
HOUSE BILL No. 1353

DIGEST OF INTRODUCED BILL

Citations Affected: IC 2-2.1-3; IC 2-7; IC 3-5-2-15; IC 3-9-5-14; IC 4-2-6; IC 5-14-7; IC 5-22.5; IC 35-51-5-1.

Synopsis: Limitation on lobbyist expenditures. Provides that a person who has a business relationship with a governmental body may not give a gift to an employee of that governmental body or to an elected official that serves that governmental body. Defines "business relationship" as seeking or having a contract with a governmental body or being an executive or legislative branch lobbyist with the state. Provides exceptions for nominal gifts, gifts given between close relatives, and gifts given by a political action committee to an elected official. Provides that a violation of the prohibition is a Class A misdemeanor. Makes conforming amendments to various statutes.

Effective: January 1, 2013.

Candelaria Reardon

January 11, 2012, read first time and referred to Committee on Rules and Legislative Procedures.

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Second Regular Session 117th General Assembly (2012)

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 2011 Regular Session of the General Assembly.

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HOUSE BILL No. 1353



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

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

1 SECTION 1. IC 2-2.1-3-1, AS AMENDED BY P.L.2-2007,
2 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JANUARY 1, 2013]: Sec. 1. ~~As used in~~ **(a) The following terms**
4 **apply throughout** this chapter, ~~and~~ unless the context clearly denotes
5 otherwise:

6 ~~(a)~~ **(1)** "Close relative" means a person related to the person filing
7 the statement or to his spouse as a son, daughter, grandson,
8 granddaughter, great-grandson, great-granddaughter, father,
9 mother, grandfather, grandmother, great-grandfather,
10 great-grandmother, brother, sister, nephew, niece, uncle, or aunt.
11 Relatives by adoption, half-blood, marriage, or remarriage shall
12 be treated as relatives of whole kinship.

13 ~~(b)~~ **(2)** "Committee" means the house legislative ethics
14 committee, or the senate legislative ethics committee, or both of
15 them.

16 ~~(c)~~ **(3)** "Compensation" means any money, thing of value, or
17 economic benefit conferred on, or received by, any person in



- 1 return for services rendered, or for services to be rendered,
 2 whether by that person or another.
- 3 (d) "Contribution" means any advance, conveyance, deposit,
 4 distribution, transfer of funds, loan, payment, gift, pledge, or
 5 subscription of money or anything of value, and any contract,
 6 agreement, promise, or other obligation, whether or not legally
 7 enforceable, to make a contribution in support of any candidate for the
 8 house of representatives or senate. The term "contribution" does not
 9 include services by speakers, writers, publishers, or others for which no
 10 compensation is asked or given.
- 11 (e) (4) "Employer" means any person or entity from whom the
 12 member of or candidate for the general assembly or **his the**
 13 **member's or candidate's** spouse received more than thirty-three
 14 percent (33%) of **his the member's or candidate's** nonlegislative
 15 income.
- 16 (f) "Family business" means a corporation in which the member of
 17 or candidate for the general assembly and his spouse own at least
 18 eighty percent (80%) of the voting stock, regardless of whether all or
 19 a portion is owned jointly or severally.
- 20 (5) "Gift" has the meaning set forth in IC 5-22.5-1-5.
- 21 (g) (6) "House" means the Indiana house of representatives.
- 22 (h) (7) "Information of a confidential nature" means information
 23 obtained by reason of the position or office held and which
 24 information has not been, or will not be, communicated to the
 25 general public.
- 26 (i) (8) "Legislative matter" means any bill, resolution, or other
 27 issue or proposal presented in, or considered by, the house or
 28 senate or any committee or subcommittee thereof.
- 29 (j) (9) "Lobbyist" means any person, firm, corporation, limited
 30 liability company, or association registered under IC 2-7-2.
- 31 (k) (10) "Person or entity" means any individual, proprietorship,
 32 limited liability company, partnership, unincorporated
 33 association, trust, business trust, group, or corporation, whether
 34 or not operated for profit, or a governmental agency or political
 35 subdivision.
- 36 (l) (11) "Senate" means the Indiana senate.
- 37 (m) (12) "State agency" means any department, commission,
 38 council, board, bureau, division, service, office, officer,
 39 administration, or other establishment in the executive or
 40 administrative branch of state government. The term "state
 41 agency" does not include state educational institutions or the
 42 agencies of any municipality or political subdivision of the state.

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1 (b) The masculine gender includes the masculine and feminine.
2 (c) The singular form of any noun includes the plural wherever
3 appropriate.

4 SECTION 2. IC 2-2.1-3-12, AS AMENDED BY P.L.58-2010,
5 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
6 JANUARY 1, 2013]: Sec. 12. The following constitute disorderly
7 behavior and may be punished by the house of representatives or senate
8 as provided in Article 4, Section 14 of the Constitution of the State of
9 Indiana:

- 10 (1) Willful failure to file a required statement by the deadline
11 prescribed in this chapter or knowingly filing a false statement.
- 12 (2) Knowing violation of section 9, 9.5, or 10, or 13 of this
13 chapter.

