House Legislative Analysis Section
Romney Building, 10th Floor
Lansing, Michigan 48909
Phone: 517/373-6466

JUDICIARY BUDGET; CLEANUP AMENDMENTS

House Bill 5250 as passed by the House
Sponsor: Rep. Nick Ciaramitaro

House Bill 5251 as passed by the House
Sponsor: Rep. Michael Nye

Committee: Appropriations
Second Analysis (1-8-98)

THE APPARENT PROBLEM:

Public Act 105 of 1997, the judiciary budget for 1997-98, provided for a $5.3 million shift in funding of judges salaries and benefits. Because the Judges Retirement System was determined to be more than 100 percent funded, money in the state court fee fund that is normally used to fund the retirement system was available to help pay the state's cost of current judges' salaries and benefits. The policy decision to make this funding shift was made during the budget negotiations. However, an amendment to the Judges Retirement Act is necessary to effect the change.

In another matter, reportedly, the supreme court has asked for specific statutory authorization to reimburse counties for employer-paid FICA taxes for probate court judges. Reportedly, this was also agreed to during budget negotiations.

THE CONTENT OF THE BILLS:

House Bill 5250 would amend the Judges Retirement Act (MCL 38.2217) to provide that if the court fee fund exceeds $2.2 million in any fiscal year and $2.2 million is transmitted to the court equity fund, an amount may be appropriated from the court fee fund for operational expenses of trial courts, including the payment of salaries of trial court judges (other than district court judges).

House Bill 5251 would amend the Revised Judicature Act (MCL 600.821a) to provide that the state would reimburse counties for amounts paid for the employer's share of Social Security and Medicare (FICA) taxes for probate judges.

FISCAL IMPLICATIONS:

According to the House Fiscal Agency, House Bill 5250 would implement the policy change made by the legislature during deliberations on the 1997-98 judiciary budget. The HFA says that failure to enact the bill would require either a supplemental appropriation of $5.3

million, or a similar reduction to other judicial operational accounts to fund judges' salaries. It is noted that this funding shift is likely to be available only for this fiscal year. (10-20-97)

The House Fiscal Agency reports that House Bill 5251 would have no fiscal impact. (1-8-98)

ARGUMENTS:

For:

Both of the bills are needed to statutorily implement policy changes made during deliberations on the 1997-98 judiciary budget.

POSITIONS:

There are no positions on the bills.

Analyst: D. Martens

■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.