



Senate Fiscal Agency
P. O. Box 30036
Lansing, Michigan 48909-7536

BILL ANALYSIS



Telephone: (517) 373-5383
Fax: (517) 373-1986

House Bills 5457 (Substitute H-4) and 5460 (Substitute H-2)
Sponsor: Representative William Bryant, Jr.
House Committee: Appropriations
Senate Committee: Judiciary

Date Completed: 12-12-95

SUMMARY OF HOUSE BILLS 5457 (Substitute H-4) and 5460 (Substitute H-2) as passed by the House:

House Bills 5457 (H-4) and 5460 (H-2) would amend, respectively, the Revised Judicature Act (RJA) and Public Act 369 of 1919, which regulates the Detroit Recorder's Court, to revise the method of setting the salaries of judges of the Michigan Court of Appeals, circuit court, Detroit Recorder's Court, district courts, and probate courts. The bills would delete provisions specifying that an increase in the salary payable to a judge caused by an increase in the salary of a Justice of the Supreme Court is not effective until February 1 of the year in which the increase becomes effective, and requiring that the increase be retroactive to January 1 of that year.

Currently, each judge of the Court of Appeals earns an annual salary of 96% of the salary of a Justice of the Michigan Supreme Court; a judge of the circuit court or Detroit Recorder's Court may earn up to 92% of the salary of a Supreme Court Justice; and a district court judge or full-time probate court judge may earn up to 88% of the salary of a Supreme Court Justice. The bills, instead, would establish specific salaries for judges, beginning in 1997. The bills also would establish specific rates for the State to reimburse counties, district control units, and the City of Detroit, beginning in 1995, for the local portion of a judge's salary. Under the bills, judges' salaries could not be increased unless the Legislature, by statute, expressly set a higher salary.

House Bill 5457 (H-4) also would delete sections of the budget bills for fiscal years 1994-95 and 1995-96 that provide for spending on judicial salaries.

House Bill 5457 (H-4)

Court of Appeals

The RJA requires that each judge of the Court of Appeals receive an annual salary equal to 96% of the annual salary of a Justice of the Michigan Supreme Court. Under the bill, that requirement would continue through December 31, 1996. Beginning January 1, 1997, each judge of the Court of Appeals would have to receive an annual salary of \$114,007, and the salary of a judge of the Court of Appeals could not be increased unless the Legislature, by statute, expressly set a higher salary.

Circuit Court

The RJA provides that each circuit judge is to receive an annual salary payable by the State "in an amount provided by law". The bill requires, instead, that each circuit judge, through December 31, 1996, receive an annual salary payable by the State in an amount equal to 55% of the salary of a Justice of the Supreme Court.

County boards of commissioners, in their discretion, may pay the circuit judge or judges of their respective counties a salary in addition to the amount of the State salary. The State must reimburse to a county paying an additional salary to a circuit judge "a portion" of that additional salary "in an amount provided by law" unless the additional salary causes the judge's total annual salary to exceed 92% of the salary of a Justice of the Supreme Court. The bill would require, instead, that the State reimburse a county paying

an additional salary \$38,397 of that additional salary for calendar year 1995, and \$39,549 of that additional salary for calendar year 1996, unless the additional salary caused the judge's total annual salary to exceed 92% of the salary of a Justice of the Supreme Court. The bill also would allow a county to adjust the rate of pay of a circuit judge during the 1995 calendar year so that the total annualized salary of the judge for that year did not exceed \$106,075.

Under the RJA, if Wayne County pays each circuit judge of the Third Judicial Circuit an additional salary equal to at least the difference between 92% of a Justice's salary and the annual salary payable by the State to a circuit judge, the State must reimburse Wayne County, for each circuit judge, an amount equal to that difference. Under the bill, this provision would apply through December 31, 1996. Beginning January 1, 1997, if Wayne County paid each circuit judge of the Third Judicial Circuit an additional salary of \$43,943, the State would have to reimburse Wayne County, for each circuit judge, \$43,943. If Wayne County paid more than that amount, however, the State could not reimburse the county for any additional salary.

