Local Mandate Fiscal Impact Estimate Kentucky Legislative Research Commission 2015 Regular Session

Part I: Measure Information

Bill Request #: 366	
Bill #: HB 137 HCS	
Bill Subject/Title:	Salaries of locally elected officials.
Sponsor: Representative Rick Nelson	
Unit of Government:	City x County x Urban-County Charter County x Consolidated Local Government
Office(s) Impacted:	County judge/executives, county clerks, sheriffs, jailers who operate a full-service jail, fiscal courts and property valuation administrators
Requirement: x	Mandatory Optional
Effect on Powers & Duties:	Modifies Existing Adds New Eliminates Existing

Part II: Purpose and Mechanics

Section 246 of the Kentucky Constitution, as amended in 1949, limits the salary of elected officials to \$7,200 per year. However, adjustments are periodically made to adjust for inflation. In 1998, the General Assembly enacted HB 810 which established a graduated pay scale for these officials, based on the Consumer Price Index. The graduated pay scale is divided into nine population groups, based on county size. Within each of the nine population groups, there are provisions for increasing the official's salary one "step" per year served, to a maximum of four steps.

HB 137 HCS retains original provisions, which amends KRS 64.5275 to prohibit the reduction of the salary of a county judges/executive, county clerk, jailer of a full service jail or sheriff holding office on and after December 31, 2014, when there has been a reduction in the county population that would cause a reclassification of the county population group/pay scale to which the official belongs.

Officers that begin on January 5, 2015, shall not receive back pay as a result of this amendment and shall receive their first adjusted paycheck for the pay period beginning July 1, 2015.

Under Section 2, which amends KRS 132.590, HB 137 HCS would revise subsection (4) to prohibit the reduction of a property valuation administrator (PVA) holding office on and after December 2, 2013, when there has been a reduction in the county population that would cause a reclassification of the county population group/pay scale to which the official belongs.

PVA officers taking office on December 1, 2014, shall not receive back pay as a result of this amendment and shall receive their first adjusted paycheck for the pay period beginning July 1, 2015.

Part III: Fiscal Explanation, Bill Provisions, and Estimated Cost

The immediate fiscal impact of HB 137 HCS on local government is expected to be nil for county governments with two exceptions. The only counties immediately affected would be Harlan and Metcalfe Counties, which are the only counties that have seen a drop in their population group since the population groups were established in 1998. As a result of these counties' drop in population, the office of county judge-executive, jailer, county clerk and sheriff experienced a decrease, effective January 2015, in salary in the amount of approximately \$5,250 per officer and, the office of PVA experienced a decrease of approximately \$5,500 per officer.

HB 137 HCS would restore the salaries of these counties' county-judge, county clerk, sheriff and PVA who are incumbents, but would not affect the county's officials who are newly elected. The fiscal impact of HB 137 HCS1 on these counties for the current fiscal year is \$21,368.02 (\$5,289.34 X 3 + \$5,500 X 1) for Metcalfe County and \$10,700.55 for Harlan County.

 Data Source(s):
 LRC staff; Department for Local Government; Kentucky PVA Association

 Preparer:
 John V. Ryan
 Reviewer:
 MCY
 Date:
 2/12/15