

Fiscal Estimate Narratives

DOR 10/22/2007

LRB Number	07-2490/1	Introduction Number	SB-280	Estimate Type	Original
Description Authorizing an elective member of a political subdivision's governing body to refuse his or her salary					

Assumptions Used in Arriving at Fiscal Estimate

Salaries of local officials are set by the governing body of the municipality. Because of the potential for abuse, statutory requirements must be met for establishing or changing the compensation of members of municipal governing bodies. For example, salaries are generally set by a three-fourths vote of the governing body prior to the start of the term of office. With limited exceptions, elected officials of a county, city, village or town may not collect a salary in excess of the salary provided at the time the official takes office. However, a salary schedule that includes automatic adjustments for the cost of living is specifically allowed. While not explicitly authorized by state law, there is also no legal impediment for an elected official of a governing body to donate his or her salary to the municipality.

The bill authorizes a member or member-elect of the governing body of a county, city, village, or town to refuse to accept a salary to which he or she would otherwise be entitled. The member or member-elect may send a written notification refusing the salary to the clerk and treasurer of the political subdivision. Upon receipt of the notification, the treasurer must stop paying the member or member elect any salary he or she would otherwise be entitled to receive beginning with the first pay period after receipt. The member or member-elect may rescind an earlier refusal of salary with another written notification that would be effective for the pay period following receipt of the revocation.

Data is not available to determine the number of local officials who would rescind their salaries. In addition, the number of local elected officials who currently donate their salaries to their municipality is not known. Consequently, the degree to which savings from rescinded salaries would be offset by a reduction in donated salaries is not known. Therefore, the local fiscal impact of the bill is indeterminate but is expected to be minimal.

The bill has no state fiscal effect.

Long-Range Fiscal Implications