



**House
Legislative
Analysis
Section**

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W.C. ACCIDENT FUND GUARANTEE

House Bill 4990 (Substitute H-1)
Sponsor: Rep. Richard Bandstra
Committee: Labor

Complete to 11-14-90

A SUMMARY OF HOUSE BILL 4990 (Substitute H-1) AS INTRODUCED 9-13-90

Currently, under the Worker's Disability Compensation Act, the state guarantees the payment of benefit claims should a mass transportation authority or the Southeastern Michigan Transportation Authority (SEMTA) cease to operate without a successor being created, and the Accident Fund determines the amount necessary to pay the claims. House Bill 4990 would amend the act to require that the Accident Fund be compensated for its services in the same manner as it is compensated for processing the claims of state employees, and that claims be paid from the general fund. The bill would also delete the act's current reference to SEMTA and replace it with "the Suburban Mobility Authority Regional Transportation Authority" (SMART).

Under the bill, a transportation authority that delegated or contracted with a private employer to take over its function could no longer be self-insured. The provisions of the bill would apply to SMART, and to the following transportation authorities: an authority created by interlocal agreement under the Urban Cooperation Act, a public transportation authority created under the Public Transportation Authority Act, a Metropolitan Council created under the Metropolitan Council Act, and an authority or municipal corporation that had entered into an intergovernmental contract to provide transportation services under the intergovernmental contracts between municipalities act or the mass transportation system authorities act. The provisions of the bill could not be construed to permit the use of state funds for the payment of private obligations.

MCL 418.702

House Bill 4990 (11-14-90)