

**Minutes  
Indiana Lobby Registration Commission  
Public Meeting  
August 25, 2014 9:30 a.m.  
Market Tower Conference Room  
10 W. Market Street  
Indianapolis, Indiana 46204**

**Members Present:** Jan Abbs, Sue Scholer, Joe Micon, and Terry White

**Member Unable to Attend:** None

**Staff Present:** Charles Harris, Executive Director & General Counsel and Amy Nicholson, Assistant Director.

**Signed-In Attendees:** Tabitha Arnett, Caryl Auslander, Robin Beck, Zachary Frizzell, Christi Heiney, Brenda Kirch, Bonnie Lewis, Ashley Miller, Jana Noble, Angela Toth, and Mindy Westrick.

**Call to Order**

On August 25, 2014, the public meeting of the Indiana Lobby Registration Commission was called to order at approximately 9:35 a.m. by the Chairperson of the Commission, Jan Abbs.

**Approval of Minutes**

Commissioner Scholer moved approval of the minutes of the Commission's Executive Session and the minutes of its Public Meeting both held on May 2, 2014. Her motion was seconded by Commissioner Micon and unanimously approved by a voice vote of the Commissioners.

**Late Fee Appeals**

Mr. Harris reported that 51 of the 55 appeals of late fees received between April 25, 2014 and August 20, 2014 were resolved administratively and that late fees totaling \$16,600 were collected from those 51 lobbyists. He stated that staff has recommended that late fees be waived for the four remaining appeals, each of which was described in his memorandum for agenda items 3 A and B. After a brief discussion, the following motion was made by Commissioner Scholer, seconded by Commissioner White, and unanimously approved by a voice vote of the Commissioners:

I move that the late fees otherwise due from Marshall D. Gibson, Indiana Public Charter Schools Association, Inc., Kevin L. Davis, and Sarah A. Overshiner be waived.

**Fiscal Year 2014-2015 Budget Report**

Mr. Harris reported on the status of the Commission's budget for fiscal year 2014-2015. He said that based on the information available as of August 6, 2014 expenditure are in line with

the budget for fiscal year 2014-2015 as approved by the Commission at its May 2, 2014 meeting. He further indicated that there is no need to adjust the budget at this time.

### **Office Space for the Commission**

Mr. Harris referred to a summary of the key provisions of the Commission's current lease for office space at Market Tower. He said that the current lease runs through May 31, 2015 and that the projected cost of providing office space for the Commission is a significant element of the Commission's annual budget. He also indicated that the Commission will need to submit its budget request for the 2015–2017 biennium to the General Assembly before the end of 2014. He suggested that now is an appropriate time for the Commission to consider its options for securing office space for the future, which options include:

- (1) exercising its right to renew its current Market Tower lease for a new five-year term;
- (2) negotiating a new lease for the same space at Market Tower;
- (3) negotiating a lease for other office space in reasonable proximity to the State Government Center; and
- (4) exploring the feasibility of securing office space in the State Government Center.

Mr. Harris pointed out that the deadline for the Commission to exercise its renewal option is December 2, 2014. He then recommended that the Commission authorize him to engage an individual who is familiar with the cost and availability of office space in downtown Indianapolis to help the Commission evaluate its options. He also recommended that the Commission approve a plan no later than November 30, 2014 to address its future office space needs.

Chairperson Abbs said that as part of its evaluation of the various options the Commission will need to consider the cost of moving to another location as well as the disruption in service that would result from such a move. Mr. Harris indicated that staff would rather stay in room 1760 at Market Tower if it were their decision to make. Chairperson Abbs stated that the evaluation should help the Commission determine whether its current rental rate of \$19 per square foot is consistent with comparable rates in the Indianapolis market. Commissioner White expressed his concern that a five year renewal term may be too long and limit the Commission's ability to respond to changes that may occur. At the conclusion of this discussion, the following motion was made by Commissioner White, seconded by Commissioner Scholer, and unanimously approved by a voice vote of the Commissioners:

I move that the Executive Director/General Counsel explore various options for office space for the Commission and report back to the Commission with his recommendations on or before November 15, 2014. To assist with this effort, I further move that the Executive Director/General Counsel be authorized to engage the service of an individual who is familiar with the cost and availability of office space in downtown Indianapolis, subject to the prior approval of the Chairperson of the Commission.

### **Discussion of Possible Amendments to IC 2-7 and IC 5-14-7**

Chairperson Abbs pointed out that one of the responsibilities of the Commission is to make recommendations to the General Assembly concerning the statutes that it administers. She then asked Mr. Harris to review potential amendments to IC 2-7 and IC 5-14-7 that he identified during his review of those statutes.

