

The Building Blocks of Policy Work



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Building Blocks of Policy Work Government Services Overview and 2020 Legislative Preview

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Indiana General Assembly Basics

- House of Representatives – 100 members
- Senate – 50 members
- Currently a super-majority in each chamber
- Biennial Budget
 - Long session
 - Short session
- Part-time, Citizen Legislature

Legislative Leadership

Indiana House of Representatives

(67 Republicans, 33 Democrats)



House Speaker
Brian Bosma (R)
Indianapolis, IN



House Minority Leader
Phil GiaQuinta (D)
Fort Wayne, IN

Indiana Senate

(40 Republicans, 10 Democrats)



Senate President Pro Tempore
Rodric Bray (R)
Martinsville, IN



Senate Minority Leader
Tim Lanane (D)
Anderson, IN

2020 Legislative Session Overview

- Short session, non-budget session
- 2020 is an election year
 - 100% of House members, 50% of Senate members
- Key Dates
 - November 19, 2019: Organization Day
 - January 6, 2020: tentatively set first day of session
 - March 14, 2020: latest day for the General Assembly to adjourn sine die

2020 Legislative Session Overview

- Healthcare costs
- Vaping/e-cigarettes
- Juvenile matters

2021 Budget Session Preparations

- The Indiana General Assembly will pass the next biennial state budget in 2021
- Budget process will begin in 2020
 - State agencies submit budget requests to State Budget Agency for review
 - State Budget Agency provides recommendations; Governor approves
 - Budget Committee holds public hearings with agencies to review requests
 - Revenue forecast in December 2020 will shape Budget Committee recommendations and initial version of the biennial budget bill
- Start considering potential funding requests and needs now

What is lobbying?

State Perspective

- IC 2-7-1-9 “Lobbying”
 - means communicating by any means, or paying others to communicate by any means, with any legislative person for the purpose of influencing any legislative action
- IC 2-7-1-10 “Lobbyist”
 - means any person who engages in lobbying AND in any registration year, receives or expends at least \$500 in compensation or expenditures reportable under this article for lobbying, whether the compensation or expenditure is solely for lobbying or the lobbying is incidental to that individual’s employment

What is lobbying?

Federal Perspective – Private Foundations

- As a general rule, expenses for legislative lobbying are prohibited as “taxable expenditures”
 - Dollars spent on lobbying activity incurs an excise tax so significant it essentially acts as a prohibition (25% of amount of excess lobbying expenditures for the taxable year)
 - 501(c) (3) status at risk if a “substantial part” of its activities is lobbying
 - Substantial part test
 - Expenditure test
 - References: Sections 4945, 501(h), and 4911 of the Internal Revenue Code and <https://www.irs.gov/charities-non-profits/private-foundations/lobbying-activity-of-section-501c3-private-foundations>

What is lobbying?

Federal Perspective – Private Foundations

- “Direct lobbying refers to attempts to influence a legislative body through communication with a member or employee of a legislative body, or with a government official who participates in formulating legislation.”
- “Grass roots lobbying refers to attempts to influence legislation by attempting to affect the opinion of the public with respect to the legislation and encouraging the audience to take action with respect to the legislation.”
- To trigger this activity, your view on the legislation must be conveyed

Source: <https://www.irs.gov/charities-non-profits/direct-and-grass-roots-lobbying-defined>

What is lobbying?

Federal Perspective – Private Foundations

- Exceptions
 - Nonpartisan analysis, study and research
 - Technical advice or assistance
 - Decisions affecting the powers, duties, etc., of a private foundation
 - “self-defense” lobbying
 - Examinations and discussions of broad social, economic, and similar problems
 - Cannot directly address merits of a specific piece of legislation

Source: <https://www.irs.gov/charities-non-profits/private-foundations/exceptions-lobbying-by-private-foundations>

What is lobbying?

