

HOUSE BILL NO. 5534

March 05, 2024, Introduced by Reps. Breen and Hope and referred to the Committee on Judiciary.

A bill to require the supreme court to analyze certain trial court costs and revenue sources; and to develop legislative proposals to change trial court funding.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. This act may be cited as the "trial court funding act
2 of 2024".

3 Sec. 2. As used in this act:

4 (a) "Court revenue" means all funds collected by trial courts
5 except those paid in restitution to an identified victim of crime.

6 (b) "Department" means the department of treasury.

1 (c) "Funding unit" means either of the following:

2 (i) A local unit of government that funds a trial court.

3 (ii) If a trial court is funded by more than 1 local unit of
4 government, those local units of government, collectively.

5 (d) "Local unit of government" means a political subdivision
6 of this state, including, but not limited to, a county, city,
7 village, or township of this state.

8 (e) "Maintenance of effort" means the average of the funding
9 unit's general fund expenditures for trial court operations over
10 the 3-year period immediately preceding the creation of the state
11 court fund described in section 6(a). Court-generated revenue that
12 supports court operational expenditures during the same 3-year
13 period must be accounted for separately. General fund expenditures
14 must be calculated as total court expenditures less any and all
15 court-generated revenue to arrive at net expense to the funding
16 unit.

17 (f) "Operational cost" means the total costs needed to operate
18 an individual trial court over the course of a fiscal year based on
19 the workload and case volume of each court.

20 Sec. 3. (1) Not later than May 1, 2026, the state court
21 administrative office, under the direction and supervision of the
22 supreme court, shall analyze and determine all of the following:

23 (a) The revenue potential lost by each trial court from the
24 elimination of the cost under section 1k(1)(b)(iii) of chapter IX of
25 the code of criminal procedure, 1927 PA 175, MCL 769.1k.

26 (b) Based on a weighted caseload study, the minimum
27 operational cost of each trial court.

28 (c) The additional funds needed, in addition to maintenance of
29 effort, at each trial court to reach the court's total operational

1 cost.

2 (2) The state court administrative office, under the direction
3 and supervision of the supreme court, shall work with local units
4 of government to determine the maintenance of effort, which must
5 include costs by the local funding unit and must not include state
6 and federal funds. The allocation of costs used to determine the
7 maintenance of effort by the local funding unit must be based on
8 expenditures for operating a court, including, but not limited to,
9 the following:

10 (a) Judicial benefits.

11 (b) Regardless of the budget line item associated with the
12 following costs, court operations staff, court clerks, whether
13 employed by a court or the county clerk, facility staff, and
14 security staff salaries and benefits.

15 (c) Court facility operation and maintenance.

16 (d) Preexisting debt on a court facility related to the
17 construction or maintenance of the facility.

18 (e) Indirect costs, including, but not limited to, court
19 supplies, mail, property and liability insurance, and cyber
20 security coverage.

21 (f) Court technology, including, but not limited to, case and
22 document management systems, electronic filing systems, court
23 recording systems, video conferencing systems, computer hardware,
24 including personal computers, monitors, printers, and scanners, and
25 the cost of internet access and data storage.

26 (3) The state court administrative office, under the direction
27 and supervision of the supreme court, shall complete the analysis
28 under subsection (1) with input from state and local officials and
29 associations, including, but not limited to, all of the following:

- 1 (a) The department.
2 (b) The department of technology, management, and budget.
3 (c) The department of health and human services.
4 (d) The Michigan Municipal League.
5 (e) The Michigan Townships Association.
6 (f) The Michigan Association of Counties.
7 (g) The Michigan Association of County Clerks.

8 Sec. 4. (1) The state court administrative office, under the
9 direction and supervision of the supreme court, shall develop for
10 and provide to each trial court a schedule of the appropriate
11 portion of the court's operational costs that may be attributed to
12 an individual's case under current law. The assessment of
13 operational costs to an individual must be as close as practical to
14 the actual cost of an average case of the individual's criminal
15 case type and must not include additional costs based on the length
16 of time required for the case or related to the exercise of a
17 constitutional right.

18 (2) A schedule developed under subsection (1) must include
19 uniform standards for the trial court to determine an individual's
20 indigency and ability to pay in compliance with law.

21 (3) The state court administrative office, under the direction
22 and supervision of the supreme court, shall develop standards for
23 how a trial court shall determine the amount of reimbursable costs
24 to the local unit of government for law enforcement and prosecution
25 costs for any statute that provides for the assessment of the costs
26 to a convicted defendant or person that is responsible for a civil
27 infraction.

28 Sec. 5. (1) The state court administrative office, under the
29 direction and supervision of the supreme court, shall work with the

1 department to develop and propose a statewide uniform collections
2 system for court debt.

3 (2) The proposed system under subsection (1) may build on the
4 existing system of court collections, and the proposal must
5 include, but is not limited to, all of the following:

6 (a) The age of debt to be centrally collected.

7 (b) The method of transmittal of funds to this state.

8 (c) The disposition of funds received by this state.

9 (d) The priority of payments for funds collected from an
10 individual who has a financial obligation to 1 or more governmental
11 agencies.

12 (3) The department may collaborate, as appropriate, with the
13 state court administrative office to develop and execute a pilot
14 program for the department to collect all or most of a court's
15 debt. The department may use the courts that the department
16 currently collects court debt for in the pilot program or any other
17 courts. The goals of a pilot program under this subsection must
18 include, but are not limited to, assisting in the determination of
19 the cost to increase the department's capacity to manage all trial
20 court debt collections and assisting in the development of a
21 statewide approach to the relationships between local units of
22 government and the department related to collection of court debt.

23 Sec. 6. The state court administrative office, under the
24 direction and supervision of the supreme court, shall work with the
25 department to develop and propose a statewide system to distribute
26 court revenue to each funding unit by determining the difference
27 between the operational cost and maintenance of effort for each
28 court. The proposal under this section must include both of the
29 following:

1 (a) The creation of a state court fund to receive and
2 distribute court revenue.

3 (b) An estimated range of state general fund expenditures that
4 may be required to address a shortfall in the state court fund's
5 ability to meet the aggregate total of trial courts' operational
6 cost.

7 Sec. 7. The state court administrative office, under the
8 direction and supervision of the supreme court, shall develop
9 legislative proposals to effectuate sections 4, 5, and 6 of this
10 act. The legislative proposals must include a recommendation on how
11 to provide trial courts with the funds to cover operational costs
12 calculated under section 3(1)(a) without revenue lost under section
13 3(1)(b).

14 Sec. 8. Not later than May 1, 2026, the state court
15 administrative office, under the direction and supervision of the
16 supreme court, shall prepare a report on the costs analysis under
17 section 3 and the legislative changes proposed under section 7. The
18 report must be submitted to the governor, the legislature, the
19 house and senate standing committees and appropriations
20 subcommittees that are responsible for legislation concerning the
21 judicial branch, and the house and senate fiscal agencies.

22 Enacting section 1. This act does not take effect unless
23 Senate Bill No.____ or House Bill No.____ (request no. 03950'23) of
24 the 102nd Legislature is enacted into law.