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Bill Analysis
Legislative Service Commission

H.B. 123
125th General Assembly
(As Introduced)

Reps. Domenick, Seaver

BILL SUMMARY

- Eliminates the cost of living adjustments that were made in calendar years 2002 and 2003 and that are scheduled to be made in calendar years 2004 through 2008 to the compensation of the officers and members of the General Assembly.
- Sets their compensation for the year 2005 and thereafter at the 2001 compensation amounts.

CONTENT AND OPERATION

Current law

Current law provides that in each calendar year from 2002 through 2008, the annual salaries that the officers and members of the General Assembly were receiving in calendar year 2001 must be increased by the lesser of (1) three percent or (2) the percentage increase, if any, in the Consumer Price Index (see **COMMENT 1**) over the 12-month period that ends on September 30 of the immediately preceding year, rounded to the nearest one-tenth of one percent. This "cost of living" adjustment does not apply to the additional amounts that officers and members receive for holding the position of chairperson, vice-chairperson, or ranking minority member of a standing committee or standing subcommittee. (Sec. 101.27(B).)

Changes proposed by the bill

The bill eliminates the cost of living adjustments that were made in calendar years 2002 and 2003 and that are scheduled to be made in calendar years 2004 through 2008 to the annual salaries of the officers and members of the General Assembly and sets their annual salaries for the year 2005 and thereafter at

the 2001 amounts (sec. 101.27(B) and (C); Section 3 of the bill). (See COMMENT 2.)

COMMENT

1. Existing law defines "Consumer Price Index" to mean the Consumer Price Index prepared by the United States Bureau of Labor Statistics (U.S. City Average for Urban Wage Earners and Clerical Workers: All Items, 1982-1984=100) or, if that index is no longer published, a generally available comparative index.

2. Article II, Section 31 of the Ohio Constitution prohibits any change in the compensation of a member or officer of the General Assembly from taking effect during the officer's or member's term of office. Court decisions have interpreted similar provisions in the Ohio Constitution to mean that a public officer's salary cannot be affected during the officer's term by any act of the General Assembly that takes effect after the officer's term of office commenced. Thus, it appears that the cost of living adjustments that the bill eliminates must continue to be paid in 2005 and 2006 to those Senators whose four-year terms commenced on January 1, 2003, because their salary cannot be affected by an act that takes effect after their terms commenced.

HISTORY

ACTION	DATE	JOURNAL ENTRY
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