| 1 | EXECUTIVE COMPENSATION AMENDMENTS |
|----|---|
| 2 | 2006 GENERAL SESSION |
| 3 | STATE OF UTAH |
| 4 | Chief Sponsor: Lyle W. Hillyard |
| 5 | House Sponsor: Ron Bigelow |
| 6 | |
| 7 | LONG TITLE |
| 8 | General Description: |
| 9 | This bill increases the salaries for state constitutional officers and other state officers. |
| 10 | Highlighted Provisions: |
| 11 | This bill: |
| 12 | increases the salary for the governor, lieutenant governor, attorney general, state |
| 13 | auditor, and state treasurer; |
| 14 | increases the salary ranges for certain state officers; and |
| 15 | makes technical corrections. |
| 16 | Monies Appropriated in this Bill: |
| 17 | None |
| 18 | Other Special Clauses: |
| 19 | This bill takes effect on July 1, 2006. |
| 20 | Coordinates this bill with H.B. 115 by substantively and technically merging the |
| 21 | amendments. |
| 22 | Coordinates this bill with H.B. 269 by substantively and technically merging the |
| 23 | amendments. |
| 24 | Coordinates this bill with S.B. 75 by substantively and technically merging the |
| 25 | amendments. |
| 26 | Coordinates this bill with S.B. 217 by substantively and technically merging the |
| 27 | amendments. |

| Utah Code Sections Affected: | | | | |
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| AN | AMENDS: | | | |
| | 67-22-1, as last amended by Chapter 8, Laws of Utah 2005, First Special Session | | | |
| | 67-22-2 (Effective 07/01/06), as last amended by Chapter 8, Laws of Utah 2005, First | | | |
| Spe | Special Session | | | |
| Be | it enacted by the Legislature of the state | e of Utah: | | |
| | Section 1. Section 67-22-1 is amended to read: | | | |
| | 67-22-1. Compensation Constitutional offices. | | | |
| | (1) (a) The Legislature fixes salarie | es for the constitutional offices as follows: | | |
| | (i) governor | [\$104,100] <u>\$107,200</u> | | |
| | (ii) lieutenant governor | [\$81,000] <u>\$83,400</u> | | |
| | (iii) state auditor | [\$83,500] <u>\$86,000</u> | | |
| | (iv) state treasurer | [\$81,000] <u>\$83,400</u> | | |
| | (b) [Beginning July 1, 2005, the] The annual salary of the attorney general [shall be] is | | | |
| 95% of the governor's salary. | | | | |
| (2) The Legislature fixes benefits for the constitutional offices as follows: | | | | |
| | (a) governor: | | | |
| | (i) a vehicle for official and person | al use; | | |
| | (ii) housing; | | | |
| | (iii) household and security staff; | | | |
| | (iv) household expenses; | | | |
| | (v) retirement benefits as provided | in Title 49; | | |
| | (vi) health insurance; | | | |
| | (vii) dental insurance; | | | |
| | (viii) basic life insurance; | | | |
| | (ix) workers' compensation; | | | |
| | (x) required employer contribution | to Social Security; | | |
| | (xi) long-term disability income in | surance; and | | |
| | (xii) the same additional state paid | life insurance available to other noncareer service | | |

