Legislative Analysis



REPORTING DEATHS OR INJURIES ON A FAMILY FARM

Phone: (517) 373-8080 http://www.house.mi.gov/hfa

House Bill 4017 (H-2) as reported from committee

Sponsor: Rep. Jerry Neyer 1st Committee: Agriculture 2nd Committee: Rules Complete to 9-3-25 Analysis available at http://www.legislature.mi.gov

BRIEF SUMMARY: House Bill 4017 would amend the Michigan Occupational Safety and Health Act to change requirements and penalties for an employer report of a death or injury on a family farm.

FISCAL IMPACT: House Bill 4017 would have an indeterminate fiscal impact on the state and no fiscal impact on local units of government. It is not possible to determine the number of deaths or injuries that would occur on a family farm to the owner or a family member or to know the number of civil penalties or fines that would subsequently be reduced under the bill. Any decrease in the amount of civil fine revenue collected would impact the state general fund. Under section 36 of the Michigan Occupational Safety and Health Act, civil penalty revenue that is collected is required to be credited to the state general fund.

THE APPARENT PROBLEM:

The Michigan Occupational Safety and Health Administration currently requires an employer to report the death of an employee from a work-related incident within eight hours after the incident, no matter the relationship the employer and employee may share. Failure to do so results in fines for the employer. For some farm operations in Michigan, this requirement could prove difficult, especially when the employer and employee have a familial relationship. Families endure immense grief when losing a loved one, especially due to a sudden work-related incident, and requiring the reporting of the incident within eight hours can be unrealistic. Additionally, because family-run farms are often small operations, the fines associated with the failure to report can have crippling ramifications.

One family to endure the tragic loss of a family member and subsequent MIOSHA fines were the Eisenmann family, who operate Eisenmann's Golden Acres (EGA), Inc. According to news reports, there are three employees at EGA. Legislation was proposed to ensure that family farming operations that experience tragic loss due to work-related incidents do not face large fines if they fail to report the incident to MIOSHA within the eight-hour time frame.

THE CONTENT OF THE BILL:

Under MIOSHA Safety and Health Standard Part 11, R 408.221201 et seq., an employer must report to MIOSHA any in-patient hospitalization, amputation, or loss of an eye within 24 hours of a work-related incident. R 408.22139(1) requires an employer, within eight hours after the

House Fiscal Agency Page 1 of 3

_

¹ https://www.michiganfarmnews.com/family-grieves-a-farm-fatality-while-facing-a-12-000-fine

death of any employee from a work-related incident, to report the fatality to MIOSHA by telephone.²

The bill would provide that, if a death or injury occurs on a *family farm* to its owner or a *family member* of the owner, and if the employer fails to report the death or injury within the current required time periods, a civil penalty or fine assessed against the employer would have to be reduced by the maximum amount allowed under the penalty adjustment factors of the federal Occupational Safety and Health Administration.

Family farm would mean a farming operation (including a sole proprietorship, partnership, or corporation) that meets all of the following conditions:

- It is wholly owned by the operator or by the operator's family members.
- During the immediately preceding 12-month period, all of the following conditions were met:
 - o More than 50% of the employees of the farming operation were family members of its owner or operator.
 - The farming operation did not employ at any one time more than nine employees who were not family members of its owner or operator.
 - o The farming operation did not operate a temporary labor camp.

The term *family farm* would *not* include either of the following:

- A farming operation that is organized as a nonfamily corporation or cooperation.
- A farming operation with a hired manager who is not a family member of the owner or operator of the farming operation.

Family member would mean a spouse, child, stepchild, foster child, parent, stepparent, or foster parent.

MCL 408.1035

BACKGROUND:

House Bill 4017 is similar to House Bill 4011 of the 2023-24 legislative session and House Bill 4031 of the 2021-22 session. Both previous versions were passed by the House of Representatives, with HB 4031 being enrolled but vetoed by the governor on February 4, 2022.

Governor Whitmer noted in her veto message for HB 4031 that current MIOSHA policies allow the agency to reduce fines on family farms by up to 90% when employers cooperate with MIOSHA investigations, while the bill would require a reduction for certain family farms in all cases, "even when the employer makes no effort to timely cooperate with an investigation." The governor vetoed HB 4031 based in part on her belief that the law "should not require the agency to waive fines for employers that do not cooperate in good faith." In addition, the governor argued that the bill's definition of the term "family farm" was inconsistent with

House Fiscal Agency

² <u>https://www.michigan.gov/documents/CIS_WSH_part11ad_37844_7.pdf</u> See also <u>https://adms.apps.lara.state.mi.us/File/ViewDmsDocument/12956</u>

federal Occupational Safety and Health Administration (OSHA) policies in a way that could lead to confusion and possible state noncompliance with federal requirements.

Note that House Bill 4017 includes a definition of the term "family member," for purposes of defining "family farm," that differs from the definition used in the vetoed bill by including foster parents and stepparents and foster children and stepchildren, and by excluding an individual's ancestors, grandchildren and great-grandchildren, as well as the spouses of grandchildren and great-grandchildren.

ARGUMENTS:

For:

Supporters of the bill argue that requiring a family member to report the death of a loved one to MIOSHA within eight hours of the incident is unreasonable and cruel. A grieving family member cannot be expected to remember to call MIOSHA while also experiencing shock and grief. Small family farms are often operated by a few close family members, and remembering to report their loss to MIOSHA is often the last thing on their minds during a tragedy. Additionally, the fines levied against these small operations can be crippling to a small family-run farm that often sees small profits. According to committee testimony, the fines levied can equal a year's worth of profits for these family farms.

Against:

Critics of the bill argue that the MIOSHA time frames are important for MIOSHA to properly investigate a work-related death. While eight hours may seem like a short time, it is imperative that MIOSHA be able to inspect the work site and interview others from the premises while the scene and information are minimally disturbed. Moreover, current MIOSHA time frames mirror standards under the federal Occupational Safety and Health Act and related regulations, which provide the minimum that state policies must adhere to.

POSITIONS:

House Fiscal Agency

A representative of the Michigan Farm Bureau testified in support of the bill. (5-22-25)

The following entities indicated opposition to the bill:

- Michigan AFL-CIO (3-6-25)
- Michigan Association for Justice (5-22-25)

Legislative Analyst: Josh Roesner Fiscal Analyst: Robin Risko

[■] This analysis was prepared by nonpartisan House Fiscal Agency staff for use by House members in their deliberations and does not constitute an official statement of legislative intent.