

Act No. 236
Public Acts of 1989
Approved by the Governor
December 21, 1989
Filed with the Secretary of State
December 21, 1989

**STATE OF MICHIGAN
85TH LEGISLATURE
REGULAR SESSION OF 1989**

Introduced by Senators Cherry, Dillingham, Welborn, Faust, Cropsey, DiNello and O'Brien

ENROLLED SENATE BILL No. 466

AN ACT to amend sections 13a and 13d of Act No. 1 of the Public Acts of the Extra Session of 1936, entitled as amended "An act to protect the welfare of the people of this state through the establishment of an unemployment compensation fund, and to provide for the disbursement thereof; to create the Michigan employment security commission, and to prescribe its powers and duties; to provide for the protection of the people of this state from the hazards of unemployment; to levy and provide for contributions from employers; to provide for the collection of such contributions; to enter into reciprocal agreements and to cooperate with agencies of the United States and of other states charged with the administration of any unemployment insurance law; to furnish certain information to certain governmental agencies for use in administering public benefit and child support programs and investigating and prosecuting fraud; to provide for the payment of benefits; to provide for appeals from redeterminations, decisions and notices of assessments; and for referees and a board of review to hear and decide the issues arising from redeterminations, decisions and notices of assessment; to provide for the cooperation of this state and compliance with the provisions of the social security act and the Wagner-Peyser act passed by the Congress of the United States of America; to provide for the establishment and maintenance of free public employment offices; to provide for the transfer of funds; to make an appropriation for carrying out the provisions of this act; to prescribe penalties for the violation of the provisions of this act; and to repeal all acts and parts of acts inconsistent with the provisions of this act," being sections 421.13a and 421.13d of the Michigan Compiled Laws.

The People of the State of Michigan enact:

Section 1. Sections 13a and 13d of Act No. 1 of the Public Acts of the Extra Session of 1936, being sections 421.13a and 421.13d of the Michigan Compiled Laws, are amended to read as follows:

Sec. 13a. (1) Any nonprofit organization which is, or becomes, subject to this act after December 31, 1971, shall pay contributions as a contributing employer pursuant to section 13, unless it elects to make reimbursement payments in lieu of contributions as a reimbursing employer pursuant to sections 13a to 13c. For the purpose of this act, a nonprofit organization is an organization or group of organizations which is described in section 501(c)(3) of the federal internal revenue code and is exempt from income tax under section 501(a) of that code.

(2) A nonprofit organization which is subject to this act on December 31, 1971, may elect to become a reimbursing employer for a period of not less than 2 calendar years beginning with January 1, 1972 if it files with the commission a written notice of its election within 30 days after January 1, 1972.

(3) A nonprofit organization which becomes subject to this act on or after January 1, 1972, may elect to become a reimbursing employer for a period of not less than 2 calendar years beginning with the calendar year which contains the day when it became subject to this act by filing a written notice of its election with the commission not later than 30 days immediately following the date of determination that it was subject to this act.

(4) A nonprofit organization subject to this act that elects to become a reimbursing employer on or after the effective date of the amendatory act that added this subsection shall execute and file a surety bond, irrevocable letter of credit, or other security as approved by the commission in an amount approved by the commission to secure the payment of its obligations under this act. This subsection shall not apply to any nonprofit reimbursing employer who pays \$100,000.00 or less remuneration per calendar year for employment as determined by the commission.

Sec. 13d. If a nonprofit organization is delinquent in making reimbursement payments in lieu of contributions as required pursuant to sections 13a to 13c, the commission may terminate the organization's election to make reimbursement payments in lieu of contributions as of the beginning of the next calendar year which termination shall be effective for that and the next calendar year, or the commission may require the nonprofit organization to execute and file with the commission a surety bond, irrevocable letter of credit, or other security as approved by the commission in an amount approved by the commission to secure the payment of its obligations under this act.

Section 2. This amendatory act shall not take effect unless all of the following bills of the 85th Legislature are enacted into law:

- (a) Senate Bill No. 68.
- (b) Senate Bill No. 640.
- (c) Senate Bill No. 641.
- (d) Senate Bill No. 644.
- (e) Senate Bill No. 645.
- (f) Senate Bill No. 646.
- (g) House Bill No. 4815.
- (h) House Bill No. 5222.
- (i) House Bill No. 5223.
- (j) House Bill No. 5224.
- (k) House Bill No. 5226.
- (l) House Bill No. 5227.
- (m) House Bill No. 5229.

This act is ordered to take immediate effect.

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Secretary of the Senate.

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Clerk of the House of Representatives.

Approved

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Governor.