

# COMMITTEE REPORT

## MADAM PRESIDENT:

**The Senate Committee on Local Government, to which was referred Senate Bill No. 302, 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:**

- 1 Page 1, delete lines 1 through 17.
- 2 Page 2, delete lines 1 through 11.
- 3 Page 2, line 32, delete "political subdivision" and insert "**unit**".
- 4 Page 2, line 34, delete "political subdivision," and insert "**unit**,".
- 5 Page 2, line 35, delete "political" and insert "**unit**".
- 6 Page 2, line 36, delete "subdivision".
- 7 Page 2, line 36, delete "is in compliance" and insert "**has**
- 8 **implemented a policy that complies**".
- 9 Page 2, line 37, delete "political subdivision" and insert "**unit**".
- 10 Page 3, delete lines 3 through 42, begin a new paragraph and insert:
- 11 "**Sec. 1. This chapter applies only to a unit.**
- 12 **Sec. 2. This chapter does not apply to the following:**
- 13 (1) **An individual who is a vendor or employed by a vendor for**
- 14 **a purchase of mowing services or property maintenance**
- 15 **services.**
- 16 (2) **An individual who is a member of a paid fire department**
- 17 **or a volunteer fire department that renders fire protection**
- 18 **services to the unit.**
- 19 **Sec. 3. For purposes of this chapter, the performance of the**
- 20 **duties of a precinct election officer (as defined in IC 3-5-2-40.1)**

1 that are imposed by IC 3 is not considered employment by a unit.

2 Sec. 4. As used in this chapter, "employee" means an individual  
3 who is employed by a unit on a full-time, a part-time, a temporary,  
4 an intermittent, or an hourly basis.

5 Sec. 5. As used in this chapter, "public official" means:

- 6 (1) the executive;  
7 (2) a member of the legislative body; or  
8 (3) a member of the fiscal body.

9 Sec. 6. (a) As used in this chapter, "relative" means any of the  
10 following:

- 11 (1) A husband.  
12 (2) A wife.  
13 (3) A father, grandfather, or stepfather.  
14 (4) A mother, grandmother, or stepmother.  
15 (5) A son, grandson, stepson, or son-in-law.  
16 (6) A daughter, granddaughter, stepdaughter, or  
17 daughter-in-law.  
18 (7) A brother or stepbrother.  
19 (8) A sister or stepsister.  
20 (9) An aunt.  
21 (10) An uncle.  
22 (11) A niece.  
23 (12) A nephew.  
24 (13) A first cousin.

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

28 Sec. 7. (a) An individual who is a relative of a public official may  
29 not be employed by the unit.

30 (b) An individual who is a relative of:

- 31 (1) an elected officer, not including a public official; or  
32 (2) an employee;

33 of a unit may not be employed in a position in which the elected  
34 officer or employee is in a direct line of supervision over the  
35 individual.

36 Sec. 8. (a) Except as provided in section 9 of this chapter, a unit  
37 may not enter into a contract or renew a contract with:

- 38 (1) an individual to provide goods or services to the unit if the

1 individual is a relative of a public official; or  
 2 (2) a business entity to provide goods or services if a relative  
 3 of a public official has an ownership interest in the business  
 4 entity.

5 (b) This section does not prohibit a unit from entering into a  
 6 contract or renewing a contract if an employee of:

- 7 (1) an individual contractor under subsection (a)(1); or  
 8 (2) a business entity under subsection (a)(2);

9 is a relative of a public official.

10 (c) This section does not affect the initial term of a contract in  
 11 existence at the time the term of office of the public official of the  
 12 unit begins.

13 Sec. 9. (a) A unit may enter into a contract or renew a contract  
 14 with an individual or business entity described in section 8(a) of  
 15 this chapter, if:

16 (1) the unit makes a finding in a public meeting that the  
 17 individual or business entity described in section 7(a) of this  
 18 chapter is the only provider:

19 (A) of goods or services that meets the specifications of the  
 20 unit; and

21 (B) that is located within the boundaries of the unit; and

22 (2) the public official files with the unit a full disclosure, which  
 23 must:

24 (A) be in writing;

25 (B) describe the contract or purchase to be made by the  
 26 unit;

27 (C) describe the relationship that the public official has to  
 28 the business entity or individual that contracts or  
 29 purchases;

30 (D) be affirmed under penalty of perjury;

31 (E) be submitted to the unit and be accepted by the unit in  
 32 a public meeting of the unit prior to final action on the  
 33 contract or purchase; and

34 (F) be filed not later than fifteen (15) days after final action  
 35 on the contract or purchase with:

36 (i) the state board of accounts; and

37 (ii) the clerk of the circuit court in the county where the  
 38 unit takes final action on the contract or purchase.

1           **(b) A public official shall also comply with the disclosure**  
 2 **provisions of IC 35-44-1-3, if applicable.**

3           **Sec. 10. (a) This chapter does not require the termination or**  
 4 **reassignment of any employee of a unit from any position held by**  
 5 **that individual before July 1, 2011.**

6           **(b) This subsection expires January 1, 2015.**

7           **Sec. 11. (a) Each public official and elected officer of the unit**  
 8 **shall annually certify in writing, subject to the penalties for**  
 9 **perjury, that the official or officer is in compliance with this**  
 10 **chapter. An official or officer shall submit the certification to the**  
 11 **executive of the unit not later than December 31 of each year.**

12           **(b) The annual report filed by a unit with the state board of**  
 13 **accounts under IC 5-11-13-1 must include a statement by the**  
 14 **executive of the unit that the unit has implemented a policy that**  
 15 **complies with this chapter. The executive's statement must be**  
 16 **certified under penalties for perjury.**

17           **Sec. 12. If the state board of accounts finds that a unit has not**  
 18 **implemented a policy that complies with this chapter, the state**  
 19 **board of accounts shall forward the information to:**

20           **(1) the prosecuting attorney of each county where the unit is**  
 21 **located; and**

22           **(2) the department of local government finance.**

23           **Sec. 13. If a unit fails to comply with this chapter:**

24           **(1) the executive of the unit may be subject to prosecution for**  
 25 **perjury under IC 35-44-2-1; and**

26           **(2) the department of local government finance may not**  
 27 **approve:**

28           **(A) the unit's budget; or**

29           **(B) any additional appropriations for the unit;**

30           **for the ensuing calendar year until the state board of accounts**  
 31 **certifies to the department of local government finance that**

- 1           **the unit is in compliance with this chapter."**
- 2           Delete pages 4 through 5.
- 3           Renumber all SECTIONS consecutively.  
(Reference is to SB 302 as introduced.)

**and when so amended that said bill do pass.**

Committee Vote: Yeas 5, Nays 3.

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**Lawson C**

**Chairperson**