With respect to IC 2-7, Mr. Harris said that IC 2-7-2-2 and IC 2-7-3-2 provide for civil penalties of up to \$100 per day with a maximum of \$4,500 for filing a registration statement or activity report after the due date. He emphasized that there currently is no civil penalty for filing either a gift report or a purchase report after the date it is due. He then noted that one who knowingly and intentionally files a late registration statement, activity report, gift report, or purchase report after the due date could be charged with a level 6 felony. Mr. Harris stated that it is staff's observation that the civil penalties have worked very effectively as an inducement for lobbyists to file their registration statements and activity reports in a timely manner. The following is a summary of the possible amendments to IC 2-7 that Mr. Harris presented to the Commission:

- (1) Amend IC 2-7-3-3.3 to establish a late filing fee for gift reports similar to the existing late fees set forth in IC 2-7-2-2 and IC 2-7-3-2 for filing a late registration statement or activity report.
- (2) Amend IC 2-7-3-7 to establish a late filing fee for purchase reports similar to the existing late fees set forth in IC 2-7-2-2 and IC 2-7-3-2 for filing a late registration statement or activity report.
- (3) Amend IC 2-7-6-2 to provide that one who files a late registration statement, activity report, gift report, or purchase report is not to be charged with a level 6 felony for the late filing.

With respect to IC 5-14-7, Mr. Harris said that state executive/administrative department agencies and state colleges and universities are currently required to file with the Commission an annual report of certain gift and entertainment expenses incurred by an employee who functions as a legislative liaison for the reporting entity. He explained that the reporting threshold is the same as the Section E reporting thresholds for a legislative lobbyist---gift or entertainment expenses that benefit a particular legislative person and that reach \$50 or more in one day or exceed \$250 in a reporting year. He pointed out that the term "legislative liaison" is defined in such a manner that it only includes one who is designated as such by his or her employer and who receives at least 10% of his or her compensation to engage in legislative lobbying. Mr. Harris indicated that no state executive/administrative department agency has reported any gift or entertainment expenditure during the three years for which reports have been required. Mr. Harris also stated that at least one state college or university has taken the position that it has nothing to report because it doesn't have a "legislative liaison." The following is a summary of the possible amendments to IC 5-14-7 that Mr. Harris presented to the Commission:

- (1) Amend IC 5-14-7-2 to remove the requirement for state executive/administrative department agencies to file annual reports under IC 5-14-7.
- (2) Amend IC 5-14-7 to require each state college or university to file an annual report regardless of whether the reportable expenditures are made by the college or university, by an institutionally related foundation of the college or university, or by an employee of the college or university who is then reimbursed by either the college or university or by such an institutionally related foundation.
- (3) Amend IC 5-14-7 to add a new provision to impose at least some civil penalty for filing a report after the date it was due.

After discussing the amendments to IC 2-7 and IC 5-14-7 presented by Mr. Harris, the Commissioners agreed that he should present the amendments to appropriate caucus staff for possible consideration by the General Assembly during its 2015 session.

#### **Database**

Ms. Nicholson provided a report on the progress that has been made with development of the Commission's new data system. During her report she distributed to the Commissioners copies of some of the screens that will be part of the new system. She indicated that she has recruited a small group of volunteers to review the screens. Ms. Nicholson stated that the first phase of the project is still on schedule to be completed in time to have the basic registration and reporting components operational before October 1, 2014. She said that she will be scheduling one or more training sessions to help attendees understand how to use the new system

#### **Staff Reports**

Ms. Nicholson briefly reviewed an initial report of expenditures by lobbyists for the November 1, 2013 through April 30, 2014 reporting period. She then reported on the email process she is using to make lobbyists aware that mandatory e-filing takes effect November 1, 2014. Mr. Harris said that Ms. Nicholson will be attending the COGEL conference in Pittsburg December 7 through 10 because the agenda has a significant focus on technology. Mr. Harris then reviewed the random process used to select 39 employer lobbyists and their 45 compensated lobbyists whose activity reports are being audited for the November 1, 2012 through October 31, 2013 reporting year.

#### **Comments**

Chairperson Abbs called for comments from Commissioners or others in attendance. No additional comments were offered.

#### **Adjournment**

There being no further business to come before the Commission, Commissioner Micon moved to adjourn the meeting. His motion was seconded by Commissioner Scholer and unanimously approved by a voice vote of the Commissioners. The time of adjournment was approximately 10:53 a.m.