

HOUSE BILL 140

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3lr0651
CF SB 136

By: **Delegates Palakovich Carr and Charkoudian**

Introduced and read first time: January 13, 2023

Assigned to: Economic Matters

Committee Report: Favorable

House action: Adopted

Read second time: February 26, 2023

CHAPTER _____

1 AN ACT concerning

2 **Unemployment Insurance – Recovery of Benefits – Limitation and Methods**

3 FOR the purpose of limiting the percentage of the weekly benefits amount that the
4 Secretary of Labor may deduct from weekly benefits payable to a claimant to recover
5 certain overpayments of unemployment insurance benefits; clarifying the
6 circumstances under which the Secretary may use certain methods to recover
7 overpayments of unemployment insurance benefits; and generally relating to the
8 recovery of unemployment insurance benefits.

9 BY repealing and reenacting, without amendments,
10 Article – Labor and Employment
11 Section 8–809(a), (b), and (e)
12 Annotated Code of Maryland
13 (2016 Replacement Volume and 2022 Supplement)

14 BY repealing and reenacting, with amendments,
15 Article – Labor and Employment
16 Section 8–809(d)
17 Annotated Code of Maryland
18 (2016 Replacement Volume and 2022 Supplement)

19 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
20 That the Laws of Maryland read as follows:

21 **Article – Labor and Employment**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 8-809.

2 (a) The Secretary may recover benefits paid to a claimant if the Secretary finds
3 that the claimant was not entitled to the benefits because:

4 (1) the claimant was not unemployed;

5 (2) the claimant received or retroactively was awarded wages; or

6 (3) due to a redetermination of an original claim by the Secretary, the
7 claimant is disqualified or otherwise ineligible for benefits.

8 (b) If the Secretary finds that a claimant knowingly made a false statement or
9 representation or knowingly failed to disclose a material fact to obtain or increase a benefit
10 or other payment under this title, in addition to disqualification of the claimant, the
11 Secretary may recover from the claimant:

12 (1) all benefits paid to the claimant for each week for which the false
13 statement or representation was made or for which the claimant failed to disclose a
14 material fact;

15 (2) a monetary penalty of 15% of all benefits paid to the claimant for each
16 week for which the false statement or representation was made or for which the claimant
17 failed to disclose a material fact; and

18 (3) interest of 1.5% per month on the amount of all benefits paid to the
19 claimant for each week for which the false statement or representation was made or for
20 which the claimant failed to disclose a material fact plus the amount of the monetary
21 penalty accruing from the date that the claimant is notified by the Secretary that the
22 claimant was not entitled to benefits received.

23 (d) (1) **[The] IF THE SECRETARY IS RECOVERING BENEFITS FROM A**
24 **CLAIMANT UNDER CIRCUMSTANCES OTHER THAN THOSE DESCRIBED IN**
25 **SUBSECTION (B) OF THIS SECTION, THE** Secretary may recover an amount under
26 subsection (a) of this section:

27 (i) by deduction **OF:**

28 **1. UP TO 50% OF THE WEEKLY BENEFIT AMOUNT** from
29 **THE WEEKLY** benefits payable to the claimant in the future; **OR**

30 **2. IF THE WEEKLY BENEFIT AMOUNT IS LESS THAN OR**
31 **EQUAL TO \$100, UP TO 25% OF THE WEEKLY BENEFIT FROM THE WEEKLY BENEFITS**
32 **PAYABLE TO THE CLAIMANT IN THE FUTURE;**

1 (ii) in the manner provided in § 8–630 of this title for the collection
2 of past due contributions;

3 (iii) by assessment in the same manner as provided in § 8–629 of this
4 title for the assessment of past due contributions; or

5 (iv) through other reasonable means of collection, including those
6 permitted under:

7 1. State law for the collection of debts owed to the State; or

8 2. federal law.

9 (2) (i) If the Secretary seeks to recover an amount under subsection (a)
10 of this section by assessment, the Secretary shall allow a claimant to elect, within 30 days
11 of the date of the notice of assessment, to have the amount collected by suit instead of by
12 assessment.

13 (ii) The Secretary shall adopt regulations to provide general
14 guidance about:

15 1. the processes under which the Secretary may recover
16 benefits; and

17 2. the application of § 8–629 of this title to the recovery of
18 benefits by assessment under this section.

19 (e) The Secretary may recover an amount under subsection (b) of this section:

20 (1) in the manner provided in § 8–630 of this title for the collection of past
21 due contributions;

22 (2) through other reasonable means of collection, including those permitted
23 under:

24 (i) State law for the collection of debts owed to the State; or

25 (ii) federal law; or

26 (3) if the deduction is made by another jurisdiction under an
27 intergovernmental agreement providing for the recovery of overpaid benefits, by deduction
28 from benefits for which the claimant is eligible in the future under the law of the
29 jurisdiction that made the deduction, excluding the monetary penalty assessed under
30 subsection (b)(2) of this section and interest due under subsection (b)(3) of this section.

31 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
32 October 1, 2023.