



Senate Fiscal Agency
P. O. Box 30036
Lansing, Michigan 48909-7536

BILL ANALYSIS



Telephone: (517) 373-5383
Fax: (517) 373-1986

Senate Bill 427 (Substitute S-1 as reported)
Sponsor: Senator Howard C. Walker
Committee: Reforms, Restructuring and Reinventing

CONTENT

The bill would amend the definition of "employment" in the Michigan Employment Security Act to exclude contractual services that an oil, gas, or mineral landman performed under a contract with a private entity under the following circumstances:

- Substantially all pay, including payment at a daily rate paid in cash or otherwise for the service, is directly related to the individual's completion of specific contracted tasks rather than the number of hours worked.
- The contract provides that the individual is an independent contractor and not an employee with respect to the contracted service.

"Landman" would mean an individual who is engaged in one or more of the following:

- Negotiating the acquisition or divestiture of oil, gas, or mineral rights.
- Negotiating business agreements that provide for exploration for, transportation of, or development of oil, gas, or minerals.
- Determining the ownership of oil, gas, or minerals through research of public and private records.
- Reviewing the status of the title to, and curing title defects and deficiencies associated with, the ownership of oil, gas, or minerals.
- Managing rights or obligations derived from the ownership of interests in oil, gas, or minerals.
- Interacting with regulatory agencies in support of activities relating to exploring for and producing oil, gas, and minerals, including unitizing or pooling interests in oil, gas, or minerals.

MCL 421.43

Legislative Analyst: Glenn Steffens

FISCAL IMPACT

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

Date Completed: 10-2-13

Fiscal Analyst: Josh Sefton