

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL NOTE**

**HB 1597 - SB 1632**

January 22, 2020

**SUMMARY OF BILL:** Provides additional methods by which counties may compensate members of the legislative body, upon passage of a resolution. Establishes that any resolution adopted to increase the compensation of the legislative body does not take effect until the election of the subsequent legislative body.

**ESTIMATED FISCAL IMPACT:**

**Increase Local Expenditures –  
Exceeds \$1,600/FY24-25 and Subsequent Years/Permissive**

Assumptions:

- Tennessee Code Annotated § 5-5-107 provides that members of the county legislative body are compensated either on a per-meeting basis or paid a monthly salary with the following parameters:
  - Minimum per-meeting compensation rates are established and apply to attendance at full legislative body meetings;
  - The compensation rate for attending a committee meeting of the legislative body is one half the per-meeting rate paid for attendance at a full legislative body meeting; and
  - Monthly salary compensation is set at a rate higher than the minimum per-meeting rate.
- The proposed legislation maintains the current per-meeting compensation scheme; removes the requirement that a monthly salary must be set at a rate higher than the minimum per-meeting rate; and establishes an additional compensation scheme, allowing members to be paid for attendance at meetings, in addition to a base salary.
- If counties pass a resolution opting to compensate members with a base salary in addition to payment for attendance at meetings, the per-meeting compensation rates are authorized as follows:
  - For attendance at full legislative body meetings, at an amount equal to or greater than the minimum per-meeting rate established under current law; or
  - For attendance at committee meetings, at a rate determined by the county.
- Based on information compiled in the 2017 Tennessee County Commissioners Association Compensation Survey:
  - Of 92 counties reporting, 49 legislative bodies are compensated by a salary;

- Of the remaining 43 counties which compensate on a per-meeting basis, the average compensation for a committee meeting is approximately \$63.
- It is reasonably assumed:
  - No county will lower salary payments currently in place as a result of the proposed legislation, however certain counties will opt to provide additional compensation;
  - Only counties which currently provide compensation in the form of a salary will pass a resolution to provide additional compensation;
  - Ten percent, or five, of such counties will opt to provide additional compensation for attendance at committee meetings only, at an average rate of \$63 per meeting; and
  - Such committees will contain no fewer than five members and meet a minimum of once per year.
- Any resolution adopted by a legislative body to increase member compensation will not take effect until the following legislative body is elected. Any such resolution will be adopted at a regularly scheduled meeting.
- Pursuant to Tenn. Code Ann. § 2-3-202, elections for the county legislative body occur at the regular August election. While the next regular August election occurs on August 6, 2020, it is assumed that time needed for passage of a resolution will inhibit passage prior to the upcoming August election; therefore the first year of impact is presumed to be FY24-25.
- The proposed language will result in a permissive increase in local expenditures estimated to exceed \$1,575 [(5 members x \$63 per meeting) x 5 counties] statewide, beginning in FY24-25 and occurring in subsequent years.

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.



Krista Lee Carsner, Executive Director

/jrh