



February 10, 2015

HOUSE BILL No. 1002

DIGEST OF HB 1002 (Updated February 10, 2015 11:52 am - DI 75)

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. Reenacts the legislative ethics statute in a different Indiana Code location and makes the following changes: (1) Provides that an individual ("filer") filing a legislative statement of economic interests ("statement") must disclose the name of any business entity in which the filer, the filer's spouse, or the filer's unemancipated children own stock, stock options, or other interest having a fair market value of more than \$5,000. (Under current law, the threshold amount is \$10,000.) (2) Requires a filer to describe the nature of the business of each business entity reported on the filer's statement in such a way to make it clear to an individual of ordinary understanding the nature of the business entity. (3) Requires a filer to report the name of any person from which the filer derived 25% or more of the filer's income. (Under current law, a filer must report the name of such a person only if the filer receives 33% or more of the filer's income.) (4) Requires a filer to report the name of a lobbyist who is a relative of the filer. (5) Requires a member of the general assembly, not later than January 20 of each year, to file an affidavit with any lobbyist who has provided more than 25% of the member's nonlegislative income during the previous year. (Under current law, the threshold is one-third of a member's nonlegislative income.) (6) Requires both the house and the senate to adopt a code of ethics. Eliminates the requirement that a code of ethics be adopted each year by both the house and the senate. Provides that a code of ethics remains in effect until the code of ethics is amended by
(Continued next page)

Effective: July 1, 2015.

Bosma, Pelath, Steuerwald, Kersey

January 15, 2015, read first time and referred to Committee on Government and Regulatory Reform.
February 10, 2015, amended, reported — Do Pass.

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Digest Continued

the house to which the code applies, notwithstanding the occurrence of an election for the house or the senate. (7) Requires the ethics committee of each house to provide for the review of each statement of economic interests. Provides that the ethics committee may require a filer to provide additional information about any matter reported or required to be reported in the filer's statement. (8) Requires the ethics rules to require each member to receive training in the ethics requirements of the ethics rules, the ethics statute, and any other relevant statutes. Provides that a member's failure to receive the training constitutes disorderly conduct under the Indiana Constitution. (9) Establishes the office of legislative ethics in the legislative services agency. (10) Eliminates the requirement that an individual registering as a lobbyist provide certain information relating to the lobbyist's temporary residence in Marion County. (11) Eliminates the reporting of lobbying expenditures by legislative liaisons in the executive branch and for state educational institutions. (12) Requires state educational institutions to report certain expenses related to lobbying by their employees and related foundations. (13) Provides that post employment restrictions on employees of the executive branch may be waived only if certain requirements are met. (14) Makes changes to the restrictions on post employment activity of state officers, employees, and special state appointees. (15) 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. (16) Provides that a state officer, a state employee, or a special state appointee may not use state materials, funds, property, personnel, facilities, or equipment for a political purpose except: (1) to coordinate the state officer's official, personal, and political calendars; (2) to provide transportation and security for the state officer and any employee or special state appointee who accompanies the state officer; and (3) for incidental or de minimus political communications or activity involving the state officer. Makes technical amendments to reflect the changes described. Repeals the existing legislative ethics statute.



February 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.

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 a position or office held; and**
- 38 **(2) that has not been, or will not be, communicated to the**
- 39 **general public.**
- 40 **Sec. 10. "Legislative matter" means a bill, a resolution, an issue,**
- 41 **or a proposal presented in, or considered by, the house or senate or**
- 42 **any committee or subcommittee of the house or the senate.**



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

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

4 (1) A member of the house.

5 (2) A member of the senate.

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

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

13 **Sec. 15. "Presiding officer"** refers to the following:

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

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

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

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

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

20 **Sec. 17. "Senate"** refers to the Indiana senate.

21 **Sec. 18. (a) "State agency"** has the meaning set forth in
22 IC 4-13-1-1(b).

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

25 **Chapter 2. Statement of Economic Interests**

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

30 (b) The legislative council shall prescribe the form of the
31 statement of economic interests.

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

33 (1) is not a member; and

34 (2) wants to be a candidate for election to the general
35 assembly.

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

42 **Sec. 3. (a)** A statement of economic interests filed under this



- 1 **chapter must include the following information:**
 2 **(1) The following information about employers:**
 3 **(A) The name of each of the filer's employers. If:**
 4 **(i) the house or the senate is the filer's sole employer; or**
 5 **(ii) the filer is retired;**
 6 **the filer must state that fact.**
 7 **(B) The name of each of the filer's spouse's employers. If**
 8 **the filer's spouse is retired, the filer must state that fact.**
 9 **(C) The nature of the business of an employer named**
 10 **under clause (A) or (B).**
 11 **(2) The following information about business entities:**
 12 **(A) The name of each business entity:**
 13 **(i) owned or operated by the filer or the filer's spouse;**
 14 **(ii) in which the filer or the filer's spouse is a member;**
 15 **(iii) in which the filer or the filer's spouse is an officer or**
 16 **a director; or**
 17 **(iv) in which the filer, the filer's spouse, or the filer's**
 18 **unemancipated children own stock, stock options, or**
 19 **other interest having a fair market value of more than**
 20 **five thousand dollars (\$5,000).**
 21 **(B) The nature of the business of each business entity**
 22 **reported under this subdivision. The filer must provide**
 23 **sufficient detail about the nature of the business entity to**
 24 **make it clear to an individual of ordinary understanding**
 25 **the nature of the business entity.**
 26 **(3) The name of any person, other than the general assembly,**
 27 **from which the filer derived twenty-five percent (25%) or**
 28 **more of the filer's income. If a person reported is a business**
 29 **entity, the filer must provide sufficient detail about the nature**
 30 **of the business entity to make it clear to an individual of**
 31 **ordinary understanding the nature of the business entity.**
 32 **(4) The name of a state agency or the supreme court of**
 33 **Indiana, if the state agency or the supreme court licenses or**
 34 **regulates any of the following:**
 35 **(A) The filer's or the filer's spouse's profession or**
 36 **occupation.**
 37 **(B) A business entity reported under subdivision (2). The**
 38 **filer must also report the nature of the licensure or**
 39 **regulation.**
 40 **For purposes of this subdivision, a requirement to file certain**
 41 **reports with the secretary of state or to register with the**
 42 **department of state revenue as a retail merchant,**



