



January 25, 2012

HOUSE BILL No. 1250

DIGEST OF HB 1250 (Updated January 24, 2012 5:18 pm - DI 87)

Citations Affected: IC 4-15.

Synopsis: State government nepotism. Provides that an individual may not be employed in the same state agency in which the individual's relative is employed or serving as an elected officer or a special state appointee. Provides that it is not a violation for a person to be employed or serve as an elected officer or special state appointee in the same agency in which the individual's relative is an employee, elected officer, or special state appointee if: (1) the individual's relative has been employed in the agency for at least 12 consecutive months immediately preceding the date the individual is employed in the agency; and (2) the related employees are not in a direct supervisory relationship. Prohibits an employee, elected officer, or special state appointee from being placed in a direct supervisory relationship with a relative or business entity of which the relative is a partner, executive officer, or sole proprietor. Provides that a person within an agency who violates the nepotism statute may be subject to the penalties enforced by the state ethics commission. Repeals provisions concerning employment of relatives in state agencies.

Effective: July 1, 2012.

Mahan, Bosma

January 9, 2012, read first time and referred to Committee on Government and Regulatory Reform.

January 25, 2012, amended, reported — Do Pass.

C
O
P
Y

HB 1250—LS 7009/DI 87+



January 25, 2012

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.

C
O
P
Y

HOUSE BILL No. 1250

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 4-15-7.1 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2012]:

4 **Chapter 7.1. Employment of Relatives**

5 **Sec. 1. As used in this chapter, "agency" means an authority, a**
6 **board, a branch, a bureau, a commission, a committee, a council,**
7 **a department, a division, an office, a service, or other**
8 **instrumentality of the executive, including the administrative,**
9 **department of state government. The term includes a body**
10 **corporate and politic set up as an instrumentality of the state and**
11 **a private, nonprofit, government related corporation. The term**
12 **does not include any of the following:**

- 13 (1) **The judicial department of state government.**
14 (2) **The legislative department of state government.**
15 (3) **A state educational institution.**
16 (4) **A political subdivision.**

17 **Sec. 2. As used in this chapter, "employed" refers to all**

HB 1250—LS 7009/DI 87+



1 employment, including full-time, part-time, intermittent, and
2 contractual employment. The term includes service as an elected
3 officer or special state appointee.

4 Sec. 3. As used in this chapter "relative" means any of the
5 following:

- 6 (1) Father or mother.
- 7 (2) Brother or sister.
- 8 (3) Uncle or aunt.
- 9 (4) Husband or wife.
- 10 (5) Son or daughter.
- 11 (6) Son-in-law or daughter-in-law.
- 12 (7) Niece or nephew.

13 Sec. 4. As used in this chapter, "special state appointee" means
14 a person who is:

- 15 (1) not a state officer or employee; and
- 16 (2) elected or appointed to an authority, a board, a
17 commission, a committee, a council, a task force, or other
18 body designated by any name that:
 - 19 (A) is authorized by statute or executive order; and
 - 20 (B) functions in a policy or an advisory role in the
21 executive (including the administrative) department of
22 state government, including a separate body corporate and
23 politic.

24 Sec. 5. Except as provided in section 7 of this chapter, an
25 individual may not be employed in the same agency in which an
26 individual's relative is employed.

27 Sec. 6. An individual employed in an agency may not hire or be
28 placed in a direct supervisory relationship with:

- 29 (1) a relative; or
- 30 (2) a business entity of which a relative is a partner, executive
31 officer, or sole proprietor;

32 to perform services for the agency in which the individual is
33 employed.

34 Sec. 7. Section 5 of this chapter is not violated if:

- 35 (1) an individual's relative has been employed in the same
36 agency for at least twelve (12) consecutive months
37 immediately preceding the date the individual is employed in
38 the same agency; and
- 39 (2) the employment does not violate section 6 of this chapter.

40 Sec. 8. Any person within an agency who participates in a
41 violation of this chapter is subject to the penalties set forth in
42 IC 4-2-6-12.

C
O
P
Y



1 SECTION 2. IC 4-15-7 IS REPEALED [EFFECTIVE JULY 1,
2 2012]. (Employment of Relatives by Public Officials Prohibited).

C
o
p
y



COMMITTEE REPORT

Mr. Speaker: Your Committee on Government and Regulatory Reform, to which was referred House Bill 1250, 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 1, delete lines 5 through 6.

Page 1, line 7, delete "2." and insert "1."

Page 2, line 2, delete "3." and insert "2."

Page 2, line 4, delete "does not include the situation" and insert **"includes service as an elected officer or special state appointee."**

Page 2, delete line 5.

Page 2, line 6, delete "4." and insert "3."

Page 2, between lines 14 and 15, begin a new paragraph and insert:

"Sec. 4. As used in this chapter, "special state appointee" means a person who is:

- (1) not a state officer or employee; and**
- (2) elected or appointed to an authority, a board, a commission, a committee, a council, a task force, or other body designated by any name that:**
 - (A) is authorized by statute or executive order; and**
 - (B) functions in a policy or an advisory role in the executive (including the administrative) department of state government, including a separate body corporate and politic."**

Page 2, delete lines 15 through 20, begin a new paragraph and insert:

"Sec. 5. Except as provided in section 7 of this chapter, an individual may not be employed in the same agency in which an individual's relative is employed."

Page 2, line 21, delete "or serving as an" and insert **"may not hire or be placed in a direct supervisory relationship with:"**.

Page 2, delete line 22.

Page 2, line 27, delete "or serves." and insert ".".

Page 2, delete lines 28 through 42, begin a new paragraph and insert:

"Sec. 7. Section 5 of this chapter is not violated if:

- (1) an individual's relative has been employed in the same agency for at least twelve (12) consecutive months immediately preceding the date the individual is employed in the same agency; and**
- (2) the employment does not violate section 6 of this chapter.**



C
O
P
Y

Sec. 8. Any person within an agency who participates in a violation of this chapter is subject to the penalties set forth in IC 4-2-6-12."

Page 3, delete line 1.

and when so amended that said bill do pass.

(Reference is to HB 1250 as introduced.)

MAHAN, Chair

Committee Vote: yeas 11, nays 0.

C
o
p
y