14 SECTION 3. IC 2-2.1-3-13 IS ADDED TO THE INDIANA CODE
15 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE
16 JANUARY 1, 2013]: **Sec. 13. (a) The definitions in IC 2-7-1 apply
17 in this section.**

18 **(b) IC 5-22.5-3 applies to the receipt of gifts from a lobbyist by
19 a legislative person.**

20 **(c) A legislative person who knowingly or intentionally accepts
21 a gift or entertainment in violation of IC 5-22.5-3 is subject to the
22 following, in addition to any penalties imposed under IC 5-22.5-3:**

- 23 **(1) Section 12 of this chapter if the legislative person is a
24 member of the general assembly.**
- 25 **(2) If the legislative person is not a member of the general
26 assembly, discipline according to the rules of the house of
27 representatives, the senate, or agency of the legislative branch
28 applicable to the legislative person.**

29 SECTION 4. IC 2-7-1-4, AS AMENDED BY P.L.58-2010,
30 SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
31 JANUARY 1, 2013]: Sec. 4. ~~(a) "Gift" means the voluntary transfer of
32 anything of value without consideration.~~ **has the meaning set forth in
33 IC 5-22.5-1-5.**

34 ~~(b) The term does not include a contribution (as defined in
35 IC 3-5-2-15).~~

36 SECTION 5. IC 2-7-3-3, AS AMENDED BY P.L.225-2011,
37 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
38 JANUARY 1, 2013]: Sec. 3. (a) The activity reports of each lobbyist
39 shall include the following information:

- 40 (1) A complete and current statement of the information required
41 to be supplied under IC 2-7-2-3 and IC 2-7-2-4.
- 42 (2) Total expenditures on lobbying (prorated, if necessary) broken

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1 down to include at least the following categories:

- 2 (A) Compensation to others who perform lobbying services.
 3 (B) Reimbursement to others who perform lobbying services.
 4 (C) Receptions.
 5 (D) Entertainment, including meals.
 6 (E) Gifts made to a legislative person:

7 ~~(3)~~ Subject to section 3.5 of this chapter, a statement of each:
 8 (A) expenditure for entertainment (including meals and drink);
 9 or
 10 (B) gift;

11 that equals fifty dollars (\$50) or more in one (1) day, or
 12 expenditures for entertainment (including meals and drink) or
 13 gifts that together total more than two hundred fifty dollars (\$250)
 14 during the reporting year, if the expenditures and gifts are made
 15 by the lobbyist or the lobbyist's agent to benefit a specific
 16 legislative person.

17 ~~(4)~~ (3) A list of the general subject matter of each bill or
 18 resolution concerning which a lobbying effort was made within
 19 the registration period.

20 ~~(5)~~ (4) The name of each member of the general assembly from
 21 whom the lobbyist has received an affidavit required under
 22 IC 2-2.1-3-3.5.

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

26 (c) An amount reported under this section is not required to include
 27 the following:

- 28 (1) Overhead costs.
 29 (2) Charges for any of the following:
 30 (A) Postage.
 31 (B) Express mail service.
 32 (C) Stationery.
 33 (D) Facsimile transmissions.
 34 (E) Telephone calls.
 35 (3) Expenditures for the personal services of clerical and other
 36 support staff persons who are not lobbyists.
 37 (4) Expenditures for leasing or renting an office.
 38 (5) Expenditures for lodging, meals, and other personal expenses
 39 of the lobbyist.

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

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

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1 (2) A description of the expenditure.
 2 (3) The amount of the expenditure.
 3 SECTION 6. IC 2-7-3-3.3 IS REPEALED [EFFECTIVE JANUARY
 4 1, 2013]. Sec. 3-3: (a) This section does not apply to gifts made
 5 between close relatives:
 6 (b) A lobbyist shall file a written report whenever the lobbyist
 7 makes a gift with respect to a legislative person that is required to be
 8 included in a report under section 3(a)(3) of this chapter.
 9 (c) A report under this section must state the following:
 10 (1) The name of the lobbyist making the gift.
 11 (2) A description of the gift.
 12 (3) The amount of the gift.
 13 (d) A lobbyist shall file a copy of a report required by this section
 14 with all the following:
 15 (1) The commission.
 16 (2) The legislative person to whom the report is made.
 17 (3) The principal clerk of the house of representatives; if the
 18 legislative person is a member of, or a candidate for election to,
 19 the house of representatives.
 20 (4) The secretary of the senate; if the legislative person is a
 21 member of, or candidate for election to, the senate.
 22 (e) A lobbyist shall file a report required by this section not later
 23 than fifteen (15) business days after making the gift. A report filed
 24 under this section is confidential and is not available for public
 25 inspection or copying until ten (10) business days after the report is
 26 filed with the commission.
 27 (f) Not later than January 7 each year, the commission shall provide
 28 to each member and candidate a written compilation of all reports filed
 29 under subsection (d) relating to that member or candidate. The
 30 compilation must provide the following information to the member or
 31 candidate for each gift reported under subsection (d):
 32 (1) A description of the gift.
 33 (2) The amount of the gift.
 34 (3) The name of the lobbyist making the gift.
 35 SECTION 7. IC 2-7-3-3.5, AS ADDED BY P.L.58-2010, SECTION
 36 19, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 37 JANUARY 1, 2013]: Sec. 3.5. (a) If an expenditure for entertainment
 38 (including meals and drink) or a gift can clearly and reasonably be
 39 attributed to a particular legislative person, the expenditure must be
 40 reported with respect to that particular legislative person.
 41 (b) A report of an expenditure with respect to a particular legislative
 42 person:

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

5 to the extent practicable:

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

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

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

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

23 (e) The report of an expenditure with respect to a particular
 24 legislative person may not include any amount that the particular
 25 legislative person contributed to the expenditure:

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

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

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

37 (1) The legislative council:

38 (2) The budget committee:

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

41 (4) A study committee established by statute or by the legislative
 42 council:

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(5) ~~A statutory board or commission:~~

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

SECTION 8. IC 2-7-5-8 IS REPEALED [EFFECTIVE JANUARY 1, 2013]. 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:

SECTION 9. IC 2-7-5-11 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2013]: **Sec. 11. IC 5-22.5-3 governs the giving of gifts by a lobbyist to a legislative person.**

SECTION 10. IC 2-7-6-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2013]: Sec. 2. (a) ~~Any~~ A person who knowingly or intentionally violates any provision of ~~IC 2-7-2, IC 2-7-3, or IC 2-7-5~~ the following commits unlawful lobbying, a Class D felony:

(1) IC 2-7-2.

