

## Executive Summary for House Enrolled Act 1222

House Enrolled Act (HEA) 1222 of the 2013 Session of the Indiana General Assembly includes several amendments to the Indiana Lobby Law (IC 2-7). The most significant changes for legislative lobbyists in Indiana are described below.

**Change in Registration Year.** IC 2-7-2-1 and IC 2-7-2-2 have been amended to change the registration year from a calendar year to November 1 of one year through October 31 of the following year. Thus, the registration year and the reporting year will now be the same. This change takes effect November 1, 2013 and first applies for the registration/reporting year of November 1, 2013 through October 31, 2014. Under the amendments, the *deadline for registration statements for that year is November 1, 2013* or within 15 *business* days after one becomes a lobbyist, whichever is later. Consistent with this change, SECTION 14 (b) of HEA 1222 provides that registration statements previously filed for calendar year 2013 all expire on November 1, 2013. The Commission will begin accepting registration statements for the registration/reporting year of November 1, 2013 through October 31, 2014 on October 1, 2013.

**Change in Registration Fees.** The amendments to IC 2-7-2-1 also increase the annual registration fees for legislative lobbyists. For most lobbyists, the registration fee will be \$200. However, for those organizations that are exempt from federal income taxation under Section 501 (c)(3) or Section 501 (c)(4) of the Internal Revenue Code, or who are employees of those organizations lobbying for their employers, the annual registration fee will be \$100. These amendments take effect November 1, 2013 and first apply for the registration/reporting year of November 1, 2013 through October 31, 2014.

**Mandates E-filing Subject to a Hardship Exception.** HEA 1222 requires legislative lobbyists to file annual registration statements and semi-annual activity reports electronically. However, the bill permits the Commission to grant a hardship exception to the e-filing mandate if a lobbyist applies for such an exception and pays an additional fee to the commission. These changes were scheduled to take effect November 1, 2013 and first apply for registration year of November 1, 2013 through October 31, 2014. However, SECTION 14 (e) of HEA 1222 gave the Indiana Lobby Registration Commission the authority to grant a one-year blanket exception to the e-filing requirements. At its June 3, 2013 meeting, the Commission approved such a one-year blanket exception. Thus, the e-filing requirements will first apply for the November 1, 2014 through October 31, 2015 registration year.

**Changes in Reporting for Gifts and Purchases.** HEA 1222 eliminates the requirement that a lobbyist file a copy of a gift or purchase report with the principal clerk of the house or the secretary of the senate. HEA also eliminates the requirement that the commission, on or before January 7 annually, provide each member of or candidate for election to the general assembly with a written compilation of the gift and purchase reports filed with respect to that member or candidate. The amendments replace those requirements with a new requirement that the commission is to provide a copy of each gift or purchase report it receives to the principal clerk of the house or the secretary of the senate after the expiration of the confidentiality period, which is ten business days after the report is filed with the commission.

**Other Changes.** HEA 1222 also makes other changes of a technical nature to either clarify or correct other provisions of IC 2-7 or IC 5-14-7. A more detailed SECTION by SECTION summary of the act follows.

## **SECTION by SECTION Summary for HEA 1222**

SECTION 1 amends IC 2-7-1-8 to clarify that an employee of the legislative services agency, an employee of the Indiana Lobbyist Registration Commission, and a member of the commission are included in the definition of “legislative person.” The effective date for this SECTION is July 1, 2013.

SECTION 2 amends IC 2-7-1-10 to add a new subsection (c). The new subsection provides that the annual registration fee that a legislative lobbyist is required to pay under IC 2-7-2-1 is not to be considered for purposes of determining whether a person is a “lobbyist” as defined in subsection (a) of IC 2-7-1-10. Under that definition, a person is not required to register with and report to the Indiana lobbyist registration commission unless the person will reach the \$500 threshold in either compensation received or reportable expenses incurred for lobbying during the registration year. The effective date for this SECTION is July 1, 2013.

SECTION 3 amends IC 2-7-2-1 to require a lobbyist to file the lobbyist’s annual registration statement electronically, unless the commission grants an exception to that lobbyist under IC 2-7-2-1.5 as added by SECTION 4. The amendments also increase the annual registration fees from \$100 to \$200 for most lobbyists and from \$50 to \$100 for lobbyists who are Section 501 (c) (3) or (4) organizations or employees of those organizations. The effective date for this SECTION is November 1, 2013, subject to the Commission’s authority to grant a one-year blanket exception to the e-filing requirement under SECTION 14 (e) of the act. *(On June 3, 2013, the Commission approved such a one-year blanket exception. Thus, mandatory e-filing of registration statements will first be effective for the November 1, 2014 through October 31, 2015 registration year.)*

SECTION 4 adds IC 2-7-2-1.5 to provide that a lobbyist may apply to the commission for a hardship exception to the electronic filing requirements for a reporting year. The lobbyist must apply for such an exception at least 60 days before the start of the reporting year using the form prescribed by the commission. In addition, the lobbyist must pay an additional fee to the commission equal to the amount the lobbyist would have been required to pay the state’s third party vendor to be able to file statements and reports electronically for that reporting year. The effective date for this SECTION is July 1, 2013. *(See the notes in italics at the end of the summaries for SECTIONS 3, 6, and 14.)*

SECTION 5 amends IC 2-7-2-2 to provide that the registration year for lobbyists is to be the same as the current reporting year, which is November 1 of one year through October 31 of the following year. Thus, the two month gap between the reporting year and the registration year that exists under current law will be eliminated. The amendments also provide that the due date for a registration statement is the first day of the reporting year (November 1) or within 15 business days after a person becomes a lobbyist, whichever is later. In addition, the amendments clarify that the commission may waive the late fee for a registration statement in whole or in part. The effective date for this SECTION is November 1, 2013.