| 59 | (b) Lieutenant governor, attorney general, state auditor, and state treasurer: | | |
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| 60 | (i) a vehicle for official and personal use; | | |
| 61 | (ii) the option of participating in a state retirement system established by Title 49, | | |
| 62 | Chapter 12, Public Employees' Contributory Retirement Act, or Chapter 13, Public Employees' | | |
| 63 | Noncontributory Retirement Act, or in a deferred compensation plan administered by the State | | |
| 64 | Retirement Office, in accordance with the Internal Revenue Code and its accompanying rules | | |
| 65 | and regulations; | | |
| 66 | (iii) health insurance; | | |
| 67 | (iv) dental insurance; | | |
| 68 | (v) basic life insurance; | | |
| 69 | (vi) workers' compensation; | | |
| 70 | (vii) required employer contribution to Social Security; | | |
| 71 | (viii) long-term disability income insurance; and | | |
| 72 | (ix) the same additional state paid life insu | rance available to other noncareer service | |
| 73 | employees. | | |
| 74 | (c) Each constitutional office shall pay the cost of the additional state-paid life | | |
| 75 | insurance for its constitutional officer from its existing budget. | | |
| 76 | Section 2. Section 67-22-2 (Effective 07/0 | 1/06) is amended to read: | |
| 77 | 67-22-2 (Effective 07/01/06). Compensat | ion Other state officers. | |
| 78 | (1) The governor shall establish salaries for | r the following state officers within the | |
| 79 | following salary ranges fixed by the Legislature: | | |
| 80 | State Officer | Salary Range | |
| 81 | Commissioner of Agriculture and Food | [\$66,800 - \$90,600] <u>\$68,800 - \$93,300</u> | |
| 82 | Commissioner of Insurance | [\$66,800 - \$90,600] <u>\$68,800 - \$93,300</u> | |
| 83 | Commissioner of the Labor Commission | [\$66,800 - \$90,600] <u>\$68,800 - \$93,300</u> | |
| 84 | Director, Alcoholic Beverage Control | | |
| 85 | Commission | [\$66,800 - \$90,600] <u>\$68,800 - \$93,300</u> | |
| 86 | Commissioner, Department of | | |
| 87 | Financial Institutions | [\$66,800 - \$90,600] <u>\$68,800 - \$93,300</u> | |
| 88 | Members, Board of Pardons and Parole | [\$66,800 - \$90,600] <u>\$68,800 - \$93,300</u> | |
| 89 | Executive Director, Department | | |

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| 90 | of Commerce | [\$66,800 - \$90,600] <u>\$68,800 - \$93,300</u> |
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| 91 | Executive Director, Commission on | |
| 92 | Criminal and Juvenile Justice | [\$66,800 - \$90,600] <u>\$68,800 - \$93,300</u> |
| 93 | Adjutant General | [\$66,800 - \$90,600] <u>\$68,800 - \$93,300</u> |
| 94 | Chair, Tax Commission | [\$72,400 - \$97,600] <u>\$74,600 - \$100,500</u> |
| 95 | Commissioners, Tax Commission | [\$72,400 - \$97,600] <u>\$74,600 - \$100,500</u> |
| 96 | Executive Director, Department of | |
| 97 | Community and Culture | [\$72,400 - \$97,600] <u>\$74,600 - \$100,500</u> |
| 98 | Executive Director, Tax Commission | [\$72,400 - \$97,600] <u>\$74,600 - \$100,500</u> |
| 99 | Chair, Public Service Commission | [\$72,400 - \$97,600] <u>\$74,600 - \$100,500</u> |
| 100 | Commissioners, Public Service | |
| 101 | Commission | [\$72,400 - \$97,600] <u>\$74,600 - \$100,500</u> |
| 102 | Executive Director, Department | |
| 103 | of Corrections | [\$78,700 - \$106,200] <u>\$81,100 - \$109,400</u> |
| 104 | Commissioner, Department of Public Safety | [\$78,700 - \$106,200] <u>\$81,100 - \$109,400</u> |
| 105 | Executive Director, Department of | |
| 106 | Natural Resources | [\$78,700 - \$106,200] <u>\$81,100 - \$109,400</u> |
| 107 | Director, Governor's Office of Planning | |
| 108 | and Budget | [\$78,700 - \$106,200] <u>\$81,100 - \$109,400</u> |
| 109 | Executive Director, Department of | |
| 110 | Administrative Services | [\$78,700 - \$106,200] <u>\$81,100 - \$109,400</u> |
| 111 | Executive Director, Department of | |
| 112 | Environmental Quality | [\$78,700 - \$106,200] <u>\$81,100 - \$109,400</u> |
| 113 | Director, Governor's Office | |
| 114 | of Economic Development | [\$78,700 - \$106,200] <u>\$81,100 - \$109,400</u> |
| 115 | Executive Director, Department of | |
| 116 | Workforce Services | [\$85,700 - \$115,700] <u>\$88,300 - \$119,200</u> |
| 117 | Executive Director, Department of | |
| 118 | Health | [\$85,700 - \$115,700] <u>\$88,300 - \$119,200</u> |
| 119 | Executive Director, Department | |
| 120 | of Human Services | [\$85,700 - \$115,700] <u>\$88,300 - \$119,200</u> |