- 1 manufacturer, or wholesaler is not considered as licensure or
 2 regulation.
 3 (5) The following information about a lobbyist who is a
 4 member, an officer, a director, or a manager of a business
 5 entity that employs the filer or the filer has reported under
 6 subdivision (2):
 7 (A) The name of the lobbyist.
 8 (B) A description of the legislative matters that are the
 9 object of the lobbyist's activity.
 10 (6) The name of a lobbyist who is a relative of the filer.
 11 (7) The following information about a person on whose behalf
 12 the filer has appeared before, contacted, or transacted
 13 business with a state agency or official of the state agency:
 14 (A) The name of the person.
 15 (B) The name of the state agency.
 16 (C) The nature of the appearance, contact, or transaction,
 17 and the cause number, if any.
 18 A report is not required under this subdivision if the filer
 19 rendered services to the person without compensation.
 20 (8) If the filer is registered with an agency of the federal
 21 government or a state other than Indiana because the filer
 22 engages in the business of influencing legislative or executive
 23 decision making of the federal government or the other state.
 24 The filer must report the name of each agency of the federal
 25 government or the government of the other state with which
 26 the filer is registered.
 27 (b) A filer must enter information in each blank of the form. If
 28 information requested by the form is inapplicable to the filer, the
 29 filer must enter "not applicable", "none", or a similar response in
 30 the blank.
 31 Sec. 3.4. (a) Notwithstanding section 1 of this chapter, each
 32 member shall file a statement under section 3 of this chapter not
 33 later than August 1, 2015, covering calendar year 2014.
 34 (b) This section expires January 1, 2017.
 35 Sec. 4. A filer is not required to report under section 3 of this
 36 chapter the name of a church in which the filer, the filer's spouse,
 37 or the filer's unemancipated child is a member, an officer, or a
 38 director.
 39 Sec. 5. A filer is not required to report a business entity under
 40 section 3 of this chapter if the filer's, the filer's spouse's, or the
 41 filer's unemancipated child's only interest in the business entity is
 42 any of the following:



- 1 (1) A time or demand deposit in a financial institution.
- 2 (2) An insurance policy issued by the business entity.
- 3 (3) A mutual fund.
- 4 **Sec. 6. A filer may file an amended statement upon discovery of**
- 5 **additional information required to be reported.**
- 6 **Sec. 7. The principal administrative officer shall do the**
- 7 **following:**
- 8 (1) Provide to a filer the forms prescribed for a statement of
- 9 economic interests.
- 10 (2) Keep a statement of economic interests for five (5) years
- 11 after the expiration of the term during which the statement
- 12 was filed.
- 13 (3) Provide for public inspection of statements of economic
- 14 interests.
- 15 (4) Provide copies of statements of economic interests to any
- 16 person for a reasonable fee.
- 17 (5) Provide for posting of the statements of economic interests
- 18 of all filers on the general assembly's Internet web site.
- 19 **Sec. 8. (a) A member of the general assembly shall, not later**
- 20 **than January 20 of each year, file an affidavit with any lobbyist**
- 21 **who has provided more than twenty-five percent (25%) of the**
- 22 **member's nonlegislative income during the previous year.**
- 23 (b) An affidavit required by this section must state the
- 24 **following:**
- 25 (1) The name and address of the member of the general
- 26 assembly.
- 27 (2) That the lobbyist provided more than twenty-five percent
- 28 (25%) of the member's nonlegislative income.
- 29 (3) The position or service for which the lobbyist provided the
- 30 income.
- 31 **Chapter 3. Legislative Ethics Committees**
- 32 **Sec. 1. (a) The house legislative ethics committee is established.**
- 33 **(b) The senate legislative ethics committee is established.**
- 34 **Sec. 2. (a) An ethics committee consists of the following:**
- 35 (1) Three (3) members appointed by the presiding officer.
- 36 (2) Three (3) members appointed by the minority leader.
- 37 (b) The presiding officer shall designate a member of the ethics
- 38 committee as chair of the committee. The presiding officer, upon
- 39 the recommendation of the minority leader, shall designate a
- 40 member of the ethics committee as vice chair of the ethics
- 41 committee.
- 42 **Sec. 3. (a) A member of the ethics committee serves as a member**



1 of the ethics committee during the member's term as a member of
2 the general assembly.

3 (b) A vacancy on an ethics committee shall be filled in the same
4 manner as the original appointment.

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

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

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

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

15 Sec. 4.1. (a) The code of ethics in effect on July 1, 2015, remains
16 the code of ethics in effect until it is amended as provided in section
17 4 of this chapter.

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

19 Sec. 5. The ethics committee may do any of the following:

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

22 (2) Render opinions interpreting this article and the code of
23 ethics.

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

25 (A) a breach of any privilege of the ethics committee's
26 house;

27 (B) misconduct of a member; or

28 (C) a violation of the code of ethics;

29 regardless of when the breach, misconduct, or violation is
30 alleged to have occurred.

31 (4) Obtain information with respect to a complaint filed under
32 this section. The ethics committee may compel the attendance
33 and testimony of witnesses and the production of relevant
34 documents.

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

38 (6) Recommend legislation relating to the conduct and ethics
39 of members.