SECTION 6 amends IC 2-7-3-1 to require a lobbyist to file semi-annual activity reports electronically, unless the commission grants an exception to that lobbyist under IC 2-7-2-1.5 as added by SECTION 4. The effective date for this SECTION is January 1, 2014, subject to the Commission’s authority to grant a blanket exception under SECTION 14 (e) of the act to the e-filing requirement for the registration/reporting year that begins November 1, 2013. *(On June 3, 2013, the Commission approved a one-year blanket exception to mandatory e-filing for the registration/reporting year that begins November 1, 2013. Thus,*

*mandatory e-filing of activity reports will first be effective for the activity reports for November 1, 2014 through April 30, 2015 that will be due May 31, 2015.)*

SECTION 7 amends IC 2-7-3-2 to clarify that the commission may waive the late fee for an activity report in whole or in part. The effective date for this SECTION is July 1, 2013.

SECTION 8 amends IC 2-7-3-3.3 to eliminate the requirement that a lobbyist file a copy of a gift report with the principal clerk of the house or the secretary of the senate. The amendments also eliminate the requirement that the commission, on or before January 7 annually, provide each member of or candidate for election to the general assembly with a written compilation of the gift reports filed with respect to that member or candidate. The amendments replace those requirements with a new requirement that the commission is to provide a copy of each gift report it receives to the principal clerk of the house or the secretary of the senate after the expiration of the confidentiality period, which is ten business days after the report is filed with the commission. The compilation reports are no longer needed by members and candidates because they no longer are required to include that information in their annual economic interest statements. The effective date for this SECTION is July 1, 2013.

SECTION 9 amends IC 2-7-3-7 to eliminate the requirement that a lobbyist file a copy of a purchase report with the principal clerk of the house or the secretary of the senate. The amendments also eliminate the requirement that the commission, on or before January 7 annually, provide each member of or candidate for election to the general assembly with a written compilation of the purchase reports filed with respect to that member or candidate. The amendments replace those requirements with a new requirement that the commission is to provide a copy of each purchase report it receives to the principal clerk of the house or the secretary of the senate after the expiration of the confidentiality period, which is ten business days after the report is filed with the commission. The compilation reports are no longer needed by members and candidates because they no longer are required to include that information in their annual economic interest statements. The effective date for this SECTION is July 1, 2013.

SECTION 10 amends IC 2-7-4-5.5 to correct an error in current law. The reports from executive branch agencies and state colleges and universities required under IC 5-14-7 are to be filed by the employers of legislative liaisons and not by the liaisons. The effective date for this SECTION is July 1, 2013.

SECTION 11 amends IC 2-7-4-6 to correct errors in current law. Registration statements are filed under IC 2-7-2 and activity reports are filed under IC 2-7-3. Thus, there are no registration statements or activity reports filed under IC 2-7-4. To correct these errors, the word "chapter" (which includes IC 2-7-4 only) is replaced with the word "article" (which includes all of IC 2-7) at three places in the section. The effective date for this SECTION is July 1, 2013.

SECTION 12 amends IC 2-7-5-9 to clarify that the prohibition against a lobbyist paying for or reimbursing the out of state travel expenses of a legislative person does not apply to expenditures for meals. In the 2011 amendment to IC 2-7-5-9, the word "meals" was stricken from the definition of "travel expenses". However, the general phrase "other expenses associated with travel" is still included in that definition. The amendment provides that the term "travel expenses" does not include expenditures for meals and is intended to eliminate any confusion as to whether the prohibition does or does not apply to expenditures for meals. The effective date for this SECTION is November 1, 2010, which is the same as the effective date of the 2011 amendment.

SECTION 13 amends IC 5-14-7-4 to correct an error in current law that refers to employers of legislative liaisons filing reports on a calendar year basis. Under IC 5-14-7-5 it is clear that those reports are to be filed using the same reporting year as lobbyists, which is November 1 of one year through October 31 of the following year. The effective date for this SECTION is July 1, 2013.

SECTION 14 contains temporary, non-code provisions to help implement the amendments made by SECTIONS 1 through 13. Under subsection (b), lobbyist registration statements originally issued for calendar year 2013 will expire on November 1, 2013, which is the first day of the new registration year. Under subsections (c) and (d), the commission, for the new registration year that is to begin November 1, 2013, is to have hard copy registration forms available, and its system for on-line registration ready, not later than October 1, 2013. Under subsection (e), the commission, for the reporting year of November 1, 2013 through October 31, 2014, may grant a blanket exception to the on-line filing requirements for registration statements and activity reports and lobbyists will not be required to pay an additional waiver fee if such a blanket exception is granted. The effective date for this SECTION is July 1, 2013, and the SECTION expires on July 1, 2015. *(On June 3, 2013, the Commission approved such a one-year blanket exception.)*

SECTION 15 merely includes the declaration of an emergency for the act. This declaration is required because the amendments to IC 2-7-5-9 made by SECTION 12 of the act are effective retroactively to November 1, 2010.