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House Bill 4746 (as reported by the Committee of the Whole)
Sponsor: Representative Michael Goschka
House Committee: Human Resources and Labor
Senate Committee: Human Resources, Labor, and Veterans Affairs

CONTENT

The bill would amend the Michigan Employment Security Act to exempt the construction industry and employers in the construction industry from the definitions of "seasonal employment" and "seasonal employer", respectively, and modify the definition of "construction industry"; revise a provision in the definition of "seasonal employment" to refer to regularly recurring periods of 26, rather than 40, weeks or less; increase the weekly benefit rate for benefit years beginning after the date for conversion of the unemployment insurance system to a wage record system (July 1, 1997), and specify that an individual's maximum weekly benefit rate could not exceed \$300 under that system (as currently provided under the existing system); delete a January 7, 1996, sunset on provisions pertaining to partial payment of benefits when an eligible individual earns or receives remuneration during a benefit week; and prohibit payment of benefits based on service as a school crossing guard for weeks between two successive school years or terms, if the person worked in the first year or term and had reasonable assurance of employment in the second year or term.

The Act defines "construction industry" as "the work activity designated in major groups 15 and 16 of the standard industrial classification manual, United States office of management and budget, 1987 edition". The bill would add activity designated in major group 17 of the manual to that definition. (Reportedly, major group 15 includes building construction by general contractors or by operative builders; major group 16 includes heavy construction other than building by general contractors and special trade contractors; and group 17 includes construction activity by other special trade contractors (such as plumbers, painters, and electricians).)

The Michigan Employment Security Act, as amended by Public Act 25 of 1995, specifies that an individual's weekly benefit rate for benefit years beginning before July 1, 1997, is 67% of the individual's average after tax weekly wage. For benefit years beginning after that date, an individual's weekly benefit rate will be 4.0% of his or her wages paid in the calendar quarter of the base period in which he or she was paid the highest total wages. The bill would increase to 4.1% the weekly benefit rate for benefit years beginning after July 1, 1997.

MCL 421.27

Legislative Analyst: P. Affholter

FISCAL IMPACT

This bill would not have a fiscal impact on the State or local governmental units. Any change made by this bill to the benefits paid to construction or other seasonal employees would not have an impact on the Unemployment Insurance Trust Fund or significantly affect employers' unemployment tax levels.

Date Completed: 6-13-95

Fiscal Analyst: K. Lindquist

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.