(2) IC 2-7-3.

(3) IC 2-7-5, except IC 2-7-5-11.

(b) In addition to any penalty imposed on the defendant under IC 35-50-2-7 for unlawful lobbying, the court may order the defendant not to engage in lobbying for a period of up to ten (10) years, IC 2-7-5-6 notwithstanding.

(b) ~~(c)~~ Any person who lobbies in contravention of a court order under subsection ~~(a)~~ of this section (b) commits a Class D felony.

SECTION 11. IC 2-7-6-6, AS AMENDED BY P.L.58-2010, SECTION 30, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2013]: Sec. 6. (a) The commission may impose either or both of the following sanctions if, after a hearing under IC 4-21.5-3, the commission finds that a lobbyist failed to file a report with a legislative person required by ~~IC 2-7-3-3.3 or IC 2-7-3-7~~:

(1) Revoke the registration of the lobbyist.

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

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

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

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1 (2) Any mitigating circumstances.

2 SECTION 12. IC 3-5-2-15 IS AMENDED TO READ AS
3 FOLLOWS [EFFECTIVE JANUARY 1, 2013]: Sec. 15. (a) **Except as**
4 **provided in subsection (f)**, "contribution" means a donation (whether
5 characterized as an advance, a deposit, a gift, a loan, a subscription, or
6 a contract or promise to make a donation) of property (as defined in
7 IC 35-41-1) that satisfies both of the following:

8 (1) The donation is made for the purpose of influencing any of the
9 following:

10 (A) The nomination or election to office of a candidate.

11 (B) The election of delegates to a state constitutional
12 convention.

13 (C) The outcome of a public question.

14 (2) The donation is accepted by any of the following:

15 (A) A candidate.

16 (B) A candidate's committee.

17 (C) A regular party committee.

18 (D) A political action committee.

19 (E) A legislative caucus committee.

20 (b) Whenever funds are transferred from one (1) committee to
21 another, the accepting committee is considered to be receiving a
22 contribution in the amount of the funds transferred.

23 (c) Whenever a candidate or a committee accepts the personal
24 services of a person whose compensation is being paid by a third
25 person, the candidate or committee is considered to be receiving a
26 contribution from the third person in the amount of the compensation
27 paid.

28 (d) Notwithstanding subsection (a), whenever a candidate or a
29 committee accepts the personal services of a volunteer who is not being
30 compensated, the candidate or committee is not considered to be
31 receiving a contribution.

32 (e) Notwithstanding subsection (a), whenever a political action
33 committee accepts a donation of:

34 (1) rent;

35 (2) office expenses;

36 (3) management fees;

37 (4) costs of solicitations of contributions; or

38 (5) other administrative costs;

39 the committee is not considered to be receiving a contribution.

40 **(f) The term "contribution" includes a gift permitted to be given**
41 **under IC 5-22.5-3-3.**

42 SECTION 13. IC 3-9-5-14 IS AMENDED TO READ AS

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1 FOLLOWS [EFFECTIVE JANUARY 1, 2013]: Sec. 14. (a) As used
2 in this section, "threshold contribution amount" refers to the following:

3 (1) For contributions made to a candidate's committee, a
4 legislative caucus committee, or a political action committee, one
5 hundred dollars (\$100).

6 (2) For contributions made to a regular party committee, two
7 hundred dollars (\$200).

8 (b) The report of each committee's treasurer must disclose the
9 following:

10 (1) The amount of cash on hand and the value of any investments
11 made by the committee at the beginning of the reporting period.

12 (2) The total sum of individual contributions including
13 transfers-in, accepted by the committee during its reporting
14 period.

15 (3) The following information regarding each person who has
16 made one (1) or more contributions within the year, in an
17 aggregate amount that exceeds the threshold contribution amount
18 in actual value to or for the committee, including the purchase of
19 tickets for events such as dinners, luncheons, rallies, and similar
20 fundraising events:

21 (A) The full name of the person.

22 (B) The full mailing address of the person making the
23 contribution.

24 (C) The person's occupation, if the person is an individual who
25 has made contributions to the committee of at least one
26 thousand dollars (\$1,000) during the calendar year.

27 (D) The date and amount of each contribution.

28 (4) The name and address of each committee from which the
29 reporting committee received, or to which that committee made,
30 a transfer of funds, together with the amounts and dates of all
31 transfers.

32 (5) If the reporting committee is a candidate's committee, the
33 following information about each other committee that has
34 reported expenditures to the reporting candidate's committee
35 under section 15 of this chapter:

36 (A) The name and address of the other committee.

37 (B) The amount of expenditures reported by the other
38 committee.

39 (C) The date of the expenditures reported by the other
40 committee.

41 (D) The purpose of the expenditures reported by the other
42 committee.

