Fiscal Note & Local Impact Statement

124 th General Assembly of Ohio

Ohio Legislative Service Commission
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BILL: **Am. Sub. H.B. 530** DATE: **December 5, 2002**

STATUS: **As Enacted – Effective December 18, 2002 (Sections 3 and 4 effective January 1, 2004)** SPONSOR: **Rep. Peterson**

LOCAL IMPACT STATEMENT REQUIRED: **No — Introduced version had no local cost; Current version creates annual costs for the counties of Brown and Morrow exceeding minimal**

CONTENTS: **Modifies the small county exception to the drawing, summoning, and service of jurors for a term or part of a term of a court of common pleas, allows the board of trustees of a fire district to issue bonds for the purpose of acquiring fire-fighting equipment, buildings, and sites, allows municipal court judges and county court judges to be paid in biweekly installments, confirms certain amendments of Sub. H.B. 8 of the 124th General Assembly relating to the creation of an additional term of the drug court judge of the Hamilton County Court of Common Pleas, creates the Brown County Municipal Court with one full-time judgeship in that court and abolishes the Brown County County Court, continues the authority of the mayor of Georgetown to conduct a mayor's court, creates the Morrow County Municipal Court with one full-time judgeship in that court and abolishes the Morrow County County Court, continues the authority of the mayor of Mount Gilead to conduct a mayor's court, and declares an emergency**

State Fiscal Highlights

STATE FUND	FY 2003*	FY 2004	FUTURE YEARS
General Revenue Fund			
Revenues	- 0 -	- 0 -	- 0 -
Expenditures	Net increase of around $6,219	Net increase of more than $12,438, depending on future salary increases	Net increase of more than $12,438 annually, depending on future salary increases

Note: The state fiscal year is July 1 through June 30. For example, FY 2002 is July 1, 2001 – June 30, 2002.
*This analysis assumes the bill will not affect the state until the approximate midpoint of FY 2003.

- ***Brown County court changes*.** The net fiscal impact for the state of replacing the Brown County County Court with the Brown County Municipal Court involves the difference in salary and other associated costs between two part-time county court judges, under current law, and the change to one full-time municipal court judge as proposed by the bill. In sum, the net difference in salary and other associated costs would produce an annual savings to the state's General Revenue Fund (GRF) of approximately $6,885.

- ***Morrow County court changes*.** The net fiscal impact for the state of replacing the Morrow County County Court with the Morrow County Municipal Court involves the difference in salary and other associated costs

between one part-time county court judge, under current law, and the change to one full-time municipal court judge as proposed by the bill. In sum, the net difference in salary and other associated costs would produce an annual expenditure increase to the state's GRF of approximately $19,323.

Local Fiscal Highlights

LOCAL GOVERNMENT	FY 2003	FY 2004	FUTURE YEARS
Counties			
Revenues	- 0 -	- 0 -	- 0 -
Expenditures	Potential decrease in jury-related expenditures, could be in the tens of thousands of dollars in certain counties	Potential decrease in jury-related expenditures, could be in the tens of thousands of dollars in certain counties	Potential decrease in jury-related expenditures, could be in the tens of thousands of dollars annually in certain counties
Brown County (court changes)			
Revenues	- 0 -	- 0 -	- 0 -
Expenditures	Increase of around $36,204	Increase of $36,204 or more, depending on future salary increases	Increase of $36,204 or more annually, depending on future salary increases
Morrow County (court changes)			
Revenues	- 0 -	- 0 -	- 0 -
Expenditures	Increase of around $27,535	Increase of $27,535 or more, depending on future salary increases	Increase of $27,535 or more annually, depending on future salary increases
Hamilton County (drug court judge)			
Revenues	- 0 -	- 0 -	- 0 -
Expenditures	Potential savings	Potential savings	Potential annual savings in FYs 2005 through 2008; Starting with FY 2009, potential annual increase
Township Fire Districts			
Revenues	Potential gain, up to amount of bonds issued	Potential gain, up to amount of bonds issued	Potential annual gain, up to amount of bonds issued
Expenditures	Potential increase in debt service costs, magnitude largely determined by amount and duration of bonds, plus potential one-time minimal debt issuance costs	Potential increase in debt service costs, magnitude largely determined by amount and duration of bonds, plus potential one-time minimal debt issuance costs	Potential annual increase in debt service costs, magnitude largely determined by amount and duration of bonds, plus potential one-time minimal debt issuance costs

Note: For most local governments, the fiscal year is the calendar year. The school district fiscal year is July 1 through June 30.

