

# SENATE BILL No. 466

May 18, 1989, Introduced by Senators CHERRY, DILLINGHAM, WELBORN, FAUST, CROPSEY, DI NELLO and O'BRIEN and referred to the Committee on Human Resources and Senior Citizens.

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

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Section 1. Section 13a of Act No. 1 of the Public Acts of  
2 the Extra Session of 1936, being section 421.13a of the Michigan  
3 Compiled Laws, is amended to read as follows:

4       Sec. 13a. (1) Any nonprofit organization which is, or  
5 becomes, subject to this act after December 31, 1971, shall pay  
6 contributions as a contributing employer pursuant to section 13,  
7 unless it elects to make reimbursement payments in lieu of con-  
8 tributions as a reimbursing employer pursuant to sections 13a to  
9 13c. For the purpose of this act, a nonprofit organization is an  
10 organization or group of organizations which is described in

1 section 501(c)(3) of the federal internal revenue code and is  
2 exempt from income tax under section 501(a) of that code.

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

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

16 (4) A NONPROFIT ORGANIZATION SUBJECT TO THIS ACT THAT ELECTS  
17 TO BECOME A REIMBURSING EMPLOYER ON OR AFTER THE EFFECTIVE DATE  
18 OF THE AMENDATORY ACT THAT ADDED THIS SUBSECTION SHALL EXECUTE  
19 AND FILE A SURETY BOND IN AN AMOUNT APPROVED BY THE COMMISSION TO  
20 SECURE THE PAYMENT OF ITS OBLIGATIONS UNDER THIS ACT.