

WORK SEARCH WAIVER FOR PARTS SHORTAGES

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Senate Bill 791 (proposed substitute H-1)

Sponsor: Sen. Kenneth Horn

House Committee: Commerce and Tourism

Senate Committee: Economic and Small Business Development

Complete to 4-11-22

Analysis available at
<http://www.legislature.mi.gov>

SUMMARY:

Senate Bill 791 would amend the Michigan Employment Security Act to allow additional extensions for a waiver of unemployment work search requirements if an employer has notified the Unemployment Insurance Agency (UIA) of an extended layoff caused by a parts shortage.

Currently, an unemployed individual is eligible to receive benefits for a given week only if the UIA finds that the individual has registered for work with MichiganWorks! after applying for benefits, continues to report pursuant to UIA rules, is available to perform suitable full-time work, and is actively seeking work, in addition to other requirements. These work search requirements may be waived by the UIA, for up to 45 days, if the employer notifies the UIA that the layoff is temporary. The UIA also may extend the waiver for up to an additional 90 days if, before the end of the initial waiver period, the employer notifies the UIA that the layoff is an extended layoff and is the result of one or more of the following:

- The retooling of the employer's equipment.
- A parts shortage.
- A temporary production volume adjustment.

In addition, the work search requirements may be waived by the UIA if an individual was laid off because of an extended layoff described above that existed on May 31, 2021, as long as the person's employer notified the UIA of the extended layoff before July 16, 2021. The period of a waiver granted under these provisions begins on May 31, 2021.

The bill would remove an extended layoff resulting from a parts shortage from the provisions described above, beginning on the date the bill takes effect, and would add new provisions specifically addressing such a layoff. Under the bill, the UIA could extend an initial 45-day waiver for up to an additional 45 days if, before the end of the initial waiver period, the employer notifies the UIA that the layoff is an extended layoff and is the result of a parts shortage. The UIA also could extend a waiver extension granted under these provisions for up to an additional 45 days, allowing waivers to be extended in up to 45-day increments, as long as the employer provides notice as described above before the end of the extension. However, any extension under these provisions would have to end before 2023.

In addition, the work search requirements could be waived by the UIA if an individual was laid off because of an extended layoff due to a parts shortage that existed on May 31, 2021, as long as the person's employer notified the UIA of the extended layoff before May 31, 2021. The period of a waiver granted under these provisions would begin on May 31, 2021.

MCL 421.28

BACKGROUND:

The H-1 substitute for SB 791 is a “conflict substitute” that makes no substantive changes but updates the section of law being amended to include changes made to that section by a recent amendatory act (2022 PA 18). Generally speaking, conflict substitutes resolve potential conflicts between different bills that amend the same section of law. Without a substitute that takes both bills into account, the last bill signed into law would overwrite and undo the changes made by the earlier one.

FISCAL IMPACT:

Senate Bill 791 would not be expected to have an appreciable fiscal impact on any unit of state or local government.

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■ This analysis was prepared by nonpartisan House Fiscal Agency staff for use by House members in their deliberations and does not constitute an official statement of legislative intent.