

# SENATE BILL 136

K2

3lr1645  
CF HB 140

---

By: **Senator Klausmeier**

Introduced and read first time: January 13, 2023

Assigned to: Finance

---

## A BILL ENTITLED

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**

22 8–809.

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

---

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (1) the claimant was not unemployed;

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

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

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

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

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

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

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

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

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

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

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

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

1 (iv) through other reasonable means of collection, including those  
2 permitted under:

- 3 1. State law for the collection of debts owed to the State; or  
4 2. federal law.

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

9 (ii) The Secretary shall adopt regulations to provide general  
10 guidance about:

- 11 1. the processes under which the Secretary may recover  
12 benefits; and  
13 2. the application of § 8–629 of this title to the recovery of  
14 benefits by assessment under this section.

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

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

18 (2) through other reasonable means of collection, including those permitted  
19 under:

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

21 (ii) federal law; or

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

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