

Date: July 17, 2019

Bulletin: 2019 - 03

To: All County Elected Officials

Subject: County Elected Official Salary Code

House Bill 1939, effective November 1, 2019, was written to simplify the county elected official salary code.

Currently, calculating the minimum and maximum salary for county elected officials consists of two parts; 1) the basic salary based upon serviceability figured using net valuation and 2) Addition to the basic salary using net valuation/service-ability and population.

House Bill 1939 changed the method of determining the basic salary. Instead of figuring the serviceability factor using net valuation to determine the base salary, it will simply be set between \$19,000 and \$44,500 for all counties regardless of net valuation (or serviceability). The budget board will set the base amount for all budget board counties and the Board of County Commissioners will set the base salary for all other counties.

Article 23 section 10 of the Oklahoma Constitution prohibits an elected official from receiving a change in salary during his or her term, unless by operation of law enacted prior to his or her current term of office. So that means a county elected official will not be eligible for the change to their basic salary as prescribed in HB 1939 until they begin new terms after November 1, 2019 (the effective date of HB 1939). New regular terms for the County Clerk, Court Clerk, Sheriff, and District 2 County Commissioner will begin January 1, 2021. New terms for Assessor, Districts 1 and 3 County Commissioners begin January 1, 2023 and Treasurers July 1, 2023.

Note: As far as the implementation date of increasing the basic salary as allowed by HB 1939 - the most conservative approach is to wait until all officials are eligible (have begun new terms of office after the effective date of HB 1939). OSAI strongly encourages counties to seek official legal advice if they wish to implement any sooner than July 1, 2023. Please refer to 2000 OKAG 63.

(Also see Exhibit A attached to this document).

In summary, counties are prohibited from immediately implementing the new basic salary after the effective date of HB 1939 (and before their new terms begin). The statutes regarding the increase to the basic salary using net valuation and population were not changed, meaning the law was enacted prior to the respective terms of office. Therefore, elected officials will continue to be eligible for a change in salary based on those calculations. Page two of this bulletin has an example salary calculation with the basic salary in blue and the increase to the basic salary in green as a visual representation of the two different parts of the salary code.



Example of maximum salary calculation (provided by the County Training Program website). Please note, this example is related to those counties that have voted to exempt household personal property and livestock from ad valorem assessment. The same implementation dates described in this bulletin apply to those counties not approving this exemption.

INSERT THE NEEDED DATA INTO THE YELLOW HIGHLIGHTED CELLS AND THE SALARY RANGE WILL BE COMPUTED AUTOMATICALLY.

| | | | | | | | | | | | | | | | | | |
|------------------------|---|---|---|-------------------|-------|---------------|-------------|----------------------|--------|----------------------|-------------|------------------|-------|-----------------|-----------|--|--|
| OS 19 §§ 180.74 A. 1-3 | Calculation of Annual County Officer Salary in a County where <u>personal property and livestock</u> are exempt from property tax. | | | | | | | | | | | | | | | | |
| | Service-ability = Total amount of revenue collected by multiplying millrate rate (County part) X taxable valuation | | | | | | | | | | | | | | | | |
| | <table border="1"> <tr> <td>County Name</td> <td>Example</td> </tr> <tr> <td>County Population</td> <td>7,527</td> </tr> <tr> <td>Taxable Value</td> <td>133,197,913</td> </tr> <tr> <td>Additional Homestead</td> <td>22,925</td> </tr> <tr> <td>Total inc. add hmstd</td> <td>133,214,838</td> </tr> <tr> <td>County Mill Rate</td> <td>10.54</td> </tr> <tr> <td>Service-ability</td> <td>1,404,084</td> </tr> </table> | County Name | Example | County Population | 7,527 | Taxable Value | 133,197,913 | Additional Homestead | 22,925 | Total inc. add hmstd | 133,214,838 | County Mill Rate | 10.54 | Service-ability | 1,404,084 | | |
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| | | FY 2018-2019 in this example 22,925 of double homestead value added back to valuation | | | | | | | | | | | | | | | |
| | | Base, \$19,000 - 39,000 for service-ability of \$400,000 or less Base, \$22,500 - 42,500 for service-ability > \$400,000 but \$800,000 or less Base, \$24,500 - 44,500 for service-ability > \$800,000 but \$3,000,000 or less Base, \$22,500 - 42,500 for service-ability > \$3,000,000 but \$10,000,000 or less Base, \$19,000 - 39,000 for service-ability greater than \$10,000,000 | | | | | | | | | | | | | | | |
| OS 19 § 180.74 A. 1.3 | Minimum Basic salary Maximum Base salary | 24,500 44,500 | | | | | | | | | | | | | | | |
| OS 19 § 180.75 A. 1 | Allowed increase of basic salary based on service-ability | 8,800 | (100 X each ten thousand of first \$750,000 of revenue) (100 X each additional \$50,000 of revenue above \$750,000 up to \$5,000,000) (125 X each additional \$70,000 of revenue above \$5,000,000 up to 20,000,000) (125 X each additional \$200,000 of revenue above \$20,000,000) | | | | | | | | | | | | | | |
| OS 19 § 180.75 A. 2. | Required increase based on population. | 100.00 | (\$12.50 X each 1,000 of population up to 75,000) (\$12.50 X each 5,000 of population above 75,000 up to 150,000) (\$12.50 X each 10,000 of population above 150,000) | | | | | | | | | | | | | | |
| | Total salary at minimum base: Total salary at maximum base: | 33,400.00 53,400.00 | | | | | | | | | | | | | | | |

Basic Salary

Increase to Basic Salary

HB 1939 will change this portion of the salary code effective Nov. 1, 2019.

This portion of the salary code was unchanged by HB 1939.

Legend:
 Blue text represents the salary code law that will change November 1, 2019.
 Green text represents the salary code law unchanged, meaning increases to the basic salary based upon this law would not currently be prohibited by the constitutional provision referenced on page one.

OSAI strongly encourages seeking official legal advice from the District Attorney in implementing the changes allowed by House Bill 1939.

Sincerely,

Cheryl Wilson

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Effective date and implementation of HB 1939

