



HOUSE BILL No. 4831

June 3, 1993, Introduced by Reps. Bandstra, DeLange, Gernaat, Emerson, Porreca, Pitoniak and Fitzgerald 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 THE METROPOLITAN
7 TRANSPORTATION AUTHORITIES ACT OF 1967, Act No. 204 of the Public
8 Acts of 1967, as amended, being sections 124.401 to 124.426 of
9 the Michigan Compiled Laws, an authority created by interlocal

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

25 (2) The accident fund shall determine in detail as the
26 director of the department of management and budget may require
27 the amount necessary to pay the claims for benefits for which the

1 state is responsible pursuant to subsection (1). The accident
2 fund shall be responsible for the processing of these claims and
3 shall be compensated for its services in the same manner as for
4 processing the claims of state employees.

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

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

1 ~~be self-insured under this act~~ PRIVATE EMPLOYER PERFORMING THESE
2 FUNCTIONS TO BE INCLUDED UNDER THE AUTHORIZATION GRANTED BY THE
3 DIRECTOR TO THE AUTHORITY OR OTHER AGENCY TO SELF-INSURE PURSUANT
4 TO SECTION 611(1)(A).