

**EMPLOYMENT SECURITY FINANCING ACT (EXCERPT)**  
**Act 267 of 2011**

**12.280 Personal liability of board member or officer, appointee, or employee of authority; indemnification; conflict of interest.**

Sec. 10.

(1) A member of the board or an officer, appointee, or employee of the authority is not subject to personal liability when acting in good faith within the scope of his or her authority under this act or on account of liability of the authority under this act. The board may defend and indemnify a member of the board or an officer, appointee, or employee of the authority against liability arising out of the discharge of his or her official duties under this act. The authority may indemnify and procure insurance indemnifying members of the board and other officers and employees of the authority from personal loss or accountability for liability asserted by a person with regard to bonds or other obligations of the authority, or from any personal liability or accountability for the bond issue or other obligations or by reason of any other action taken or the failure to act by the authority under this act. The authority may purchase and maintain insurance on behalf of any person against the liability asserted against the person and incurred by the person in any capacity or arising out of the status of the person as a member of the board or an officer or employee of the authority, whether or not the authority would have the power to indemnify the person against that liability under this subsection.

(2) A member, officer, employee, or agent of the authority shall not have an interest, either directly or indirectly, in any business organization engaged in any business, contract, or transaction with the authority or in any contract of any other person engaged in any business with the authority, or in the purchase, sale, lease, or transfer of any property to or from the authority.

**History:** 2011, Act 267, Imd. Eff. Dec. 19, 2011

**Compiler's Notes:** Enacting section 1 of Act 267 of 2011 provides: "Enacting section 1. The legislature finds and declares all of the following: (a) It is an essential governmental function to maintain funds in an amount sufficient to pay unemployment benefits when due. (b) At the time of the enactment of this act, unemployment benefits payments are made from Michigan's account in the unemployment trust fund of the United States treasury and are funded by employer contributions. (c) At the time of the enactment of this act, borrowing from the federal government through loans from the federal unemployment trust fund is the only option available to obtain sufficient funds to pay benefits when the balance in Michigan's account in the unemployment trust fund of the United States treasury is insufficient to make necessary payments. (d) Alternative methods of replenishing this state's account in the unemployment trust fund of the United States treasury may reduce the costs of providing unemployment benefits and employers' cost of doing business in the state. (e) It is in this state's best interests to authorize the issuance of bonds when appropriate for the purpose of continuing the unemployment insurance program at the lowest possible cost to this state and employers in this state and to avoid reductions in the employer unemployment tax credit. (f) Execution by the authority of its powers granted under this act fulfill in all respects an essential governmental function and public purpose for the benefit of and in furtherance of the public health and welfare of the people of this state." Enacting section 2 of Act 267 of 2011 provides: "Enacting section 2. The legislature determines that the creation of the authority by Executive Reorganization Order No. 2010-2, MCL 12.194, and the carrying out of its authorized purposes under this act are in all respects public and governmental purposes for the benefit of the people of this state and for the improvement of their health, safety, welfare, comfort, and security, and that these purposes are public purposes and that the authority will be performing an essential governmental function in the exercise of the powers conferred upon it by this act." For the transfer of powers and duties of the department of licensing and regulatory affairs and the powers and duties of the director of the department of licensing and regulatory affairs to the department of labor and economic opportunity, see E.R.O. No. 2019-3, compiled at MCL 125.1998.