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# HOUSE BILL No. 1038

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 2-2.1-3-2; IC 2-7-3.

**Synopsis:** Lobbying reports. Decreases the threshold from \$100 to \$25 at which a lobbyist must report gifts to members of the general assembly. Requires that the report must include a description and estimated value of each gift. Requires the lobby registration commission to publish the reports of gifts to legislators on the commission's Internet website. Makes conforming amendments to the statute describing the content of the legislator economic interest statement.

**Effective:** July 1, 2003.

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## Crooks

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January 7, 2003, read first time and referred to Committee on Public Policy, Ethics and Veterans Affairs.

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First Regular Session 113th General Assembly (2003)

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 *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2002 Regular or Special Session of the General Assembly.

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## HOUSE BILL No. 1038



A BILL FOR AN ACT to amend the Indiana Code concerning the general assembly.

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

1 SECTION 1. IC 2-2.1-3-2, AS AMENDED BY P.L.205-1999,  
2 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
3 JULY 1, 2003]: Sec. 2. (a) Not later than seven (7) calendar days  
4 following the first session day in January of each year, every member  
5 of the general assembly shall file with the principal clerk of the house  
6 or secretary of the senate, respectively, a written statement of the  
7 member's or candidate's economic interests for the preceding calendar  
8 year listing the following:

9 (1) The name of the member's or candidate's employer and the  
10 employer of the member's or candidate's spouse and the nature of  
11 the employer's business. The house of representatives and senate  
12 need not be listed as an employer.

13 (2) The name of any sole proprietorship owned or professional  
14 practice operated by the member or candidate or the member's or  
15 candidate's spouse and the nature of the business.

16 (3) The name of any partnership of which the member or  
17 candidate or the member's or candidate's spouse is a member and



1 the nature of the partnership's business.

2 (4) The name of any corporation of which the member or  
3 candidate or the member's or candidate's spouse is an officer or  
4 director and the nature of the corporation's business. Churches  
5 need not be listed.

6 (5) The name of any corporation in which the member or  
7 candidate or the member's or candidate's spouse or  
8 unemancipated children own stock or stock options having a fair  
9 market value in excess of ten thousand dollars (\$10,000). ~~No~~ **A**  
10 time or demand deposit in a financial institution or insurance  
11 policy need **not** be listed.

12 (6) The name of any state agency or the supreme court of Indiana  
13 which licenses or regulates the following:

14 (A) The member's or candidate's or the member's or  
15 candidate's spouse's profession or occupation.

16 (B) Any proprietorship, partnership, corporation, or limited  
17 liability company listed under subdivision (2), (3), or (4) and  
18 the nature of the licensure or regulation.

19 The requirement to file certain reports with the secretary of state  
20 or to register with the department of state revenue as a retail  
21 merchant, manufacturer, or wholesaler shall not be considered as  
22 licensure or regulation.

23 (7) The name of any person whom the member or candidate  
24 knows to have been a lobbyist in the previous calendar year and  
25 knows to have purchased any of the following:

26 (A) From the member or candidate, the member's or  
27 candidate's sole proprietorship, or the member's or candidate's  
28 family business, goods or services for which the lobbyist paid  
29 in excess of one hundred dollars (\$100).

30 (B) From the member's or candidate's partner, goods or  
31 services for which the lobbyist paid in excess of one thousand  
32 dollars (\$1,000).

33 This subdivision does not apply to purchases made after  
34 December 31, 1998, by a lobbyist from a legislator's retail  
35 business made in the ordinary course of business at prices that are  
36 available to the general public. For purposes of this subdivision,  
37 a legislator's business is considered a retail business if the  
38 business is a retail merchant as defined in IC 6-2.5-1-8.

39 (8) The name of any person or entity from whom the member or  
40 candidate received the following:

41 (A) Any gift of cash from a lobbyist.

42 (B) Any single gift other than cash having a fair market value

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- 1           in excess of one hundred that equals twenty-five dollars  
2           (~~\$100~~): **(\$25) or more.**
- 3           However, a contribution made by a lobbyist to a charitable  
4           organization (as defined in Section 501(c) of the Internal  
5           Revenue Code) in connection with a social or sports event  
6           attended by legislators need not be listed by a member of the  
7           general assembly unless the contribution is made in the name  
8           of the legislator.
- 9           (C) Any gifts other than cash having a fair market value in the  
10          aggregate in excess of two hundred fifty dollars (\$250).  
11          Campaign contributions need not be listed. Gifts from a spouse  
12          or close relative need not be listed unless the donor has a  
13          substantial economic interest in a legislative matter.
- 14          (9) The name of any lobbyist who is:
- 15               (A) a member of a partnership or limited liability company;  
16               (B) an officer or a director of a corporation; or  
17               (C) a manager of a limited liability company;
- 18          of which the member of or candidate for the general assembly is  
19          a partner, an officer, a director, a member, or an employee, and a  
20          description of the legislative matters which are the object of the  
21          lobbyist's activity.
- 22          (10) The name of any person or entity on whose behalf the  
23          member or candidate has appeared before, contacted, or  
24          transacted business with any state agency or official thereof, the  
25          name of the state agency, the nature of the appearance, contact, or  
26          transaction, and the cause number, if any. This requirement does  
27          not apply when the services are rendered without compensation.
- 28          (11) The name of any limited liability company of which the  
29          member of the general assembly, the candidate, or the member's  
30          or candidate's individual spouse has an interest.
- 31          (b) Before any person, who is not a member of the general assembly  
32          files the person's declaration of candidacy, declaration of intent to be  
33          a write-in candidate, or petition of nomination for office or is selected  
34          as a candidate for the office under IC 3-13-1 or IC 3-13-2, the person  
35          shall file with the clerk of the house or secretary of the senate,  
36          respectively, the same written statement of economic interests for the  
37          preceding calendar year that this section requires members of the  
38          general assembly to file.
- 39          (c) Any member of or candidate for the general assembly may file  
40          an amended statement upon discovery of additional information  
41          required to be reported.
- 42          SECTION 2. IC 2-7-3-3 IS AMENDED TO READ AS FOLLOWS