The bill specifies that, for calendar year 1995, the portion of a circuit judge's annual salary payable by the State would be \$63,412. For calendar year 1996 and beyond, the portion of the annual salary of a circuit judge payable by the State would be \$65,314, except that if a circuit judge received a total annualized salary for calendar year 1995, including cost-of-living allowances, of more than \$106,075, the portion of that judge's annual salary payable by the State would be \$65,314 minus the amount by which his or her total annualized salary for 1995 exceeded \$106,075.

For calendar year 1996 and beyond, the State would have to reimburse to a county paying an additional salary to a circuit judge 90% of that additional salary, unless the additional salary, including cost-of-living allowances, payable by that county, caused the total annual salary of a circuit judge to exceed \$109,257. For a county whose circuit judge received a total annualized salary for calendar year 1995, including cost-of-living allowances, that exceeded \$106,075, however, the amount of reimbursement to which the county would otherwise be entitled would have to be reduced by the amount by which the judge's salary for 1995 exceeded \$106,075.

Beginning January 1, 1997, the salary of a circuit judge paid by the State could not be increased unless the Legislature, by statute, expressly set a higher salary.

Probate Court

Full-Time Judges. The RJA provides that the minimum annual salary for a probate judge must equal 90% of the annual salary payable by the State to a circuit judge. Of the minimum annual salary, \$6,000 must be paid by the county, or counties comprising a probate court district, and the balance must be paid by the State as a grant to the county or counties, which then must pay that amount to the probate judge. In addition to that salary, a probate judge may receive from any county in which he or she regularly holds court an additional salary determined by the county board of commissioners. The granting of an additional salary cannot cause the probate judge's total annual salary to exceed 88% of the annual salary of a Justice of the Supreme Court. The bill would apply the provision limiting a probate judge's salary to 88% of a Justice's salary through December 31, 1996.

The bill specifies that, through December 31, 1996, the State would have to reimburse to a county paying an additional salary to a probate judge \$39,953 of that additional salary for calendar year 1995, and \$41,152 of that additional salary for calendar year 1996, unless the additional salary, including cost-of-living allowance, caused the probate judge's total annual salary to exceed 88% of a Justice's salary. The bill would allow a county to adjust the rate of pay of a probate judge during the 1995 calendar year so that the judge's total annualized salary for that year did not exceed \$101,463.

The bill provides that, for calendar year 1995, the portion of a probate judge's annual salary payable by the State would be \$51,071. For calendar year 1996 and beyond, the portion of the annual salary payable by the State would be \$52,783, except that the portion of the annual salary payable by the State of a probate judge who received a total annualized salary for calendar year 1995, including cost-of-living allowances, that exceeded \$101,463, would have to be \$58,783 minus the amount by which his or her total annualized salary for 1995 exceeded \$101,463. For calendar year 1996 and beyond, the State would have to reimburse to a county paying an additional salary to a probate

judge \$41,152 of that additional salary, unless the additional salary, including cost-of-living allowances, payable by that county caused the judge's total annual salary to exceed \$104,507. For a county whose probate judge received a total annualized salary for 1995, including cost-of-living allowances, that exceeded \$101,463, the amount of reimbursement to which the county otherwise would be entitled would have to be reduced by the amount by which the judge's total annualized salary for 1995 exceeded \$101,463.

Beginning January 1, 1997, the salary of a probate judge paid by the State or a county could not be increased unless the Legislature, by statute, expressly set a higher salary.

Part-Time Judges. Probate judges of a county comprising part of a proposed probate court district in which the electors of one or more counties did not approve the district, receive an annual salary based upon the county's population. The bill specifies that, from funds appropriated to the Judiciary, the State would have to pay to these counties a State salary standardization payment of \$5,750 for each probate judge.

District Court

The RJA requires that a district judge receive an annual salary payable by the State equal to 90% of the annual salary payable by the State to a circuit judge. In addition, a district judge may receive, from a district control unit in which the judge regularly holds court, an additional salary as determined by the governing legislative body of the district control unit. Supplemental salaries paid by a district control unit must be uniform as to all judges who regularly hold court in the unit. In the 36th District, each judge must receive an additional salary that, when added to the annual salary paid by the State, equals 88% of the annual salary of a Justice of the Supreme Court. The total annual additional salary paid to a district judge by the district control units cannot cause the judge's total annual salary to exceed 88% of a Justice's salary. Under the bill, these provisions would apply through December 31, 1996. The bill specifies that, beginning with calendar year 1997, in the 36th District, each district judge would receive an additional salary of \$45,724. The bill also specifies that a district control unit could adjust the rate of pay of a district judge during the 1995 calendar year so that the judge's total annualized salary for that year did not exceed \$101,463.