- ***Juror drawing, summoning, and service.*** The practical effect of modifying the existing statutory exemption to cover counties with less than 250,000 population would be to give 17 Ohio counties greater flexibility in the drawing of jurors, which will in turn create opportunities for those counties to potentially reduce, realign, or forestall increases in the annual operating budgets of their courts of common pleas. The magnitude of this potential fiscal effect on any one of the exempted 17 counties depends on: (1) the degree to which the courts of common pleas are strictly adhering to the statutorily-required procedure for the drawing, summoning, and service of jurors for a term or part of a term of a court of common pleas, and (2) the degree to which the courts of common pleas opt to use the flexibility that comes with the exemption from that statutorily-required procedure. Although it is somewhat difficult to precisely calculate the magnitude of the potential annual savings to any of these 17 counties at this time, it appears very likely that the amount of the annual savings in some of those counties could easily be in the tens of thousands of dollars.

- ***Procedures for postponing, excusing, and delaying juror service.*** The bill specifically authorizes each court of common pleas or a judge of the court of common pleas to postpone, excuse, or discharge prospective jurors. The local fiscal effects of this feature of the bill appear to be twofold. First, it likely codifies practice in some counties and thus would not create any direct fiscal effects. Second, in counties where this feature of the bill is not codifying current practice, it may produce a savings in the annual operating costs of that county's jury system, most specifically in terms of the amount of money that is allocated for juror pay. The size of any such annual savings would likely be relatively small.

- ***Township fire districts.*** Given the permissive nature of the bond issuance authority granted the board of township trustees of a fire district, it is difficult to predict when a particular board of township trustees might choose to issue bonds, or to estimate how much revenue might be generated and at what cost.

- ***Biweekly pay for municipal court and county court judges.*** As of this writing, it would appear that the exercise of this permissive authority by a given municipality or county will not noticeably increase, if at all, the local burden and related costs associated with paying municipal and county court judges.

- ***Hamilton County drug court judge.*** The bill confirms certain amendments of Sub. H.B. 8 of the 124th General Assembly relating to the creation of an additional six-year term for the drug court judge of the Hamilton County Court of Common Pleas. Presumably, the existence of the drug court judge in the Hamilton County Court of Common Pleas has allowed the county to more quickly and appropriately sanction certain drug offenders than would otherwise have been the case. If the authority for that judgeship were allowed to sunset, then those efficiencies would most likely be lost, at least for the time being until the local criminal justice system adjusted to a new way of handling drug cases. These amendments preserve those efficiencies for another six years, as the term of the drug court judge is extended from January 2003 to January 2009. The Legislative Service Commission fiscal staff, however, has no easy way of quantifying the annual savings that those efficiencies currently produce. The issue of losing current operational efficiencies is likely to arise again starting with FY 2009 unless the term of this drug court judgeship is extended again.

- ***Brown County court changes.*** Under the bill, Brown County will: (1) realize a $15,046 annual savings in judicial salaries and benefits, and (2) incur an estimated annual increase of $51,250 in compensation costs for a part-time magistrate. The net fiscal impact of these two expenditure effects on Brown County will be an estimated $36,204 increase in annual spending. It appears that there will be no other collateral costs or operational expenses

associated with the creation of the Brown County Municipal Court, the establishment of a full-time judgeship in that court, and the abolishment of the Brown County County Court.

- ***Morrow County court changes*.** Under the bill, Morrow County will experience a net expenditure increase of around $27,535 annually associated with judicial salaries and other benefits. It appears that there will be no other collateral costs or operational expenses associated with the creation of the Morrow County Municipal Court, the establishment of a full-time judgeship in that court, and the abolishment of the Morrow County County Court.

