

HOUSE BILL No. 5233

October 24, 1989, Introduced by Reps. Jonker, Varga, Stacey, Martin, DeLange, Emerson, Ciaramitaro and Watkins and referred to the Committee on Labor.

A bill to amend sections 13a and 13d of Act No. 1 of the Public Acts of the Extra Session of 1936, entitled as amended "Michigan employment security act," being sections 421.13a and 421.13d of the Michigan Compiled Laws.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Sections 13a and 13d of Act No. 1 of the Public
2 Acts of the Extra Session of 1936, being sections 421.13a and
3 421.13d of the Michigan Compiled Laws, are amended to read as
4 follows:

5 Sec. 13a. (1) Any nonprofit organization which is, or
6 becomes, subject to this act after December 31, 1971, shall pay
7 contributions as a contributing employer pursuant to section 13,
8 unless it elects to make reimbursement payments in lieu of
9 contributions as a reimbursing employer pursuant to sections 13a

1 to 13c. For the purpose of this act, a nonprofit organization is
2 an organization or group of organizations which is described in
3 section 501(c)(3) of the federal internal revenue code and is
4 exempt from income tax under section 501(a) of that code.

5 (2) A nonprofit organization which is subject to this act on
6 December 31, 1971, may elect to become a reimbursing employer for
7 a period of not less than 2 calendar years beginning with January
8 1, 1972 if it files with the commission a written notice of its
9 election within 30 days after January 1, 1972.

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

18 (4) A NONPROFIT ORGANIZATION SUBJECT TO THIS ACT THAT ELECTS
19 TO BECOME A REIMBURSING EMPLOYER ON OR AFTER THE EFFECTIVE DATE
20 OF THE AMENDATORY ACT THAT ADDED THIS SUBSECTION SHALL EXECUTE
21 AND FILE A SURETY BOND, IRREVOCABLE LETTER OF CREDIT, OR OTHER
22 SECURITY AS APPROVED BY THE COMMISSION IN AN AMOUNT APPROVED BY
23 THE COMMISSION TO SECURE THE PAYMENT OF ITS OBLIGATIONS UNDER
24 THIS ACT. THIS SUBSECTION SHALL NOT APPLY TO ANY NONPROFIT REIM-
25 BURSING EMPLOYER WHO PAYS \$100,000.00 OR LESS REMUNERATION PER
26 YEAR FOR EMPLOYMENT AS DETERMINED BY THE COMMISSION.

1 Sec. 13d. If a nonprofit organization is delinquent in
2 making reimbursement payments in lieu of contributions as
3 required pursuant to sections 13a to 13c, the commission may ter-
4 minate the organization's election to make reimbursement payments
5 in lieu of contributions as of the beginning of the next calendar
6 year which termination shall be effective for that and the next
7 calendar year, or the commission may require the nonprofit orga-
8 nization to execute and file with the commission a surety bond,
9 IRREVOCABLE LETTER OF CREDIT, OR OTHER SECURITY AS APPROVED BY
10 THE COMMISSION in an amount approved by the commission TO SECURE
11 THE PAYMENT OF ITS OBLIGATIONS UNDER THIS ACT.