8 Sec. 1. (a) Not later than seven (7) calendar days following the
9 first session day in January of each year, each member shall file
10 with the principal administrative officer a written statement of the
11 member's economic interests for the preceding calendar year.

12 (b) The legislative council shall prescribe the form of the
13 statement of economic interests.

14 Sec. 2. (a) This section applies only to an individual who:

15 (1) is not a member; and

16 (2) wants to be a candidate for election to the general
17 assembly.

18 (b) Before an individual described in subsection (a) files the
19 individual's declaration of candidacy, declaration of intent to be a
20 write-in candidate, or petition of nomination for office or is
21 selected as a candidate for the office under IC 3-13-1 or IC 3-13-2,
22 the individual shall file with the principal administrative officer a
23 statement of economic interests for the preceding calendar year.

24 Sec. 3. (a) A statement of economic interests filed under this
25 chapter must include the following information:

26 (1) The following information about employers:

27 (A) The name of each of the filer's employers. If:

28 (i) the house or the senate is the filer's sole employer; or

29 (ii) the filer is retired;

30 the filer must state that fact.

31 (B) The name of each of the filer's spouse's employers. If

32 the filer's spouse is retired, the filer must state that fact.

33 (C) Sufficient detail about the nature of an employer
34 named under clause (A) or (B) to make it clear to an
35 individual of ordinary understanding the nature of the
36 employer's business.

37 (2) The following information about business entities:

38 (A) The name of each business entity:

39 (i) owned or operated by the filer or the filer's spouse;

40 (ii) in which the filer or the filer's spouse is a member;

41 (iii) in which the filer or the filer's spouse is an officer or
42 a director; or



- 1 (iv) in which the filer, the filer's spouse, or the filer's
 2 unemancipated children own stock, stock options, or
 3 other interest having a fair market value of more than
 4 five thousand dollars (\$5,000).
- 5 (B) The nature of the business of each business entity
 6 reported under this subdivision. The filer must provide
 7 sufficient detail about the nature of the business entity to
 8 make it clear to an individual of ordinary understanding
 9 the nature of the business entity.
- 10 (3) The following information about persons other than the
 11 general assembly or any employer or business entity for
 12 which information is reported under subdivision (1) or (2):
- 13 (A) The name of any person from which the filer or the
 14 filer's spouse derived twenty-five percent (25%) or more
 15 of the filer's or the filer's spouse's income.
- 16 (B) Sufficient detail about the nature of the business of a
 17 person named under clause (A) to make it clear to an
 18 individual of ordinary understanding the nature of the
 19 person's business.
- 20 However, income from the sale of agricultural or residential
 21 real property shall not be reported under this subdivision and
 22 shall not be considered for purposes of determining the
 23 income of the filer or the filer's spouse.
- 24 (4) The name of a state agency or the supreme court of
 25 Indiana, if the state agency or the supreme court licenses or
 26 regulates any of the following:
- 27 (A) The filer's or the filer's spouse's profession or
 28 occupation.
- 29 (B) A business entity reported under subdivision (2). The
 30 filer must also report the nature of the licensure or
 31 regulation.
- 32 For purposes of this subdivision, a requirement to file certain
 33 reports with the secretary of state or to register with the
 34 department of state revenue as a retail merchant,
 35 manufacturer, or wholesaler is not considered as licensure or
 36 regulation.
- 37 (5) The following information about a lobbyist who is a
 38 member, an officer, a director, or a manager of a business
 39 entity that employs the filer or the filer has reported under
 40 subdivision (2):
- 41 (A) The name of the lobbyist.
- 42 (B) A description of the legislative matters that are the



- 1 object of the lobbyist's activity.
- 2 **(6) The name of a lobbyist who is a relative of the filer.**
- 3 **(7) The name of the state agency or official before which the**
- 4 **filer has personally appeared on behalf of another person**
- 5 **outside of the course of his or her official duties as a member**
- 6 **of the general assembly. A report is not required under this**
- 7 **subdivision if the filer rendered services to the person without**
- 8 **compensation.**
- 9 **(8) If the filer is registered with an agency of the federal**
- 10 **government or a state other than Indiana because the filer**
- 11 **engages in the business of influencing legislative or executive**
- 12 **decision making of the federal government or the other state.**
- 13 **The filer must report the name of each agency of the federal**
- 14 **government or the government of the other state with which**
- 15 **the filer is registered.**
- 16 **(b) A filer must enter information in each blank of the form. If**
- 17 **information requested by the form is inapplicable to the filer, the**
- 18 **filer must enter "not applicable", "none", or a similar response in**
- 19 **the blank.**
- 20 **Sec. 3.4. (a) Notwithstanding section 1 of this chapter, each**
- 21 **member shall file a statement under section 3 of this chapter not**
- 22 **later than August 1, 2015, covering calendar year 2014.**
- 23 **(b) This section expires January 1, 2017.**
- 24 **Sec. 4. A filer is not required to report under section 3 of this**
- 25 **chapter the name of a church in which the filer, the filer's spouse,**
- 26 **or the filer's unemancipated child is a member, an officer, or a**
- 27 **director.**
- 28 **Sec. 5. A filer is not required to report a business entity under**
- 29 **section 3 of this chapter if the filer's, the filer's spouse's, or the**
- 30 **filer's unemancipated child's only interest in the business entity is**
- 31 **any of the following:**
- 32 **(1) A time or demand deposit in a financial institution.**
- 33 **(2) An insurance policy issued by the business entity.**
- 34 **(3) A mutual fund.**
- 35 **Sec. 6. A filer may file an amended statement upon discovery of**
- 36 **additional information required to be reported.**
- 37 **Sec. 7. The principal administrative officer shall do the**
- 38 **following:**
- 39 **(1) Provide to a filer the forms prescribed for a statement of**
- 40 **economic interests.**
- 41 **(2) Keep a statement of economic interests for five (5) years**
- 42 **after the expiration of the term during which the statement**



- 1 was filed.
- 2 (3) Provide for public inspection of statements of economic
- 3 interests.
- 4 (4) Provide copies of statements of economic interests to any
- 5 person for a reasonable fee.
- 6 (5) Provide for posting of the statements of economic interests
- 7 of all filers on the general assembly's Internet web site.
- 8 **Sec. 8. (a) A member of the general assembly shall, not later**
- 9 **than January 20 of each year, file an affidavit with any lobbyist**
- 10 **who has provided more than twenty-five percent (25%) of the**
- 11 **member's nonlegislative income during the previous year.**
- 12 (b) An affidavit required by this section must state the
- 13 following:
- 14 (1) The name and address of the member of the general
- 15 assembly.
- 16 (2) That the lobbyist provided more than twenty-five percent
- 17 (25%) of the member's nonlegislative income.
- 18 (3) The position or service for which the lobbyist provided the
- 19 income.
- 20 **Chapter 3. Legislative Ethics Committees**
- 21 **Sec. 1. (a) The house legislative ethics committee is established.**
- 22 **(b) The senate legislative ethics committee is established.**
- 23 **Sec. 2. (a) An ethics committee consists of the following:**
- 24 (1) Three (3) members appointed by the presiding officer.
- 25 (2) Three (3) members appointed by the minority leader.
- 26 (b) The presiding officer shall designate a member of the ethics
- 27 committee as chair of the committee. The presiding officer, upon
- 28 the recommendation of the minority leader, shall designate a
- 29 member of the ethics committee as vice chair of the ethics
- 30 committee.
- 31 **Sec. 3. (a) The term of a member of an ethics committee begins**
- 32 **on the day the member is appointed and ends on the day before the**
- 33 **next general election. However, an appointing authority may**
- 34 **replace a member at any time during the member's term.**
- 35 (b) An appointing authority may appoint a member of the
- 36 general assembly for more than one (1) term on an ethics
- 37 committee.
- 38 (c) A vacancy in an individual's membership on an ethics
- 39 committee occurs if the individual ceases to be a member of the
- 40 chamber of the general assembly in which the individual was
- 41 appointed.
- 42 (d) A vacancy on an ethics committee shall be filled in the same



1 manner as the original appointment.

2 Sec. 4. (a) The house and the senate shall each adopt a code of
3 ethics.

4 (b) The ethics committee may propose amendments to the code
5 of ethics for adoption by its respective chamber.

6 (c) A code of ethics recommended by the ethics committee must
7 be consistent with the Constitution of the State of Indiana, this
8 article, and any other applicable law.

9 (d) Notwithstanding the occurrence of an election for the house
10 or the senate, the code of ethics remains in effect until amended by
11 the chamber to which the code of ethics applies.

12 Sec. 4.1. (a) The code of ethics in effect on July 1, 2015, remains
13 the code of ethics in effect until it is amended as provided in section
14 4 of this chapter.

15 (b) This section expires July 1, 2017.

16 Sec. 5. (a) The ethics committee may do any of the following:

17 (1) Act as an advisory body to the general assembly and to
18 members on questions relating to possible conflicts of interest.

19 (2) Render opinions interpreting this article and the code of
20 ethics.

21 (3) Receive and hear any complaint that alleges:

22 (A) a breach of any privilege of the ethics committee's
23 house;

24 (B) misconduct of a member in the course of his or her
25 official duties as a member of the general assembly; or

26 (C) a violation of the code of ethics.

27 (4) Obtain information with respect to a complaint filed under
28 this section. The ethics committee may compel the attendance
29 and testimony of witnesses and the production of relevant
30 documents.

31 (5) Recommend whatever sanction is appropriate with respect
32 to a particular member as will best maintain the trust,
33 respect, and confidence of the public in the general assembly.

34 (6) Recommend legislation relating to the conduct and ethics
35 of members.