Detailed Fiscal Analysis

For the purposes of this fiscal analysis, the bill most notably:

(1) Modifies the provision that allows counties with less than 100,000 population to be exempt from the statutorily required procedure for the drawing, summoning, and service of jurors for a term or part of a term of a court of common pleas to apply to counties with less than 250,000 population.

(2) Modifies various provisions of existing law regarding postponement, excuse, or discharge from jury service.

(3) Allows the board of township trustees of a fire district to issue bonds for the purpose of acquiring fire-fighting equipment, buildings, and sites.

(4) Allows municipal court judges and county court judges to be paid in biweekly installments.

(5) Confirms certain amendments of Sub. H.B. 8 of the 124th General Assembly relating to the creation of an additional term of the drug court judge of the Hamilton County Court of Common Pleas.

(6) Creates the Brown County Municipal Court on February 9, 2003, establishes one full-time judgeship in that court, simultaneously abolishes the Brown County County Court and its two part-time judgeships on that date, and continues the authority of the mayor of Georgetown to conduct a mayor's court.

(7) Creates the Morrow County Municipal Court on January 1, 2003, establishes one full-time judgeship in that court, simultaneously abolishes the Morrow County County Court and its one part-time judgeship on that date, and continues the authority of the mayor of Mount Gilead to conduct a mayor's court.

(8) Declares an emergency.

Juror drawing, summoning, and service

Under current law, counties with less than 100,000 population are exempt from the statutorily required procedure for the drawing, summoning, and service of jurors for a term or part of a term of a court of common pleas. The bill modifies that exemption to cover counties with less than 250,000

population, the practical effect of which will be to give those counties greater flexibility in the drawing of jurors.

Based on the 2000 U.S Census, there are 17 Ohio counties with populations between 100,000 and 250,000. Those 17 counties are noted alphabetically, along with their 2000 census count, in Table 1 below. It is also important to note that, prior to the 2000 U.S. Census, all but Ashtabula and Delaware counties already had populations that were between 100,000 and 250,000. Prior to the 2000 U.S. Census, and based on the 1990 U.S. Census, Ashtabula and Delaware counties had populations that were less than 100,000.

Table 1 – Counties with 2000 Census Count between 100,000 and 250,000

County	Census Count	County	Census Count
Allen	108,473	Licking	145,491
Ashtabula	102,728	Medina	151,095
Clark	144,742	Portage	152,061
Clermont	177,977	Richland	128,852
Columbiana	112,075	Trumbull	225,116
Delaware	109,989	Warren	158,383
Fairfield	122,759	Wayne	111,564
Greene	147,886	Wood	121,065
Lake	227,511		

The practical effect of modifying the existing statutory exemption to cover counties with less than 250,000 population would be to give those 17 counties greater flexibility in the drawing of jurors. This greater flexibility will in turn create opportunities for those counties to potentially reduce, realign, or forestall increases in the annual operating budgets of their courts of common pleas. One of the most noticeable fiscal effects might be in reducing: (1) the number of jurors that might otherwise be drawn and summoned for service, and (2) the number of days that jurors would otherwise have to serve. If a smaller number of jurors are drawn and summoned for service and the jurors that are present serve fewer days, then the court of common pleas would be spending less money for juror pay.

The magnitude of this potential fiscal effect on any one of the exempted 17 counties depends on: (1) the degree to which the courts of common pleas are strictly adhering to the statutorily-required procedure for the drawing, summoning, and service of jurors for a term or part of a term of a court of common pleas, and (2) the degree to which the courts of common pleas opt to use the flexibility that comes with the exemption from that statutorily-required procedure. Although it is somewhat difficult to precisely calculate the magnitude of the potential annual savings to any of these 17 counties at this time, it appears very likely that the amount of the savings in some of those counties could easily be in the tens of thousands of dollars.

