



# HOUSE BILL No. 4150

January 17, 1995, Introduced by Reps. DeLange, Horton, Dalman, Llewellyn, Perricone and Bullard and referred to the Committee on Human Resources and Labor.

A bill to amend section 62 of Act No. 1 of the Public Acts of the Extra Session of 1936, entitled as amended "Michigan employment security act," as amended by Act No. 162 of the Public Acts of 1994, being section 421.62 of the Michigan Compiled Laws.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Section 62 of Act No. 1 of the Public Acts of  
2 the Extra Session of 1936, as amended by Act No. 162 of the  
3 Public Acts of 1994, being section 421.62 of the Michigan  
4 Compiled Laws, is amended to read as follows:

5 Sec. 62. (a) If the commission determines that a person has  
6 obtained benefits to which ~~the~~ THAT person is not entitled, the  
7 commission may recover a sum equal to the amount ~~so~~ received by  
8 1 or ~~both~~ MORE of the following methods: (1) deduction from  
9 benefits ~~that may be or may become~~ payable to the individual,

1 ~~or~~ (2) payment by the individual to the commission in cash, OR  
2 (3) DEDUCTION FROM A TAX REFUND PAYABLE TO THE INDIVIDUAL AS PRO-  
3 VIDED UNDER SECTION 30A OF ACT NO. 122 OF THE PUBLIC ACTS OF  
4 1941, BEING SECTION 205.30A OF THE MICHIGAN COMPILED LAWS.  
5 Deduction from benefits ~~that may be or may become~~ payable to  
6 the individual shall be limited to not more than 20% of each  
7 weekly benefit check ~~otherwise~~ due the claimant. The commis-  
8 sion shall not recover improperly paid benefits from an individ-  
9 ual more than 3 years, or MORE THAN 6 years in the case of a vio-  
10 lation of section 54(a) or (b) or sections 54a to 54c, after the  
11 date of receipt of the improperly paid benefits unless: (1) a  
12 civil action is filed in a court by the commission within the  
13 3-year or 6-year period, (2) the individual ~~has~~ made an inten-  
14 tional false statement, misrepresentation, or concealment of  
15 material information to obtain the benefits, or (3) THE COMMIS-  
16 SION ISSUED a determination requiring restitution ~~has been~~  
17 ~~issued by the commission~~ within the 3-year or 6-year period.  
18 Furthermore, except in a case of an intentional false statement,  
19 misrepresentation, or concealment of material information, the  
20 commission may waive recovery of an improperly paid benefit if  
21 the payment was not the fault of the individual and if repayment  
22 would be contrary to equity and good conscience.

23 (b) For benefit years beginning before the conversion date  
24 prescribed in section 75, if the commission determines that a  
25 person has intentionally made a false statement or misrepresenta-  
26 tion or has concealed material information to obtain benefits,  
27 whether or not the person obtains benefits by or because of the

1 intentional false statement, misrepresentation, or concealment of  
2 material information, the person shall, in addition to any other  
3 applicable penalties, have all of his or her uncharged credit  
4 weeks with respect to the benefit year in which the act occurred  
5 canceled as of the date the commission receives notice of, or  
6 initiates investigation of, the possible false statement, ~~or~~  
7 misrepresentation, or concealment of material information, which-  
8 ever date is earlier. Before receiving benefits in a benefit  
9 year established within 2 years after cancellation of uncharged  
10 credit weeks under this subsection, the individual, in addition  
11 to making the restitution of benefits established ~~pursuant to~~  
12 UNDER subsection (a), may be liable to the commission, by cash,  
13 ~~or~~ deduction from benefits, OR DEDUCTION FROM A TAX REFUND, for  
14 an additional amount as ~~otherwise~~ determined by the commission  
15 ~~pursuant to~~ UNDER this act. Restitution resulting from the  
16 intentional false statement, misrepresentation, or concealment of  
17 material information ~~shall~~ IS not ~~be~~ subject to the 20% limi-  
18 tation provided in subsection (a). For benefit years beginning  
19 after the conversion date prescribed in section 75, if the com-  
20 mission determines that a person has intentionally made a false  
21 statement or misrepresentation or has concealed material informa-  
22 tion to obtain benefits, whether or not the person obtains bene-  
23 fits by or because of the intentional false statement, misrepre-  
24 sentation, or concealment of material information, the person  
25 shall, in addition to any other applicable penalties, have his or  
26 her rights to benefits ~~with respect to~~ FOR the benefit year in  
27 which the act occurred canceled as of the date the commission

1 receives notice of, or initiates investigation of, a possible  
 2 false statement, ~~or~~ misrepresentation, or concealment of mate-  
 3 rial information, whichever date is earlier, and wages used to  
 4 establish that benefit year shall not be used to establish  
 5 another benefit year. Before receiving benefits in a benefit  
 6 year established within 2 years after cancellation of rights to  
 7 benefits under this subsection, the individual, in addition to  
 8 making the restitution of benefits established ~~pursuant to~~  
 9 UNDER subsection (a), may be liable to the commission, by cash,  
 10 ~~or~~ deduction from benefits, OR DEDUCTION FROM A TAX REFUND, for  
 11 an additional amount as otherwise determined by the commission  
 12 ~~pursuant to~~ UNDER this act. Restitution resulting from the  
 13 intentional false statement, misrepresentation, or concealment of  
 14 material information ~~shall~~ IS not ~~be~~ subject to the 20% limi-  
 15 tation provided in subsection (a).

16 (c) Any determination made by the commission under this sec-  
 17 tion ~~shall be~~ IS final unless an application for a redetermina-  
 18 tion is filed with the commission in accordance with section  
 19 32a.

20 (d) The commission shall take the action ~~which is~~ neces-  
 21 sary to recover all benefits improperly obtained or paid under  
 22 this act, and to enforce all penalties under subsection (b).

23 Section 2. This amendatory act shall not take effect unless  
 24 Senate Bill No. \_\_\_\_\_ or House Bill No. 4151 (request  
 25 no. 02157'95) of the 88th Legislature is enacted into law.