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BILL ANALYSIS



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House Bill 6193 (as passed by the House)
Sponsor: Representative Michael Prusi
House Committee: Human Resources and Labor
Senate Committee: Human Resources, Labor and Veterans Affairs

Date Completed: 12-3-96

CONTENT

The bill would amend the Michigan Employment Security Act to move provisions involving the by-pass of redeterminations and Board of Review appeals, and to permit employers to request the by-pass of a tax appeal. (Under the Act, a claim may be decided and appealed according to the following steps: a determination by staff of the Michigan Employment Security Commission (MESC); a redetermination by MESC staff; a hearing before an MESC referee; an appeal to the MESC Board of Review; and an appeal to circuit court. Under certain circumstances, the parties may by-pass the redetermination or Board of Review stage.)

Section 32 of the Act prescribes procedures for making a claim for benefit, and requires the MESC to redetermine a claimant's eligibility upon an employer's protest or request. Section 32 also provides that if both parties or their authorized agents or attorneys agree, the claimant and the employer may bypass redetermination and the Board of Review to request circuit court review of the referee's decision. The bill would delete that by-pass provision. The bill would retain language in that section under which a claimant or interested party may file an application with the MESC for a redetermination in accordance with Section 32a.

Under Section 32a, the MESC is required to review a determination upon application by an interested party for a review, upon request for transfer to a referee for a hearing filed within 30 days of a notice of determination, or upon the Commission's own motion within that 30-day period. The section also permits the MESC for good cause, after the 30-day period has expired, to reconsider a prior determination or transfer the matter to a referee for a hearing. The bill provides that, in addition to these transfer provisions, both of the following would apply:

- If both the claimant and the employer agreed, the matter could be transferred directly to a referee in a case involving the payment of unemployment benefits.
- If both the Commission and the employer agreed, the matter could be transferred directly to a referee in a case involving unemployment contributions or reimbursements in lieu of contributions.

Section 38 of the Act pertains to circuit court review, and provides that an order or decision of a hearing referee may be appealed directly to the court if the claimant and the employer or their authorized agents or attorneys agree to do so by written stipulation filed with the referee. The bill

would refer to an order or decision of a hearing referee “that involves a claim for unemployment benefits”. The bill also provides that a hearing referee’s order or decision involving an employer’s contributions or payments in lieu of contributions under the Act could be appealed directly to the circuit court if the employer and the MESAC executed and filed with the hearing referee a written stipulation agreeing to the direct appeal.

MCL 421.32 et al.

Legislative Analyst: S. Margules

FISCAL IMPACT

The bill would have no fiscal impact on State or local government.

Fiscal Analyst: M. Tyszkiewicz

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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.