

HOUSE RESEARCH

Bill Summary

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Authors: Erhardt and others

Subject: Repeal of compensation limits for employees of political subdivisions

Analyst: Deborah Dyson

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This bill repeals the law that sets the compensation limits for employees of political subdivisions at 95 percent of the governor's salary. Since 1998, the governor's salary has been \$120,303 and 95 percent is \$114,288. The repealed provision also contains a waiver request process. The bill also makes conforming changes to other sections of law that cite the repealed statute.

Background: The compensation limit applies to employees of statutory and home rule charter cities, counties, towns, metropolitan and regional agencies, and other political subdivisions. It does not apply to school districts, medical doctors and doctors of osteopathy.

The statutory limit compares the *compensation* of political subdivision employees to the *salary* of the governor. For political subdivision employees, compensation includes certain benefits as well as salary. It includes all deferred compensation, and direct and indirect items of compensation that are not specifically excluded by the statute (e.g., cash allowance for personal use of a car is included).

"Compensation" does not include benefits that are provided for the majority of all other full-time employees of the political subdivision, vacation and sick leave, health and dental insurance, disability insurance, term life insurance, and pension benefits; dues paid to civic, professional, educational, or governmental organizations; or reimbursement for actual expenses that are directly related to the job.