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- 1 (6) Each loan to or from a person within the reporting period
- 2 together with the following information:
- 3 (A) The full names and mailing addresses of the lender and
- 4 endorsers, if any.
- 5 (B) The person's occupation, if the person is an individual who
- 6 has made loans of at least one thousand dollars (\$1,000) to the
- 7 committee during the calendar year.
- 8 (C) The date and amount of the loans.
- 9 (7) The total sum of all receipts of the committee during the
- 10 reporting period.
- 11 (8) The full name, mailing address, occupation, and principal
- 12 place of business, if any, of each person other than a committee
- 13 to whom an expenditure was made by the committee or on behalf
- 14 of the committee within the year in an aggregate amount that:
- 15 (A) exceeds one hundred dollars (\$100), in the case of a
- 16 candidate's committee, legislative caucus committee, or
- 17 political action committee; or
- 18 (B) exceeds two hundred dollars (\$200), in the case of a
- 19 regular party committee.
- 20 (9) The name, address, and office sought by each candidate for
- 21 whom any expenditure was made or a statement identifying the
- 22 public question for which any expenditure was made, including
- 23 the amount, date, and purpose of each expenditure.
- 24 (10) The full name, mailing address, occupation, and principal
- 25 place of business, if any, of each person to whom an expenditure
- 26 for personal services, salaries, or reimbursed expenses was made
- 27 within the year in an aggregate amount that:
- 28 (A) exceeds one hundred dollars (\$100), in the case of a
- 29 candidate's committee, legislative caucus committee, or
- 30 political action committee; or
- 31 (B) exceeds two hundred dollars (\$200), in the case of a
- 32 regular party committee;
- 33 and that is not otherwise reported, including the amount, date, and
- 34 purpose of the expenditure.
- 35 (11) The total sum of expenditures made by the committee during
- 36 the reporting period.
- 37 (12) The amount and nature of debts owed by or to the committee,
- 38 and a continuous reporting of the debts after the election at the
- 39 times required under this article until the debts are extinguished.
- 40 **(13) If the committee is a political action committee, the value**
- 41 **of each gift permitted to be given under IC 5-22.5-3-3,**
- 42 **regardless of the value of the gift.**

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- 1 (c) If a committee:
- 2 (1) obtains a contribution;
- 3 (2) determines that the contribution should not be accepted by the
- 4 committee; and
- 5 (3) does not receive and accept the contribution under
- 6 IC 3-9-1-25(b);

7 the committee must return the contribution to the person who made the
 8 contribution. A returned contribution is not required to be listed on the
 9 report of the committee's treasurer. However, if the committee receives
 10 and deposits the contribution under IC 3-9-1-25(b) and subsequently
 11 determines that the contribution should be refunded, the receipt and
 12 refund of the contribution must be listed on the report of the
 13 committee's treasurer.

14 SECTION 14. IC 4-2-6-1, AS AMENDED BY P.L.2-2007,
 15 SECTION 19, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 16 JANUARY 1, 2013]: Sec. 1. (a) As used in this chapter, and unless the
 17 context clearly denotes otherwise:

- 18 (1) "Advisory body" means an authority, a board, a commission,
 19 a committee, a task force, or other body designated by any name
 20 of the executive department that is authorized only to make
 21 nonbinding recommendations.
- 22 (2) "Agency" means an authority, a board, a branch, a bureau, a
 23 commission, a committee, a council, a department, a division, an
 24 office, a service, or other instrumentality of the executive,
 25 including the administrative, department of state government. The
 26 term includes a body corporate and politic set up as an
 27 instrumentality of the state and a private, nonprofit, government
 28 related corporation. The term does not include any of the
 29 following:
 - 30 (A) The judicial department of state government.
 - 31 (B) The legislative department of state government.
 - 32 (C) A state educational institution.
 - 33 (D) A political subdivision.
- 34 (3) "Appointing authority" means the chief administrative officer
 35 of an agency. The term does not include a state officer.
- 36 (4) "Assist" means to:
 - 37 (A) help;
 - 38 (B) aid;
 - 39 (C) advise; or
 - 40 (D) furnish information to;
- 41 a person. The term includes an offer to do any of the actions in
 42 clauses (A) through (D).

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- 1 (5) "Business relationship" includes the following:
 2 (A) Dealings of a person with an agency seeking, obtaining,
 3 establishing, maintaining, or implementing:
 4 (i) a pecuniary interest in a contract or purchase with the
 5 agency; or
 6 (ii) a license or permit requiring the exercise of judgment or
 7 discretion by the agency.
 8 (B) The relationship a lobbyist has with an agency.
 9 (C) The relationship an unregistered lobbyist has with an
 10 agency.
 11 (6) "Commission" refers to the state ethics commission created
 12 under section 2 of this chapter.
 13 (7) "Compensation" means any money, thing of value, or financial
 14 benefit conferred on, or received by, any person in return for
 15 services rendered, or for services to be rendered, whether by that
 16 person or another.
 17 (8) "Employee" means an individual, other than a state officer,
 18 who is employed by an agency on a full-time, a part-time, a
 19 temporary, an intermittent, or an hourly basis. The term includes
 20 an individual who contracts with an agency for personal services.
 21 (9) "Employer" means any person from whom a state officer or
 22 employee or the officer's or employee's spouse received
 23 compensation. For purposes of this chapter, a customer or client
 24 of a self-employed individual in a sole proprietorship or a
 25 professional practice is not considered to be an employer.
 26 (10) "Financial interest" means an interest:
 27 (A) in a purchase, sale, lease, contract, option, or other
 28 transaction between an agency and any person; or
 29 (B) involving property or services.
 30 The term includes an interest arising from employment or
 31 prospective employment for which negotiations have begun. The
 32 term does not include an interest of a state officer or employee in
 33 the common stock of a corporation unless the combined holdings
 34 in the corporation of the state officer or the employee, that
 35 individual's spouse, and that individual's unemancipated children
 36 are more than one percent (1%) of the outstanding shares of the
 37 common stock of the corporation. The term does not include an
 38 interest that is not greater than the interest of the general public
 39 or any state officer or any state employee.
 40 **(11) "Gift" has the meaning set forth in IC 5-22.5-1-5.**
 41 ~~(11)~~ **(12)** "Information of a confidential nature" means
 42 information:

