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FISCAL IMPACT REPORT

ORIGINAL DATE 02/02/12
LAST UPDATED 02/08/12 **HB** 188/aHHGAC

SPONSOR Park

SHORT TITLE Increase County Official Salaries **SB** _____

ANALYST Boerner

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY12	FY13	FY14	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		See Fiscal Implications				County and Local Government

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

New Mexico Association of Counties (NMAC)
 State Personnel Office (SPO)

SUMMARY

Synopsis of HHGAC Amendment

The House Health & Government Affairs Committee amends House Bill 188 Section 4-44-14 H CLASS COUNTIES—SALARIES AND EXPENSES to strike annual salaries for officers elected or appointed from \$1.00 and inserts new salaries of: \$13,777 for county commissioners; \$6,889 for treasurer, assessor, sheriff, and county clerk; and \$4,031 for probate judge.

Additionally, the amendment strikes Subsections B and C in their entirety and inserts a new Subsection stating that the governing body of an H class county shall provide for salaries for the elected officials of the county pursuant to Section 4-44-12.3 NMSA 1978.

Synopsis of Original Bill

The bill eliminates five classifications of counties — first class through fifth class, with classes A, B, and C and H (Los Alamos only) remaining. Counties that fall into the five classifications of counties that were eliminated would now be classified as Class C counties. The valuation and population for class C counties are those with final, fully assessed property valuations of less than \$75 million and a population of less than 100,000.

The bill increases the salaries of elected officials in Class A, B and C class counties by approximately fifteen percent (15%). Effective January 1, 2013, the board of county commissioners shall provide for salaries of the treasurer, assessor and clerk to be the same and the salary of the sheriff to be at least, but not more than five percent (5%) greater than the salary of the treasurer, assessor and clerk.

The bill removes the reference and authority to employ an elected or appointed county surveyor in Class H counties. The bill authorizes the board of county commissioners to raise the annual salary of the probate judge from \$3,505 to \$4,031 not to take effect until the term of the judge elected after the raise takes office.

The effective date of section 6 of the bill is July 1, 2012, while the effective date for all other sections is January 1, 2013

FISCAL IMPLICATIONS

The SPO states that the impact to each county to provide higher salaries to county commissioners, treasurers, assessors, sheriffs, clerks and probate judges will be fifteen percent (15%) greater than the current cost.

SIGNIFICANT ISSUES

The NM Association of Counties advises that pursuant to Article IV, Section 27 of the State Constitution, midterm salary increases are unconstitutional. It also notes that the cap was last increased in 2007. Those county elected officials who were first elected in 2008 are up for re-election in 2012. If the cap is not raised this year, many of those officials will go 8 years without the ability to have an increase in salary.

The SPO states that Starting January 1, 2013 the salaries of elected county officials in Class A counties will increase as follows: commissioners, from \$29,569 to \$34,500; treasurer, assessor and clerk, from \$65,501 to \$75,327; sheriff, from \$68,308 to \$78,555, and probate judge from \$28,820 to \$33,143.

Starting January 1, 2013 the salaries of elected county officials in Class B counties with valuations of over \$300 million will increase as follows: commissioners, from \$22,832 to \$26,257; treasurer, assessor and clerk, from \$57,265 to \$65,855; sheriff, from \$59,699 to \$68,654, and probate judge, from \$20,024 to \$23,028.

Starting January 1, 2013 the salaries of elected county officials in other Class B counties will increase as follows: commissioners, from \$16,282 to \$18,725; treasurer, assessor and clerk, \$49,031 to \$56,386; sheriff, from \$51,277 to \$58,969, and probate judge, from \$11,416 to \$13,129.

Starting January 1, 2013 the salaries of elected county officials in Class C counties will increase as follows: commissioners, from \$16,282 to \$18,725; treasurer, assessor and clerk, \$49,031 to \$56,386; sheriff, from \$51,277 to \$56,386, and probate judge, from \$11,416 to \$13,129.

Class H county (Los Alamos only) elected officials, except for probate judge, will continue to receive their \$1.00 per year salaries and \$15.00 per diem. HB188 authorizes the county

commission to raise the annual salary of the probate judge from \$3,505 to \$4,031 not to take effect until the term of the judge elected after the raise takes office.

HB188 removes the reference and authority to employ an elected or appointed county surveyor in Class H counties.

PERFORMANCE IMPLICATIONS

None identified for the State Personnel Office.

The NM Association of Counties states that competitive wages are necessary in order to attract and maintain quality local elected officials throughout the state.

ADMINISTRATIVE IMPLICATIONS

The NM Association of Counties notes that the statutory cap for county elected official salaries is necessary as a result of Article X, Section 1 of the State Constitution. The annotation for that article states: “Under this section, the compensation of a county officer is dependent upon enactment of a salary law, and he cannot recover for his services until such a law is passed, and then only as provided by said act.”

TECHNICAL ISSUES

The NM Association of Counties notes that this bill eliminates classifications of counties that are no longer used.

OTHER SUBSTANTIVE ISSUES

The NM Association of Counties states that Section 7 of the bill provides that full-time county elected officials shall receive the same salary in each county. This is consistent with past legislative intent language, but is now mandatory. This is included to ensure that salary changes are done in each county strictly for policy reasons.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

The NM Association of Counties states that many local elected officials will go 8 years without any change in salary.

CEB/svb