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Senate Joint Resolution U (as introduced 8-15-12)
Sponsor: Senator Steven Bieda
Committee: Judiciary

Date Completed: 9-10-12

CONTENT

The joint resolution would amend Article VI, Section 19 of the State Constitution to delete the prohibition against a person being elected or appointed to a judicial office after reaching 70 years of age.

If approved by a two-thirds vote of each house of the Legislature, the joint resolution would have to be submitted to the people of the State at the next general election.

Legislative Analyst: Patrick Affholter

FISCAL IMPACT

The resolution, if adopted by the electorate at the next general election, would have limited fiscal impact. The salaries of judges are uniform for each tier of the court system, meaning that judges with long terms of service earn the same as newly elected judges. A judge staying on the bench longer would not cause the State to pay a higher salary, because when a judge does retire, the replacement judge receives the same salary.

There could be a minor fiscal impact related to judges who are currently serving in judgeships that are slated to be eliminated. In late 2011 and early 2012, the Michigan Legislature passed a package of bills to eliminate more than 40 judgeships. Governor Snyder signed these bills into law and they became Public Act 300 of 2011 and Public Acts 16-23 and 34-38 of 2012. The bills call for the judgeships to be eliminated by attrition, meaning no currently seated judge will be forced out. Only once a judge declines to seek re-election or retires (whether by choice or due to the age-70 rule), then the judgeship he or she had served in will be eliminated.

Each eliminated judgeship saves the State approximately \$160,000 per year (which represents the salary, FICA (Social Security/Medicare taxes), and a 7% contribution to a defined contribution retirement plan). There are also some associated savings for local units of government, which are responsible for paying for the judge's fringe benefits and staff. Of the approximately 35 judges who are currently serving in judgeships slated for elimination, if any of them decided to take advantage of the removal of the age prohibition and run for re-election past his or her 70th birthday, he or she could delay some savings to State and local governments by postponing the elimination. Many judges choose to retire before their 70th birthday, so the number of judges (among the approximately 35) who would stay in their current judgeship and choose to work well beyond their 70th birthday would likely be small.

Finally, the resolution, if adopted, could have an ambiguous, but again likely minor, fiscal impact on the judicial retirement system. More than 70% of judges are now a part of the defined contribution retirement plan, so pension-relevant factors such as years of service and life expectancy in retirement (which could be affected by the resolution) do not affect the State costs in most cases.

Fiscal Analyst: Dan O'Connor

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