

HOUSE BILL No. 5378

December 5, 1991, Introduced by Rebs. Bandstra and Hertel and referred to the Committee on Transportation.

A bill to amend section 702 of Act No. 317 of the Public Acts of 1969, entitled as amended

"Worker's disability compensation act of 1969,"

as amended by Act No. 282 of the Public Acts of 1990, being section 418.702 of the Michigan Compiled Laws.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Section 702 of Act No. 317 of the Public Acts of
2 1969, as amended by Act No. 282 of the Public Acts of 1990, being
3 section 418.702 of the Michigan Compiled Laws, is amended to read
4 as follows:

5 Sec. 702. (1) If the suburban mobility authority regional
6 transportation authority created pursuant to Act No. 204 of the
7 Public Acts of 1967, as amended, being sections 124.401 to
8 124.426 of the Michigan Compiled Laws, an authority created by
9 interlocal agreement pursuant to the urban cooperation act of

1 1967, Act No. 7 of the Public Acts of the Extra Session of 1967,
2 being sections 124.501 to 124.512 of the Michigan Compiled Laws,
3 an authority created pursuant to the public transportation
4 authority act, Act No. 196 of the Public Acts of 1986, being sec-
5 tions 124.451 to 124.479 of the Michigan Compiled Laws, a metro-
6 politan council established pursuant to THE METROPOLITAN COUNCIL
7 ACT, Act No. 292 of the Public Acts of 1989, being sections
8 124.651 to 124.685 of the Michigan Compiled Laws, an authority or
9 a municipal corporation that has entered into an intergovernmen-
10 tal contract to provide transportation services pursuant to Act
11 No. 35 of the Public Acts of 1951, being sections 124.1 to 124.13
12 of the Michigan Compiled Laws, or Act No. 55 of the Public Acts
13 of 1963, being sections 124.351 to 124.359 of the Michigan
14 Compiled Laws, or an authority created pursuant to Act No. 55 of
15 the Public Acts of 1963, as amended, being sections 124.351 to
16 124.359 of the Michigan Compiled Laws, ceases to operate or is
17 dissolved, and a successor agency is not created to assume its
18 assets, liabilities, and perform its functions, and if the
19 authority is authorized to secure the payment of compensation
20 under section 611(1)(a), then the state hereby guarantees the
21 payment of claims for benefits arising under this act against the
22 authority. Payment of claims by the state under this section
23 shall be made from the general fund.

24 (2) The accident fund shall determine in detail as the
25 director of the department of management and budget may require
26 the amount necessary to pay the claims for benefits for which the
27 state is responsible pursuant to subsection (1). The accident

1 fund shall be responsible for the processing of these claims and
2 shall be compensated for its services in the same manner as for
3 processing the claims of state employees.

4 (3) The state shall be entitled to a lien which shall take
5 precedence over all other liens on its portion of the assets of
6 the authority in satisfaction of the payment of claims for bene-
7 fits under this section.

8 (4) This section shall not be construed to permit the use of
9 state funds for the payment of private obligations. Therefore,
10 if an authority created pursuant to Act No. 204 of the Public
11 Acts of 1987, being sections 124.401 to 124.426 of the Michigan
12 Compiled Laws, Act No. 7 of the Public Acts of the Extra Session
13 of 1967, being sections 124.501 to 124.512 of the Michigan
14 Compiled Laws, Act No. 196 of the Public Acts of 1986, being sec-
15 tions 124.451 to 124.479 of the Michigan Compiled Laws, a metro-
16 politan council established pursuant to Act No. 292 of the Public
17 Acts of 1989, being sections 124.651 to 124.685 of the Michigan
18 Compiled Laws, an authority or a municipal corporation that has
19 entered into an intergovernmental contract to provide transporta-
20 tion services pursuant to Act No. 35 of the Public Acts of 1951,
21 being sections 124.1 to 124.13 of the Michigan Compiled Laws, or
22 Act No. 55 of the Public Acts of 1963, being sections 124.351 to
23 124.359 of the Michigan Compiled Laws, delegates to a private
24 employer or contracts with a private employer for the performance
25 of any of the functions permitted under its enabling statute, the
26 director shall ~~no longer~~ NOT permit the ~~authority or agency to~~
27 ~~be self insured under this act~~ PRIVATE EMPLOYER PERFORMING THESE

1 FUNCTIONS TO BE INCLUDED UNDER THE AUTHORIZATION GRANTED BY THE
2 DIRECTOR TO THE AUTHORITY OR OTHER AGENCY TO SELF-INSURE PURSUANT
3 TO SECTION 611(1)(A).