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**Minutes  
Indiana Lobby Registration Commission  
Public Meeting  
June 3, 2013 10:00 a.m.  
Market Tower Conference Room  
10 W. Market Street  
Indianapolis, Indiana 46204**

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

**Member Unable to Attend:** None

**Staff Present:** Charles Harris, Executive Director & General Counsel; Amy Nicholson, Assistant Director; and Kaytie Barrett, Office Administrator.

**Others in Attendance:** Robin Beck, Anne Doran, Christi Heiney, Brenda Kirch, Bonnie Lewis, Angela Loth, Ashley Miller, Sabra Northam, Becca Polcz, Debbie Rolfsen, Allison Taylor and Mindy Westrick

**Call to Order**

On June 3, 2013, the public meeting of the Indiana Lobby Registration Commission was called to order at approximately 10:00 a.m. by the Chairperson of the Commission, Sue Scholer.

**Approval of Minutes**

Commissioner Abbs moved approval of the minutes of the Commission's Executive Session and the minutes of its Public Meeting both held on January 22, 2013. Her motion was seconded by Commissioner Micon and unanimously approved by a voice vote of the Commissioners.

**Late Fee Appeals**

Mr. Harris reviewed proposed amendments to policies previously approved by the Commission for administrative resolution of late fee appeals. He said that the only substantive change is the removal of the April 1, 2013 sunset provision. He also stated that staff continued to apply the policy after March 31, 2013 based on previous communications with Commission members. Following a brief discussion, the following motion was made by Commissioner White, seconded by Commissioner Abbs and unanimously approved by a voice vote of the Commissioners:

I move approval of the proposed amendments to the policies for administrative resolution of late fee appeals as set forth in the agenda materials. I further move that actions taken by staff after March 31, 2013 and before June 3, 2013 to administratively resolve late fee appeals under those policies be ratified.

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Mr. Harris then reported on the 27 appeals of late fees received after November 27, 2012 and before May 27, 2013. He said 24 of the 27 appeals were resolved administratively and that late fees totaling \$10,500 were collected from the 24 lobbyists.

Next, Mr. Harris discussed the three remaining appeals for which staff recommended waiver of the late fee. He noted that all three late filings resulted from very serious health issues that Ken Edwards experienced near the end of 2012 and that even with those health issues the three 2013 registration statements were only 6 days late. Commissioner Abbs moved that the late fees for United Transportation Union, Kenneth O. Edwards, and Kyle J. Brooking be waived. Her motion was seconded by Commissioner Micon and unanimously approved by a voice vote of the Commissioners.

### **Fiscal Year 2012-2013 Budget Report**

Mr. Harris reported on the status of the Commission's budget for fiscal year 2012-2013. He said that there have been a number of personnel matters that have combined to make fiscal year 2012-2013 very challenging, including additional retirement fund assessments and payments related to the termination of a former employee. Based on information available on May 7, 2013, the remaining balance of the Commission's budget for fiscal year 2012-13 was \$38,389 or 14.12% of the Commission's \$271,910 appropriation for the fiscal year. Mr. Harris advised the Commissioners that his projections indicate that the Commission will be able to close out the fiscal year without exceeding its appropriation.

### **Staff Salary Increases**

Mr. Harris noted he previously distributed a memorandum to the Commissions that included his salary recommendations. Chairperson Scholer said that the Commission met in executive session before the public meeting to discuss job performance evaluations of individual employees and that no other business was discussed nor was any action taken by the Commission during the executive session. The following motion was made by Commissioner Micon, seconded by Commissioner Abbs and unanimously approved by a voice vote of the Commissioners:

I move that Amy Nicholson's annual salary be increased to \$62,800 and that Kaytie Barrett's annual salary be increased to \$29,000. I further move that these salary increases take effect for the pay period that ends June 22, 2013 and for which the pay date is July 3, 2013.

### **Proposed Budget for Fiscal Year 2013-2014**

Mr. Harris reviewed the proposed budget for the Commission for fiscal year 2013-2014. He said that the total budget of \$285,300 is consistent with the Commission's appropriation for that fiscal year. In addition, he emphasized that the budget includes an internal reserve of \$5,700 and \$3,000 that can be used to equip a room with two work stations for use by lobbyists. Commissioner White moved approval of the proposed budget request for 2013-2014. His

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motion was seconded by Commissioner Abbs and unanimously approved by a voice vote of the Commissioners.

### **Legislative Update**

Mr. Harris commented on three enrolled acts passed during the 2013 Regular Session of the Indiana General Assembly each of which has at least some impact on the work of the Commission or the statutes that it administers. The three enrolled acts are HEA 1222, HEA 1001, and HEA 1006.