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- 1 (A) obtained by reason of the position or office held; and
 2 (B) which:
 3 (i) a public agency is prohibited from disclosing under
 4 IC 5-14-3-4(a);
 5 (ii) a public agency has the discretion not to disclose under
 6 IC 5-14-3-4(b) and that the agency has not disclosed; or
 7 (iii) is not in a public record, but if it were, would be
 8 confidential.
- 9 ~~(12)~~ **(13)** "Person" means any individual, proprietorship,
 10 partnership, unincorporated association, trust, business trust,
 11 group, limited liability company, or corporation, whether or not
 12 operated for profit, or a governmental agency or political
 13 subdivision.
- 14 ~~(13)~~ **(14)** "Political subdivision" means a county, city, town,
 15 township, school district, municipal corporation, special taxing
 16 district, or other local instrumentality. The term includes an
 17 officer of a political subdivision.
- 18 ~~(14)~~ **(15)** "Property" has the meaning set forth in IC 35-41-1-23.
- 19 ~~(15)~~ **(16)** "Represent" means to do any of the following on behalf
 20 of a person:
 21 (A) Attend an agency proceeding.
 22 (B) Write a letter.
 23 (C) Communicate with an employee of an agency.
- 24 ~~(16)~~ **(17)** "Special state appointee" means a person who is:
 25 (A) not a state officer or employee; and
 26 (B) elected or appointed to an authority, a board, a
 27 commission, a committee, a council, a task force, or other
 28 body designated by any name that:
 29 (i) is authorized by statute or executive order; and
 30 (ii) functions in a policy or an advisory role in the executive
 31 (including the administrative) department of state
 32 government, including a separate body corporate and politic.
- 33 ~~(17)~~ **(18)** "State officer" means any of the following:
 34 (A) The governor.
 35 (B) The lieutenant governor.
 36 (C) The secretary of state.
 37 (D) The auditor of state.
 38 (E) The treasurer of state.
 39 (F) The attorney general.
 40 (G) The superintendent of public instruction.
- 41 ~~(18)~~ **(19)** The masculine gender includes the masculine and
 42 feminine.

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- 1 (19) (20) The singular form of any noun includes the plural
2 wherever appropriate.
- 3 (b) The definitions in IC 4-2-7 apply throughout this chapter.
- 4 SECTION 15. IC 4-2-6-8, AS AMENDED BY P.L.23-2011,
5 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
6 JANUARY 1, 2013]: Sec. 8. (a) The following persons shall file a
7 written financial disclosure statement:
- 8 (1) The governor, lieutenant governor, secretary of state, auditor
9 of state, treasurer of state, attorney general, and state
10 superintendent of public instruction.
- 11 (2) Any candidate for one (1) of the offices in subdivision (1) who
12 is not the holder of one (1) of those offices.
- 13 (3) Any person who is the appointing authority of an agency.
- 14 (4) The director of each division of the department of
15 administration.
- 16 (5) Any purchasing agent within the procurement division of the
17 department of administration.
- 18 (6) Any agency employee, special state appointee, former agency
19 employee, or former special state appointee with final purchasing
20 authority.
- 21 (7) The chief investment officer employed by the Indiana public
22 retirement system.
- 23 (8) Any employee of the Indiana public retirement system whose
24 duties include the recommendation, selection, and management
25 of:
- 26 (A) the investments of the funds administered by the Indiana
27 public retirement system;
- 28 (B) the investment options offered in the annuity savings
29 accounts in the public employees' retirement fund and the
30 Indiana state teachers' retirement fund;
- 31 (C) the investment options offered in the legislators' defined
32 contribution plan; or
- 33 (D) investment managers, investment advisors, and other
34 investment service providers of the Indiana public retirement
35 system.
- 36 (9) An employee required to do so by rule adopted by the
37 inspector general.
- 38 (b) The statement shall be filed with the inspector general as
39 follows:
- 40 (1) Not later than February 1 of every year, in the case of the state
41 officers and employees enumerated in subsection (a).
- 42 (2) If the individual has not previously filed under subdivision (1)

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1 during the present calendar year and is filing as a candidate for a
2 state office listed in subsection (a)(1), before filing a declaration
3 of candidacy under IC 3-8-2 or IC 3-8-4-11, petition of
4 nomination under IC 3-8-6, or declaration of intent to be a
5 write-in candidate under IC 3-8-2-2.5, or before a certificate of
6 nomination is filed under IC 3-8-7-8, in the case of a candidate for
7 one (1) of the state offices (unless the statement has already been
8 filed when required under IC 3-8-4-11).

9 (3) Not later than sixty (60) days after employment or taking
10 office, unless the previous employment or office required the
11 filing of a statement under this section.

12 (4) Not later than thirty (30) days after leaving employment or
13 office, unless the subsequent employment or office requires the
14 filing of a statement under this section.

15 The statement must be made under affirmation.

16 (c) The statement shall set forth the following information for the
17 preceding calendar year or, in the case of a state officer or employee
18 who leaves office or employment, the period since a previous statement
19 was filed:

20 (†) The name and address of any person known:
21 (A) to have a business relationship with the agency of the state
22 officer or employee or the office sought by the candidate; and
23 (B) from whom the state officer, candidate, or the employee,
24 or that individual's spouse or unemancipated children received
25 a gift or gifts having a total fair market value in excess of one
26 hundred dollars (\$100).

