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House Bill 5749 (Substitute H-1 as passed by the House)
Sponsor: Representative Andrew Fink
House Committee: Judiciary
Senate Committee: Judiciary and Public Safety

Date Completed: 6-16-22

CONTENT

The bill would amend the Revised Judicature Act to modify the annual salary of a district judge, beginning October 1, 2022.

Section 8202 of the Act specifies that a district judge receives an annual salary payable by the State as calculated under that section. In addition to the salary received from the State, a district judge may receive from a district funding unit in which the judge regularly holds court an additional salary as determined by the governing legislative body of the district funding unit.

Each district judge receives an annual salary calculated as follows:

- A minimum annual salary payable by the State that is equal to the difference between 84% of the salary of a Michigan Supreme Court Justice as of December 31, 2015, and \$45,724.
- In addition to the amount calculated above, a salary of \$45,724 from the district funding unit or units; if a district judge receives a total additional salary of \$45,724 from the district funding unit or units and receives neither less than nor more than \$45,724, including any cost-of-living allowance, the State must reimburse the district funding unit or units the amount that the unit or units have paid to the judge.
- In addition to the amounts above, an amount payable by the State that is equal to the amounts calculated above multiplied by the compounded aggregate percentage pay increases, excluding lump-sum payments, paid to civil service nonexclusively represented employees classified as executives and administrators on or after January 1, 2016.

Under the bill, these provisions would apply until September 30, 2022. Additionally, beginning October 1, 2023, a district judge would receive an annual salary that was equal to the annual salary of a probate judge calculated under Section 821(2).

(Section 821(2) specifies that each probate judge receives an annual salary calculated as follows:

- A minimum annual salary of the difference between 85% of the salary of a Supreme Court Justice as of December 31, 2015, and \$45,724.
- In addition to the amount calculated above, a salary of \$45,724 paid by the county or counties comprising a probate court district; if a probate judge receives a total additional salary of \$45,724 from the county or counties comprising a probate court district, and receives neither less than nor more than \$45,724, including any cost-of-living allowance,

- the State must reimburse the county or counties the amount that the county or counties have paid to the judge.
- In addition to the amounts described above, an amount payable by the State that is equal to the amounts calculated above multiplied by the compounded aggregate percentage pay increases, excluding lump-sum payments, paid to civil service nonexclusively represented employees classified as executives and administrators on or after January 1, 2016.)

MCL 600.8202

Legislative Analyst: Stephen P. Jackson

FISCAL IMPACT

The bill would have a small negative fiscal impact on the State and an indeterminate fiscal impact on local governments by way of increased costs for district court salaries. Currently, probate court judges cost the State \$182,272 per judge, just over \$2,000 more than the cost of a district judge at \$180,226. Assuming a 5.0% increase for nonexclusively represented employees goes into effect next year, the difference in salaries between probate and district court judges will grow to \$2,151.22. There likely will be 232 district court judges in Michigan in fiscal year 2022-23. The estimated total increase in State spending under the bill would be \$495,600 if the bill were enacted.

In addition to State spending on judicial salaries, judges can receive additional compensation from local units of government, which can include compensation or fringe benefits. Any fiscal impact on local units is indeterminate, as local spending on judges varies from district to district.

Fiscal Analyst: Michael Siracuse

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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.