

SENATE BILL No. 1199

July 18, 2012, Introduced by Senators SMITH, GREGORY, BIEDA, HOPGOOD, ANDERSON, HOOD, HUNTER, WARREN, YOUNG, WHITMER and GLEASON and referred to the Committee on Reforms, Restructuring and Reinventing.

A bill to amend 1936 (Ex Sess) PA 1, entitled
"Michigan employment security act,"
(MCL 421.1 to 421.75) by adding section 64a.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

SEC. 64A. (1) AS USED IN THIS SECTION:

(A) "SELF-EMPLOYMENT ASSISTANCE ACTIVITIES" MEANS ACTIVITIES, INCLUDING ANY ENTREPRENEURIAL TRAINING THAT THIS STATE OR NONPROFIT ORGANIZATIONS PROVIDE IN COORDINATION WITH PROGRAMS OF TRAINING OFFERED BY THE SMALL BUSINESS ADMINISTRATION, BUSINESS COUNSELING, MENTORSHIP FOR PARTICIPANTS, ACCESS TO SMALL BUSINESS DEVELOPMENT RESOURCES, AND TECHNICAL ASSISTANCE, WHICH ACTIVITIES ARE APPROVED BY THE UNEMPLOYMENT AGENCY FOR THE PURPOSE OF ESTABLISHING A BUSINESS AND BECOMING SELF-EMPLOYED.

(B) "SELF-EMPLOYMENT ASSISTANCE ALLOWANCE" MEANS AN ALLOWANCE, PAYABLE IN LIEU OF EXTENDED COMPENSATION AND FROM THE UNEMPLOYMENT

1 COMPENSATION FUND ESTABLISHED UNDER SECTION 26, TO AN INDIVIDUAL
2 PARTICIPATING IN SELF-EMPLOYMENT ASSISTANCE ACTIVITIES WHO MEETS
3 THE REQUIREMENTS OF THIS SECTION.

4 (C) "EXTENDED COMPENSATION" MEANS BENEFITS PAYABLE TO AN
5 INDIVIDUAL UNDER THIS ACT AND TITLE II OF THE FEDERAL-STATE
6 EXTENDED UNEMPLOYMENT COMPENSATION ACT OF 1970, 26 USC 3304NT.

7 (D) "EMERGENCY UNEMPLOYMENT COMPENSATION" MEANS BENEFITS
8 PAYABLE TO AN INDIVIDUAL UNDER AN AGREEMENT PURSUANT TO TITLE IV OF
9 THE SUPPLEMENTAL APPROPRIATIONS ACT OF 2008, 26 USC 3304NT.

10 (E) "FULL-TIME BASIS" MEANS THE HOURS OF EMPLOYMENT
11 ESTABLISHED FOR FULL-TIME EMPLOYMENT IN REGULATIONS PROMULGATED BY
12 THE UNEMPLOYMENT AGENCY PURSUANT TO THE ADMINISTRATIVE PROCEDURES
13 ACT OF 1969, 1969 PA 306, MCL 24.201 TO 24.328.

14 (2) THE WEEKLY ALLOWANCE PAYABLE UNDER THIS SECTION TO AN
15 INDIVIDUAL IS EQUAL TO THE WEEKLY BENEFIT AMOUNT FOR EXTENDED
16 COMPENSATION OTHERWISE PAYABLE UNDER SECTION 64(1). THE TOTAL OF
17 THE ALLOWANCE PAID UNDER THIS SECTION PLUS THE EXTENDED
18 COMPENSATION PAID UNDER THIS ACT WITH RESPECT TO ANY BENEFIT YEAR
19 SHALL NOT EXCEED THE MAXIMUM BENEFIT AMOUNT AS ESTABLISHED BY
20 SECTION 64(2) WITH RESPECT TO A BENEFIT YEAR. AN INDIVIDUAL SHALL
21 NOT RECEIVE SELF-EMPLOYMENT ASSISTANCE ALLOWANCES FROM PROGRAMS
22 ESTABLISHED UNDER THIS SECTION, AND UNDER AGREEMENT FOR EMERGENCY
23 UNEMPLOYMENT COMPENSATION FOR A TOTAL OF MORE THAN 26 WEEKS.