Procedures for postponing, excusing, and delaying juror service

Under current law, a court of common pleas may postpone, excuse, or discharge prospective jurors from jury service under certain circumstances. The bill specifically authorizes a court of common pleas or a judge of the court of common pleas to postpone, excuse, or discharge prospective jurors. The local fiscal effects of this feature of the bill appear to be twofold. First, it likely codifies practice in some counties and thus would not create any direct fiscal effects. Second, in counties where this feature

of the bill is not codifying current practice, it may produce a savings in the annual operating costs of that county's jury system, most specifically in terms of the amount of money that is allocated for juror pay. The size of any such annual savings would likely be relatively small.

Township fire districts

Current law. Under section 505.37 of the Revised Code, a board of township trustees may create a fire district. The board is permitted to purchase or otherwise provide any fire apparatus, appliances, materials, fire hydrants, and water supply for fire-fighting purposes. However, pursuant to section 505.40 of the Revised Code, the authority of a board of township trustees to issue bonds for fire protection measures is limited by two conditions: (1) a vote of the people in a township or fire district in the manner provided by section 133.18 of the Revised Code, and (2) in no event can the amount of the bond exceed the greater of one hundred fifty thousand dollars or two per cent of the total value of all property in the township as listed and assessed for taxation.

Bond issuance authority. The bill adds a new section of law allowing the board of township trustees of a fire district to issue bonds for the purpose of acquiring fire-fighting equipment, buildings, and sites, or for the purpose of constructing or improving buildings to house fire-fighting equipment. This provision would appear to supercede the bond issuance limitations stipulated under current law.

Township fiscal effects. At this time, there appears to be no limit on the amount of bonds that may be issued by a given board of township trustees of a fire district. No obligations incurred under section 505.37 of the Revised Code will be included when calculating the net indebtedness of any township.

The board of township trustees of a fire district, as the issuer, would presumably be obligated to pay the principal and interest on the bonds issued. Additional costs, some of which would be one-time in nature, are likely also to be incurred for such things as debt issuance, bond counsel, insurance, and financial advisors. As of this writing, it is unclear to LSC fiscal staff as to how a board of township trustees would cover these bond-related expenditures. In other words, what local revenue stream or streams would be used to pay for these costs is uncertain.

Given the permissive nature of this authority, it is difficult to predict when a particular board of township trustees might choose to issue bonds, or to estimate how much revenue might be generated and at what cost.

State fiscal effects. The permissive authority granted a board of township trustees of a fire district would not appear to create any direct or immediate fiscal effects on the state's revenue and expenditures, nor should it have any direct or immediate effect on the state's bond rating.

Biweekly pay for municipal court and county court judges

Under current law, municipal and county court judges are paid in semimonthly installments. The bill permits municipal and county court judges to be paid in *either biweekly installments or semimonthly installments, as determined by the payroll administrator*. As of this writing, it would

appear that the exercise of this permissive authority by a given municipality or county will not noticeably increase, if at all, the local burden and related costs associated with paying municipal and county court judges.

Hamilton County drug court judge

The bill confirms certain amendments of Sub. H.B. 8 of the 124th General Assembly relating to the creation of an additional six-year term for the drug court judge of the Hamilton County Court of Common Pleas. The term of the existing drug court judge began January 3, 1997, and is set to be replaced by a successor general division judge whose term begins on January 3, 2003. The amendments in Sub. H.B. 8 allow the drug court judgeship to continue through January 2, 2009, whereupon a successor general division judge with a term that begins January 3, 2009 would replace it.

The drug court currently costs Hamilton County in excess of $700,000 annually to operate, which includes the payroll expenses of 18 county personnel (the judge, a director, an administrator, a bailiff, a clerk, a court reporter, a prosecutor, three public defenders, and eight probation officers). In addition, around 300 cases are transferred annually to the drug court from the Hamilton County Municipal Court, which is a county-operated municipal court whose costs of operation are the general responsibility of Hamilton County.

