

EMPLOYMENT SECURITY FINANCING ACT (EXCERPT)
Act 267 of 2011

12.294 Bonds; limitation.

Sec. 24.

Bonds issued under this act are limited to the principal amount necessary to satisfy this state's obligations to the federal government for advances or loans from the federal account of the unemployment trust fund, to pay unemployment benefits before January 1, 2014, and to pay financing costs, reserves, coverage required for financing, and reimbursement for advances made by this state to pay a portion of its obligations on or before December 31, 2013. This limitation does not apply to or preclude issuing bonds to refinance or refund bonds issued under this act on or before December 31, 2013.

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.