40 Sec. 6. The ethics committee shall conduct an investigation as
41 follows:

42 (1) When a complaint is filed with the ethics committee, a



1 copy shall be sent promptly to the following:

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

3 (B) The presiding officer.

4 (2) If the ethics committee determines the complaint does not
5 allege facts sufficient to constitute a code or statutory
6 violation, the complaint shall be dismissed and the
7 complainant and respondent notified of the dismissal of the
8 complaint.

9 (3) If the ethics committee determines the complaint does
10 allege facts sufficient to constitute a code or statutory
11 violation, it shall promptly investigate the alleged violation. If,
12 after a preliminary investigation the ethics committee finds
13 that probable cause does not exist to support an alleged
14 violation, the complaint shall be dismissed and the
15 complainant and respondent notified of the dismissal of the
16 complaint.

17 (4) If the ethics committee finds that probable cause exists to
18 support an alleged violation, it shall convene a hearing on the
19 matter not later than thirty (30) days after making this
20 finding. The ethics committee may meet in executive session
21 to conduct a preliminary investigation and to determine
22 whether probable cause exists to support an alleged violation.
23 All ethics committee investigations and records relating to the
24 preliminary investigation are confidential.

25 (5) If the ethics committee holds a hearing, the respondent
26 shall be allowed to examine and make copies of all evidence in
27 the committee's possession relating to the complaint. At the
28 hearing, a respondent shall be afforded appropriate due
29 process protection consistent with state administrative
30 procedures, including the right to be represented by counsel,
31 the right to call and examine witnesses, the right to introduce
32 exhibits, and the right to cross examine opposing witnesses.

33 (6) After the hearing, the ethics committee shall state its
34 findings of fact. If the committee, based on competent and
35 substantial evidence, finds the respondent has violated a code
36 or statutory provision, it shall state its findings in writing in
37 a report to the presiding officer. The report must be
38 supported and signed by a majority of the committee
39 members. If the committee finds the respondent has not
40 violated a code or statutory provision, it shall dismiss the
41 charges.

42 Sec. 7. An ethics committee member may not participate in any



1 matter in which the committee member is involved, except as a
2 respondent.

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

5 **(b) The ethics committee may require a filer of a statement of**
6 **economic interests to provide additional information about any**
7 **matter reported or required to be reported in the filer's statement**
8 **of economic interests.**

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

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

14 **(c) Each member shall comply with the training requirements**
15 **of the ethics rules established under this section.**

16 **Chapter 4. Office of Legislative Ethics**

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

19 **Sec. 2. As used in this chapter, "director" refers to the director**
20 **of the office appointed under section 6 of this chapter.**

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

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

25 **Sec. 5. The office of legislative ethics is established within the**
26 **agency.**

27 **Sec. 6. The following shall jointly appoint a director for the**
28 **office:**

- 29 (1) **The chairman of the legislative council.**
- 30 (2) **The vice chairman of the legislative council.**
- 31 (3) **The minority leader of the house of representatives.**
- 32 (4) **The minority leader of the senate.**

33 **Sec. 7. Appointment of staff members of the office is subject to**
34 **the approval of the legislative council.**

35 **Sec. 8. The office shall do the following:**

- 36 (1) **Assist and advise members in understanding the ethics**
37 **rules of their respective houses.**
- 38 (2) **Assist and advise members in completing the statement of**
39 **economic interests required by IC 2-2.2-2.**
- 40 (3) **Assist and advise the ethics committees.**
- 41 (4) **Other duties relating to legislative ethics assigned by the**
42 **legislative council.**



1 **Sec. 9. The director may request guidance from the appropriate**
2 **ethics committee regarding any matter that comes to the office.**

3 **Sec. 10. The director shall provide that the staff of the office**
4 **remain current regarding all aspects relating to legislative ethics**
5 **at the state and national levels.**

6 **Chapter 5. Prohibitions and Violations**

7 **Sec. 1. The following constitute disorderly behavior and may be**
8 **punished by the house or senate as provided in Article 4, Section 14**
9 **of the Constitution of the State of Indiana:**

10 **(1) Knowing or intentional failure to file a required statement**
11 **by the deadline prescribed in IC 2-2.2-2.**

12 **(2) Knowing or intentional filing a false statement prescribed**
13 **by IC 2-2.2-2.**

14 **(3) Knowing or intentional failure to comply with the ethics**
15 **training requirements established under IC 2-2.2-3-9.**

16 **(4) Knowing or intentional violation of section 2, 3, or 4 of this**
17 **chapter.**

18 **Sec. 2. A member may not accept any compensation from any**
19 **employment, transaction, or investment that was entered into or**
20 **made as a result of material information of a confidential nature.**

21 **Sec. 3. A member may not receive an honorarium for an**
22 **appearance or a speech made or given in the member's capacity as**
23 **a legislator.**

24 **Sec. 4. A member may not receive compensation for the sale or**
25 **lease of any property or service that substantially exceeds that**
26 **which the member would charge in the ordinary course of business**
27 **from any person whom the member knows or, in the exercise of**
28 **reasonable care and diligence should know, has an economic**
29 **interest in a legislative matter.**

30 **Chapter 6. Miscellaneous**

31 **Sec. 1. This article does not prohibit a member from**
32 **distributing literature that is:**

33 **(1) available to residents of Indiana without cost from the**
34 **state; and**

35 **(2) stamped "Distributed by (insert the name of the**
36 **member)".**

37 **SECTION 3. IC 2-7-1-1.7, AS ADDED BY P.L.58-2010, SECTION**
38 **6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1,**
39 **2015]: Sec. 1.7. (a) "Close relative" of an individual refers to any of the**
40 **following:**

