
SENATE BILL No. 167

DIGEST OF INTRODUCED BILL

Citations Affected: IC 3-5-9; IC 36-1-20.

Synopsis: Nepotism; public employee holding elected office. Provides that an employee of a political subdivision is considered to have resigned from employment with the political subdivision if the employee assumes the elected executive office of the political subdivision or becomes an elected member of the political subdivision's legislative or fiscal body. Specifies that the restriction applies to an employee of a political subdivision who assumes an elected office after June 30, 2011, but provides that the restriction does not apply to an employee of a political subdivision who holds elective office on June 30, 2011, as long as the individual continues to hold or be reelected to that office. Provides that the restriction does not prohibit an employee of a political subdivision from holding an elected office of a political subdivision other than the political subdivision that employs the government employee. Prohibits a relative of an officer or employee of a political subdivision from being employed by the political subdivision in a position that would put the relative in a direct supervisory or subordinate relationship with the officer or employee. Specifies that an employee of a political subdivision is not required by these provisions to be terminated or reassigned from any position held by that individual before July 1, 2011, but provides that this grandfathering provision expires January 1, 2015.

Effective: July 1, 2011.

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January 5, 2011, read first time and referred to Committee on Local Government.

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First Regular Session 117th General Assembly (2011)

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 2010 Regular Session of the General Assembly.

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SENATE BILL No. 167



A BILL FOR AN ACT to amend the Indiana Code concerning local government.

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

1 SECTION 1. IC 3-5-9 IS ADDED TO THE INDIANA CODE AS
2 A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY
3 1, 2011]:

4 **Chapter 9. Government Employees Holding Office**
5 **Sec. 1. (a) Except as provided in subsection (b), this chapter**
6 **applies to a government employee who, after June 30, 2011,**
7 **assumes an elected office of the political subdivision that employs**
8 **the individual.**

9 **(b) This chapter does not apply to a government employee who,**
10 **on June 30, 2011, holds an elected office of the political subdivision**
11 **that employs the individual, as long as the individual continues to:**

- 12 **(1) hold; or**
 - 13 **(2) be reelected to;**
- 14 **the elected office the individual held on June 30, 2011.**

15 **Sec. 2. This chapter does not prohibit a government employee**
16 **from holding an elected office of a political subdivision other than**
17 **the political subdivision that employs the government employee.**



1 **Sec. 3. As used in this chapter, "elected office" refers only to the**
2 **following:**

- 3 (1) **The elected executive of a political subdivision.**
- 4 (2) **An elected member of the legislative body or fiscal body of**
5 **a political subdivision.**

6 **Sec. 4. As used in this chapter, "government employee" refers**
7 **to an employee of a political subdivision. The term does not include**
8 **an individual who holds an elected office.**

9 **Sec. 5. An individual is considered to have resigned as a**
10 **government employee when the individual assumes an elected**
11 **office of the political subdivision that employs the individual.**

12 **SECTION 2. IC 36-1-20 IS ADDED TO THE INDIANA CODE AS**
13 **A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY**
14 **1, 2011]:**

15 **Chapter 20. Employment of Relatives; Contracting With**
16 **Relatives**

17 **Sec. 1. This chapter does not apply to the following:**

- 18 (1) **An individual who is a contractor or employed by a**
19 **contractor for the design or construction of a public works**
20 **project.**
- 21 (2) **An individual who is a vendor or employed by a vendor for**
22 **a purchase of mowing services or property maintenance**
23 **services.**
- 24 (3) **An individual who is a member of a paid fire department**
25 **or a volunteer fire department that renders fire protection**
26 **services to the political subdivision.**

27 **Sec. 2. For purposes of this chapter, the performance of the**
28 **duties of a precinct election officer (as defined in IC 3-5-2-40.1)**
29 **that are imposed by IC 3 is not considered employment by a**
30 **political subdivision.**

31 **Sec. 3. As used in this chapter, "employee" means an individual**
32 **who is employed by a political subdivision on a full-time, a**
33 **part-time, a temporary, an intermittent, or an hourly basis. The**
34 **term does not include a member of a paid fire department or a**
35 **volunteer fire department that renders fire protection services to**
36 **the political subdivision.**

37 **Sec. 4. (a) As used in this chapter, "relative" means any of the**
38 **following:**

- 39 (1) **A husband.**
- 40 (2) **A wife.**
- 41 (3) **A father, grandfather, or stepfather.**
- 42 (4) **A mother, grandmother, or stepmother.**

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- 1 (5) A son, grandson, stepson, or son-in-law.
- 2 (6) A daughter, granddaughter, stepdaughter, or
- 3 daughter-in-law.
- 4 (7) A brother or stepbrother.
- 5 (8) A sister or stepsister.
- 6 (9) An aunt.
- 7 (10) An uncle.
- 8 (11) A niece.
- 9 (12) A nephew.
- 10 (13) A first cousin.

11 (b) A relative by adoption, half-blood, marriage, or remarriage
 12 is considered a relative of whole kinship for purposes of this
 13 chapter.

14 **Sec. 5. An individual who is a relative of an officer or employee**
 15 **of a political subdivision may not be employed by the political**
 16 **subdivision in a position in which the individual would have a**
 17 **direct supervisory or subordinate relationship with the officer or**
 18 **employee who is the individual's relative.**

19 **Sec. 6. (a) A political subdivision may not enter into a contract**
 20 **or renew a contract with:**

- 21 (1) an individual to provide goods or services to the political
- 22 subdivision if the individual is a relative of an individual who:
- 23 (A) is the executive of the political subdivision; or
- 24 (B) is a member of the executive of the political
- 25 subdivision; or
- 26 (2) a business entity to provide goods or services if:
- 27 (A) a relative of the executive of the political subdivision;
- 28 or
- 29 (B) a relative of a member of the executive of the political
- 30 subdivision;

31 **has an ownership interest in the business entity.**

32 (b) This section does not prohibit a political subdivision from
 33 entering into a contract or renewing a contract if an employee of:

- 34 (1) an individual contractor under subsection (a)(1); or
- 35 (2) a business entity under subsection (a)(2);

36 **is a relative of the executive of the political subdivision or a**
 37 **member of the executive of the political subdivision.**

38 (c) This section does not affect the initial term of a contract in
 39 existence at the time the term of office of the executive of the
 40 political subdivision or the member of the executive of the political
 41 subdivision begins.

42 **Sec. 7. (a) This chapter does not require the termination or**

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1 **reassignment of any employee of a political subdivision from any**
2 **position held by that individual before July 1, 2011.**
3 **(b) This section expires January 1, 2015.**

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