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House Bill 4031 (Substitute H-2 as passed by the House)  
Sponsor: Representative Bronna Kahle  
House Committee: Agriculture  
Senate Committee: Economic and Small Business Development

Date Completed: 12-1-21

### **CONTENT**

**The bill would amend the Michigan Occupational Safety and Health Act to require a civil penalty or fine assessed against an employer for failing to maintain or transmit certain reports as required by the Act to be reduced by 95% if the report concerned a death or injury that occurred on a family farm to the owner of the family farm or a family member of the owner.**

Generally, the Act governs working conditions and the duties of employers and employees concerning conditions of employment. It also prescribes penalties and fines for certain violations.

Under the Act, a person who fails to maintain or transmit a record or report as required under Section 61 of the Act is guilty of a misdemeanor punishable by imprisonment for not more than six months or a fine of not more than \$10,000, or both. Under the bill, if a death or injury occurred on a family farm to the owner of the family farm or a family member of the owner, and if the employer failed to report the death or injury within the time period prescribed under the Act or a rule promulgated thereunder, a civil penalty or fine assessed against the employer for failure to maintain or transmit a record or report would have to be reduced by 95%.

(Section 61 of the Act requires an employer to make and preserve accurate and timely records and reports of work illnesses and injuries and report the information to the appropriate department in a form and in accordance with rules promulgated by the departments under the Act. Specifically, R 408.22112 of the Michigan Administrative Code specifies that work injuries and illnesses must be recorded if the injury or illness involves any of the following: 1) death; 2) days away from work; 3) restricted work or transfer to another job; 4) medical treatment beyond first aid; or 5) loss of consciousness. Among other prescribed time periods, R 408.22139 specifies that an employee's death must be reported within eight hours after the employee's death, and inpatient hospitalization, amputation, or loss of an eye must be reported within 24 hours after the hospitalization, amputation, or loss.)

The bill would define "family farm" as a farm in which the majority of the business is owned by the operator or the operator's family members, or a farm that is organized as a sole proprietorship, partnership, or family corporation. The term would not include a farm that was organized as a nonfamily corporation or cooperation, or a farm with a hired manager that was not a family member of the operator. "Family member" would mean a member of the family as that term is defined in Section 4946 of the Internal Revenue Code: a spouse, ancestors,

children, grandchildren, great grandchildren, and the spouses of children, grandchildren, and great grandchildren.

MCL 408.1035

Legislative Analyst: Tyler VanHuyse

**FISCAL IMPACT**

The bill would have a minimal fiscal impact on the State and no fiscal impact on local units of government. The Michigan Occupational Safety and Health Administration would be unlikely to experience additional costs. The overall fiscal impact to the State would depend on the number of deaths or injuries that occurred on family farms. It is unknown how many deaths or injuries occur on family farms and would be subject to the bill, but that number is likely fairly low. It is not known what effect the 95% reduction in fines would have but any associated decrease in civil fine revenue would decrease funding to the State's General Fund.

Fiscal Analyst: Joe Carrasco  
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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.