EMPLOYMENT SECURITY FINANCING ACT (EXCERPT)
Act 267 of 2011

12.287 Prohibited conduct; pledge and agreement.

Sec. 17.

(1) This state hereby pledges and agrees with the authority, and the owners of the bonds and parties to ancillary facilities, that until all bonds and ancillary facilities, together with the interest on the bonds and ancillary facilities and all costs and expenses in connection with any action or proceedings by or on behalf of owners of bonds or parties to ancillary facilities, are fully paid and discharged, that this state will not do any of the following:

(a) Limit or alter the rights of the authority to fulfill the terms of its agreements with owners of the bonds or parties to ancillary facilities.

(b) Impair in any way the rights and remedies of owners of the bonds or benefited parties or the security for the bonds or ancillary facilities.

(c) Take any action that would result in an amount below that required by any contract with the owners of the bonds or parties to ancillary facilities when applying the then applicable contribution rates to the then applicable wage base.

(d) Reduce the obligation assessments imposed under section 26a of the Michigan employment security act, 1936 (Ex Sess) PA 1, MCL 421.26a, to a level below that required by any outstanding bond or ancillary facility.

(2) The authority is authorized and directed to include the pledge and agreement made under this section in any contract with the owners of the bonds and parties to ancillary facilities.

History: 2011, Act 267, Imd. Eff. Dec. 19, 2011

Compiler's Notes: Enacting section 1 of Act 267 of 2011 provides:"Enacting section 1. The legislature finds and declares all of the following: (a) It is an essential governmental function to maintain funds in an amount sufficient to pay unemployment benefits when due. (b) At the time of the enactment of this act, unemployment benefits payments are made from Michigan's account in the unemployment trust fund of the United States treasury and are funded by employer contributions. (c) At the time of the enactment of this act, borrowing from the federal government through loans from the federal unemployment trust fund is the only option available to obtain sufficient funds to pay benefits when the balance in Michigan's account in the unemployment trust fund of the United States treasury is insufficient to make necessary payments. (d) Alternative methods of replenishing this state's account in the unemployment trust fund of the United States treasury may reduce the costs of providing unemployment benefits and employers' cost of doing business in the state. (e) It is in this state's best interests to authorize the issuance of bonds when appropriate for the purpose of continuing the unemployment insurance program at the lowest possible cost to this state and employers in this state and to avoid reductions in the employer unemployment tax credit. (f) Execution by the authority of its powers granted under this act fulfill in all respects an essential governmental function and public purpose for the benefit of and in furtherance of the public health and welfare of the people of this state."Enacting section 2 of Act 267 of 2011 provides:"Enacting section 2. The legislature determines that the creation of the authority by Executive Reorganization Order No. 2010-2, MCL 12.194, and the carrying out of its authorized purposes under this act are in all respects public and governmental purposes for the benefit of the people of this state and for the improvement of their health, safety, welfare, comfort, and security, and that these purposes are public purposes and that the authority will be performing an essential governmental function in the exercise of the powers conferred upon it by this act."For the transfer of powers and duties of the department of licensing and regulatory affairs and the powers and duties of the director of the department of licensing and regulatory affairs to the department of labor and economic opportunity, see E.R.O. No. 2019-3, compiled at MCL 125.1998.