36 (b) For a complaint to be considered by an ethics committee, the
37 complaint must:

38 (1) describe the acts or omissions that are the basis of the
39 complaint with reasonable particularity and in sufficient
40 detail to make it clear to an individual of ordinary
41 understanding the breach, misconduct, or violation that is the
42 basis of the complaint;



1 (2) be submitted to the ethics committee (with a duplicate
2 copy submitted to the speaker, if the subject of the complaint
3 is a member of the house of representatives, or the president
4 pro tempore, if the subject of the complaint is a member of
5 the senate) in the form and in the manner provided in the
6 rules of the chamber served by the ethics committee; and
7 (3) be in writing and verified.

8 **Sec. 6. The ethics committee shall conduct an investigation as**
9 **follows:**

10 (1) When a complaint is filed with the ethics committee, a
11 copy shall be sent promptly to the following:

12 (A) The person alleged to have committed the violation.

13 (B) The presiding officer.

14 (2) If the ethics committee determines the complaint does not
15 allege facts sufficient to constitute a code or statutory
16 violation, the complaint shall be dismissed and the
17 complainant and respondent notified of the dismissal of the
18 complaint.

19 (3) If the ethics committee determines that the complaint
20 alleges facts sufficient to constitute a code or statutory
21 violation, the ethics committee shall promptly investigate the
22 alleged violation. The ethics committee may meet in executive
23 session to conduct a preliminary investigation and to
24 determine whether reasonable cause exists to support an
25 alleged violation. If, after a preliminary investigation, the
26 ethics committee finds that reasonable cause does not exist to
27 support an alleged violation, the complaint shall be dismissed
28 and the complainant and respondent notified of the dismissal
29 of the complaint. All ethics committee investigations and
30 records relating to the preliminary investigation are
31 confidential.

32 (4) If, after the preliminary investigation, the ethics committee
33 finds that reasonable cause exists to support an alleged
34 violation, it shall convene a hearing on the matter not later
35 than thirty (30) days after making this finding.

36 (5) If the ethics committee holds a hearing, the respondent
37 shall be allowed to examine and make copies of all evidence in
38 the committee's possession relating to the complaint. At the
39 hearing, a respondent shall be afforded appropriate due
40 process protection consistent with state administrative
41 procedures, including the right to be represented by counsel,
42 the right to call and examine witnesses, the right to introduce



1 exhibits, and the right to cross examine opposing witnesses.

2 (6) After the hearing, the ethics committee shall state its
3 findings of fact. If the committee, based on competent and
4 substantial evidence, finds the respondent has violated a code
5 or statutory provision, it shall state its findings in writing in
6 a report to the presiding officer. The report must be
7 supported and signed by a majority of the committee
8 members. If the committee finds the respondent has not
9 violated a code or statutory provision, it shall dismiss the
10 charges.

11 Sec. 7. An ethics committee member may not participate in any
12 matter in which the committee member is involved, except as a
13 respondent.

14 Sec. 8. (a) The ethics committee shall provide for the review of
15 each statement of economic interests filed under IC 2-2.2-2.

16 (b) The ethics committee may require a filer of a statement of
17 economic interests to provide additional information about any
18 matter reported or required to be reported in the filer's statement
19 of economic interests.

20 Sec. 9. (a) Each member shall receive instruction in the ethics
21 requirements of this article, the ethics rules, and any other relevant
22 statutes.

23 (b) Each member must complete not less than one (1) hour of
24 ethics instruction each year as determined by the presiding officer.

25 (c) Each member shall comply with the training requirements
26 of the ethics rules established under this section.

27 Chapter 4. Office of Legislative Ethics

28 Sec. 1. As used in this chapter, "agency" refers to the legislative
29 services agency established by IC 2-5-1.1-7.

30 Sec. 2. As used in this chapter, "executive director" refers to the
31 executive director of the agency employed under IC 2-5-1.1-7.

32 Sec. 3. As used in this chapter, "legislative council" refers to the
33 legislative council established by IC 2-5-1.1-1.

34 Sec. 4. As used in this chapter, "office" refers to the office of
35 legislative ethics established by section 5 of this chapter.

36 Sec. 5. The office of legislative ethics is established within the
37 agency.

38 Sec. 6. Subject to the approval of the legislative council, the
39 executive director shall organize the office.

40 Sec. 7. Appointment of staff members of the office is subject to
41 the approval of the legislative council.

42 Sec. 8. The office shall do the following:



- 1 (1) Assist and advise members in understanding the ethics
- 2 rules of their respective houses.
- 3 (2) Assist and advise members in completing the statement of
- 4 economic interests required by IC 2-2.2-2.
- 5 (3) Assist and advise the ethics committees.
- 6 (4) Other duties relating to legislative ethics assigned by the
- 7 legislative council.

8 **Sec. 9.** The office may request guidance from the appropriate

9 ethics committee regarding any matter that comes to the office.

10 **Sec. 10.** The staff of the office shall remain current regarding all

11 aspects relating to legislative ethics at the state and national levels.

12 **Chapter 5. Prohibitions and Violations**

13 **Sec. 1.** The following constitute disorderly behavior and may be

14 punished by the house or senate as provided in Article 4, Section 14

15 of the Constitution of the State of Indiana:

- 16 (1) Knowing or intentional failure to file a required statement
- 17 by the deadline prescribed in IC 2-2.2-2.
- 18 (2) Knowing or intentional filing a false statement prescribed
- 19 by IC 2-2.2-2.
- 20 (3) Knowing or intentional violation of section 2, 3, or 4 of this
- 21 chapter.

22 **Sec. 2.** A member may not accept any compensation from any

23 employment, transaction, or investment that was entered into or

24 made as a result of material information of a confidential nature

25 gained as a member of the general assembly.

26 **Sec. 3.** A member may not receive an honorarium for an

27 appearance or a speech made or given in the member's capacity as

28 a legislator.

29 **Sec. 4.** A member may not receive compensation for the sale or

30 lease of any property or service that substantially exceeds that

31 which the member would charge in the ordinary course of business

32 from any person whom the member knows or, in the exercise of

33 reasonable care and diligence should know, has an economic

34 interest in a legislative matter.

35 **Chapter 6. Miscellaneous**

36 **Sec. 1.** This article does not prohibit a member from

37 distributing literature that is:

- 38 (1) available to residents of Indiana without cost from the
- 39 state and stamped "Distributed by (insert the name of the
- 40 member)"; or
- 41 (2) otherwise distributed as authorized by the general
- 42 assembly by law, prevailing rule of the chamber in which the



1 **member serves, or resolution of the legislative council.**

2 SECTION 3. IC 2-7-1-1.7, AS ADDED BY P.L.58-2010, SECTION
3 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1,
4 2015]: Sec. 1.7. (a) "Close relative" of an individual refers to any of the
5 following:

6 (1) The individual's spouse:

7 (2) A parent of the individual or a parent of the individual's
8 spouse:

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

10 (4) A sibling of the individual or a sibling of the individual's
11 spouse:

12 (5) An aunt or an uncle of the individual or an aunt or uncle of the
13 individual's spouse:

14 (6) A niece or nephew of the individual or a niece or nephew of
15 the individual's spouse:

16 (7) A grandparent of the individual or a grandparent of the
17 individual's spouse:

18 (8) A grandchild of the individual or a grandchild of the
19 individual's spouse:

20 (9) A great-grandparent of the individual or a great-grandparent
21 of the individual's spouse:

22 (10) A great-grandchild of the individual or a great-grandchild of
23 the individual's spouse:

24 (b) A relative by adoption, half-blood, marriage, or remarriage is
25 considered as a relative of whole kinship: **has the meaning set forth**
26 **in IC 2-2.2-1-3.**

27 SECTION 4. IC 2-7-1-3.5 IS ADDED TO THE INDIANA CODE
28 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
29 1, 2015]: Sec. 3.5. "Family business" means a business entity in
30 which an individual and the individual's spouse own at least eighty
31 percent (80%) of the business, either of the voting stock or other
32 measure of ownership of that type of business entity, regardless of
33 whether all or a portion is owned jointly or severally.

34 SECTION 5. IC 2-7-1-5 IS REPEALED [EFFECTIVE JULY 1,
35 2015]. Sec. 5: "Immediate family" means a spouse residing in the
36 person's household and dependent children:

37 SECTION 6. IC 2-7-1-8, AS AMENDED BY P.L.165-2013,
38 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
39 JULY 1, 2015]: Sec. 8. "Legislative person" means any of the
40 following:

41 (1) A member.

42 (2) A candidate.

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- 1 (3) An officer of the general assembly.
- 2 (4) An employee of the legislative department of state
- 3 government.
- 4 (5) A ~~member of the immediate family~~ **close relative** of anyone
- 5 described in subdivision (1), (2), (3), or (4). **However**, a lobbyist
- 6 who is a close relative of a legislative person is not considered a
- 7 legislative person.
- 8 (6) A paid consultant of the general assembly.
- 9 (7) An official of an agency of the legislative department of state
- 10 government.