**House Enrolled Act 1222.** Mr. Harris said that HEA 1222 includes most of the amendments to IC 2-7 and IC 5-14-7 proposed by the Commission, the most significant of which are as follows:

- (1) **Registration Year.** The annual registration year is changed from a calendar year to November 1 of one year through October 31 of the following year.
- (2) **Registration Fees.** The annual registration fee for most legislative lobbyists is increased from \$100 to \$200. 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, and for employees of those organizations lobbying for their employers, the annual fee is increased from \$50 to \$100.
- (3) **Mandatory E-filing.** Each lobbyist is required to file registration statements and activity reports electronically using the Commission's online system, unless the lobbyist secures an exception from the Commission.

He indicated that all three changes take effect November 1, 2013 and apply for the registration year that begins on that date. Mr. Harris noted, however, that SECTION 14 (e) of HEA 1222 permits the Commission to grant a blanket exception to the electronic filing requirements for that registration year. In response to a question from Commissioner Abbs, Mr. Harris said that staff will be taking steps to alert lobbyist to the changes included in HEA 1222. Those steps will include revisions to the Lobbyist Handbook, posting a summary of the act on the Commission's website, training programs related to both the statutory changes and the e-filing process, and e-mail alerts.

**House Enrolled Act 1001.** Mr. Harris stated that HEA 1001 includes appropriations to the Commission for the next two fiscal years in the exact amounts requested by the Commission, namely \$285,300 for FY 2013-14 and \$296,000 for FY 2014-15.

**House Enrolled Act 1006.** Mr. Harris said that the act amends IC 2-7-6-2, IC 2-7-6-3, and IC 2-7-6-4 to change the designation for a violation of those sections from a Class D felony to a Level 6 felony. These amendments are consistent with an effort to replace the current four level felony classification system with a new six level system throughout the Indiana Code.

### **Implementation of HEA 1222**

Mr. Harris emphasized that HEA 1222 gives the Commission some latitude with respect to mandatory e-filing and when to start receiving registration statements. He said that staff is recommending that the Commission grant a blanket exception to the mandatory e-filing requirement for the registration year that begins November 1, 2013 as authorized by SECTION 14

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(e) of HEA 1222. He also stated that staff is recommending that the Commission approve the following schedule for receiving registration statements and activity reports from lobbyists:

<i>Document</i>	<i>Statutory Deadline for Filing</i>	<i>1<sup>st</sup> Day for Availability &amp; Filing</i>
Annual Registration Statement	November 1	October 1
Activity Report for Nov. 1--Apr. 30	May 31	May 1
Activity Report for May 1--Oct. 31	November 30	November 1

During the discussion of these recommendations, the Commissioners agreed that they should consider each recommendation separately and that the proposed schedule for availability and filing of registration statements and activity reports should apply for the registration year that begins November 1, 2013 and be revisited for subsequent years. Following this discussion, Commissioner Micon moved that the Commission grant a blanket exception to the mandatory e-filing requirement for the registration year that begins November 1, 2013. His motion was seconded by Commissioner Abbs and unanimously approved by a voice vote of the Commissioners. Commissioner White then moved that the Commission approve the proposed schedule for availability and filing of registration statements and activity reports for the registration year that begins November 1, 2013. His motion was seconded by Commissioner Abbs and unanimously approved by a voice vote of the Commissioners.

#### **Data Base**

Assistant Director Amy Nicholson said that the current data base should be updated within the next two weeks to include the changes to the registration year and fees included in HEA 1222. With respect to the project to build a new data base, she stated that staff will be working with a focus group to determine changes that users of the system would like to see built into the system. Commission staff will then work with Indiana Interactive staff to develop a project statement. Ms. Nicholson said that the estimated time period for Indiana Interactive to build the system is six months and that the time period for testing the new system is three months. She emphasized that the testing phase will involve those who utilized the system. Ms. Nicholson indicated that the ultimate goal is to have the new system operational on or before October 1, 2014 and that development of the new system may be divided into two phases, with the first phase focused on creation of the basic system and the second phase focused on adding enhanced features to the system.

#### **Staff Reports**

Ms. Nicholson briefly reviewed the data that had been included in the agenda packet with respect to lobbying expenditures, the number of registered lobbyists, and expenditures reported by employers of legislative liaisons. Her presentation led to a discussion between Commissioners and staff concerning the extent to which Commission staff is involved with verifying the accuracy of information reported to the Commission. During this discussion, staff explained the random audit process that applies to those who report as legislative lobbyists and

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noted the lack of such a process for expenditures reported by employers of legislative liaisons. Mr. Harris said that the statute requires that at least 5% of the statements and reports filed by legislative lobbyists be audited annually, but there is no statutory provision for auditing the reports filed by employers of legislative liaisons.

### **Comments**

Chairperson Scholer called for other comments from Commissioners or others in attendance. No 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 Abbs and unanimously approved by a voice vote of the Commissioners. The time of adjournment was approximately 11:15 a.m.