If the authority that allows the drug court to exist were allowed to sunset, these annual operating costs would not simply disappear; nor would its drug caseload simply disappear. These drug cases would be redistributed among all of the judges of the general division of the county's court of common pleas, including the former drug court judgeship that would become a member of the general division. Also, some number of drug cases would remain under the jurisdiction of the Hamilton County Municipal Court, as they would no longer be eligible for transfer to the drug court. Excluding the judgeship, the remaining 17 county personnel that have been assembled around the existing drug court would probably not be just let go, they would most likely be reallocated around the criminal justice components of Hamilton County's common pleas and municipal court systems to reflect the caseload effects of redistributing drug cases.

Even if the amendments do not create a direct fiscal effect on Hamilton County, for example, by cutting annual operating costs associated with the drug court, it could still be argued that there is at least one likely indirect fiscal effect. Presumably, the existence of the drug court has allowed the county to more quickly and appropriately sanction certain drug offenders than would otherwise have been the case. If the authority for the drug court were allowed to sunset, then those efficiencies would most likely be lost, at least for the time being until the local criminal justice system adjusted to a new way of handling drug cases. The amendments would preserve those efficiencies for another six years, as the life of the drug court judgeship is extended from January 2003 to January 2009. The Legislative Service Commission fiscal staff, however, has no easy way of quantifying the annual savings that those efficiencies currently produce. The issue of losing current operational efficiencies would presumably arise again starting with FY 2009 unless the term of this drug court judgeship is extended again.

Brown County court changes

***Two part-time county court judges*.** As of January 1, 2003, the annual salary for a part-time county court judge will be $58,150. This annual salary will consist of a base fixed amount of $35,500 paid by the county. The balance, or $22,650, will be paid by the state. Thus, in Brown County, the county will be responsible for paying the local share of the salaries of two existing part-time county court judges, which will be $71,000 (plus $5,500 in supplemental annual compensation described in the paragraph immediately below). Pursuant to Sub. H.B. 712 of the 123rd General Assembly, those judicial salaries are scheduled to rise again in calendar year 2004. The state share of the judicial salary will then increase annually, through calendar year 2008, according to the smaller of the Consumer Price Index or 3 percent, as established in Sub. H.B. 712.

Section 1907.17 of the Revised Code stipulates that county commissioners may provide a supplemental fixed annual amount to each part-time county court judge, not to exceed $2,000. This extra amount has no impact upon the statutorily prescribed amounts paid for by the county or the state. According to the Brown County Commissioner's budget office, the county pays each part-time county court judge an additional $2,000 annually, which will bring the county portion of each judge's salary to $37,500. Under current law, the board of county commissioners is also required to pay the presiding or administrative judge an extra $1,500 annually.

Thus, as of January 1, 2003, under current law, Brown County is scheduled to be paying a total of $76,500 annually to compensate its two existing part-time county court judges.

***One full-time municipal court judge*.** As of January 1, 2003, a full-time municipal court judge is scheduled to receive $101,100 in annual salary compensation. The local funding authority will be required to pay a base fixed amount of $61,750 for each full-time municipal court judge. The state will pay the remainder, or $39,350. As under the current court structure, the presiding or administrative judge in the proposed Brown County Municipal Court will receive an additional $1,500 in salary from Brown County. Unlike a part-time county court judge, a full-time municipal court judge does not qualify for the $2,000 in supplemental annual compensation, as have the two existing part-time county court judges. Thus, the total annual salary cost to Brown County for this new full-time municipal court judge will be $63,250. This means that the creation of the Brown County Municipal Court and the abolition of the Brown County County Court will actually result in a savings to Brown County of about $13,250 in annual judicial salary compensation, which is detailed in Table 2 below.

Table 2 – Brown County

Salary Compensation Breakdown as of January 1, 2003	2 Part-time County Court Judges	1 Full-time Municipal Court Judge	Compensation Difference
State portion	$ 45,300	$ 39,350	-$ 5,950
County portion*	$ 76,500	$ 63,250	-$13,250
Total Salary	$121,800	$102,600	-$19,200

*Includes any local supplemental salary compensation.