11 SECTION 7. IC 2-7-1-16.5 IS ADDED TO THE INDIANA CODE
 12 AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE JULY
 13 1, 2015]: **Sec. 16.5. "Relative" of an individual has the meaning set**
 14 **forth in IC 2-2.2-1-17.**

15 SECTION 8. IC 2-7-1.6-9 IS AMENDED TO READ AS
 16 FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 9. ~~Nothing in~~ This
 17 chapter ~~affects~~ **does not affect** the committees established under
 18 ~~IC 2-2.1-3-5.~~ **IC 2-2.2-3.**

19 SECTION 9. IC 2-7-2-3 IS AMENDED TO READ AS FOLLOWS
 20 [EFFECTIVE JULY 1, 2015]: Sec. 3. The registration statement of
 21 each lobbyist who is compensated for lobbying ~~shall~~ **must** include ~~the~~
 22 **following:**

- 23 (1) ~~his~~ **The name, social security number, Social Security**
 24 **number, residence address and telephone number, and business**
 25 **address and telephone number of the lobbyist. and the addresses**
 26 **and telephone numbers of any temporary living or business**
 27 **quarters he has in Marion County.**
- 28 (2) The name, business address, telephone number, and kind of
 29 business of each person (including the names of each officer or
 30 partner) who compensates ~~him;~~ **the lobbyist.**
- 31 (3) ~~his~~ **The lobbyist's** primary occupation and the name or names
 32 of ~~his~~ **the lobbyist's** employers if different than those specified in
 33 subdivision (2). ~~and~~
- 34 (4) The subject matter of ~~his~~ **the lobbyist's** lobbying.
- 35 (5) **The name of any member who is a relative of the lobbyist.**

36 SECTION 10. IC 2-7-2-4 IS AMENDED TO READ AS FOLLOWS
 37 [EFFECTIVE JULY 1, 2015]: Sec. 4. The registration statement of
 38 each lobbyist who compensates a person for lobbying ~~shall~~ **must**
 39 include **the following:**

- 40 (1) ~~his~~ **The lobbyist's** full name, business address and telephone
 41 number, kind of business, and the full name of the individual who
 42 controls the business, the partners, if any, and officers.



- 1 (2) The full name, and business address and telephone number of
- 2 each person compensated by ~~him~~ **the lobbyist** as a lobbyist.
- 3 (3) The subject matter for which ~~he~~ **the lobbyist** has employed or
- 4 contracted with a lobbyist.
- 5 **(4) The name of any member who is a relative of the lobbyist.**
- 6 SECTION 11. IC 2-7-3-3, AS AMENDED BY P.L.225-2011,
- 7 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 8 JULY 1, 2015]: Sec. 3. (a) The activity reports of each lobbyist shall
- 9 include the following information:
- 10 (1) A complete and current statement of the information required
- 11 to be supplied under IC 2-7-2-3 and IC 2-7-2-4.
- 12 (2) Total expenditures on lobbying (prorated, if necessary) broken
- 13 down to include at least the following categories:
- 14 (A) Compensation to others who perform lobbying services.
- 15 (B) Reimbursement to others who perform lobbying services.
- 16 (C) Receptions.
- 17 (D) Entertainment, including meals.
- 18 (E) Gifts made to a legislative person.
- 19 (3) Subject to section 3.5 of this chapter, a statement of each:
- 20 (A) expenditure for entertainment (including meals and drink);
- 21 or
- 22 (B) gift;
- 23 that equals fifty dollars (\$50) or more in one (1) day, or
- 24 expenditures for entertainment (including meals and drink) or
- 25 gifts that together total more than two hundred fifty dollars (\$250)
- 26 during the reporting year, if the expenditures and gifts are made
- 27 by the lobbyist or the lobbyist's agent to benefit a specific
- 28 legislative person.
- 29 (4) A list of the general subject matter of each bill or resolution
- 30 concerning which a lobbying effort was made within the
- 31 registration period.
- 32 (5) The name of each member of the general assembly from
- 33 whom the lobbyist has received an affidavit required under
- 34 ~~IC 2-2.1-3-3.5:~~ **IC 2-2.2-2-8.**
- 35 (b) In the second semiannual report, when total amounts are
- 36 required to be reported, totals shall be stated both for the period
- 37 covered by the statement and for the entire reporting year.
- 38 (c) An amount reported under this section is not required to include
- 39 the following:
- 40 (1) Overhead costs.
- 41 (2) Charges for any of the following:
- 42 (A) Postage.



- 1 (B) Express mail service.
- 2 (C) Stationery.
- 3 (D) Facsimile transmissions.
- 4 (E) Telephone calls.
- 5 **(F) Electronic communications.**
- 6 (3) Expenditures for the personal services of clerical and other
- 7 support staff persons who are not lobbyists.
- 8 (4) Expenditures for leasing or renting an office.
- 9 (5) Expenditures for lodging, meals, and other personal expenses
- 10 of the lobbyist.
- 11 (d) A report of an expenditure under subsection (a)(3) must state the
- 12 following information:
- 13 (1) The name of the lobbyist making the expenditure.
- 14 (2) A description of the expenditure.
- 15 (3) The amount of the expenditure.
- 16 SECTION 12. IC 2-7-3-3.3, AS AMENDED BY P.L.165-2013,
- 17 SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 18 JULY 1, 2015]: Sec. 3.3. (a) This section does not apply to gifts made
- 19 between ~~close~~ relatives.
- 20 (b) A lobbyist shall file a written report whenever the lobbyist
- 21 makes a gift with respect to a legislative person that is required to be
- 22 included in a report under section 3(a)(3) of this chapter.
- 23 (c) A report under this section must state the following:
- 24 (1) The name of the lobbyist making the gift.
- 25 (2) A description of the gift.
- 26 (3) The amount of the gift.
- 27 (d) A lobbyist shall file a copy of a report required by this section
- 28 with the commission and the legislative person with respect to whom
- 29 the report is made.
- 30 (e) A lobbyist shall file a report required by this section not later
- 31 than fifteen (15) business days after making the gift. A report filed
- 32 under this section is confidential and is not available for public
- 33 inspection or copying until ten (10) business days after the report is
- 34 filed with the commission.
- 35 (f) After the expiration of the confidentiality period prescribed in
- 36 subsection (e), the commission shall provide a copy of a gift report to
- 37 the following:
- 38 (1) The principal clerk of the house of representatives, if the
- 39 legislative person is a member of, or a candidate for election to,
- 40 the house of representatives.
- 41 (2) The secretary of the senate, if the legislative person is a
- 42 member of, or candidate for election to, the senate.



1 **(g) Subject to subsections (h) and (i), the commission shall**
 2 **impose a late report fee of not more than one hundred dollars**
 3 **(\$100) per day for each day after the deadline until the report is**
 4 **filed.**

5 **(h) The late report fee shall not exceed four thousand five**
 6 **hundred dollars (\$4,500).**

7 **(i) The commission may waive all or part of the late report fee**
 8 **if the commission determines that the circumstances make**
 9 **imposition of the fee inappropriate.**

10 SECTION 13. IC 2-7-3-3.5, AS ADDED BY P.L.58-2010,
 11 SECTION 19, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 12 JULY 1, 2015]: Sec. 3.5. (a) If an expenditure for entertainment
 13 (including meals and drink) or a gift can clearly and reasonably be
 14 attributed to a particular legislative person, the expenditure must be
 15 reported with respect to that particular legislative person.

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

18 (1) must report actual amounts; and

19 (2) may not allocate to the particular legislative person a prorated
 20 amount derived from an expense made with respect to several
 21 legislative persons;

22 to the extent practicable.

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

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

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

36 (2) Each lobbyist shall report the actual amount the lobbyist
 37 contributed to the expenditure, even if that amount would not
 38 have been reportable under this section if only one (1) lobbyist
 39 made an expenditure of that amount.

40 (e) The report of an expenditure with respect to a particular
 41 legislative person may not include any amount that the particular
 42 legislative person contributed to the expenditure.



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

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

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

12 (1) The legislative council.

13 (2) The budget committee.

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

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

18 (5) A statutory board or commission.

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

21 SECTION 14. IC 2-7-3-7, AS AMENDED BY P.L.165-2013,
 22 SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 23 JULY 1, 2015]: Sec. 7. (a) This section does not apply to a purchase by
 24 a lobbyist from a member's or candidate's business made in the
 25 ordinary course of business at prices that are available to the general
 26 public.

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

30 (1) A member or candidate.

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

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

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

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

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

38 (2) A description of the purchase.

39 (3) The amount of the purchase.

40 (e) A lobbyist shall file a copy of a report required by this section
 41 with the commission and the member or candidate with respect to
 42 whom the report is made.



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

6 (g) After the expiration of the confidentiality period prescribed in
 7 subsection (f), the commission shall provide a copy of a purchase
 8 report filed under this section to the following:

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

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

14 (h) **Subject to subsections (i) and (j), the commission shall**
 15 **impose a late report fee of not more than one hundred dollars**
 16 **(\$100) per day for each day after the deadline until the report is**
 17 **filed.**

18 (i) **The late report fee shall not exceed four thousand five**
 19 **hundred dollars (\$4,500).**

20 (j) **The commission may waive all or part of the late report fee**
 21 **if the commission determines that the circumstances make**
 22 **imposition of the fee inappropriate.**

23 SECTION 15. IC 2-7-3.5 IS ADDED TO THE INDIANA CODE
 24 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
 25 JULY 1, 2015]:

26 **Chapter 3.5. Reporting of Certain Expenditures by State**
 27 **Educational Institutions**

28 **Sec. 1. As used in this chapter, "affiliated entity" refers to a**
 29 **foundation or other entity established to benefit a state educational**
 30 **institution.**

31 **Sec. 2. As used in this chapter, "reportable expenditure" refers**
 32 **to an expenditure:**

33 (1) **that is made by:**

34 (A) **a state educational institution;**

35 (B) **an affiliated entity of a state educational institution; or**

36 (C) **an employee of:**

37 (i) **a state educational institution; or**

38 (ii) **an affiliated entity of the state educational**
 39 **institution;**

40 **that is reimbursed by the state educational institution or**
 41 **by an affiliated entity of the state educational institution;**