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1 [EFFECTIVE JULY 1, 2003]: Sec. 3. (a) The activity reports of each  
2 lobbyist shall include the following:

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

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

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

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

9 (C) Receptions.

10 (D) Entertainment, including meals. However, a function to  
11 which the entire general assembly is invited is not lobbying  
12 under this article.

13 (E) Gifts made to an employee of the general assembly or a  
14 member of the immediate family of an employee of the general  
15 assembly.

16 (3) A statement of expenditures and gifts that equal ~~one hundred~~  
17 **twenty-five** dollars (~~\$100~~) (**\$25**) or more in one (1) day, or that  
18 together total more than five hundred dollars (\$500) during the  
19 calendar year, if the expenditures and gifts are made by the  
20 registrant or ~~his~~ **the registrant's** agent to benefit:

21 (A) a member of the general assembly;

22 (B) an officer of the general assembly;

23 (C) an employee of the general assembly; or

24 (D) a member of the immediate family of anyone included in  
25 clause (A), (B), or (C).

26 **The statement must include a description of each gift and the**  
27 **estimated value of each gift required to be reported under this**  
28 **subdivision.**

29 (4) Whenever a lobbyist makes an expenditure that is for the  
30 benefit of all of the members of the general assembly on a given  
31 occasion, the total amount expended shall be reported, but the  
32 lobbyist shall not prorate the expenditure among each member of  
33 the general assembly.

34 (5) A list of the general subject matter of each bill or resolution  
35 concerning which a lobbying effort was made within the  
36 registration period.

37 (6) The name of the beneficiary of each expenditure or gift made  
38 by the lobbyist or his agent that is required to be reported under  
39 subdivision (3).

40 (7) The name of each member of the general assembly from  
41 whom the lobbyist has received an affidavit required under  
42 IC 2-2.1-3-3.5.

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

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

6 (1) Overhead costs.

7 (2) Charges for any of the following:

8 (A) Postage.

9 (B) Express mail service.

10 (C) Stationery.

11 (D) Facsimile transmissions.

12 (E) Telephone calls.

13 (3) Expenditures for the personal services of clerical and other  
 14 support staff persons who are not lobbyists.

15 (4) Expenditures for leasing or renting an office.

16 (5) Expenditures for lodging, meals, and other personal expenses  
 17 of the lobbyist.

18 SECTION 3. IC 2-7-3-6, AS AMENDED BY P.L.205-1999,  
 19 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 20 JULY 1, 2003]: Sec. 6. (a) A lobbyist shall file a written report with  
 21 respect to a member of the general assembly whenever either of the  
 22 following occurs:

23 (1) The lobbyist has made a purchase described in  
 24 IC 2-2.1-3-2(a)(7) with respect to that member. This subdivision  
 25 does not apply to purchases made after December 31, 1998, by a  
 26 lobbyist from a legislator's retail business made in the ordinary  
 27 course of business at prices that are available to the general  
 28 public. For purposes of this subdivision, a legislator's business is  
 29 considered a retail business if the business is a retail merchant as  
 30 defined in IC 6-2.5-1-8.

31 (2) The lobbyist has made a gift described in IC 2-2.1-3-2(a)(8)  
 32 to that member.

33 (b) A report required by subsection (a) must state the following:

34 (1) The name of the lobbyist.

35 (2) Whether the report covers a purchase described in  
 36 IC 2-2.1-3-2(a)(7) or a gift described in IC 2-2.1-3-2(a)(8).

37 **(3) If the report is a report of a gift described in**  
 38 **IC 2-2.1-3-2(a), the report must include a description of each**  
 39 **gift and the estimated value of each gift required to be**  
 40 **reported under this section.**

41 (c) A lobbyist shall file a copy of a report required by this section  
 42 with both of the following:

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- 1           (1) The commission.
- 2           (2) The member of the general assembly with respect to whom the
- 3           report is made.
- 4           (d) A lobbyist shall file a report required by subsection (a) not more
- 5           than thirty (30) days after making the purchase or giving the gift.
- 6           **(e) The commission shall publish reports filed under subsection**
- 7           **(c) not later than ten (10) days after receiving the report through**
- 8           **the computer gateway administered by the intelenet commission**
- 9           **under IC 5-21-2.**

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