

# Legislative Analysis



## UNEMPLOYMENT INSURANCE AMENDMENTS

Phone: (517) 373-8080  
<http://www.house.mi.gov/hfa>

**House Bill 4982 as introduced**  
**Sponsor: Rep. Roger Victory**  
**Committee: Oversight and Ethics**  
**Revised on 4-13-16**

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

### REVISED SUMMARY:

The bill would amend the Michigan Employment Security Act in the following ways.

Section 32a address instances where a redetermination is made of a claim for unemployment benefits, and allows an appeal of a redetermination to be filed within 30 days after the mailing of the notice of the redetermination. House Bill 4982 would require a second notification be sent in cases where a determination or redetermination includes a finding of fraud with the assessment of a fine and the claimant or employer does not respond to the first notification. The second notification would then be sent by certified mail indicating that the person has 30 days to appeal before the fine begins to accrue.

Section 54 deals with the sanctions that can be imposed on those who willfully violate or intentionally fail to comply with the act. Those sanctions can include administrative fines, damages, and other penalties, including imprisonment and community service. House Bill 4982 would amend this section to specify that an unemployment agency determination under that section could not be based solely on a computer-identified discrepancy in information supplied by the claimant and employer. An unemployment agency employee or agent must examine the situation to verify that the claimant or the employer is responsible for a willful or intentional violation before the agency makes a determination under the section.

Section 62 addresses the actions to be taken when the unemployment agency determines that a person has obtained benefits they are not entitled to or when the agency or an appellate authority reverses a prior qualification for benefits. House Bill 4982 would amend the section to specify that an unemployment agency determination that a claimant made an intentional false statement, misrepresentation, or concealment of material information that invokes sanctions under the section shall not be based solely on a computer-identified discrepancy in information supplied by the claimant and employer. Instead, an unemployment agency employee or agent must examine the situation to verify that the claimant or the employer is responsible for a willful or intentional violation before the agency makes a determination under this section.

### FISCAL IMPACT:

House Bill 4982, as introduced, would have a significant, yet indeterminate, fiscal impact on the Unemployment Insurance Agency (UIA) within the Department of Talent and Economic Development (TED), to the extent that the UIA would incur costs to modify its

administrative protocol and information technology program (aka MiDAS) and send second notifications via certified mail. Firstly, MiDAS does not currently distinguish between (re)determinations for fraud and those for non-fraud-related matters and the UIA would incur DTMB charges to rewrite IT components in order to do so. Furthermore, the UIA would incur additional postage expenses to send out second notifications to those employers and claimants who do not respond during the first 30-day period during which to appeal. Finally, the UIA may incur administrative incidentals to incorporate new procedures and process a second 30-day notification period.

Legislative Analyst: Chris Couch  
Fiscal Analyst: Paul B.A. Holland

---

■ 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.