Legislative Analysis

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COUNTY COMMISSION COMPENSATION

House Bill 4227 as introduced
Sponsor: Rep. Chris Ward
Committee: Local Government and Urban Policy

First Analysis (2-17-05)

BRIEF SUMMARY: The bill would revise the law to provide compensation to county commissioners so that county officials would not be prohibited from structuring the compensation over a term of office, and also could make a change in compensation during 2005 that would be effective on or after January 1, 2006.

FISCAL IMPACT: The bill would have no state fiscal impact. Any fiscal impact would exist only at the county level.

THE APPARENT PROBLEM:

Generally the pay of those who serve on county boards of commission members is set at the beginning of their two-year terms of office. In some counties, the pay is indexed so that the compensation level increases modestly each year with a cost of living adjustment, or COLA. Because county commissioners' compensation is set once every two years, the increases in compensation during year one are double COLA increases. They stand in contrast to the single COLA paid to all other county employees.

Some have argued that county boards of commission should have the flexibility to set their compensation rate each year, and legislation has been introduced so that can occur.

THE CONTENT OF THE BILL:

House Bill 4227 would amend Public Act 261 of 1966 which, among other things, provides for the election and compensation of county commissioners.

Currently under the law, a member of a county board of commissioners receives the compensation and mileage reimbursement that is fixed by a resolution passed by the county board of commissioners or, if the county has an officers compensation commission, that has been recommended by the compensation commission and not rejected by the county board. Changes in compensation become effective only at the time members of the county board commence their terms of office after a general election or, for a county with a compensation commission, at the beginning of the first odd numbered year after the determination is made and not rejected.

<u>House Bill 4227</u> would retain these provisions but would specify that:

1) these provisions would not prohibit a structured change in compensation over the term of office; and

2) a change in compensation could be made in 2005 to be effective on or after January 1, 2006.

MCL 46.415

ARGUMENTS:

For:
County boards of commissioners ought to have the ability to set their compensation rates annually—midway through their terms of office—in order either to raise their compensation in keeping with cost of living adjustments, or to lower their compensation in the face of budget constraints. This legislation would allow county commissioners that flexibility.

Against:
Were this bill to become law, it would be possible for county boards of commissioners to increase their compensation midway through their terms of office beyond any cost of living adjustment.
Response:
Although true, it is difficult to imagine county commissioners taking a politically unpopular action to increase their own pay beyond the amount of increase they would make available to other county employees.

POSITIONS:

The Michigan Association of Counties supports the bill. (2-16-05)

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