41 **(1) The individual's spouse.**

42 **(2) A parent of the individual or a parent of the individual's**



- 1 spouse:
 2 (3) A child of the individual or a child of the individual's spouse:
 3 (4) A sibling of the individual or a sibling of the individual's
 4 spouse:
 5 (5) An aunt or an uncle of the individual or an aunt or uncle of the
 6 individual's spouse:
 7 (6) A niece or nephew of the individual or a niece or nephew of
 8 the individual's spouse:
 9 (7) A grandparent of the individual or a grandparent of the
 10 individual's spouse:
 11 (8) A grandchild of the individual or a grandchild of the
 12 individual's spouse:
 13 (9) A great-grandparent of the individual or a great-grandparent
 14 of the individual's spouse:
 15 (10) A great-grandchild of the individual or a great-grandchild of
 16 the individual's spouse:
 17 (b) A relative by adoption, half-blood, marriage, or remarriage is
 18 considered as a relative of whole kinship. **has the meaning set forth**
 19 **in IC 2-2.2-1-3.**

20 SECTION 4. IC 2-7-1-3.5 IS ADDED TO THE INDIANA CODE
 21 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 22 1, 2015]: **Sec. 3.5. "Family business" means a business entity in**
 23 **which an individual and the individual's spouse own at least eighty**
 24 **percent (80%) of the business, either of the voting stock or other**
 25 **measure of ownership of that type of business entity, regardless of**
 26 **whether all or a portion is owned jointly or severally.**

27 SECTION 5. IC 2-7-1-5 IS REPEALED [EFFECTIVE JULY 1,
 28 2015]. **Sec. 5: "Immediate family" means a spouse residing in the**
 29 **person's household and dependent children.**

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

- 34 (1) A member.
 35 (2) A candidate.
 36 (3) An officer of the general assembly.
 37 (4) An employee of the legislative department of state
 38 government.
 39 (5) A **member of the immediate family close relative** of anyone
 40 described in subdivision (1), (2), (3), or (4). **However,** a lobbyist
 41 who is a close relative of a legislative person is not considered a
 42 legislative person.



- 1 (6) A paid consultant of the general assembly.
- 2 (7) An official of an agency of the legislative department of state
- 3 government.
- 4 SECTION 7. IC 2-7-1-16.5 IS ADDED TO THE INDIANA CODE
- 5 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
- 6 1, 2015]: **Sec. 16.5. (a) "Relative" of an individual refers to any of**
- 7 **the following:**
- 8 (1) **The individual's spouse.**
- 9 (2) **A parent of the individual or a parent of the individual's**
- 10 **spouse.**
- 11 (3) **A child of the individual or a child of the individual's**
- 12 **spouse.**
- 13 (4) **A sibling of the individual or a sibling of the individual's**
- 14 **spouse.**
- 15 (5) **An aunt or an uncle of the individual or an aunt or uncle**
- 16 **of the individual's spouse.**
- 17 (6) **A niece or nephew of the individual or a niece or nephew**
- 18 **of the individual's spouse.**
- 19 (7) **A grandparent of the individual or a grandparent of the**
- 20 **individual's spouse.**
- 21 (8) **A grandchild of the individual or a grandchild of the**
- 22 **individual's spouse.**
- 23 (9) **A great-grandparent of the individual or a**
- 24 **great-grandparent of the individual's spouse.**
- 25 (10) **A great-grandchild of the individual or a**
- 26 **great-grandchild of the individual's spouse.**
- 27 (b) **A relative by adoption, half-blood, marriage, or remarriage**
- 28 **is considered as a relative of whole kinship.**
- 29 SECTION 8. IC 2-7-1.6-9 IS AMENDED TO READ AS
- 30 FOLLOWS [EFFECTIVE JULY 1, 2015]: **Sec. 9. Nothing in This**
- 31 **chapter affects does not affect** the committees established under
- 32 ~~IC 2-2.1-3-5.~~ **IC 2-2.2-3.**
- 33 SECTION 9. IC 2-7-2-3 IS AMENDED TO READ AS FOLLOWS
- 34 [EFFECTIVE JULY 1, 2015]: **Sec. 3. The registration statement of**
- 35 **each lobbyist who is compensated for lobbying shall must include the**
- 36 **following:**
- 37 (1) ~~his~~ **The name, social security number, Social Security**
- 38 **number, residence address and telephone number, and business**
- 39 **address and telephone number of the lobbyist. and the addresses**
- 40 **and telephone numbers of any temporary living or business**
- 41 **quarters he has in Marion County.**
- 42 (2) **The name, business address, telephone number, and kind of**



1 business of each person (including the names of each officer or
2 partner) who compensates ~~him~~; **the lobbyist**.

3 (3) ~~his~~ **The lobbyist's** primary occupation and the name or names
4 of ~~his the lobbyist's~~ employers if different than those specified in
5 subdivision (2). ~~and~~

6 (4) The subject matter of ~~his the lobbyist's~~ lobbying.

7 **(5) The name of any member who is a relative of the lobbyist.**

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

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

15 (2) The full name, and business address and telephone number of
16 each person compensated by ~~him~~ **the lobbyist** as a lobbyist.

17 (3) The subject matter for which ~~he~~ **the lobbyist** has employed or
18 contracted with a lobbyist.

19 **(4) The name of any member who is a close relative of the**
20 **lobbyist.**

21 SECTION 11. IC 2-7-3-3, AS AMENDED BY P.L.225-2011,
22 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
23 JULY 1, 2015]: Sec. 3. (a) The activity reports of each lobbyist shall
24 include the following information:

25 (1) A complete and current statement of the information required
26 to be supplied under IC 2-7-2-3 and IC 2-7-2-4.

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

29 (A) Compensation to others who perform lobbying services.

30 (B) Reimbursement to others who perform lobbying services.

31 (C) Receptions.