***PERS*.** An additional component of the costs borne by both the state and county involve retirement benefits and whether the county or state pays for these benefits. State and local elected officials are exempt from membership in the state's Public Employees Retirement System (PERS), but can choose to become members. Most do. Therefore, this analysis includes PERS payments, which assumes that the person who fills the full-time municipal court judgeship will join PERS.

The state pays 13.31 percent of its supplemental amount into PERS and the county pays 13.55 percent of its annual salary compensation amount into PERS. Thus, the total annual PERS cost to the State of Ohio, as a result of the bill, will go from $6,030 to $5,238, an annual savings of $792.

As for Brown County, the annual 13.55 percent PERS contribution based on the $63,250 county portion of the full-time municipal court judge's total salary compensation equals about $8,570. In the existing Brown County County Court, Brown County pays a total of $76,500 in annual compensation to two part-time county court judges, the result being that the 13.55 percent paid into PERS totals $10,366 annually. Accordingly, the creation of the Brown County Municipal Court and the abolition of the Brown County County Court will decrease Brown County's annual PERS payments by about $1,796.

In addition to PERS, the state also makes contributions for other purposes: 1.45 percent of gross salary for Medicare for all employees hired after April 1986, 0.67 percent for workers' compensation, and 0.28 percent for the administration of the state's Central Accounting System (CAS). These contributions, in total, comprise about 2.4 percent of the state's portion of the judicial salary. The combined state contribution, under current law, for the two part-time county court judges is $1,087. The state contribution for the full-time municipal court judge will cost the state $944 annually, thereby yielding an estimated annual savings of $143 for the state.

Additional Brown County costs. Based on a conversation with Brown County officials, as a result of the bill, the county also intends to hire one part-time magistrate at approximately $41,000 a year plus benefits, which could total as much as 25 percent of the base salary, or $10,250. The county will be solely responsible for absorbing this additional $51,250 annual cost. Apparently, the part-time magistrate will be needed to keep up with the court's expected caseload.

It appears that there will be no other collateral costs or operational expenses associated with the creation of the Brown County Municipal Court, the establishment of a full-time judgeship in that court, and the abolishment of the Brown County County Court. The subject matter and territorial jurisdiction of the new Brown County Municipal Court will be identical to that of the existing Brown County County Court, which it replaces.

Net fiscal impact on Brown County. Thus, under the bill, Brown County will: (1) realize a $15,046 annual savings in judicial salaries and benefits, and (2) incur an estimated annual increase of $51,250 in compensation costs for a part-time magistrate. The net fiscal impact of these two expenditure effects on Brown County will be an estimated $36,204 increase in annual spending.

Net state fiscal impact. The net fiscal impact for the state involves the difference in salary and other associated costs between two part-time county court judges, under current law, and the change to one full-time municipal court judge as proposed by the bill. In sum, the net difference in salary and other associated costs would produce an annual savings to the state's GRF of approximately $6,885.

***Georgetown Mayor's Court*.** The bill continues the authority of the mayor of Georgetown to conduct a mayor's court. As the geographic and subject matter jurisdiction of that court remain unchanged, its revenues and expenditures appear to be unaffected by the bill.

Morrow County court changes

***One part-time county court judge*.** As of January 1, 2003, the annual salary for a part-time county court judge will be $58,150. This annual salary will consist of a base fixed amount of $35,500 paid by the county. The balance, or $22,650, will be paid by the state. Thus, in Morrow County, the county will be responsible for paying the local share of one part-time county court judge, which will be $35,500 (plus $3,500 in supplemental annual compensation described in the paragraph immediately below). Pursuant to Sub. H.B. 712 of the 123rd General Assembly, those judicial salaries are scheduled to rise again in calendar year 2004. The state share of the judicial salary will then increase annually, through calendar year 2008, according to the smaller of the Consumer Price Index or 3 percent, as established in Sub. H.B. 712.

