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SFA**BILL ANALYSIS**

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Senate Bill 546 (as enrolled)
Sponsor: Senator Dale L. Shugars
Senate Committee: Judiciary
House Committee: Judiciary

PUBLIC ACT 161 of 1997

Date Completed: 4-16-98

RATIONALE

Since the statutory creation of the District Court in 1969, Kalamazoo County had been divided into two districts, one of which was divided into two election divisions. The Eighth District consisted of Kalamazoo County, except for the Cities of Kalamazoo and Portage, and was a district of the second class with two judges. The county was the funding unit for the Eighth District Court. The Ninth District consisted of the Cities of Kalamazoo and Portage, was a district of the third class, and was divided into two election divisions. The first division consisted of the City of Kalamazoo and had four judges; the second division consisted of the City of Portage and had one judge. The cities were the funding units for the Ninth District Court, and each maintained a facility and court staff. For many years, officials in Portage, the City of Kalamazoo, and Kalamazoo County, as well as court officials, discussed consolidating the courts into one district with three election divisions. All parties involved--the cities, the county, the county's townships, and the courts--agreed on a reformation proposal to consolidate the courts, combining their administrative, business, and technology functions, while maintaining the election districts, and turning over ownership of the courts' real and personal property to the county, which would be the funding unit of the consolidated court. Since the Revised Judicature Act specifies the districts of the District Court, the Kalamazoo County district courts could not consolidate unless statutory changes were made.

CONTENT

The bill amended the Revised Judicature Act to provide for the reformation of the Eighth and Ninth District Courts, in Kalamazoo County, into three divisions of the Eighth District Court effective January 1, 1999. The reformation of the

Eighth District may not take place unless resolutions of approval by the Kalamazoo County board of commissioners, the Portage city council, and the Kalamazoo city commission are filed with the State Court Administrator before April 15, 1998.

Under the bill, effective January 1, 1999, if the County of Kalamazoo, the City of Portage, and the City of Kalamazoo approve the reformation, the reformed Eighth District will consist of the entire County of Kalamazoo, will be a district of the first class, and will have seven judges. The reformed Eighth District will be divided into three election divisions. The first division consists of the City of Kalamazoo and will have four judges; the second division consists of the City of Portage and will have one judge; and the third division consists of Kalamazoo County, except for the Cities of Kalamazoo and Portage, and will have two judges.

Under the bill, the four judges whose terms expire on January 1, 2001, or January 1, 2003, will become judges of the Eighth District, as reformed by the bill, on January 1, 1999, for the balance of the terms for which the judges were elected. Each judge, however, will have to meet other requirements for eligibility to serve as a district judge, including residency requirements. If any of the three judges whose terms expire on January 1, 1999, seeks reelection in the reformed Eighth District for a term beginning on January 1, 1999, and meets other requirements for eligibility to serve as district judge, including residency requirements, that judge will be entitled to the designation of his or her office on the ballot in the November 1998 general election.

The bill also specifies that, if its implementation requires a transfer of court employees or a change of employers, all employees of the former court

employer will be transferred to, and appointed as employees of, the new employer subject to all rights and benefits held with the former court employer. An employee may not, by reason of transfer, be placed in any worse position with respect to workers' compensation, pension, seniority, wages, sick leave, vacation, health and welfare insurance, or any other terms and conditions of employment. Employee rights and benefits protected by the bill may be altered, however, by a future collective bargaining agreement or by benefit plans established and adopted by the new employer. A transferred employee may not be made subject to any residency requirement.

MCL 600.8117

ARGUMENTS

(Please note: The arguments contained in this analysis originate from sources outside the Senate Fiscal Agency. The Senate Fiscal Agency neither supports nor opposes legislation.)

Supporting Argument

Reformation of the Eighth and Ninth District Courts in Kalamazoo County into one district with three election divisions provides for a more efficient, accessible, and cost-effective court system. Administration of the courts can be combined into one function, instead of three, and one unit of government (the county) will serve as the funding unit for the district court rather than having three separate local funding units. While those involved with implementing the consolidation cannot guarantee an immediate cost saving in operating the courts as one unit, they have set a goal of reducing costs by 10% within three years. The savings are expected to arise as a result of combining the courts' technology and business functions.

Supporting Argument

The consolidation plan developed for the Kalamazoo County district courts has widespread support within the county. The governing bodies of the Cities of Kalamazoo and Portage, as well as the County of Kalamazoo, have all passed resolutions in support of court consolidation and filed those resolutions with the State Court Administrator. All seven judges in the two current districts have agreed to the reformation of the courts, and the Kalamazoo County Council of Governments, which is made up of representatives of the county's local units, has approved the plan. The consolidation plan and the bill address court personnel issues and provide for a continuity of

benefits for court staff.

Supporting Argument

The consolidation plan will keep the election divisions intact, while combining the court jurisdictions, so that voters in the various election divisions will have the same voting power as under the previous structure. Voters in the City of Kalamazoo will continue to elect four district court judges, those in Portage will continue to elect one judge, and the voters in the rest of the county will continue to elect two judges.

Legislative Analyst: P. Affholter

FISCAL IMPACT

The consolidation of the Ninth District Court with the Eighth District will result in a shift in administrative and fiscal responsibility for the courts in the Cities of Kalamazoo and Portage from the cities to Kalamazoo County. The fiscal impact will be cost neutral since the cities (per agreement) will reimburse the county for the costs that are necessary for funding the courts. The local units have not yet determined whether there will be a reduction in court administrators. The bill also might lead to potential future savings for the operations of the three courts. The county's goal is to reduce cost by approximately 10% after the first three years of consolidation.

Fiscal Analyst: B. Bowerman

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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.