32 (D) Entertainment, including meals.

33 (E) Gifts made to a legislative person.

34 (3) Subject to section 3.5 of this chapter, a statement of each:

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

36 or

37 (B) gift;

38 that equals fifty dollars (\$50) or more in one (1) day, or
39 expenditures for entertainment (including meals and drink) or
40 gifts that together total more than two hundred fifty dollars (\$250)
41 during the reporting year, if the expenditures and gifts are made
42 by the lobbyist or the lobbyist's agent to benefit a specific



- 1 legislative person.
- 2 (4) A list of the general subject matter of each bill or resolution
- 3 concerning which a lobbying effort was made within the
- 4 registration period.
- 5 (5) The name of each member of the general assembly from
- 6 whom the lobbyist has received an affidavit required under
- 7 ~~IC 2-2.1-3-3.5~~ **IC 2-2.2-2-8**.
- 8 (b) In the second semiannual report, when total amounts are
- 9 required to be reported, totals shall be stated both for the period
- 10 covered by the statement and for the entire reporting year.
- 11 (c) An amount reported under this section is not required to include
- 12 the following:
- 13 (1) Overhead costs.
- 14 (2) Charges for any of the following:
- 15 (A) Postage.
- 16 (B) Express mail service.
- 17 (C) Stationery.
- 18 (D) Facsimile transmissions.
- 19 (E) Telephone calls.
- 20 **(F) Electronic communications.**
- 21 (3) Expenditures for the personal services of clerical and other
- 22 support staff persons who are not lobbyists.
- 23 (4) Expenditures for leasing or renting an office.
- 24 (5) Expenditures for lodging, meals, and other personal expenses
- 25 of the lobbyist.
- 26 (d) A report of an expenditure under subsection (a)(3) must state the
- 27 following information:
- 28 (1) The name of the lobbyist making the expenditure.
- 29 (2) A description of the expenditure.
- 30 (3) The amount of the expenditure.
- 31 SECTION 12. IC 2-7-3-3.3, AS AMENDED BY P.L.165-2013,
- 32 SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 33 JULY 1, 2015]: Sec. 3.3. (a) This section does not apply to gifts made
- 34 between ~~close~~ relatives.
- 35 (b) A lobbyist shall file a written report whenever the lobbyist
- 36 makes a gift with respect to a legislative person that is required to be
- 37 included in a report under section 3(a)(3) of this chapter.
- 38 (c) A report under this section must state the following:
- 39 (1) The name of the lobbyist making the gift.
- 40 (2) A description of the gift.
- 41 (3) The amount of the gift.
- 42 (d) A lobbyist shall file a copy of a report required by this section



1 with the commission and the legislative person with respect to whom
2 the report is made.

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

8 (f) After the expiration of the confidentiality period prescribed in
9 subsection (e), the commission shall provide a copy of a gift report to
10 the following:

11 (1) The principal clerk of the house of representatives, if the
12 legislative person is a member of, or a candidate for election to,
13 the house of representatives.

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

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

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

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

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

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

33 (1) must report actual amounts; and

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

37 to the extent practicable.

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



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

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

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

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

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

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

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

27 (1) The legislative council.

28 (2) The budget committee.

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

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

33 (5) A statutory board or commission.

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

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

42 (b) As used in this section, "purchase" refers to a purchase of goods



1 or services for which the lobbyist paid more than one hundred dollars
2 (\$100) from any of the following:

3 (1) A member or candidate.

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

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

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

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

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

11 (2) A description of the purchase.

12 (3) The amount of the purchase.

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

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

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

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

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

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

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

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

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

41 **Chapter 3.5. Reporting of Certain Expenditures by State**
42 **Educational Institutions**



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

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

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

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

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

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

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

11 **(ii) an affiliated entity of the state educational**
 12 **institution;**

13 **that is reimbursed by the state educational institution or**
 14 **by an affiliated entity of the state educational institution;**

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

16 **(3) of a kind reportable under IC 2-7-3-3(a)(3) by a lobbyist.**

17 **Sec. 3. As used in this chapter, "state educational institution"**
 18 **has the meaning set forth in IC 21-7-13-32.**

19 **Sec. 4. (a) Each state educational institution shall annually file**
 20 **a report of all reportable expenditures.**

21 **(b) A report required by this chapter must:**

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

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

26 **(c) The first report required by this chapter must:**

27 **(1) be filed with the commission not later than November 30,**
 28 **2015; and**

29 **(2) cover the period from November 1, 2014, through October**
 30 **31, 2015.**

31 **Sec. 5. If a state educational institution has no reportable**
 32 **expenditures, a statement of that fact is required and is sufficient**
 33 **to comply with the reporting requirements of this chapter.**

34 **Sec. 6. (a) Subject to subsections (b) and (c), the commission**
 35 **shall impose a late report fee of not more than one hundred dollars**
 36 **(\$100) per day for each day after the deadline until the report is**
 37 **filed.**

38 **(b) The late report fee shall not exceed four thousand five**
 39 **hundred dollars (\$4,500).**

40 **(c) The commission may waive all or part of the late report fee**
 41 **if the commission determines that the circumstances make**
 42 **imposition of the fee inappropriate.**



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

3 **(b) If the commission does not receive a report from a state**
 4 **educational institution under this chapter, the commission shall**
 5 **notify the state educational institution and post a copy of the notice**
 6 **on the commission's Internet web site.**

7 SECTION 16. IC 2-7-5-8, AS ADDED BY P.L.58-2010, SECTION
 8 26, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1,
 9 2015]: Sec. 8. (a) This section does not apply to gifts made between
 10 ~~close~~ relatives.

