

**Minutes
Indiana Lobby Registration Commission
Public Meeting
March 6, 2012 11:00 a.m.
Market Tower, Room 270
10 W. Market Street
Indianapolis, Indiana 46204**

Members present: Jan Abbs, Sue Scholer, Scott Mellinger and John Whikehart

Member unable to attend: None

Staff Present: Charles Harris, Executive Director & General Counsel, Amy Nicholson, Assistant Director, and Shannon Moore, Administrative Assistant

Others Present: Robin Beck, Christi Heiney, Brenda Kirch, Bonnie Lewis, Ashley Miller, Jana Noble, Debbie Rolfsen, Mindy Westrick

Call to Order

On March 6, 2012, the public meeting of the Indiana Lobby Registration Commission was called to order at approximately 11:05 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 held on August 29, 2011 and its Public Meeting also held on August 29, 2011. Her motion was seconded by Commissioner Mellinger and approved unanimously.

Pending Appeals of Late Fees Not Resolved Administratively

Chairperson Abbs asked Mr. Harris to discuss the pending appeals that had not been resolved administratively and that were being presented to the Commission. Mr. Harris discussed the merits of the appeal of late fees filed by William Powers on behalf of his client, Smithville Telephone Company, Inc. as the employer lobbyist and himself, Darby McCarty and Edward Pence as the company's compensated lobbyists. In the appeal, Mr. Powers acknowledged that it was his responsibility to prepare and file activity reports for the company, himself, and the company's other compensated lobbyists. Mr. Powers also stated that his long time associate, Philip Boberschmidt, died in the spring of 2011 and that after his death there were issues concerning the division of equipment, supplies and records that prevented Mr. Powers from being able to file accurate activity reports for November 1 2010 through April 30, 2011 by the May 31, 2011 deadline. Mr. Harris said that Mr. Powers is a long-time lobbyist and had never been late in filing a registration statement or activity report prior to the activity reports that are the subject of the appeals. Mr. Harris also advised the Commissioners of staff's recommendation that the late fees be waived for Smithville Telephone Company and all three compensated lobbyists.

Commissioner Whikehart moved that late fees be waived for all four lobbyists. His motion was seconded by Commissioner Mellinger and approved unanimously.

Proposed Policies for Administrative Resolution of Late Fees

Chairperson Abbs then asked Mr. Harris to explain the proposed new policies for the administrative resolution of subsequent late fees. Following his explanation, the Commissioners suggested and approved three amendments to the proposed policies. The first amendment is to base the time frame for a lobbyist to respond to a written notice of a need to correct or file a registration statement or activity report to ten (10) business days rather than ten (10) calendar days. The second amendment is insertion of a statement to clarify that the late fee will continue to accrue at the rate of \$100 per day to the maximum of \$4,500 per filing if a lobbyist fails to correct or file a registration statement or activity report within ten (10) business days after receiving such a written notice. The third amendment is insertion of another statement indicating that these new policies will remain in effect until April 1, 2013. With respect to the third amendment, the Commissioners expressed their desire to review and reconsider the new policies before they expire.

Commissioner Scholer moved approval of the new policies for the administrative resolution of late fees as amended. Her motion was seconded by Commissioner Whikehart and approved unanimously. A copy of the new policies as amended and approved by the Commission is attached to these minutes.

Next Round of Audits

Chairperson Abbs directed Mr. Harris to proceed with the next agenda item, which involved the need to plan for the next round of audits. Mr. Harris pointed out that the 2010 legislation changed the reporting year for legislative lobbyists from May 1 through April 30 to November 1 through October 31 effective November 1, 2010. He said that as a result of this change the six month period of May 1 through October 31, 2010 is not associated with any other six month period and is therefore treated as a "special" reporting period. Mr. Harris said that staff needs direction from the Commission on whether the next round of audits should cover that special six month period or the next full reporting year of November 1, 2010 through October 31, 2011. During the discussion of this issue, staff explained the impact that auditing the special period activity reports would have on efforts to get completely caught up and to move forward with development of the Commission's new on-line system. In addition, Chairperson Abbs pointed out that the 2010 registration forms will have been reviewed and audits will be completed for six of the 12 months of that calendar year even if the special reporting period activity reports are not audited.

Commissioner Whikehart moved that the next round of audits cover the reporting year of November 1, 2010 through October 31, 2011. His motion was seconded by Commissioner Scholer and approved unanimously.

Staff Reports

Mr. Harris said staff administratively resolved all but four of 51 appeals of late fees by applying the standards approved by the Commission at its August 29, 2011 meeting. He noted that the amount of late fees actually collected through this process totaled \$20,000 and that an additional late fee of \$500 had been billed through the on-line system and will be paid.

Ms. Nicholson provided the Commissions with a report of the number of registered lobbyists for 2012. The information included in the report is as follow:

- Total number of registered lobbyists is 1,307, with 672 employer lobbyists and 635 compensated lobbyists.
- Employer lobbyists registrations—390 on line and 282 paper filings.
- Compensated lobbyists registrations—305 on line and 330 paper filings.

During her presentation, Ms. Nicholson requested input from the Commissioners on behalf of IN.gov with respect to the issue of a mandate for on line filing. Commissioners Abbs and Scholer both expressed concern with having the Commission move in such a direction without a clear direction to do so from the General Assembly.

Mr. Harris provided the Commissioners with an update concerning the Commission's budget for FY 2011-2012. He indicated that the Commission still has an internal reserve of \$1,610 after addressing needs for upgraded office furniture and equipment, including a new copier, new office furniture and a new desktop computer system for Amy, and a new laptop computer for the office. He also said that the internal reserve of \$1,610 is over and above the \$8,168 that is being held in reserve by the State Budget Agency from the Commission's FY 2011-2012 appropriation of \$271,910.

Mr. Harris next reviewed the status of the Commission's audits of lobbyists' activity reports for the period of May 1, 2009 through April 30, 2010. He said that all but 4 of the 83 audits have been completed and that the other 4 reports should be closed out by the end of March pending submission of missing affidavits or completion of requested amendments to the reports.

For the final staff report, Mr. Harris reviewed two separate letters that contained informal advice he provided for ticket transactions and a reception. This prompted a discussion of the role of the Commission and the role of staff in responding to requests for guidance on lobbyist registration and reporting issues. It was agreed that this will be a topic for the next Commission meeting and that Mr. Harris will compile and share information that will help facilitate such a discussion.

Call for Comments

Before calling public comments, Chairperson Abbs and the other Commissioners expressed their appreciation for the progress that staff made during the past year. Staff then thanked the Commissioners and the lobbyist community for the support and

cooperation they have received. Next, Chairperson Abbs called for any additional comments from others in attendance. Bonnie Lewis asked how the Commission would apply the prior late filing standards under the new policies for administratively resolving late fees. It was agreed that the standard would be based on filings by the same employer lobbyist or the same compensated lobbyist for the same client as opposed to filings by a particular compensated lobbyist for all of its clients.

Adjournment

There being no further business to come before the Commission, Chairperson Abbs adjourned the meeting at approximately 12:22 p.m.