27 (⊖) (1) The location of all real property in which the state officer,
28 candidate, or the employee or that individual's spouse or
29 unemancipated children has an equitable or legal interest either
30 amounting to five thousand dollars (\$5,000) or more or
31 comprising ten percent (10%) of the state officer's, candidate's, or
32 the employee's net worth or the net worth of that individual's
33 spouse or unemancipated children. An individual's primary
34 personal residence need not be listed, unless it also serves as
35 income property.

36 (⊕) (2) The names and the nature of the business of the employers
37 of the state officer, candidate, or the employee and that
38 individual's spouse.

39 (⊖) (3) The following information about any sole proprietorship
40 owned or professional practice operated by the state officer,
41 candidate, or the employee or that individual's spouse:

42 (A) The name of the sole proprietorship or professional

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1 practice.
 2 (B) The nature of the business.
 3 (C) Whether any clients are known to have had a business
 4 relationship with the agency of the state officer or employee or
 5 the office sought by the candidate.
 6 (D) The name of any client or customer from whom the state
 7 officer, candidate, employee, or that individual's spouse
 8 received more than thirty-three percent (33%) of the state
 9 officer's, candidate's, employee's, or that individual's spouse's
 10 nonstate income in a year.
 11 ~~(5)~~ (4) The name of any partnership of which the state officer,
 12 candidate, or the employee or that individual's spouse is a member
 13 and the nature of the partnership's business.
 14 ~~(6)~~ (5) The name of any corporation (other than a church) of
 15 which the state officer, candidate, or the employee or that
 16 individual's spouse is an officer or a director and the nature of the
 17 corporation's business.
 18 ~~(7)~~ (6) The name of any corporation in which the state officer,
 19 candidate, or the employee or that individual's spouse or
 20 unemancipated children own stock or stock options having a fair
 21 market value in excess of ten thousand dollars (\$10,000).
 22 However, if the stock is held in a blind trust, the name of the
 23 administrator of the trust must be disclosed on the statement
 24 instead of the name of the corporation. A time or demand deposit
 25 in a financial institution or insurance policy need not be listed.
 26 ~~(8)~~ (7) The name and address of the most recent former employer.
 27 ~~(9)~~ (8) Additional information that the person making the
 28 disclosure chooses to include.
 29 Any such state officer, candidate, or employee may file an amended
 30 statement upon discovery of additional information required to be
 31 reported.
 32 (d) A person who:
 33 (1) fails to file a statement required by rule or this section in a
 34 timely manner; or
 35 (2) files a deficient statement;
 36 upon a majority vote of the commission, is subject to a civil penalty at
 37 a rate of not more than ten dollars (\$10) for each day the statement
 38 remains delinquent or deficient. The maximum penalty under this
 39 subsection is one thousand dollars (\$1,000).
 40 (e) A person who intentionally or knowingly files a false statement
 41 commits a Class A infraction.
 42 SECTION 16. IC 4-2-6-12, AS AMENDED BY P.L.89-2006,

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1 SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
2 JANUARY 1, 2013]: Sec. 12. **(a)** If the commission finds a violation
3 of:

- 4 **(1)** this chapter;
5 **(2)** IC 4-2-7; ~~or~~
6 **(3)** IC 4-2-8; ~~or~~
7 **(4)** a rule adopted under this chapter, IC 4-2-7, or IC 4-2-8; ~~or~~
8 **(5)** **IC 5-22.5-3-3 by a state officer, an employee, or a special**
9 **state appointee;**

10 in a proceeding under section 4 of this chapter, the commission may
11 take any of the following actions **described in subsection (b).**

12 **(b) The commission may take any of the following actions if it**
13 **finds a violation under subsection (a):**

- 14 (1) Impose a civil penalty upon a respondent not to exceed three
15 (3) times the value of any benefit received from the violation.
16 (2) Cancel a contract.
17 (3) Bar a person from entering into a contract with an agency or
18 a state officer for a period specified by the commission.
19 (4) Order restitution or disgorgement.
20 (5) Reprimand, suspend, or terminate an employee or a special
21 state appointee.
22 (6) Reprimand or recommend the impeachment of a state officer.
23 (7) Bar a person from future state employment as an employee or
24 future appointment as a special state appointee.
25 (8) Revoke a license or permit issued by an agency.
26 (9) Bar a person from obtaining a license or permit issued by an
27 agency.
28 (10) Revoke the registration of a person registered as a lobbyist
29 under IC 4-2-8.
30 (11) Bar a person from future lobbying activity with a state officer
31 or agency.

32 SECTION 17. IC 5-14-7-4, AS ADDED BY P.L.58-2010,
33 SECTION 34, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
34 JANUARY 1, 2013]: Sec. 4. ~~(a)~~ An employer shall annually file a
35 single, aggregate report of expenditures for lobbying activities by each
36 of the employer's legislative liaisons stating expenditures for
37 entertainment (including meals and drink) ~~or gifts~~ that

- 38 ~~(1) total per legislative person:~~
39 ~~(A) fifty dollars (\$50) or more in one (1) day; or~~
40 ~~(B) together more than two hundred fifty dollars (\$250) during~~
41 ~~the calendar year; and~~
42 ~~(2) would be reportable to the lobby registration commission by~~