11 (b) A lobbyist may not make a gift with a value of fifty dollars (\$50)
 12 or more to a legislative person unless the lobbyist receives the consent
 13 of the legislative person before the gift is made. The lobbyist must
 14 inform the particular legislative person of the cost of the gift at the time
 15 the lobbyist seeks the consent of the legislative person.

16 SECTION 17. IC 2-7-6-2, AS AMENDED BY P.L.158-2013,
 17 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 18 JULY 1, 2015]: Sec. 2. **(a) This section does not apply to filing a late**
 19 **report or statement or failure to file a report or statement under**
 20 **any of the following:**

21 **(1) IC 2-7-2-2.**

22 **(2) IC 2-7-3-2.**

23 **(3) IC 2-7-3-3.3.**

24 **(4) IC 2-7-3-7.**

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

31 ~~(b)~~ **(c)** Any person who lobbies in contravention of a court order
 32 under subsection (a) ~~of this section~~ commits a Level 6 felony.

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

37 (b) Whenever a candidate for any of the following offices is also
 38 required to file a declaration of candidacy or is nominated by petition,
 39 the candidate shall file a statement of economic interests before filing
 40 the declaration of candidacy or declaration of intent to be a write-in
 41 candidate, before the petition of nomination is filed, before the
 42 certificate of nomination is filed, or before being appointed to fill a



1 candidate vacancy under IC 3-13-1 or IC 3-13-2:

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

5 (2) Senator and representative in the general assembly, in
6 accordance with ~~IC 2-2.1-3-2~~ **IC 2-2.2-2**.

7 (3) Justice of the supreme court, judge of the court of appeals,
8 judge of the tax court, judge of a circuit court, judge of a superior
9 court, judge of a probate court, and prosecuting attorney, in
10 accordance with IC 33-23-11-14 and IC 33-23-11-15.

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

14 SECTION 19. IC 3-8-2-11, AS AMENDED BY P.L.219-2013,
15 SECTION 20, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
16 JULY 1, 2015]: Sec. 11. (a) A declaration of candidacy may be made
17 by mail and is considered filed as of the date and hour the filing occurs
18 in the manner described by IC 3-5-2-24.5 in the office of the election
19 division or circuit court clerk.

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

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

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

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

34 before the election division accepts the declaration for filing. The
35 election division shall reject a filing that does not comply with this
36 subsection.

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

41 SECTION 20. IC 3-13-5-3, AS AMENDED BY P.L.225-2011,
42 SECTION 85, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE



1 JULY 1, 2015]: Sec. 3. (a) The state chairman or a person designated
 2 by the state chairman shall preside over a caucus meeting held under
 3 this chapter.

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

6 (1) a declaration of candidacy with the chairman of the caucus;
 7 and

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

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

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

15 SECTION 21. IC 4-2-6-5.5, AS AMENDED BY P.L.89-2006,
 16 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 17 JULY 1, 2015]: Sec. 5.5. (a) A current state officer, employee, or
 18 special state appointee ~~shall~~ **may** not knowingly **do any of the**
 19 **following:**

20 (1) Accept other employment involving compensation of
 21 substantial value if the responsibilities of that employment are
 22 inherently incompatible with the responsibilities of public office
 23 or require the individual's recusal from matters so central or
 24 critical to the performance of the individual's official duties that
 25 the individual's ability to perform those duties would be
 26 materially impaired.

27 (2) Accept employment or engage in business or professional
 28 activity that would require the individual to disclose confidential
 29 information that was gained in the course of state employment. ~~or~~

30 (3) Use or attempt to use the individual's official position to
 31 secure unwarranted privileges or exemptions that are:

32 (A) of substantial value; and

33 (B) not properly available to similarly situated individuals
 34 outside state government.

35 (b) A written advisory opinion issued by the commission ~~or the~~
 36 ~~individual's appointing authority or agency ethics officer granting~~
 37 ~~approval of stating that an individual's~~ outside employment **does not**
 38 **violate subsection (a)(1) or (a)(2)** is conclusive proof that ~~an~~
 39 ~~individual is not in violation of the individual's outside employment~~
 40 **does not violate** subsection (a)(1) or (a)(2).

41 SECTION 22. IC 4-2-6-9, AS AMENDED BY P.L.222-2005,
 42 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE



1 JULY 1, 2015]: Sec. 9. (a) A state officer, an employee, or a special
 2 state appointee may not participate in any decision or vote, **or matter**
 3 **relating to that decision or vote**, if the state officer, employee, or
 4 special state appointee has knowledge that any of the following has a
 5 financial interest in the outcome of the matter:

- 6 (1) The state officer, employee, or special state appointee.
 7 (2) A member of the immediate family of the state officer,
 8 employee, or special state appointee.
 9 (3) A business organization in which the state officer, employee,
 10 or special state appointee is serving as an officer, a director, a
 11 **member**, a trustee, a partner, or an employee.
 12 (4) Any person or organization with whom the state officer,
 13 employee, or special state appointee is negotiating or has an
 14 arrangement concerning prospective employment.

15 (b) A state officer, an employee, or a special state appointee who
 16 identifies a potential conflict of interest shall notify the person's
 17 appointing authority and **ethics officer in writing and do either of the**
 18 **following:**

19 (1) Seek an advisory opinion from the commission by filing a
 20 written description detailing the nature and circumstances of the
 21 particular matter and making full disclosure of any related
 22 financial interest in the matter. The commission shall:

- 23 (1) (A) with the approval of the appointing authority, assign
 24 the particular matter to another person and implement all
 25 necessary procedures to screen the state officer, employee, or
 26 special state appointee seeking an advisory opinion from
 27 involvement in the matter; or
 28 (2) (B) make a written determination that the interest is not so
 29 substantial that the commission considers it likely to affect the
 30 integrity of the services that the state expects from the state
 31 officer, employee, or special state appointee.