The RJA requires the State to reimburse to a district control unit paying an additional salary to a district judge "a portion" of that additional salary "in an amount provided by law", unless the additional salary, including cost-of-living allowances, causes the judge's total annual salary to exceed the applicable percentage of the salary of a Supreme Court Justice. The bill, instead, would require the State to reimburse a district control unit \$39,953 of the additional salary for 1995, and \$41,152 of the additional salary for 1996.

For calendar year 1995, the portion of the annual salary of a district judge payable by the State would be \$57,071. For calendar year 1996 and beyond, the portion of the annual salary of a district judge payable by the State would be \$58,783, except that if a district judge received a total annualized salary for calendar year 1995, including cost-of-living allowances, of more than \$101,463, the portion of that judge's annual salary payable by the State would be \$58,783 minus the amount by which his or her total annualized salary for 1995 exceeded \$101,463. For calendar year 1996 and beyond, the State would have to reimburse to a district control unit paying an additional salary to a district judge \$41,152 of that additional salary, unless the additional salary, including cost-of-living allowances, payable by that district control unit caused the judge's total annual salary to exceed \$104,507. For a district control unit whose district judge received a total annualized salary for calendar year 1995, including cost-of-living allowances, that exceeded \$101,463, however, the amount of reimbursement to which the district control unit otherwise would be entitled would have to be reduced by the amount by which the judge's total annualized salary for 1995 exceeded \$101,463.

Beginning January 1, 1997, the salary of a district judge paid by the State or by district control units could not be increased unless the Legislature, by statute, expressly set a higher salary.

House Bill 5460 (H-2)

Public Act 369 of 1919 requires that each judge of "the municipal court of record" (i.e., the Detroit Recorder's Court) receive an annual salary for the county in which the court is located in the same amount paid by the State to circuit judges, and that the State reimburse to the county an amount equal to the annual salary paid by the county to a judge. As an additional salary, the City of Detroit must pay to each judge of the Detroit Recorder's Court

an amount equal to the difference between 92% of the annual salary of a Justice of the Supreme Court and the annual salary paid by the county. The State must reimburse the city, for each judge of the Detroit Recorder's Court, an amount equal to the additional salary paid by the city. Under the bill, the provision for additional payment by the City of Detroit and reimbursement by the State would apply through December 31, 1996. The bill specifies that the city could adjust the rate of pay of a Recorder's Court judge during the 1995 calendar year so that the total annualized salary of the judge for that year did not exceed \$106,075.

For each calendar year beginning with 1997, the city would have to pay to each judge \$43,943. If the city paid that amount to each judge, the State would have to reimburse the city, for each judge of the Recorder's Court, \$43,943.

Beginning January 1, 1997, the salary of a judge of the Detroit Recorder's Court could not be increased by the State, the city, or the county, unless the Legislature, by statute, expressly set a higher salary. Any judge that accepted a local supplement that exceeded established salary levels could not receive the 3% pay increase for calendar year 1996 authorized by the Act.

MCL 600.304 et al. (H.B. 5457)
725.13 (H.B. 5460)

Legislative Analyst: P. Affholter

FISCAL IMPACT

There would be no fiscal impact on the State in FY 1995-96, since the tie-bar to percentages of Supreme Court Justices' salaries would be repealed effective January 1, 1997. The impact after that date is indeterminate, as it would be up to the Legislature to grant an increase in salary. If an increase were not granted, there would be savings to the State, since an increase in the salaries of Court of Appeals and trial court judges would no longer be tied to increases in Supreme Court Justices' salaries. The estimated savings to the State for 1997, assuming a 3% increase to Supreme Court Justices, is approximately \$1.85 million.

Fiscal Analyst: M. Bain

S9596\S5457SA

This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.