42 (2) **made for lobbying activities; and**



1 (3) of a kind reportable under IC 2-7-3-3(a)(3) by a lobbyist.
2 **Sec. 3. As used in this chapter, "state educational institution"**
3 **has the meaning set forth in IC 21-7-13-32.**
4 **Sec. 4. (a) Each state educational institution shall annually file**
5 **a report of all reportable expenditures.**
6 **(b) A report required by this chapter must:**
7 **(1) be filed with the commission not later than November 30**
8 **of each year; and**
9 **(2) cover the period from November 1 of the previous year**
10 **through October 31 of the year in which the report is filed.**
11 **(c) The first report required by this chapter must:**
12 **(1) be filed with the commission not later than November 30,**
13 **2015; and**
14 **(2) cover the period from November 1, 2014, through October**
15 **31, 2015.**
16 **Sec. 5. If a state educational institution has no reportable**
17 **expenditures, a statement of that fact is required and is sufficient**
18 **to comply with the reporting requirements of this chapter.**
19 **Sec. 6. (a) Subject to subsections (b) and (c), the commission**
20 **shall impose a late report fee of not more than one hundred dollars**
21 **(\$100) per day for each day after the deadline until the report is**
22 **filed.**
23 **(b) The late report fee shall not exceed four thousand five**
24 **hundred dollars (\$4,500).**
25 **(c) The commission may waive all or part of the late report fee**
26 **if the commission determines that the circumstances make**
27 **imposition of the fee inappropriate.**
28 **Sec. 7. (a) The commission shall post reports received under this**
29 **chapter on the commission's Internet web site.**
30 **(b) If the commission does not receive a report from a state**
31 **educational institution under this chapter, the commission shall**
32 **notify the state educational institution and post a copy of the notice**
33 **on the commission's Internet web site.**
34 SECTION 16. IC 2-7-5-8, AS ADDED BY P.L.58-2010, SECTION
35 26, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1,
36 2015]: **Sec. 8. (a) This section does not apply to gifts made between**
37 **close relatives.**
38 **(b) A lobbyist may not make a gift with a value of fifty dollars (\$50)**
39 **or more to a legislative person unless the lobbyist receives the consent**
40 **of the legislative person before the gift is made. The lobbyist must**
41 **inform the particular legislative person of the cost of the gift at the time**
42 **the lobbyist seeks the consent of the legislative person.**



1 SECTION 17. IC 2-7-6-2, AS AMENDED BY P.L.158-2013,
 2 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 3 JULY 1, 2015]: Sec. 2. **(a) This section does not apply to failure to**
 4 **file a report or statement under IC 2-7-2-2, IC 2-7-3-2,**
 5 **IC 2-7-3-3.3, or IC 2-7-3-7 if the person failing to file the report or**
 6 **statement files a late report or statement not more than ten (10)**
 7 **days after the commission notifies the person by certified mail,**
 8 **return receipt requested, that the person did not file a timely**
 9 **report or statement.**

10 (a) (b) Any person who knowingly or intentionally violates any
 11 provision of IC 2-7-2, IC 2-7-3, or IC 2-7-5 commits unlawful
 12 lobbying, a Level 6 felony. In addition to any penalty imposed on the
 13 defendant under IC 35-50-2-7 for unlawful lobbying, the court may
 14 order the defendant not to engage in lobbying for a period of up to ten
 15 (10) years, IC 2-7-5-6 notwithstanding.

16 (b) (c) Any person who lobbies in contravention of a court order
 17 under subsection (a) of this section commits a Level 6 felony.

18 SECTION 18. IC 3-8-1-33, AS AMENDED BY P.L.90-2012,
 19 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 20 JULY 1, 2015]: Sec. 33. (a) A candidate for an office listed in
 21 subsection (b) must file a statement of economic interests.

22 (b) Whenever a candidate for any of the following offices is also
 23 required to file a declaration of candidacy or is nominated by petition,
 24 the candidate shall file a statement of economic interests before filing
 25 the declaration of candidacy or declaration of intent to be a write-in
 26 candidate, before the petition of nomination is filed, before the
 27 certificate of nomination is filed, or before being appointed to fill a
 28 candidate vacancy under IC 3-13-1 or IC 3-13-2:

29 (1) Governor, lieutenant governor, secretary of state, auditor of
 30 state, treasurer of state, attorney general, and state superintendent
 31 of public instruction, in accordance with IC 4-2-6-8.

32 (2) Senator and representative in the general assembly, in
 33 accordance with ~~IC 2-2-1-3-2~~ **IC 2-2.2-2**.

34 (3) Justice of the supreme court, judge of the court of appeals,
 35 judge of the tax court, judge of a circuit court, judge of a superior
 36 court, judge of a probate court, and prosecuting attorney, in
 37 accordance with IC 33-23-11-14 and IC 33-23-11-15.

38 (4) A candidate for a local office or school board office, in
 39 accordance with IC 3-8-9, except a candidate for a local office
 40 described in subdivision (3).

41 SECTION 19. IC 3-8-2-11, AS AMENDED BY P.L.219-2013,
 42 SECTION 20, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE



1 JULY 1, 2015]: Sec. 11. (a) A declaration of candidacy may be made
 2 by mail and is considered filed as of the date and hour the filing occurs
 3 in the manner described by IC 3-5-2-24.5 in the office of the election
 4 division or circuit court clerk.

5 (b) A declaration is not valid unless filed in the office of the election
 6 division or circuit court clerk by noon on the seventy-fourth day before
 7 a primary election.

8 (c) This subsection applies to a candidate required to file a
 9 statement of economic interests under ~~IC 2-2.1-3-2~~ **IC 2-2.2-2** or
 10 IC 33-23-11-15 or a financial disclosure statement under IC 4-2-6-8.
 11 This subsection does not apply to a candidate for a local office or
 12 school board office required to file a statement of economic interests
 13 under IC 3-8-9. The election division shall require the candidate to
 14 produce a:

15 (1) copy of the statement, file stamped by the office required to
 16 receive the statement of economic interests; or

17 (2) receipt or photocopy of a receipt showing that the statement
 18 has been filed;

19 before the election division accepts the declaration for filing. The
 20 election division shall reject a filing that does not comply with this
 21 subsection.

22 (d) This subsection applies to a candidate for a local office or school
 23 board office required to file a statement of economic interests under
 24 IC 3-8-9. The circuit court clerk shall reject a declaration of candidacy
 25 that does not include a statement of economic interests.

26 SECTION 20. IC 3-13-5-3, AS AMENDED BY P.L.225-2011,
 27 SECTION 85, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 28 JULY 1, 2015]: Sec. 3. (a) The state chairman or a person designated
 29 by the state chairman shall preside over a caucus meeting held under
 30 this chapter.

31 (b) A person who desires to be a candidate to fill a vacancy under
 32 this chapter must file:

33 (1) a declaration of candidacy with the chairman of the caucus;
 34 and

35 (2) a statement of economic interests under ~~IC 2-2.1-3-2~~
 36 **IC 2-2.2-2** with the secretary of the senate or principal clerk of
 37 the house of representatives;

38 at least seventy-two (72) hours before the time fixed for the caucus.

39 (c) In addition to the procedures prescribed by this chapter, the
 40 chairman and precinct committeemen may adopt rules of procedure
 41 that are necessary to conduct business.

42 SECTION 21. IC 4-2-6-1, AS AMENDED BY P.L.114-2012,



1 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
2 JULY 1, 2015]: Sec. 1. (a) As used in this chapter, and unless the
3 context clearly denotes otherwise:

4 (1) "Advisory body" means an authority, a board, a commission,
5 a committee, a task force, or other body designated by any name
6 of the executive department that is authorized only to make
7 nonbinding recommendations.

8 (2) "Agency" means an authority, a board, a branch, a bureau, a
9 commission, a committee, a council, a department, a division, an
10 office, a service, or other instrumentality of the executive,
11 including the administrative, department of state government. The
12 term includes a body corporate and politic set up as an
13 instrumentality of the state and a private, nonprofit, government
14 related corporation. The term does not include any of the
15 following:

- 16 (A) The judicial department of state government.
- 17 (B) The legislative department of state government.
- 18 (C) A state educational institution.
- 19 (D) A political subdivision.

20 (3) "Appointing authority" means the following:

- 21 (A) Except as provided in clause (B), the chief administrative
22 officer of an agency. The term does not include a state officer.
- 23 (B) For purposes of section 16 of this chapter, "appointing
24 authority" means:
25 (i) an elected officer;
26 (ii) the chief administrative officer of an agency; or
27 (iii) an individual or group of individuals who have the
28 power by law or by lawfully delegated authority to make
29 appointments.

30 (4) "Assist" means to:

- 31 (A) help;
- 32 (B) aid;
- 33 (C) advise; or
- 34 (D) furnish information to;

35 a person. The term includes an offer to do any of the actions in
36 clauses (A) through (D).