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- 1 a registered lobbyist under IC 2-7.
- 2 (b) A report under this section may not include the following:
- 3 (1) Items provided under a statute or from an agency for
- 4 redistribution to constituents.
- 5 (2) Items provided during the performance of official duties by a
- 6 legislative person, including the legislative person's service as a
- 7 member of, or participant in, any of the following:
- 8 (A) The legislative council.
- 9 (B) The budget committee.
- 10 (C) A standing or other committee established by the rules of
- 11 the house of representatives or the senate.
- 12 (D) A study committee established by statute or by the
- 13 legislative council.
- 14 (E) A statutory board or commission.
- 15 (3) A scholarship, student employment, or other financial aid
- 16 granted to a legislative person for attendance at a state
- 17 educational institution.
- 18 (4) Expenditures relating to an economic development effort,
- 19 function, or event by an agency, including those hosted by the
- 20 Indiana economic development corporation.
- 21 SECTION 18. IC 5-14-7-8 IS ADDED TO THE INDIANA CODE
- 22 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE
- 23 JANUARY 1, 2013]: **Sec. 8. IC 5-22.5-3 governs the giving of gifts**
- 24 **by a legislative liaison to a legislative person.**
- 25 SECTION 19. IC 5-22.5 IS ADDED TO THE INDIANA CODE AS
- 26 A NEW ARTICLE TO READ AS FOLLOWS [EFFECTIVE
- 27 JANUARY 1, 2013]:
- 28 **ARTICLE 22.5. GOVERNMENT ETHICS**
- 29 **Chapter 1. Definitions**
- 30 **Sec. 1. The definitions in this chapter apply throughout this**
- 31 **article.**
- 32 **Sec. 2. (a) "Close relative" of an individual refers to any of the**
- 33 **following:**
- 34 (1) The individual's spouse.
- 35 (2) A parent of the individual or a parent of the individual's
- 36 spouse.
- 37 (3) A child of the individual or a child of the individual's
- 38 spouse.
- 39 (4) A sibling of the individual or a sibling of the individual's
- 40 spouse.
- 41 (5) An aunt or an uncle of the individual or an aunt or uncle
- 42 of the individual's spouse.

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- 1 (6) A niece or nephew of the individual or a niece or nephew
2 of the individual's spouse.
- 3 (7) A grandparent of the individual or a grandparent of the
4 individual's spouse.
- 5 (8) A grandchild of the individual or a grandchild of the
6 individual's spouse.
- 7 (9) A great-grandparent of the individual or a
8 great-grandparent of the individual's spouse.
- 9 (10) A great-grandchild of the individual or a
10 great-grandchild of the individual's spouse.
- 11 (b) A relative by adoption, half-blood, marriage, or remarriage
12 is considered as a relative of whole kinship.
- 13 Sec. 3. "Elected official" refers to an individual who holds any
14 of the following offices:
- 15 (1) A state office (as defined in IC 3-5-2-48).
16 (2) A legislative office (as defined in IC 3-5-2-28).
17 (3) A local office (as defined in IC 3-5-2-29).
18 (4) A school board office (as defined in IC 3-5-2-45).
- 19 Sec. 4. "Executive branch lobbyist" means an individual who
20 seeks to influence decision making of a state agency and who is
21 registered as an executive branch lobbyist under rules adopted by
22 the Indiana department of administration.
- 23 Sec. 5. (a) "Gift" means the voluntary transfer of any property
24 that has value without consideration.
- 25 (b) The term includes a gift that may be classified for tax
26 purposes as entertainment.
- 27 (c) The term does not include any of the following:
- 28 (1) A contribution (as defined in IC 3-5-2-15) except a gift
29 permitted under IC 5-22.5-3-3.
30 (2) A gift given or entertainment provided by a legislative
31 lobbyist, a legislative liaison, or an employer of a legislative
32 liaison that is for the benefit of all the members of any
33 legislative body.
- 34 (3) Items provided under a statute or from a state agency for
35 redistribution to constituents.
- 36 (4) Items provided during the performance of official duties
37 by a legislative person, including the legislative person's
38 service as a member of, or participant in, any of the following:
- 39 (A) The legislative council.
40 (B) The budget committee.
41 (C) A standing or other committee established by the rules
42 of the house of representatives or the senate.

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- 1 (D) A study committee established by statute or by the
- 2 legislative council.
- 3 (E) A statutory board or commission.
- 4 (5) A scholarship, student employment, or other financial aid
- 5 granted to an individual for attendance at a state educational
- 6 institution.
- 7 (6) Expenditures relating to an economic development effort,
- 8 function, or event by a state agency, including those hosted by
- 9 the Indiana economic development corporation.
- 10 Sec. 6. (a) "Government employee" refers to an employee of a
- 11 governmental body who:
- 12 (1) is employed by the governmental body on a full-time, a
- 13 part-time, a temporary, an intermittent, or an hourly basis;
- 14 or
- 15 (2) contracts with the governmental body for personal
- 16 services.
- 17 (b) The term does not include an elected official.
- 18 Sec. 7. "Governmental body" means an agency, a board, a
- 19 branch, a bureau, a commission, a council, a department, an
- 20 institution, an office, or another establishment of any of the
- 21 following:
- 22 (1) The executive branch.
- 23 (2) The judicial branch.
- 24 (3) The legislative branch.
- 25 (4) A political subdivision.
- 26 Sec. 8. "Legislative body" has the meaning set forth in
- 27 IC 2-7-1-7.2.
- 28 Sec. 9. "Legislative liaison" has the meaning set forth in
- 29 IC 5-14-7-3, and for purposes of this article, includes the employer
- 30 of the legislative liaison.
- 31 Sec. 10. "Legislative lobbyist" refers to a lobbyist as defined in
- 32 IC 2-7-1-10.
- 33 Sec. 11. "Legislative person" has the meaning set forth in
- 34 IC 2-7-1-8.
- 35 Sec. 12. "Lobbyist" refers to either of the following:
- 36 (1) An executive branch lobbyist.
- 37 (2) A legislative lobbyist.
- 38 Sec. 13. "Nominal gift" refers to a gift of any of the following:
- 39 (1) Any of the following kind of services:
- 40 (A) Providing advice or information.
- 41 (B) Consultation.
- 42 (C) Communication in connection with legislation.