Federal Perspective – Public Foundations

- As a general rule, public charities (including public foundations) are not permitted to engage in *substantial* lobbying.
 - Contrast with private foundations, which are subject to a tax on all lobbying expenditures.
 - An organization is lobbying if it “contacts, or urges the public to contact, member or employees of a legislative body for purposes of proposing, supporting or opposing legislation, or advocates the adoption or rejection of legislation.”
 - If lobbying activity is substantial, a 501(c)(3) organization may lose its tax-exempt status or be liable for excise taxes.
- May be subject to excess lobbying expenditure tax
 - Excess lobbying expenditures means the greater of the amount by which lobbying or grass root expenditures made exceed lobbying or grassroots nontaxable amount for the taxable year

Source: Sections 4911 and 501(h) of the Internal Revenue Code, <https://www.irs.gov/pub/irs-pdf/p4221pc.pdf>, and <https://www.irs.gov/charities-non-profits/private-foundations/measuring-lobbying-by-private-foundations-substantial-part-test>

What is lobbying?

Federal Perspective – Public Foundations

Expenditure Test Thresholds for Public Charities

If the amount of exempt purpose expenditures is:	Lobbying nontaxable amount is:
≤ \$500,000	20% of the exempt purpose expenditures
>\$500,00 but ≤ \$1,000,000	\$100,000 plus 15% of the excess of exempt purpose expenditures over \$500,000
> \$1,000,000 but ≤ \$1,500,000	\$175,000 plus 10% of the excess of exempt purpose expenditures over \$1,000,000
>\$1,500,000 but ≤ \$17,000,000	\$225,000 plus 5% of the exempt purpose expenditures over \$1,500,000
>\$17,000,000	\$1,000,000

Source: <https://www.irs.gov/charities-non-profits/measuring-lobbying-activity-expenditure-test>

What is lobbying?

Federal Perspective – Public Foundations

- Exceptions
 - Nonpartisan analysis, study and research
 - Technical advice or assistance
 - Decisions affecting the powers, duties, etc., of a public foundation
 - “self-defense” lobbying
 - Communications with organization members regarding legislation of interest
 - Communications with government officials or employees other than to influence legislation

Source: Section 4911 of the Internal Revenue Code and <https://www.irs.gov/pub/irs-pdf/p4221pc.pdf>

Government Overview - Federal

- Federal
 - Legislative: United States Congress
 - Executive: President of the United States
 - Judicial:
 - Supreme Court
 - Other Federal Courts

Government Overview

- State
 - Legislative: Indiana General Assembly
 - Executive (Constitutional Offices):
 - Governor
 - Lieutenant Governor
 - Secretary of State
 - Auditor of State
 - Treasurer of State

Government Overview

- State
 - Executive (Non-Constitutional Offices):
 - Attorney General
 - Superintendent of Public Instruction
 - Judicial:
 - Indiana Supreme Court
 - Indiana Court of Appeals

Government Overview

- Local
 - County Government
 - Fiscal and Legislative Body
 - County Council
 - Marion County Exception: City-County Council
 - Executive Offices
 - Board of Commissioners
 - Clerk of the Circuit Court
 - Auditor
 - Recorder
 - Treasurer
 - Sheriff
 - Coroner
 - Surveyor
 - Assessor

Government Overview

- Local
 - County Government (continued)
 - Judicial: Circuit and Superior Courts
 - City Government
 - Legislative Body: Common Council
 - Marion County Exception: City-County Council
 - Executive Offices:
 - Mayor
 - Clerk or Clerk-Treasurer
 - Judicial: City Court

Government Overview

- Local
 - Town Government
 - Legislative Body: Town Council
 - Executive Offices:
 - Town Council President
 - Clerk-Treasurer
 - Judicial: Town Court
 - Government of Townships
 - Legislative: Township Board
 - Executive: Township Trustee

Government Overview

- Other Local Entities
 - School Corporations
 - Governing Body: School Boards
 - Marion County Exception: Board of School Commissioners of the City of Indianapolis
 - Fire Protection Districts
 - Governing Body: Board of Fire Trustees
 - Executive: Township Trustee
 - Solid Waste Management Districts
 - Governing Body: Board of Directors

Contact Information

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