| 121 | Executive Director, Department | |
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| 122 | of Transportation [\$85,700 - \$115,700] <u>\$88,300 - \$119,200</u> | |
| 123 | Executive Director, Department | |
| 124 | of Information Technology | |
| 125 | Services [\$85,700 - \$115,700] <u>\$88,300 - \$119,200</u> | |
| 126 | (2) (a) The Legislature fixes benefits for the state [offices] officers outlined in | |
| 127 | Subsection (1) as follows: | |
| 128 | (i) the option of participating in a state retirement system established by Title 49, Utah | |
| 129 | State Retirement and Insurance Benefit Act, or in a deferred compensation plan administered | |
| 130 | by the State Retirement Office in accordance with the Internal Revenue Code and its | |
| 131 | accompanying rules and regulations; | |
| 132 | (ii) health insurance; | |
| 133 | (iii) dental insurance; | |
| 134 | (iv) basic life insurance; | |
| 135 | (v) unemployment compensation; | |
| 136 | (vi) workers' compensation; | |
| 137 | (vii) required employer contribution to Social Security; | |
| 138 | (viii) long-term disability income insurance; | |
| 139 | (ix) the same additional state-paid life insurance available to other noncareer service | |
| 140 | employees; | |
| 141 | (x) the same severance pay available to other noncareer service employees; | |
| 142 | (xi) the same sick leave, converted sick leave, educational allowances, and holidays | |
| 143 | granted to Schedule B state employees, and the same annual leave granted to Schedule B state | |
| 144 | employees with more than ten years of state service; | |
| 145 | (xii) the option to convert accumulated sick leave to cash or insurance benefits as | |
| 146 | provided by law or rule upon resignation or retirement according to the same criteria and | |
| 147 | procedures applied to Schedule B state employees; | |
| 148 | (xiii) the option to purchase additional life insurance at group insurance rates according | |
| 149 | to the same criteria and procedures applied to Schedule B state employees; and | |
| 150 | (xiv) professional memberships if being a member of the professional organization is a | |
| 151 | requirement of the position. | |
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| 152 | (b) Each department shall pay the cost of additional state-paid life insurance for its |
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| 153 | executive director from its existing budget. |
| 154 | (3) The Legislature fixes the following additional benefits: |
| 155 | (a) for the executive director of the State Tax Commission a vehicle for official and |
| 156 | personal use; |
| 157 | (b) for the executive director of the Department of Transportation a vehicle for official |
| 158 | and personal use; |
| 159 | (c) for the executive director of the Department of Natural Resources a vehicle for |
| 160 | commute and official use; |
| 161 | (d) for the Commissioner of Public Safety: |
| 162 | (i) an accidental death insurance policy if POST certified; and |
| 163 | (ii) a public safety vehicle for official and personal use; |
| 164 | (e) for the executive director of the Department of Corrections: |
| 165 | (i) an accidental death insurance policy if POST certified; and |
| 166 | (ii) a public safety vehicle for official and personal use; |
| 167 | (f) for the Adjutant General a vehicle for official and personal use; and |
| 168 | (g) for each member of the Board of Pardons and Parole a vehicle for commute and |
| 169 | official use. |
| 170 | (4) (a) The governor has the discretion to establish a specific salary for each office |
| 171 | listed in Subsection (1), and, within that discretion, may provide salary increases within the |
| 172 | range fixed by the Legislature. |
| 173 | (b) The governor shall apply the same overtime regulations applicable to other FLSA |
| 174 | exempt positions. |
| 175 | (c) The governor may develop standards and criteria for reviewing the performance of |
| 176 | the state officers listed in Subsection (1). |
| 177 | (5) Salaries for other Schedule A employees, as defined in Section 67-19-15, which are |
| 178 | not provided for in this chapter, or in Title 67, Chapter 8, Utah Executive and Judicial Salary |
| 179 | Act, shall be established as provided in Section 67-19-15. |
| 180 | Section 3. Effective date. |
| 181 | This bill takes effect on July 1, 2006. |
| 182 | Section 4. Coordinating S.B. 2 with H. B. 115 Substantively and technically |