37 (5) "Business relationship" includes the following:

- 38 (A) Dealings of a person with an agency seeking, obtaining,
39 establishing, maintaining, or implementing:
40 (i) a pecuniary interest in a contract or purchase with the
41 agency; or
42 (ii) a license or permit requiring the exercise of judgment or



- 1 discretion by the agency.
- 2 (B) The relationship a lobbyist has with an agency.
- 3 (C) The relationship an unregistered lobbyist has with an
- 4 agency.
- 5 (6) "Commission" refers to the state ethics commission created
- 6 under section 2 of this chapter.
- 7 (7) "Compensation" means any money, thing of value, or financial
- 8 benefit conferred on, or received by, any person in return for
- 9 services rendered, or for services to be rendered, whether by that
- 10 person or another.
- 11 (8) "Direct line of supervision" means the chain of command in
- 12 which the superior affects, or has the authority to affect, the terms
- 13 and conditions of the subordinate's employment, including
- 14 making decisions about work assignments, compensation,
- 15 grievances, advancements, or performance evaluation.
- 16 (9) "Employee" means an individual, other than a state officer,
- 17 who is employed by an agency on a full-time, a part-time, a
- 18 temporary, an intermittent, or an hourly basis. The term includes
- 19 an individual who contracts with an agency for personal services.
- 20 (10) "Employer" means any person from whom a state officer or
- 21 employee or the officer's or employee's spouse received
- 22 compensation. ~~For purposes of this chapter, a customer or client~~
- 23 ~~of a self-employed individual in a sole proprietorship or a~~
- 24 ~~professional practice is not considered to be an employer.~~
- 25 (11) "Financial interest" means an interest:
- 26 (A) in a purchase, sale, lease, contract, option, or other
- 27 transaction between an agency and any person; or
- 28 (B) involving property or services.
- 29 The term includes an interest arising from employment or
- 30 prospective employment for which negotiations have begun. The
- 31 term does not include an interest of a state officer or employee in
- 32 the common stock of a corporation unless the combined holdings
- 33 in the corporation of the state officer or the employee, that
- 34 individual's spouse, and that individual's unemancipated children
- 35 are more than one percent (1%) of the outstanding shares of the
- 36 common stock of the corporation. The term does not include an
- 37 interest that is not greater than the interest of the general public
- 38 or any state officer or any state employee.
- 39 (12) "Information of a confidential nature" means information:
- 40 (A) obtained by reason of the position or office held; and
- 41 (B) which:
- 42 (i) a public agency is prohibited from disclosing under



- 1 IC 5-14-3-4(a);
 2 (ii) a public agency has the discretion not to disclose under
 3 IC 5-14-3-4(b) and that the agency has not disclosed; or
 4 (iii) is not in a public record, but if it were, would be
 5 confidential.
- 6 (13) "Person" means any individual, proprietorship, partnership,
 7 unincorporated association, trust, business trust, group, limited
 8 liability company, or corporation, whether or not operated for
 9 profit, or a governmental agency or political subdivision.
- 10 (14) "Political subdivision" means a county, city, town, township,
 11 school district, municipal corporation, special taxing district, or
 12 other local instrumentality. The term includes an officer of a
 13 political subdivision.
- 14 (15) "Property" has the meaning set forth in IC 35-31.5-2-253.
- 15 (16) "Relative" means any of the following:
 16 (A) A spouse.
 17 (B) A parent or stepparent.
 18 (C) A child or stepchild.
 19 (D) A brother, sister, stepbrother, or stepsister.
 20 (E) A niece or nephew.
 21 (F) An aunt or uncle.
 22 (G) A daughter-in-law or son-in-law.
- 23 For purposes of this subdivision, an adopted child of an individual
 24 is treated as a natural child of the individual. For purposes of this
 25 subdivision, the terms "brother" and "sister" include a brother or
 26 sister by the half blood.
- 27 (17) "Represent" means to do any of the following on behalf of a
 28 person:
 29 (A) Attend an agency proceeding.
 30 (B) Write a letter.
 31 (C) Communicate with an employee of an agency.
- 32 (18) "Special state appointee" means a person who is:
 33 (A) not a state officer or employee; and
 34 (B) elected or appointed to an authority, a board, a
 35 commission, a committee, a council, a task force, or other
 36 body designated by any name that:
 37 (i) is authorized by statute or executive order; and
 38 (ii) functions in a policy or an advisory role in the executive
 39 (including the administrative) department of state
 40 government, including a separate body corporate and politic.
- 41 (19) "State officer" means any of the following:
 42 (A) The governor.



- 1 (B) The lieutenant governor.
 2 (C) The secretary of state.
 3 (D) The auditor of state.
 4 (E) The treasurer of state.
 5 (F) The attorney general.
 6 (G) The superintendent of public instruction.
 7 (20) The masculine gender includes the masculine and feminine.
 8 (21) The singular form of any noun includes the plural wherever
 9 appropriate.
 10 (b) The definitions in IC 4-2-7 apply throughout this chapter.
 11 SECTION 22. IC 4-2-6-5.5, AS AMENDED BY P.L.89-2006,
 12 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 13 JULY 1, 2015]: Sec. 5.5. (a) A current state officer, employee, or
 14 special state appointee ~~shall~~ **may** not knowingly **do any of the**
 15 **following:**
 16 (1) Accept other employment involving compensation of
 17 substantial value if the responsibilities of that employment are
 18 inherently incompatible with the responsibilities of public office
 19 or require the individual's recusal from matters so central or
 20 critical to the performance of the individual's official duties that
 21 the individual's ability to perform those duties would be
 22 materially impaired.
 23 (2) Accept employment or engage in business or professional
 24 activity that would require the individual to disclose confidential
 25 information that was gained in the course of state employment. ~~or~~
 26 (3) Use or attempt to use the individual's official position to
 27 secure unwarranted privileges or exemptions that are:
 28 (A) of substantial value; and
 29 (B) not properly available to similarly situated individuals
 30 outside state government.
 31 (b) A written advisory opinion issued by the commission ~~or the~~
 32 ~~individual's appointing authority or agency ethics officer granting~~
 33 ~~approval of stating that an individual's~~ outside employment **does not**
 34 **violate subsection (a)(1) or (a)(2)** is conclusive proof that ~~an~~
 35 ~~individual is not in violation of the individual's outside employment~~
 36 **does not violate** subsection (a)(1) or (a)(2).
 37 SECTION 23. IC 4-2-6-9, AS AMENDED BY P.L.222-2005,
 38 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 39 JULY 1, 2015]: Sec. 9. (a) A state officer, an employee, or a special
 40 state appointee may not participate in any decision or vote, **or matter**
 41 **relating to that decision or vote**, if the state officer, employee, or
 42 special state appointee has knowledge that any of the following has a



- 1 financial interest in the outcome of the matter:
- 2 (1) The state officer, employee, or special state appointee.
- 3 (2) A member of the immediate family of the state officer,
- 4 employee, or special state appointee.
- 5 (3) A business organization in which the state officer, employee,
- 6 or special state appointee is serving as an officer, a director, a
- 7 **member**, a trustee, a partner, or an employee.
- 8 (4) Any person or organization with whom the state officer,
- 9 employee, or special state appointee is negotiating or has an
- 10 arrangement concerning prospective employment.
- 11 (b) A state officer, an employee, or a special state appointee who
- 12 identifies a potential conflict of interest shall notify the person's
- 13 appointing authority and **ethics officer in writing and do either of the**
- 14 **following:**
- 15 (1) Seek an advisory opinion from the commission by filing a
- 16 written description detailing the nature and circumstances of the
- 17 particular matter and making full disclosure of any related
- 18 financial interest in the matter. The commission shall:
- 19 (1) (A) with the approval of the appointing authority, assign
- 20 the particular matter to another person and implement all
- 21 necessary procedures to screen the state officer, employee, or
- 22 special state appointee seeking an advisory opinion from
- 23 involvement in the matter; or
- 24 (2) (B) make a written determination that the interest is not so
- 25 substantial that the commission considers it likely to affect the
- 26 integrity of the services that the state expects from the state
- 27 officer, employee, or special state appointee.
- 28 (2) **File a written disclosure statement with the commission**
- 29 **that:**
- 30 (A) **details the conflict of interest;**
- 31 (B) **describes and affirms the implementation of a screen**
- 32 **established by the ethics officer;**
- 33 (C) **is signed by both:**
- 34 (i) **the state officer, employee, or special state appointee**
- 35 **who identifies the potential conflict of interest; and**
- 36 (ii) **the agency ethics officer;**
- 37 (D) **includes a copy of the disclosure provided to the**
- 38 **appointing authority; and**
- 39 (E) **is filed not later than seven (7) days after the conduct**
- 40 **that gives rise to the conflict.**
- 41 **A written disclosure filed under this subdivision shall be**
- 42 **posted on the inspector general's Internet web site.**



1 (c) A written determination under subsection ~~(b)(2)~~ **(b)(1)(B)**
 2 constitutes conclusive proof that it is not a violation for the state
 3 officer, employee, or special state appointee who sought an advisory
 4 opinion under this section to participate in the particular matter. A
 5 written determination under subsection ~~(b)(2)~~ **(b)(1)(B)** shall be filed
 6 with the appointing authority.

7 SECTION 24. IC 4-2-6-10.5, AS ADDED BY P.L.222-2005,
 8 SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 9 JULY 1, 2015]: Sec. 10.5. (a) Subject to subsection (b), a state officer,
 10 an employee, or a special state appointee may not knowingly have a
 11 financial interest in a contract made by an agency.

12 (b) The prohibition in subsection (a) does not apply to ~~(1)~~ a state
 13 officer, an employee, or a special state appointee who:

14 **(1)** does not participate in or have ~~official~~ **contracting**
 15 responsibility for ~~any of the activities of~~ the contracting agency;
 16 ~~if:~~

17 ~~(A) the contract is made after public notice or, where~~
 18 ~~applicable, through competitive bidding;~~

19 ~~(B) the state officer, employee, or special state appointee files~~
 20 ~~with the commission a statement making full disclosure of all~~
 21 ~~related financial interests in the contract;~~

22 ~~(C) the contract can be performed without compromising the~~
 23 ~~performance of the official duties and responsibilities of the~~
 24 ~~state officer, employee, or special state appointee; and~~

25 ~~(D) in the case of a contract for professional services, the~~
 26 ~~appointing authority of the contracting agency makes and files~~
 27 ~~a written certification with the commission that no other state~~
 28 ~~officer, employee, or special state appointee of that agency is~~
 29 ~~available to perform those services as part of the regular duties~~
 30 ~~of the state officer, employee, or special state appointee; or~~

31 ~~(2) a state officer, an employee, or a special state appointee who,~~
 32 ~~acting in good faith, learns of an actual or prospective violation of~~
 33 ~~the prohibition in subsection (a); if, not later than thirty (30) days~~
 34 ~~after learning of the actual or prospective violation, the state~~
 35 ~~officer, employee, or special state appointee:~~

36 ~~(A) makes a full written disclosure of any financial interests to~~
 37 ~~the contracting agency and the commission; and~~

38 ~~(B) terminates or disposes of the financial interest.~~

39 **and**

40 **(2) files a written statement with the inspector general before**
 41 **the state officer, employee, or special state appointee executes**
 42 **the contract with the state agency.**



1 (c) A statement filed under subsection (b)(2) must include the
2 following for each contract:

3 (1) An affirmation that the state officer, employee, or special
4 state appointee does not participate in or have contracting
5 responsibility for the contracting agency.