32 (2) **File a written disclosure statement with the commission**
 33 **that:**

- 34 (A) **details the conflict of interest;**
 35 (B) **describes and affirms the implementation of a screen**
 36 **established by the ethics officer;**
 37 (C) **is signed by both:**
 38 (i) **the state officer, employee, or special state appointee**
 39 **who identifies the potential conflict of interest; and**
 40 (ii) **the agency ethics officer;**
 41 (D) **includes a copy of the disclosure provided to the**
 42 **appointing authority; and**



- 1 **(E) is filed not later than seven (7) days after the conduct**
 2 **that gives rise to the conflict.**
 3 **A written disclosure filed under this subdivision shall be**
 4 **posted on the inspector general's Internet web site.**
 5 (c) A written determination under subsection ~~(b)(2)~~ **(b)(1)(B)**
 6 constitutes conclusive proof that it is not a violation for the state
 7 officer, employee, or special state appointee who sought an advisory
 8 opinion under this section to participate in the particular matter. A
 9 written determination under subsection ~~(b)(2)~~ **(b)(1)(B)** shall be filed
 10 with the appointing authority.
 11 SECTION 23. IC 4-2-6-10.5, AS ADDED BY P.L.222-2005,
 12 SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 13 JULY 1, 2015]: Sec. 10.5. (a) Subject to subsection (b), a state officer,
 14 an employee, or a special state appointee may not knowingly have a
 15 financial interest in a contract made by an agency.
 16 (b) The prohibition in subsection (a) does not apply to ~~(†)~~ a state
 17 officer, an employee, or a special state appointee who:
 18 **(1)** does not participate in or have ~~official~~ **contracting**
 19 responsibility for ~~any of the activities of~~ the contracting agency;
 20 if:
 21 ~~(A)~~ the contract is made after public notice or, where
 22 applicable, through competitive bidding;
 23 ~~(B)~~ the state officer, employee, or special state appointee files
 24 with the commission a statement making full disclosure of all
 25 related financial interests in the contract;
 26 ~~(C)~~ the contract can be performed without compromising the
 27 performance of the official duties and responsibilities of the
 28 state officer, employee, or special state appointee; and
 29 ~~(D)~~ in the case of a contract for professional services, the
 30 appointing authority of the contracting agency makes and files
 31 a written certification with the commission that no other state
 32 officer, employee, or special state appointee of that agency is
 33 available to perform those services as part of the regular duties
 34 of the state officer, employee, or special state appointee; or
 35 ~~(2)~~ a state officer, an employee, or a special state appointee who,
 36 acting in good faith, learns of an actual or prospective violation of
 37 the prohibition in subsection (a); if, not later than thirty ~~(30)~~ days
 38 after learning of the actual or prospective violation, the state
 39 officer, employee, or special state appointee:
 40 ~~(A)~~ makes a full written disclosure of any financial interests to
 41 the contracting agency and the commission; and
 42 ~~(B)~~ terminates or disposes of the financial interest.



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and

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

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

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

(2) An affirmation that the contract:

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

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

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

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

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

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

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

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

(2) files a deficient statement;

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

SECTION 24. IC 4-2-6-11, AS AMENDED BY P.L.1-2007, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 11. (a) As used in this section, "particular matter" means any of the following:

(1) An application.



- 1 (2) A business transaction.
- 2 (3) A claim.
- 3 (4) A contract.
- 4 (5) A determination.
- 5 (6) An enforcement proceeding.
- 6 (7) An investigation.
- 7 (8) A judicial proceeding.
- 8 (9) A lawsuit.
- 9 (10) A license.
- 10 (11) An economic development project. ~~or~~
- 11 (12) A public works project.

12 The term does not include the proposal or consideration of a legislative
 13 matter or the proposal, consideration, adoption, or implementation of
 14 a rule or an administrative policy or practice of general application.

15 ~~(b) This subsection applies only to a person who served as a state~~
 16 ~~officer, employee, or special state appointee after January 10, 2005.~~ A
 17 former state officer, employee, or special state appointee may not
 18 accept employment or receive compensation:

- 19 (1) as a lobbyist;
- 20 (2) from an employer if the former state officer, employee, or
 21 special state appointee was:
 - 22 (A) engaged in the negotiation or the administration of one (1)
 23 or more contracts with that employer on behalf of the state or
 24 an agency; and
 - 25 (B) in a position to make a discretionary decision affecting the:
 - 26 (i) outcome of the negotiation; or
 - 27 (ii) nature of the administration; or
 - 28 (3) from an employer if the former state officer, employee, or
 29 special state appointee made a regulatory or licensing decision
 30 that directly applied to the employer or to a parent or subsidiary
 31 of the employer;

32 before the elapse of at least three hundred sixty-five (365) days after
 33 the date on which the former state officer, employee, or special state
 34 appointee ceases to be a state officer, employee, or special state
 35 appointee.

36 (c) A former state officer, employee, or special state appointee may
 37 not represent or assist a person in a particular matter involving the state
 38 if the former state officer, employee, or special state appointee
 39 personally and substantially participated in the matter as a state officer,
 40 employee, or special state appointee, even if the former state officer,
 41 employee, or special state appointee receives no compensation for the
 42 representation or assistance.



1 (d) A former state officer, employee, or special state appointee may
 2 not accept employment or compensation from an employer if the
 3 circumstances surrounding the employment or compensation would
 4 lead a reasonable person to believe that:

- 5 (1) employment; or
 6 (2) compensation;

7 is given or had been offered for the purpose of influencing the former
 8 state officer, employee, or special state appointee in the performance
 9 of ~~his or her~~ **the individual's** duties or responsibilities while a state
 10 officer, an employee, or a special state appointee.