| 183 | merging the amendments. | | |
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| 184 | If this S.B. 2 and H.B. 115, Salary of the Lieutenant Governor, both pass, it is the intent | | |
| 185 | of the Legislature that the Office of Legislative Research and General Counsel, in preparing the | | |
| 186 | Utah Code database for publication, modify Subsection 67-22-1(1) as amended by these bills to | | |
| 187 | read as follows: | | |
| 188 | "(1) [(a)] The Legislature fixes salaries for the constitutional offices as follows: | | |
| 189 | [(i)] (a) governor: $[$104,100]$ $$107,200;$ | | |
| 190 | [(ii)] (b) lieutenant governor: [\$81,000] <u>95% of the governor's salary</u> | | |
| 191 | beginning July 1, 2006; | | |
| 192 | (c) attorney general: <u>95% of the governor's salary;</u> | | |
| 193 | [(iii)] <u>(d)</u> state auditor: [\$83,500] <u>\$86,000; and</u> | | |
| 194 | [(iv)] (e) state treasurer: $[$81,000]$ $$83,400.$ | | |
| 195 | Section 5. Coordinating S.B. 2 with H. B. 269 Substantively and technically | | |
| 196 | merging the amendments. | | |
| 197 | If this S.B. 2 and H.B. 269, Human Resource Management Amendments, both pass, it | | |
| 198 | is the intent of the Legislature that the Office of Legislative Research and General Counsel, in | | |
| 199 | preparing the Utah Code database for publication, modify Subsection 67-22-2(1) (Effective | | |
| 200 | 07/01/06) as amended by these bills to include the "Executive Director, Department of Human | | |
| 201 | Resource Management" in the list after "Executive Director, Department of Administrative | | |
| 202 | <u>Services" at a salary range of "\$81,100 - \$109,400."</u> | | |
| 203 | Section 6. Coordinating S.B. 2 with S. B. 75 Substantively and technically | | |
| 204 | merging the amendments. | | |
| 205 | If this S.B. 2 and S.B. 75, U STAR Initiative, both pass, it is the intent of the | | |
| 206 | Legislature that the Office of Legislative Research and General Counsel, in preparing the Utah | | |
| 207 | Code database for publication, modify Subsection 67-22-2(1) (Effective 07/01/06) as amended | | |
| 208 | by these bills to include "Executive Director, Utah Science Technology and Research | | |
| 209 | Governing Authority" in the list after "Director, Governor's Office of Economic Development" | | |
| 210 | at a salary range of "\$81,100 - \$109,400." | | |
| 211 | Section 7. Coordinating S.B. 2 with S. B. 217 Substantively and technically | | |
| 212 | merging the amendments. | | |
| 213 | If this S.B. 2 and S.B. 217, School and Institutional Trust Lands Amendments, both | | |

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- 214 pass, it is the intent of the Legislature that the Office of Legislative Research and General
- 215 <u>Counsel, in preparing the Utah Code database for publication, modify Subsection 67-22-2(1)</u>
- 216 (Effective 07/01/06) as amended by these bills to include "Director, School and Institutional
- 217 Trust Lands Administration" to the list after "Director, Governor's Office of Economic
- 218 <u>Development" at a salary range of "\$81,100 \$109,400."</u>

Legislative Review Note as of 2-28-06 7:47 PM

Based on a limited legal review, this legislation has not been determined to have a high probability of being held unconstitutional.

Office of Legislative Research and General Counsel

| Fiscal Note | Executive Compensation Amendments | 01-Mar-06 |
|--------------------|-----------------------------------|-----------|
| Bill Number SB0002 | | 11:24 AM |

State Impact

Passage of this bill will increase the state constitutional officers and other state officers compensation by 3 percent. Funding and other provisions for this adjustment have been included in the compensation package for FY 2007.

Individual and Business Impact

No fiscal impact.

Office of the Legislative Fiscal Analyst