6 (2) An affirmation that the contract:

7 (A) was made after public notice and, if applicable,
8 through competitive bidding; or

9 (B) was not subject to notice and bidding requirements and
10 the basis for that conclusion.

11 (3) A statement making full disclosure of all related financial
12 interests in the contract.

13 (4) A statement indicating that the contract can be performed
14 without compromising the performance of the official duties
15 and responsibilities of the state officer, employee, or special
16 state appointee.

17 (5) In the case of a contract for professional services, an
18 affirmation by the appointing authority of the contracting
19 agency that no other state officer, employee, or special state
20 appointee of that agency is available to perform those services
21 as part of the regular duties of the state officer, employee, or
22 special state appointee.

23 A state officer, employee, or special state appointee may file an
24 amended statement upon discovery of additional information
25 required to be reported.

26 (d) A state officer, employee, or special state appointee who:

27 (1) fails to file a statement required by rule or this section; or

28 (2) files a deficient statement;

29 before the contract start date is, upon a majority vote of the
30 commission, subject to a civil penalty of not more than ten dollars
31 (\$10) for each day the statement remains delinquent or deficient.
32 The maximum penalty under this subsection is one thousand
33 dollars (\$1,000).

34 SECTION 25. IC 4-2-6-11, AS AMENDED BY P.L.1-2007,
35 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
36 JULY 1, 2015]: Sec. 11. (a) As used in this section, "particular matter"
37 means **any of the following**:

38 (1) An application.

39 (2) A business transaction.

40 (3) A claim.

41 (4) A contract.

42 (5) A determination.



- 1 (6) An enforcement proceeding.
 2 (7) An investigation.
 3 (8) A judicial proceeding.
 4 (9) A lawsuit.
 5 (10) A license.
 6 (11) An economic development project. ~~or~~
 7 (12) A public works project.
- 8 The term does not include the proposal or consideration of a legislative
 9 matter or the proposal, consideration, adoption, or implementation of
 10 a rule or an administrative policy or practice of general application.
- 11 ~~(b) This subsection applies only to a person who served as a state~~
 12 ~~officer, employee, or special state appointee after January 10, 2005.~~ A
 13 former state officer, employee, or special state appointee may not
 14 accept employment or receive compensation:
- 15 (1) as a lobbyist;
 16 (2) from an employer if the former state officer, employee, or
 17 special state appointee was:
- 18 (A) engaged in the negotiation or the administration of one (1)
 19 or more contracts with that employer on behalf of the state or
 20 an agency; and
 21 (B) in a position to make a discretionary decision affecting the:
 22 (i) outcome of the negotiation; or
 23 (ii) nature of the administration; or
 24 (3) from an employer if the former state officer, employee, or
 25 special state appointee made a regulatory or licensing decision
 26 that directly applied to the employer or to a parent or subsidiary
 27 of the employer;
- 28 before the elapse of at least three hundred sixty-five (365) days after
 29 the date on which the former state officer, employee, or special state
 30 appointee ceases to be a state officer, employee, or special state
 31 appointee.
- 32 (c) A former state officer, employee, or special state appointee may
 33 not represent or assist a person in a particular matter involving the state
 34 if the former state officer, employee, or special state appointee
 35 personally and substantially participated in the matter as a state officer,
 36 employee, or special state appointee, even if the former state officer,
 37 employee, or special state appointee receives no compensation for the
 38 representation or assistance.
- 39 (d) A former state officer, employee, or special state appointee may
 40 not accept employment or compensation from an employer if the
 41 circumstances surrounding the employment or compensation would
 42 lead a reasonable person to believe that:



- 1 (1) employment; or
 2 (2) compensation;
 3 is given or had been offered for the purpose of influencing the former
 4 state officer, employee, or special state appointee in the performance
 5 of ~~his or her~~ **the individual's** duties or responsibilities while a state
 6 officer, an employee, or a special state appointee.
 7 (e) A written advisory opinion issued by the commission certifying
 8 that:
 9 (1) employment of;
 10 **(2) consultation by;**
 11 ~~(2) (3)~~ representation by; or
 12 ~~(3) (4)~~ assistance from;
 13 the former state officer, employee, or special state appointee does not
 14 violate this section is conclusive proof that a former state officer,
 15 employee, or special state appointee is not in violation of this section.
 16 (f) Subsection (b) does not apply to **the following:**
 17 **(1)** A special state appointee who serves only as a member of an
 18 advisory body.
 19 **(2) A former state officer, employee, or special state appointee**
 20 **who has:**
 21 **(A) not negotiated or administered any contracts with that**
 22 **employer in the two (2) years before the beginning of**
 23 **employment or consulting negotiations with that employer;**
 24 **and**
 25 **(B) any contract that:**
 26 **(i) the former state officer, employee, or special state**
 27 **appointee may have negotiated or administered before**
 28 **the two (2) years preceding the beginning of employment**
 29 **or consulting negotiations; and**
 30 **(ii) is no longer active.**
 31 (g) An employee's or a special state appointee's state officer or
 32 appointing authority may waive application of subsection (b) or (c) in
 33 individual cases when consistent with the public interest. ~~Waivers must~~
 34 ~~be in writing and filed with the commission. A waiver must satisfy all~~
 35 **of the following:**
 36 **(1) The waiver must be signed by an employee's or a special**
 37 **state appointee's:**
 38 **(A) state officer or appointing authority authorizing the**
 39 **waiver; and**
 40 **(B) agency ethics officer attesting to form.**
 41 **(2) The waiver must include the following information:**
 42 **(A) Whether the employee's prior job duties involved**



- 1 substantial decision making authority over policies, rules,
2 or contracts.
- 3 **(B) The nature of the duties to be performed by the**
4 **employee for the prospective employer.**
- 5 **(C) Whether the prospective employment is likely to**
6 **involve substantial contact with the employee's former**
7 **agency and the extent to which any such contact is likely to**
8 **involve matters where the agency has the discretion to**
9 **make decisions based on the work product of the employee.**
- 10 **(D) Whether the prospective employment may be**
11 **beneficial to the state or the public, specifically stating how**
12 **the intended employment is consistent with the public**
13 **interest.**
- 14 **(E) The extent of economic hardship to the employee if the**
15 **request for a waiver is denied.**
- 16 **(3) The waiver must be filed with and presented to the**
17 **commission by the state officer or appointing authority**
18 **authorizing the waiver.**
- 19 **(4) The waiver must be limited to an employee or a special**
20 **state appointee who obtains the waiver before engaging in the**
21 **conduct that would give rise to a violation of subsection (b) or**
22 **(c).**
- 23 **The commission may conduct an administrative review of a waiver**
24 **and approve a waiver only if the commission is satisfied that the**
25 **information provided under subdivision (2) is specifically and**
26 **satisfactorily articulated.** The inspector general may adopt rules
27 under IC 4-22-2 to establish criteria for post employment waivers.
- 28 **(h) Subsection (b) applies to a former state officer, employee, or**
29 **special state appointee who:**
- 30 **(1) made decisions as an administrative law judge; or**
31 **(2) presided over information gathering or order drafting**
32 **proceedings;**
- 33 **that directly applied to the employer or to a parent or subsidiary**
34 **of the employer.**
- 35 **(i) A former state officer, employee, or special state appointee**
36 **who forms a sole proprietorship or a professional practice and**
37 **engages in a business relationship with an entity that would**
38 **otherwise violate this section must file a disclosure statement with**
39 **the commission not later than one hundred eighty (180) days after**
40 **separation from state service. The disclosure must:**
- 41 **(1) be signed by the former state officer, employee, or special**
42 **state appointee;**



1 **(2) certify that the former state officer, employee, or special**
 2 **state appointee is not an employee of the entity; and**

3 **(3) state in detail the treatment of taxes, insurance, and any**
 4 **other benefits between the entity and the former state officer,**
 5 **employee, or state appointee.**

6 **(j) The inspector general may not seek a state elected office**
 7 **before the elapse of at least three hundred sixty-five (365) days**
 8 **after leaving the inspector general position.**

9 SECTION 26. IC 4-2-6-17 IS ADDED TO THE INDIANA CODE
 10 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 11 1, 2015]: **Sec. 17. (a) Subject to IC 4-2-7-5, a state officer, an**
 12 **employee, or a special state appointee may not use state materials,**
 13 **funds, property, personnel, facilities, or equipment for purposes**
 14 **other than official state business unless the use is expressly**
 15 **permitted by a general written agency, departmental, or**
 16 **institutional policy or regulation that has been approved by the**
 17 **commission. The commission may withhold approval of a policy or**
 18 **rule that violates the intent of Indiana law or the code of ethics,**
 19 **even if Indiana law or the code of ethics does not explicitly prohibit**
 20 **that policy or rule.**

21 **(b) An individual who violates this section is subject to action**
 22 **under section 12 of this chapter.**

23 SECTION 27. IC 4-2-7-5, AS ADDED BY P.L.222-2005,
 24 SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 25 JULY 1, 2015]: **Sec. 5. (a) The inspector general shall adopt rules**
 26 **under IC 4-22-2 establishing a code of ethics for the conduct of state**
 27 **business. The code of ethics must be consistent with Indiana law.**

28 **(b) The code of ethics must, except as provided in subsection (c),**
 29 **prohibit the following:**

30 **(1) A state officer, an employee, or a special state appointee**
 31 **from using state materials, funds, property, personnel,**
 32 **facilities, or equipment for a political purpose.**

33 **(2) Adoption of policies or regulations that authorize a state**
 34 **officer, an employee, or a special state appointee to use state**
 35 **materials, funds, property, personnel, facilities, or equipment**
 36 **for a political purpose.**

37 **For purposes of this section, "political purpose" does not include**
 38 **the handling or disposing of unsolicited political communications.**

39 **(c) A state officer or an individual designated by the state officer**
 40 **may use state materials, funds, property, personnel, facilities, or**
 41 **equipment for the following:**

42 **(1) To coordinate the state officer's official, personal, and**



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political calendars.