24 (3) THE SELF-EMPLOYMENT ASSISTANCE ALLOWANCE SHALL BE PAYABLE
25 TO AN INDIVIDUAL AT THE SAME INTERVAL, ON THE SAME TERMS, AND
26 SUBJECT TO THE SAME CONDITIONS AS EXTENDED COMPENSATION UNDER THIS
27 ACT AND TITLE II OF THE FEDERAL-STATE EXTENDED UNEMPLOYMENT

1 COMPENSATION ACT OF 1970, 26 USC 3304NT, EXCEPT FOR ALL OF THE
2 FOLLOWING:

3 (A) THE REQUIREMENTS OF SECTION 28(1)(C) RELATING TO
4 AVAILABILITY FOR WORK, ACTIVE SEARCH FOR WORK, AND REFUSAL TO
5 ACCEPT WORK DO NOT APPLY TO THE INDIVIDUAL.

6 (B) THE REQUIREMENTS OF SECTION 27(1)(C)(2) RELATING TO SELF-
7 EMPLOYMENT INCOME DO NOT APPLY TO INCOME EARNED FROM SELF-
8 EMPLOYMENT BY THE INDIVIDUAL.

9 (C) AN INDIVIDUAL WHO MEETS THE REQUIREMENTS OF THIS SECTION
10 IS CONSIDERED TO BE UNEMPLOYED UNDER SECTION 48(1).

11 (D) AN INDIVIDUAL WHO FAILS TO PARTICIPATE IN SELF-EMPLOYMENT
12 ASSISTANCE ACTIVITIES OR WHO FAILS TO ACTIVELY ENGAGE ON A FULL-
13 TIME BASIS IN ACTIVITIES, INCLUDING TRAINING ACTIVITIES, RELATING
14 TO THE ESTABLISHMENT OF A BUSINESS AND BECOMING SELF-EMPLOYED IS
15 DISQUALIFIED FOR THE WEEK THAT FAILURE OCCURS.

16 (E) AN INDIVIDUAL IS NOT ELIGIBLE TO RECEIVE A SELF-EMPLOYMENT
17 ALLOWANCE UNLESS THE UNEMPLOYMENT AGENCY HAS A REASONABLE
18 EXPECTATION THAT THE INDIVIDUAL WILL BE ENTITLED TO AT LEAST 13
19 TIMES THE INDIVIDUAL'S AVERAGE WEEKLY BENEFIT AMOUNT OF EXTENDED
20 COMPENSATION AND EMERGENCY UNEMPLOYMENT COMPENSATION.

21 (4) THE AGGREGATE NUMBER OF INDIVIDUALS RECEIVING THE
22 ALLOWANCE UNDER THIS SECTION AT ANY TIME SHALL NOT EXCEED 1% OF THE
23 NUMBER OF INDIVIDUALS RECEIVING EXTENDED COMPENSATION. THE
24 UNEMPLOYMENT AGENCY SHALL, THROUGH REGULATIONS, PRESCRIBE ACTIONS
25 THAT ARE NECESSARY TO ASSURE THE REQUIREMENTS OF THIS SUBSECTION
26 ARE MET.

27 (5) THE PROVISIONS OF THIS ACT RELATING TO CHARGING EXTENDED

1 COMPENSATION APPLY TO SELF-EMPLOYMENT ASSISTANCE ALLOWANCES PAID
2 UNDER THIS SECTION.

3 (6) SELF-EMPLOYMENT ASSISTANCE ALLOWANCES PAID UNDER THIS
4 SECTION SHALL BE PAID IN ACCORDANCE WITH ANY ADDITIONAL PROGRAM
5 REQUIREMENTS ESTABLISHED BY THE SECRETARY OF LABOR PURSUANT TO 26
6 USC 3306(T) .

7 (7) THIS SECTION APPLIES TO BENEFIT WEEKS BEGINNING AFTER
8 JANUARY 5, 2013.

9 Enacting section 1. This amendatory act does not take effect
10 unless Senate Bill No. 1198

11 of the 96th Legislature is enacted into law.