

# HOUSE BILL No. 4449

March 16, 2011, Introduced by Rep. Somerville and referred to the Committee on Commerce.

A bill to amend 1936 (Ex Sess) PA 1, entitled "Michigan employment security act," by amending section 62 (MCL 421.62), as amended by 1995 PA 125.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1           Sec. 62. (a) If the ~~commission~~**UNEMPLOYMENT AGENCY** determines  
2 that a person has obtained benefits to which that person is not  
3 entitled, ~~the commission~~**IT** may recover a sum equal to the amount  
4 received **PLUS INTEREST** by 1 or more of the following methods: ~~(1)~~  
5 deduction from benefits payable to the individual, ~~(2)~~ payment by  
6 the individual ~~to the commission~~ in cash, or ~~(3)~~ deduction from a  
7 tax refund payable to the individual as provided under section 30a  
8 of ~~Act No. 122 of the Public Acts of 1941, being section 205.30a of~~  
9 ~~the Michigan Compiled Laws 1941 PA 122, MCL 205.30A.~~ Deduction from  
10 benefits payable to the individual ~~shall be~~**IS** limited to not more

1 than 20% of each weekly benefit check due the claimant. The  
2 ~~commission~~ **UNEMPLOYMENT AGENCY** shall not recover improperly paid  
3 benefits from an individual more than 3 years, or more than 6 years  
4 in the case of a violation of section 54(a) or (b) or sections 54a  
5 to 54c, after the date of receipt of the improperly paid benefits  
6 unless ~~:(1)~~ **THE UNEMPLOYMENT AGENCY FILED** a civil action ~~is filed~~  
7 in a court ~~by the commission~~ within the 3-year or 6-year period; ~~;~~  
8 ~~(2)~~ the individual made an intentional false statement,  
9 misrepresentation, or concealment of material information to obtain  
10 the benefits; ~~;~~ ~~or (3)~~ **OR** the ~~commission~~ **UNEMPLOYMENT AGENCY** issued  
11 a determination requiring restitution within the 3-year or 6-year  
12 period. ~~Furthermore, except~~ **EXCEPT** in a case of an intentional  
13 false statement, misrepresentation, or concealment of material  
14 information, the ~~commission~~ **UNEMPLOYMENT AGENCY** may waive recovery  
15 of an improperly paid benefit **OR INTEREST** if the payment was not  
16 the fault of the individual and if repayment would be contrary to  
17 equity and good conscience.

18 (b) For benefit years beginning before ~~the conversion date~~  
19 ~~prescribed in section 75~~ **OCTOBER 1, 2000**, if the ~~commission~~  
20 **UNEMPLOYMENT AGENCY** determines that a person has intentionally made  
21 a false statement or misrepresentation or has concealed material  
22 information to obtain benefits, whether or not the person obtains  
23 benefits by or because of the intentional false statement,  
24 misrepresentation, or concealment of material information, the  
25 person shall, in addition to any other applicable **INTEREST AND**  
26 penalties, have all of his or her uncharged credit weeks with  
27 respect to the benefit year in which the act occurred canceled as

1 of the date the ~~commission~~ **UNEMPLOYMENT AGENCY** receives notice of,  
2 or initiates investigation of, the possible false statement,  
3 misrepresentation, or concealment of material information,  
4 whichever date is earlier. Before receiving benefits in a benefit  
5 year established within 2 years after cancellation of uncharged  
6 credit weeks under this subsection, the individual, in addition to  
7 making the restitution of benefits established under subsection  
8 (a), may be liable ~~to the commission, by cash, deduction from~~  
9 ~~benefits, or deduction from a tax refund,~~ for an additional amount  
10 as determined by the ~~commission~~ **UNEMPLOYMENT AGENCY** under this act,  
11 **WHICH MAY BE PAID BY CASH, DEDUCTION FROM BENEFITS, OR DEDUCTION**  
12 **FROM A TAX REFUND.** Restitution resulting from the intentional false  
13 statement, misrepresentation, or concealment of material  
14 information is not subject to the 20% limitation provided in  
15 subsection (a). For benefit years beginning ~~after the conversion~~  
16 ~~date prescribed in section 75~~ **ON OR AFTER OCTOBER 1, 2000**, if the  
17 ~~commission~~ **UNEMPLOYMENT AGENCY** determines that a person has  
18 intentionally made a false statement or misrepresentation or has  
19 concealed material information to obtain benefits, whether or not  
20 the person obtains benefits by or because of the intentional false  
21 statement, misrepresentation, or concealment of material  
22 information, the person shall, in addition to any other applicable  
23 **INTEREST AND** penalties, have his or her rights to benefits for the  
24 benefit year in which the act occurred canceled as of the date the  
25 ~~commission~~ **UNEMPLOYMENT AGENCY** receives notice of, or initiates  
26 investigation of, a possible false statement, misrepresentation, or  
27 concealment of material information, whichever date is earlier, and

1 wages used to establish that benefit year shall not be used to  
 2 establish another benefit year. Before receiving benefits in a  
 3 benefit year established within 2 years after cancellation of  
 4 rights to benefits under this subsection, the individual, in  
 5 addition to making the restitution of benefits established under  
 6 subsection (a), may be liable ~~to the commission, by cash, deduction~~  
 7 ~~from benefits, or deduction from a tax refund,~~ for an additional  
 8 amount as otherwise determined by the ~~commission~~-**UNEMPLOYMENT**  
 9 **AGENCY** under this act, **WHICH MAY BE PAID BY CASH, DEDUCTION FROM**  
 10 **BENEFITS, OR DEDUCTION FROM A TAX REFUND.** Restitution resulting  
 11 from the intentional false statement, misrepresentation, or  
 12 concealment of material information is not subject to the 20%  
 13 limitation provided in subsection (a).

14 (c) Any determination made by the ~~commission~~-**UNEMPLOYMENT**  
 15 **AGENCY** under this section is final unless an application for a  
 16 redetermination is filed ~~with the commission~~ in accordance with  
 17 section 32a.

18 (d) The ~~commission~~-**UNEMPLOYMENT AGENCY** shall take the action  
 19 necessary to recover all benefits improperly obtained or paid under  
 20 this act, and to enforce all **INTEREST AND** penalties under  
 21 subsection (b).

22 **(E) INTEREST RECOVERED UNDER THIS SECTION SHALL BE DEPOSITED**  
 23 **IN THE SPECIAL FRAUD CONTROL FUND CREATED IN SECTION 10.**

24 Enacting section 1. This amendatory act does not take effect  
 25 unless all of the following bills of the 96th Legislature are  
 26 enacted into law:

27 (a) Senate Bill No. \_\_\_\_\_ or House Bill No. 4450 (request no.

1 01743'11).

2 (b) Senate Bill No.\_\_\_\_ or House Bill No. 4451(request no.  
3 01744'11).

4 (c) Senate Bill No.\_\_\_\_ or House Bill No. 4448(request no.  
5 01745'11).