(2) To provide transportation and security for:

(A) the state officer; and

(B) any employee or special state appointee who accompanies the state officer.

(3) Incidental or de minimus political communications or activity involving the state officer.

~~(b)~~ **(d)** If the inspector general investigates and determines that there is specific and credible evidence that a current or former employee, a current or former state officer, a current or former special state appointee, or a person who has or had a business relationship with an agency has violated the code of ethics, the inspector general may:

(1) file a complaint with the ethics commission and represent the state in a public proceeding before the ethics commission as prescribed in IC 4-2-6-4; or

(2) file a complaint with the ethics commission and negotiate an agreed settlement for approval by the ethics commission according to its rules.

SECTION 28. IC 5-14-7 IS REPEALED [EFFECTIVE JULY 1, 2015]. (Legislative Liaisons).

SECTION 29. IC 21-36-1-3, AS ADDED BY P.L.2-2007, SECTION 277, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 3. "State agency" has the meaning set forth in ~~IC 2-2-1-3-1~~. **IC 2-2.2-1-19.**



COMMITTEE REPORT

Mr. Speaker: Your Committee on Government and Regulatory Reform, to which was referred House Bill 1002, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 2, line 11, after "3." insert "(a)".

Page 2, line 11, delete "has the meaning set forth in" and insert: **"refers to the following relatives of an individual:**

(1) The individual's parent.

(2) The individual's spouse.

(3) The individual's children.

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

Page 2, delete line 12.

Page 5, line 5, delete "close".

Page 6, line 1, delete "(a)".

Page 6, delete lines 14 through 20.

Page 7, line 7, after "(a)" insert **"The house and the senate shall each adopt a code of ethics.**

(b)".

Page 7, line 9, delete "(b)" and insert "(c)".

Page 7, line 12, delete "(c)" and insert "(d)".

Page 7, delete lines 40 through 41.

Page 10, between lines 38 and 39, begin a new paragraph and insert:

"SECTION 3. IC 2-7-1-1.7, AS ADDED BY P.L.58-2010, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: 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. has the meaning set forth in IC 2-2.2-1-3."~~

Page 11, between lines 3 and 4, begin a new paragraph and insert:
"SECTION 5. IC 2-7-1-5 IS REPEALED [EFFECTIVE JULY 1, 2015]. Sec. 5. "Immediate family" means a spouse residing in the person's household and dependent children:

SECTION 6. IC 2-7-1-8, AS AMENDED BY P.L.165-2013, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 8. "Legislative person" means any of the following:

- (1) A member.
- (2) A candidate.
- (3) An officer of the general assembly.
- (4) An employee of the legislative department of state government.
- (5) A ~~member of the immediate family~~ **close relative** of anyone described in subdivision (1), (2), (3), or (4). **However**, 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.
- (7) An official of an agency of the legislative department of state government.

SECTION 7. IC 2-7-1-16.5 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: **Sec. 16.5. (a) "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."

Page 11, line 12, after "number," insert "**Social Security number,**".

Page 11, line 23, delete "close".

Page 13, line 9, strike "close".

Page 13, between lines 41 and 42, begin a new paragraph and insert:
 "SECTION 13. IC 2-7-3-3.5, AS ADDED BY P.L.58-2010, SECTION 19, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: 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)."

Page 15, line 22, delete "IC 2-7-3" and insert "**IC 2-7-3-3(a)(3)**".

Page 15, line 34, delete "2016" and insert "**2015**".

Page 15, line 35, delete "2015" and insert "**2014**".

Page 15, line 36, delete "2016" and insert "**2015**".

Page 16, between lines 12 and 13, begin a new paragraph and insert:
 "SECTION 16. IC 2-7-5-8, AS ADDED BY P.L.58-2010, SECTION 26, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: 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."

Page 25, line 13, delete "subsection (b)," and insert "**IC 4-2-7-5,**".

Page 25, delete lines 23 through 25.



Page 25, line 26, delete "(c)" and insert "(b)".

Page 25, between lines 27 and 28, begin a new paragraph and insert:

"SECTION 26. IC 4-2-7-5, AS ADDED BY P.L.222-2005, SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 5. (a) The inspector general shall adopt rules under IC 4-22-2 establishing a code of ethics for the conduct of state business. The code of ethics must:

- (1) be consistent with Indiana law; and
- (2) **prohibit, except as provided in subsection (b), the following:**

(A) **A state officer, an employee, or a special state appointee from using state materials, funds, property, personnel, facilities, or equipment for a political purpose.**

(B) **Adoption of policies or regulations that authorize a state officer, an employee, or a special state appointee to use state materials, funds, property, personnel, facilities, or equipment for a political purpose.**

(b) **A state officer or an individual designated by the state officer may use state materials, funds, property, personnel, facilities, or equipment for the following:**

(1) **To coordinate the state officer's official, personal, and political calendars.**

(2) **To provide transportation and security for:**

(A) **the state officer; and**

(B) **any employee or special state appointee who accompanies the state officer.**

(3) **Incidental or de minimus political communications or activity involving the state officer.**

~~(b)~~(c) If the inspector general investigates and determines that there is specific and credible evidence that a current or former employee, a current or former state officer, a current or former special state appointee, or a person who has or had a business relationship with an agency has violated the code of ethics, the inspector general may:

(1) file a complaint with the ethics commission and represent the state in a public proceeding before the ethics commission as prescribed in IC 4-2-6-4; or

(2) file a complaint with the ethics commission and negotiate an



agreed settlement for approval by the ethics commission according to its rules."

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1002 as introduced.)

MAHAN

Committee Vote: yeas 12, nays 0.

COMMITTEE REPORT

Madam President: The Senate Committee on Rules and Legislative Procedure, to which was referred House Bill No. 1002, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 2, line 37, delete "a position or office held;" and insert "**being a member of the general assembly;**".

Page 3, between lines 19 and 20, begin a new paragraph and insert: "**Sec. 17. (a) "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 an 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.**

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

Page 3, line 20, delete "17." and insert "18."

Page 3, line 21, delete "18." and insert "19."

Page 4, delete lines 9 through 10, begin a new line double block indented and insert:

"(C) Sufficient detail about the nature of an employer named under clause (A) or (B) to make it clear to an individual of ordinary understanding the nature of the employer's business."

Page 4, delete lines 26 through 31, begin a new line block indented and insert:

"(3) The following information about persons other than the general assembly or any employer or business entity for which information is reported under subdivision (1) or (2):

(A) The name of any person from which the filer or the filer's spouse derived twenty-five percent (25%) or more of the filer's or the filer's spouse's income.

(B) Sufficient detail about the nature of the business of a person named under clause (A) to make it clear to an individual of ordinary understanding the nature of the person's business.

However, income from the sale of agricultural or residential real property shall not be reported under this subdivision and shall not be considered for purposes of determining the income of the filer or the filer's spouse."

Page 5, delete lines 11 through 17.

Page 5, line 18, before "A" begin a new line block indented and insert:

"(7) The name of the state agency or official before which the filer has personally appeared on behalf of another person outside of the course of his or her official duties as a member of the general assembly."

Page 6, delete line 42, begin a new paragraph and insert:

"Sec. 3. (a) The term of a member of an ethics committee begins on the day the member is appointed and ends on the day before the next general election. However, an appointing authority may replace a member at any time during the member's term.

(b) An appointing authority may appoint a member of the general assembly for more than one (1) term on an ethics committee.

(c) A vacancy in an individual's membership on an ethics



committee occurs if the individual ceases to be a member of the chamber of the general assembly in which the individual was appointed."

Page 7, delete lines 1 through 2.

Page 7, line 3, delete "(b)" and insert "(d)".

Page 7, line 19, after "5." insert "(a)".

Page 7, line 27, delete "member;" and insert "**member in the course of his or her official duties as a member of the general assembly;**".

Page 7, line 28, delete "ethics;" and insert "**ethics.**".

Page 7, delete lines 29 through 30.

Page 7, between lines 39 and 40, begin a new paragraph and insert:

"(b) For a complaint to be considered by an ethics committee, the complaint must:

(1) describe the acts or omissions that are the basis of the complaint with reasonable particularity and in sufficient detail to make it clear to an individual of ordinary understanding the breach, misconduct, or violation that is the basis of the complaint;

(2) be submitted to the ethics committee (with a duplicate copy submitted to the speaker, if the subject of the complaint is a member of the house of representatives, or the president pro tempore, if the subject of the complaint is a member of the senate) in the form and in the manner provided in the rules of the chamber served by the ethics committee; and

(3) be in writing and verified."

Page 8, delete lines 9 through 16, begin a new line block indented and insert:

"(3) If the ethics committee determines that the complaint alleges facts sufficient to constitute a code or statutory violation, the ethics committee shall promptly investigate the alleged violation. The ethics committee may meet in executive session to conduct a preliminary investigation and to determine whether reasonable cause exists to support an alleged violation. If, after a preliminary investigation, the ethics committee finds that reasonable cause does not exist to support an alleged violation, the complaint shall be dismissed and the complainant and respondent notified of the dismissal of the complaint. All ethics committee investigations and records relating to the preliminary investigation are confidential."

Page 8, line 17, delete "If" and insert "**If, after the preliminary investigation,**".



