

# HOUSE BILL No. 4949

September 4, 2013, Introduced by Rep. Foster 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 2011 PA 269.

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

1           Sec. 62. (a) If the unemployment agency determines that a  
2 person has obtained benefits to which that person is not entitled,  
3 ~~it~~**OR A SUBSEQUENT DETERMINATION BY THE AGENCY OR A DECISION OF AN**  
4 **APPELLATE AUTHORITY REVERSES A PRIOR QUALIFICATION FOR BENEFITS,**  
5 **THE AGENCY** may recover a sum equal to the amount received plus  
6 interest by 1 or more of the following methods: deduction from  
7 benefits or wages payable to the individual, payment by the  
8 individual in cash, or deduction from a tax refund payable to the

1 individual as provided under section 30a of 1941 PA 122, MCL  
2 205.30a. Deduction from benefits or wages payable to the individual  
3 is limited to not more than 50% of each payment due the claimant.  
4 The unemployment agency shall issue a determination requiring  
5 restitution within 3 years after the date of finality of a  
6 determination, redetermination, or decision reversing a previous  
7 finding of benefit entitlement. The unemployment agency shall not  
8 initiate administrative or court action to recover improperly paid  
9 benefits from an individual more than 3 years after the date that  
10 the last determination, redetermination, or decision establishing  
11 restitution is final. The unemployment agency shall issue a  
12 determination on an issue within 3 years from the date the claimant  
13 first received benefits in the benefit year in which the issue  
14 arose, or in the case of an issue of intentional false statement,  
15 misrepresentation, or concealment of material information in  
16 violation of section 54(a) or (b) or sections 54a to 54c, within 6  
17 years after the receipt of the improperly paid benefits unless the  
18 unemployment agency filed a civil action in a court within the 3-  
19 year or 6-year period; the individual made an intentional false  
20 statement, misrepresentation, or concealment of material  
21 information to obtain the benefits; or the unemployment agency  
22 issued a determination requiring restitution within the 3-year or  
23 6-year period. Except in a case of an intentional false statement,  
24 misrepresentation, or concealment of material information, the  
25 unemployment agency may waive recovery of an improperly paid  
26 benefit if the payment was not the fault of the individual and if  
27 repayment would be contrary to equity and good conscience and shall

1 waive any interest. If the agency or an appellate authority waives  
2 collection of restitution and interest, the waiver is prospective  
3 and does not apply to restitution and interest payments already  
4 made by the individual.

5 ~~(b) For benefit years beginning before October 1, 2000, if the~~  
6 ~~unemployment agency determines that a person has intentionally made~~  
7 ~~a false statement or misrepresentation or has concealed material~~  
8 ~~information to obtain benefits, whether or not the person obtains~~  
9 ~~benefits by or because of the intentional false statement,~~  
10 ~~misrepresentation, or concealment of material information, the~~  
11 ~~person shall, in addition to any other applicable interest and~~  
12 ~~penalties, have all of his or her uncharged credit weeks with~~  
13 ~~respect to the benefit year in which the act occurred canceled as~~  
14 ~~of the date the unemployment agency receives notice of, or~~  
15 ~~initiates investigation of, the possible false statement,~~  
16 ~~misrepresentation, or concealment of material information,~~  
17 ~~whichever date is earlier. Before receiving benefits in a benefit~~  
18 ~~year established within 2 years after cancellation of uncharged~~  
19 ~~credit weeks under this subsection, the individual, in addition to~~  
20 ~~making the restitution of benefits established under subsection~~  
21 ~~(a), may be liable for an additional amount as determined by the~~  
22 ~~unemployment agency under this act, which may be paid by cash,~~  
23 ~~deduction from benefits, or deduction from a tax refund.~~  
24 ~~Restitution resulting from the intentional false statement,~~  
25 ~~misrepresentation, or concealment of material information is not~~  
26 ~~subject to the 50% limitation provided in subsection (a). For~~  
27 benefit years beginning on or after October 1, 2000, if the

1 unemployment agency determines that a person has intentionally made  
2 a false statement or misrepresentation or has concealed material  
3 information to obtain benefits, whether or not the person obtains  
4 benefits by or because of the intentional false statement,  
5 misrepresentation, or concealment of material information, the  
6 person shall, in addition to any other applicable interest and  
7 penalties, have his or her rights to benefits for the benefit year  
8 in which the act occurred canceled as of the date the ~~unemployment~~  
9 ~~agency receives notice of, or initiates investigation of, a~~  
10 ~~possible false statement, misrepresentation, or concealment of~~  
11 ~~material information, whichever date is earlier, CLAIMANT MADE THE~~  
12 **FALSE STATEMENT OR MISREPRESENTATION OR CONCEALED MATERIAL**  
13 **INFORMATION**, and wages used to establish that benefit year shall  
14 not be used to establish another benefit year. Before receiving  
15 benefits in a benefit year established within 4 years after  
16 cancellation of rights to benefits under this subsection, the  
17 individual, in addition to making the restitution of benefits  
18 established under subsection (a), may be liable for an additional  
19 amount as otherwise determined by the unemployment agency under  
20 this act, which may be paid by cash, deduction from benefits, or  
21 deduction from a tax refund. Restitution resulting from the  
22 intentional false statement, misrepresentation, or concealment of  
23 material information is not subject to the 50% limitation provided  
24 in subsection (a).

25 (c) Any determination made by the unemployment agency under  
26 this section is final unless an application for a redetermination  
27 is filed in accordance with section 32a.

1 (d) The unemployment agency shall take the action necessary to  
2 recover all benefits improperly obtained or paid under this act,  
3 and to enforce all interest and penalties under subsection (b). The  
4 unemployment agency may conduct an amnesty program for a designated  
5 period under which penalties and interest assessed against an  
6 individual owing restitution for improperly paid benefits may be  
7 waived if the individual pays the full amount of restitution owing  
8 within the period specified by the agency.

9 (e) Interest recovered under this section shall be deposited  
10 in the contingent fund.

11 Enacting section 1. This amendatory act does not take effect  
12 unless all of the following bills of the 97th Legislature are  
13 enacted into law:

14 (a) Senate Bill No.\_\_\_\_ or House Bill No.\_\_\_\_ (request no.  
15 02824'13).

16 (b) Senate Bill No.\_\_\_\_ or House Bill No.\_\_\_\_ (request no.  
17 02825'13).

18 (c) Senate Bill No.\_\_\_\_ or House Bill No.\_\_\_\_ (request no.  
19 02826'13).

20 (d) Senate Bill No.\_\_\_\_ or House Bill No.\_\_\_\_ (request no.  
21 03302'13).

22 (e) Senate Bill No.\_\_\_\_ or House Bill No.\_\_\_\_ (request no.  
23 03440'13).