



Senate Fiscal Agency
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BILL



ANALYSIS

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Senate Bill 666 (Substitute S-2 as reported)

Sponsor: Senator Dave Honigman

Committee: Human Resources, Labor and Veterans Affairs

CONTENT

The bill would amend the Michigan Employment Security Act to exclude from the definition of "employment" service performed by an individual as a "product demonstrator" or "product merchandiser" under certain conditions. "Product demonstrator" would mean an individual who, on a temporary, part-time basis, demonstrated or gave away samples of a food or other product as part of an advertising or sales promotion for the product in a retail store and who was not otherwise directly employed by the manufacturer, distributor, or retailer. "Product merchandiser" would mean an individual who, on a temporary, part-time basis, built or reset a product display in a retail store and who was not otherwise directly employed by the manufacturer, distributor, or retailer.

The exclusion would apply if the service were performed under a written contract between the individual and a person whose principal business was obtaining the services of product demonstrators and product merchandisers for third parties (i.e., manufacturers or brokers) for product demonstration and product merchandising purposes, and if, both in contract and in fact, the individual:

- Were not treated as an employee with respect to those services for Federal unemployment tax purposes.
- Were compensated for each job, or earned compensation based on factors that related to the work performed.
- Determined the method of performing the service.
- Provided the equipment used to perform the service.
- Were responsible for the completion of a specific job and liable for any failure to complete the job.
- Paid all expenses, and solely bore the opportunity for profit or loss.
- Were responsible for operating costs, fuel, repairs, supplies, and motor vehicle insurance.

MCL 421.43

Legislative Analyst: P. Affholter

FISCAL IMPACT

The bill would have no fiscal impact on State or local government. Since the tax for the coverage of product demonstrators has anticipated the likely need for future unemployment claims, there would be no impact on the Unemployment Insurance Trust Fund. Contributions through this tax would no longer be required for employers of product demonstrators. Governmental units rarely employ individuals from this class of employees.

Date Completed: 1-29-96

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.