Page 8, line 17, delete "probable" and insert "**reasonable**".

Page 8, line 20, delete "The ethics committee may meet in executive session".

Page 8, delete lines 21 through 24.

Page 9, line 19, delete ""director" refers to the director" and insert "**""executive director" refers to the executive director of the agency employed under IC 2-5-1.1-7.**".

Page 9, delete line 20.

Page 9, delete lines 27 through 32, begin a new paragraph and insert:

"Sec. 6. Subject to the approval of the legislative council, the executive director shall organize the office."

Page 10, line 1, delete "director" and insert "**office**".

Page 10, line 3, delete "The director shall provide that the" and insert "**The**".

Page 10, line 3, after "office" insert "**shall**".

Page 10, delete lines 14 through 15.

Page 10, line 16, delete "(4)" and insert "**(3)**".

Page 10, line 20, delete "nature." and insert "**nature gained as a member of the general assembly.**".

Page 10, delete lines 33 through 36, begin a new line block indented and insert:

"(1) available to residents of Indiana without cost from the state and stamped "Distributed by (insert the name of the member)"; or

(2) otherwise distributed as authorized by the general assembly by law, prevailing rule of the chamber in which the member serves, or resolution of the legislative council."

Page 12, line 6, delete "(a)".

Page 12, line 6, delete "refers to any of" and insert "**has the meaning set forth in IC 2-2.2-1-17.**".

Page 12, delete lines 7 through 28.

Page 13, line 19, delete "close".

Page 19, line 17, after "EFFECTIVE" insert "JULY 1, 2015]: Sec. 2. **(a) This section does not apply to failure to file a report or statement under IC 2-7-2-2, IC 2-7-3-2, IC 2-7-3-3.3, or IC 2-7-3-7 if the person failing to file the report or statement files a late report or statement not more than ten (10) days after the commission notifies the person by certified mail, return receipt requested, that the person did not file a timely report or statement."**

Page 19, delete lines 18 through 24.

Page 21, between lines 14 and 15, begin a new paragraph and insert:



"SECTION 21. IC 4-2-6-1, AS AMENDED BY P.L.114-2012, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 1. (a) As used in this chapter, and unless the context clearly denotes otherwise:

(1) "Advisory body" means an authority, a board, a commission, a committee, a task force, or other body designated by any name of the executive department that is authorized only to make nonbinding recommendations.

(2) "Agency" means an authority, a board, a branch, a bureau, a commission, a committee, a council, a department, a division, an office, a service, or other instrumentality of the executive, including the administrative, department of state government. The term includes a body corporate and politic set up as an instrumentality of the state and a private, nonprofit, government related corporation. The term does not include any of the following:

- (A) The judicial department of state government.
- (B) The legislative department of state government.
- (C) A state educational institution.
- (D) A political subdivision.

(3) "Appointing authority" means the following:

- (A) Except as provided in clause (B), the chief administrative officer of an agency. The term does not include a state officer.
- (B) For purposes of section 16 of this chapter, "appointing authority" means:
 - (i) an elected officer;
 - (ii) the chief administrative officer of an agency; or
 - (iii) an individual or group of individuals who have the power by law or by lawfully delegated authority to make appointments.

(4) "Assist" means to:

- (A) help;
- (B) aid;
- (C) advise; or
- (D) furnish information to;

a person. The term includes an offer to do any of the actions in clauses (A) through (D).

(5) "Business relationship" includes the following:

- (A) Dealings of a person with an agency seeking, obtaining, establishing, maintaining, or implementing:
 - (i) a pecuniary interest in a contract or purchase with the agency; or



(ii) a license or permit requiring the exercise of judgment or discretion by the agency.

(B) The relationship a lobbyist has with an agency.

(C) The relationship an unregistered lobbyist has with an agency.

(6) "Commission" refers to the state ethics commission created under section 2 of this chapter.

(7) "Compensation" means any money, thing of value, or financial benefit conferred on, or received by, any person in return for services rendered, or for services to be rendered, whether by that person or another.

(8) "Direct line of supervision" means the chain of command in which the superior affects, or has the authority to affect, the terms and conditions of the subordinate's employment, including making decisions about work assignments, compensation, grievances, advancements, or performance evaluation.

(9) "Employee" means an individual, other than a state officer, who is employed by an agency on a full-time, a part-time, a temporary, an intermittent, or an hourly basis. The term includes an individual who contracts with an agency for personal services.

(10) "Employer" means any person from whom a state officer or employee or the officer's or employee's spouse received compensation. ~~For purposes of this chapter, a customer or client of a self-employed individual in a sole proprietorship or a professional practice is not considered to be an employer.~~

(11) "Financial interest" means an interest:

(A) in a purchase, sale, lease, contract, option, or other transaction between an agency and any person; or

(B) involving property or services.

The term includes an interest arising from employment or prospective employment for which negotiations have begun. The term does not include an interest of a state officer or employee in the common stock of a corporation unless the combined holdings in the corporation of the state officer or the employee, that individual's spouse, and that individual's unemancipated children are more than one percent (1%) of the outstanding shares of the common stock of the corporation. The term does not include an interest that is not greater than the interest of the general public or any state officer or any state employee.

(12) "Information of a confidential nature" means information:

(A) obtained by reason of the position or office held; and

(B) which:



- (i) a public agency is prohibited from disclosing under IC 5-14-3-4(a);
- (ii) a public agency has the discretion not to disclose under IC 5-14-3-4(b) and that the agency has not disclosed; or
- (iii) is not in a public record, but if it were, would be confidential.

(13) "Person" means any individual, proprietorship, partnership, unincorporated association, trust, business trust, group, limited liability company, or corporation, whether or not operated for profit, or a governmental agency or political subdivision.

(14) "Political subdivision" means a county, city, town, township, school district, municipal corporation, special taxing district, or other local instrumentality. The term includes an officer of a political subdivision.

(15) "Property" has the meaning set forth in IC 35-31.5-2-253.

(16) "Relative" means any of the following:

- (A) A spouse.
- (B) A parent or stepparent.
- (C) A child or stepchild.
- (D) A brother, sister, stepbrother, or stepsister.
- (E) A niece or nephew.
- (F) An aunt or uncle.
- (G) A daughter-in-law or son-in-law.

For purposes of this subdivision, an adopted child of an individual is treated as a natural child of the individual. For purposes of this subdivision, the terms "brother" and "sister" include a brother or sister by the half blood.

(17) "Represent" means to do any of the following on behalf of a person:

- (A) Attend an agency proceeding.
- (B) Write a letter.
- (C) Communicate with an employee of an agency.

(18) "Special state appointee" means a person who is:

- (A) not a state officer or employee; and
- (B) elected or appointed to an authority, a board, a commission, a committee, a council, a task force, or other body designated by any name that:
 - (i) is authorized by statute or executive order; and
 - (ii) functions in a policy or an advisory role in the executive (including the administrative) department of state government, including a separate body corporate and politic.

(19) "State officer" means any of the following:



- (A) The governor.
 - (B) The lieutenant governor.
 - (C) The secretary of state.
 - (D) The auditor of state.
 - (E) The treasurer of state.
 - (F) The attorney general.
 - (G) The superintendent of public instruction.
 - (20) The masculine gender includes the masculine and feminine.
 - (21) The singular form of any noun includes the plural wherever appropriate.
 - (b) The definitions in IC 4-2-7 apply throughout this chapter."
- Page 26, between lines 13 and 14, begin a new line block indented and insert:

"(2) consultation by;".

Page 26, line 14, strike "(2)" and insert "(3)".

Page 26, line 15, strike "(3)" and insert "(4)".

Page 26, line 26, after "employment" insert "**or consulting**".

Page 26, line 26, after "employer;" insert "**and**".

Page 26, line 30, after "employment" insert "**or consulting**".

Page 26, line 32, delete "active; and" and insert "**active.**".

Page 26, delete lines 33 through 35.

Page 28, delete lines 28 through 42, begin a new paragraph and insert:

"SECTION 27. IC 4-2-7-5, AS ADDED BY P.L.222-2005, SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 5. (a) The inspector general shall adopt rules under IC 4-22-2 establishing a code of ethics for the conduct of state business. The code of ethics must be consistent with Indiana law.

(b) The code of ethics must, except as provided in subsection (c), prohibit the following:

(1) A state officer, an employee, or a special state appointee from using state materials, funds, property, personnel, facilities, or equipment for a political purpose.

(2) Adoption of policies or regulations that authorize a state officer, an employee, or a special state appointee to use state materials, funds, property, personnel, facilities, or equipment for a political purpose.

For purposes of this section, "political purpose" does not include the handling or disposing of unsolicited political communications.

(c) A state officer or an individual designated by the state officer may use state materials, funds, property, personnel, facilities, or equipment for the following:



(1) To coordinate the state officer's official, personal, and political calendars.

(2) To provide transportation and security for:

(A) the state officer; and

(B) any employee or special state appointee who accompanies the state officer.

(3) Incidental or de minimus political communications or activity involving the state officer.

~~(b)~~ **(d)** If the inspector general investigates and determines that there is specific and credible evidence that a current or former employee, a current or former state officer, a current or former special state appointee, or a person who has or had a business relationship with an agency has violated the code of ethics, the inspector general may:

(1) file a complaint with the ethics commission and represent the state in a public proceeding before the ethics commission as prescribed in IC 4-2-6-4; or

(2) file a complaint with the ethics commission and negotiate an agreed settlement for approval by the ethics commission according to its rules."

Page 29, delete lines 1 through 22.

Page 29, line 28, delete "IC 2-2.2-1-18." and insert "**IC 2-2.2-1-19.**".
Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1002 as printed February 10, 2015.)

LONG, Chairperson

Committee Vote: Yeas 10, Nays 0.