Section 1907.17 of the Revised Code stipulates that county commissioners may provide a supplemental fixed annual amount to each part-time county court judge, not to exceed $2,000. This extra amount has no impact upon the statutorily prescribed amounts paid for by the county or the state. Accordingly, Morrow County pays the part-time county court judge an additional $2,000 annually, which will bring the county portion of the judge's salary to $37,500. Under current law, the board of county commissioners is also required to pay the presiding or administrative judge an extra $1,500 annually.

Thus, as of January 1, 2003, Morrow County is scheduled to be paying a total of $39,000 annually in compensation to its existing part-time county court judge.

***One full-time municipal court judge*.** As of January 1, 2003, a full-time municipal court judge is scheduled to receive $101,100 in annual salary compensation. The local funding authority will be required to pay a base fixed amount of $61,750 for each full-time municipal court judge. The state will pay the remainder, or $39,350. As under the current court structure, the presiding or administrative judge in the proposed Morrow County Municipal Court will receive an additional $1,500 in salary from Morrow County. Unlike a part-time county court judge, a full-time municipal court judge does not qualify for the $2,000 in supplemental annual compensation, as has the existing part-time county court judge. Thus, the total annual salary cost to Morrow County for this new full-time municipal court judge will be $63,250. This means that the creation of the Morrow County Municipal Court and the abolition of the Morrow County County Court will result in additional costs to Morrow County of about $24,250 in annual judicial salary compensation, which is detailed in Table 3 below.

Table 3 – Morrow County

Salary Compensation Breakdown as of January 1, 2003	1 Part-time County Court Judge	1 Full-time Municipal Court Judge	Compensation Difference
State	$22,650	$ 39,350	+$16,700
County*	$39,000	$ 63,250	+$24,250
Total Salary	$61,650	$102,600	+$40,950

*Includes any local supplemental salary compensation.

PERS. State and local elected officials are exempt from membership in PERS (Public Employees Retirement System), unless they choose to become members. Most do. Therefore, this analysis includes PERS payments, which assumes that the person who fills the full-time municipal court judgeship will join PERS.

The state will contribute to the new full-time municipal court judge's benefits at the rate of 13.31 percent of its supplemental salary amount, while the county pays 13.55 percent on its annual salary compensation amount. Under that PERS contribution formula, and as a result of the bill, Morrow County will pay an annual increase of $3,285 over the current $5,285 paid annually by the county. The state will pay an annual increase of $2,223 over the $3,015 paid annually under current law.

In addition to PERS, the state also makes contributions for other purposes: 1.45 percent of gross salary for Medicare for all employees hired after April 1986, 0.67 percent for workers' compensation, and 0.28 percent for the administration of the state's Central Accounting System (CAS). These contributions, in total, comprise about 2.4 percent of the state's portion of the judicial salary. The state contribution, under current law, for the part-time Morrow County judge is $544 annually. The state contribution for the full-time Morrow County municipal judge will cost the state $944 annually, thereby yielding an increased annual expenditure of around $400.

Additional Morrow County costs. Based on a conversation with the part-time judge currently serving on the Morrow County County Court, it appears that there will be no other collateral costs or operational expenses associated with the creation of the Morrow County Municipal Court, the establishment of a full-time judgeship in that court, and the abolishment of the Morrow County County Court. The subject matter and territorial jurisdiction of the new Morrow County Municipal Court will be identical to that of the existing Morrow County County Court, which it replaces. There appear to be no plans to increase the number of clerks or bailiffs, and no capital improvements will need to be undertaken.

Net fiscal impact on Morrow County. Thus, under the bill, Morrow County will experience a net expenditure increase of around $27,535 annually associated with judicial salaries and other benefits.

Net state fiscal impact. The net fiscal impact for the state involves the difference in salary and other associated costs between one part-time county court judge, under current law, and the change to one full-time municipal court judge as proposed by the bill. In sum, the net difference in salary and other associated costs would produce an annual expenditure increase to the state's GRF of approximately $19,323.

Mount Gilead Mayor's Court. The bill continues the authority of the mayor of Mount Gilead to conduct a mayor's court. As the geographic and subject matter jurisdiction of that court remain unchanged, its revenues and expenditures appear to be unaffected by the bill.

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