11 (e) A written advisory opinion issued by the commission certifying
 12 that:

- 13 (1) employment of;
 14 (2) representation by; or
 15 (3) assistance from;

16 the former state officer, employee, or special state appointee does not
 17 violate this section is conclusive proof that a former state officer,
 18 employee, or special state appointee is not in violation of this section.

19 (f) Subsection (b) does not apply to **the following:**

- 20 (1) A special state appointee who serves only as a member of an
 21 advisory body.
 22 (2) **A former state officer, employee, or special state appointee**
 23 **who has:**

24 (A) **not negotiated or administered any contracts with that**
 25 **employer in the two (2) years before the beginning of**
 26 **employment negotiations with that employer;**

27 (B) **any contract that:**

28 (i) **the former state officer, employee, or special state**
 29 **appointee may have negotiated or administered before**
 30 **the two (2) years preceding the beginning of employment**
 31 **negotiations; and**

32 (ii) **is no longer active; and**

33 (C) **not had any contact with the intended employer for the**
 34 **two (2) years before the beginning of employment**
 35 **negotiations.**

36 (g) An employee's or a special state appointee's state officer or
 37 appointing authority may waive application of subsection (b) or (c) in
 38 individual cases when consistent with the public interest. ~~Waivers must~~
 39 ~~be in writing and filed with the commission. A waiver must satisfy all~~
 40 **of the following:**

- 41 (1) **The waiver must be signed by an employee's or a special**
 42 **state appointee's:**



- 1 (A) state officer or appointing authority authorizing the
- 2 waiver; and
- 3 (B) agency ethics officer attesting to form.
- 4 (2) The waiver must include the following information:
- 5 (A) Whether the employee's prior job duties involved
- 6 substantial decision making authority over policies, rules,
- 7 or contracts.
- 8 (B) The nature of the duties to be performed by the
- 9 employee for the prospective employer.
- 10 (C) Whether the prospective employment is likely to
- 11 involve substantial contact with the employee's former
- 12 agency and the extent to which any such contact is likely to
- 13 involve matters where the agency has the discretion to
- 14 make decisions based on the work product of the employee.
- 15 (D) Whether the prospective employment may be
- 16 beneficial to the state or the public, specifically stating how
- 17 the intended employment is consistent with the public
- 18 interest.
- 19 (E) The extent of economic hardship to the employee if the
- 20 request for a waiver is denied.
- 21 (3) The waiver must be filed with and presented to the
- 22 commission by the state officer or appointing authority
- 23 authorizing the waiver.
- 24 (4) The waiver must be limited to an employee or a special
- 25 state appointee who obtains the waiver before engaging in the
- 26 conduct that would give rise to a violation of subsection (b) or
- 27 (c).
- 28 **The commission may conduct an administrative review of a waiver**
- 29 **and approve a waiver only if the commission is satisfied that the**
- 30 **information provided under subdivision (2) is specifically and**
- 31 **satisfactorily articulated.** The inspector general may adopt rules
- 32 under IC 4-22-2 to establish criteria for post employment waivers.
- 33 (h) Subsection (b) applies to a former state officer, employee, or
- 34 special state appointee who:
- 35 (1) made decisions as an administrative law judge; or
- 36 (2) presided over information gathering or order drafting
- 37 proceedings;
- 38 that directly applied to the employer or to a parent or subsidiary
- 39 of the employer.
- 40 (i) A former state officer, employee, or special state appointee
- 41 who forms a sole proprietorship or a professional practice and
- 42 engages in a business relationship with an entity that would



1 otherwise violate this section must file a disclosure statement with
 2 the commission not later than one hundred eighty (180) days after
 3 separation from state service. The disclosure must:

- 4 (1) be signed by the former state officer, employee, or special
 5 state appointee;
 6 (2) certify that the former state officer, employee, or special
 7 state appointee is not an employee of the entity; and
 8 (3) state in detail the treatment of taxes, insurance, and any
 9 other benefits between the entity and the former state officer,
 10 employee, or state appointee.

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

14 SECTION 25. IC 4-2-6-17 IS ADDED TO THE INDIANA CODE
 15 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 16 1, 2015]: Sec. 17. (a) Subject to IC 4-2-7-5, a state officer, an
 17 employee, or a special state appointee may not use state materials,
 18 funds, property, personnel, facilities, or equipment for purposes
 19 other than official state business unless the use is expressly
 20 permitted by a general written agency, departmental, or
 21 institutional policy or regulation that has been approved by the
 22 commission. The commission may withhold approval of a policy or
 23 rule that violates the intent of Indiana law or the code of ethics,
 24 even if Indiana law or the code of ethics does not explicitly prohibit
 25 that policy or rule.

26 (b) An individual who violates this section is subject to action
 27 under section 12 of this chapter.

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

- 33 (1) be consistent with Indiana law; and
 34 (2) prohibit, except as provided in subsection (b), the
 35 following:
 36 (A) A state officer, an employee, or a special state
 37 appointee from using state materials, funds, property,
 38 personnel, facilities, or equipment for a political purpose.
 39 (B) Adoption of policies or regulations that authorize a
 40 state officer, an employee, or a special state appointee to
 41 use state materials, funds, property, personnel, facilities, or
 42 equipment for a political purpose.



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

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

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

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

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

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

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

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

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

23 **SECTION 27. IC 5-14-7 IS REPEALED [EFFECTIVE JULY 1,**
 24 **2015]. (Legislative Liaisons).**

25 **SECTION 28. IC 21-36-1-3, AS ADDED BY P.L.2-2007,**
 26 **SECTION 277, IS AMENDED TO READ AS FOLLOWS**
 27 **[EFFECTIVE JULY 1, 2015]: Sec. 3. "State agency" has the meaning**
 28 **set forth in ~~IC 2-2.1-3-1. IC 2-2.2-1-18.~~**



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.