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- 1 **(D) Services to constituents.**
- 2 **(E) Any other services to assist another person in the**
- 3 **performance of official governmental duties.**
- 4 **(2) Services that have insignificant monetary value.**
- 5 **(3) A plaque with a resale value of not more than five dollars**
- 6 **(\$5).**
- 7 **(4) A trinket or memento costing not more than five dollars**
- 8 **(\$5).**
- 9 **(5) Informational material with a resale value of not more**
- 10 **than five dollars (\$5).**
- 11 **(6) Food or beverage given at a reception, meal, or meeting**
- 12 **away from the recipient's place of work by an organization**
- 13 **before whom the recipient appears to make a speech or**
- 14 **answer questions as part of a program.**
- 15 **Sec. 14. (a) "Offer" means a response to a solicitation.**
- 16 **(b) The term includes a bid, proposal, and quote.**
- 17 **Sec. 15. "Offeror" means a person that submits an offer to a**
- 18 **governmental body.**
- 19 **Sec. 16. "Organization" refers to a person that is not an**
- 20 **individual.**
- 21 **Sec. 17. "Person" means an association, a business, a committee,**
- 22 **a corporation, a fiduciary, an individual, a joint stock company, a**
- 23 **joint venture, a limited liability company, a partnership, a sole**
- 24 **proprietorship, a trust, or another legal entity, organization, or**
- 25 **group of individuals.**
- 26 **Sec. 18. "Political action committee" has the meaning set forth**
- 27 **in IC 3-5-2-37.**
- 28 **Sec. 19. "Political subdivision" has the meaning set forth in**
- 29 **IC 36-1-2-13.**
- 30 **Sec. 20. "Property" has the meaning set forth in IC 35-41-1-23.**
- 31 **Sec. 21. "Public servant" refers to either of the following:**
- 32 **(1) An elected official.**
- 33 **(2) A government employee.**
- 34 **Sec. 22. (a) "Solicitation" means the procedure by which a**
- 35 **governmental body invites persons to submit an offer to enter into**
- 36 **a contract with the governmental body for:**
- 37 **(1) the purchase or sale of supplies by the governmental body;**
- 38 **(2) a public works contract; or**
- 39 **(3) a contract to provide professional or other services.**
- 40 **(b) The term includes an invitation for bids, a request for**
- 41 **proposals, and a request for quotes.**
- 42 **Sec. 23. "State agency" has the meaning set forth in**

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IC 4-2-6-1(a)(2).

Chapter 2. General Provisions

Sec. 1. For purposes of this article, a person has a "business relationship" with a governmental body if any of the following apply:

(1) The person:

(A) is an offeror to the governmental body; or

(B) assists another person:

(i) as an employee of the other person; or

(ii) under contract with the other person;

to make an offer to the governmental body.

(2) The person:

(A) has a contract with the governmental body; or

(B) assists another person:

(i) as an employee of the other person; or

(ii) under contract with the other person;

to maintain or implement the other person's contract with the governmental body.

(3) With respect to a state agency, the person functions as an executive branch lobbyist with that state agency.

(4) With respect to a legislative person, the person is a legislative lobbyist or a legislative liaison.

Chapter 3. Gifts

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

(1) Gifts given to a public servant by a close relative of the public servant.

(2) Nominal gifts given to a public servant.

Sec. 2. (a) A person who has a business relationship with a governmental body may not give a gift to a government employee of that governmental body.

(b) A government employee may not accept a gift from a person who has a business relationship with the governmental body that employs the government employee.

Sec. 3. (a) A person who has a business relationship with a governmental body may not give a gift to an elected official who serves that governmental body unless the person is a political action committee.

(b) An elected official may not accept a gift from a person who has a business relationship with the governmental body that the elected official services unless the person is a political action committee.

(c) A gift that is permitted to be given by a political action

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1 **committee under this section must be reported as a contribution**
2 **under IC 3-9.**

3 **Sec. 4. A person who knowingly or intentionally violates section**
4 **2 or 3 of this chapter commits a Class B misdemeanor.**

5 SECTION 20. IC 35-51-5-1, AS ADDED BY P.L.70-2011,
6 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
7 JANUARY 1, 2013]: Sec. 1. The following statutes define crimes in
8 IC 5:

- 9 IC 5-1-4-22 (Concerning hospital bonding authorities).
- 10 IC 5-2-2-11 (Concerning the law enforcement academy building
- 11 commission).
- 12 IC 5-2-4-7 (Concerning criminal intelligence information).
- 13 IC 5-10.4-3-16 (Concerning the Indiana state teacher's retirement
- 14 fund).
- 15 IC 5-11-1-18 (Concerning state board of accounts).
- 16 IC 5-11-10-3 (Concerning certification of claims).
- 17 IC 5-13-14-3 (Concerning public funds).
- 18 IC 5-13-14-4 (Concerning public funds).
- 19 IC 5-14-3-10 (Concerning access to public records).
- 20 IC 5-15-6-8 (Concerning local public records commissions).
- 21 IC 5-16-7-3 (Concerning wage scale of contractor's and
- 22 subcontractors employees).
- 23 IC 5-16-9-5 (Concerning parking for persons with physical
- 24 disabilities).
- 25 IC 5-17-1-5 (Concerning public purchases).
- 26 IC 5-17-1-6 (Concerning public purchases).
- 27 **IC 5-22.5-3-4 (Concerning giving gifts to public servants).**
- 28 IC 5-28-15-7 (Concerning enterprise zones).
- 29 IC 5-28-15-8 (Concerning enterprise zones).

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