

HOUSE BILL NO. 272

INTRODUCED BY WALLIN

BY REQUEST OF THE DEPARTMENT OF LABOR AND INDUSTRY

IN THE HOUSE

January 19, 1985	Introduced and referred to Committee on Business and Labor.
January 21, 1985	Fiscal Note requested.
January 25, 1985	Fiscal Note returned.
January 29, 1985	Committee recommend bill do pass as amended. Report adopted.
	Bill printed and placed on members' desks.
January 31, 1985	Second reading, do pass.
	Considered correctly engrossed.
February 1, 1985	Third reading, passed. Ayes, 99; Noes, 0.
	Transmitted to Senate.

IN THE SENATE

February 6, 1985	Introduced and referred to Committee on Labor and Employment Relations.
March 13, 1985	Committee recommend bill be concurrred in. Report adopted.
March 15, 1985	Second reading, concurrred in.
March 18, 1985	Third reading, concurrred in. Ayes, 49; Noes, 0.
	Returned to House.

IN THE HOUSE

March 19, 1985

Received from Senate.

Sent to enrolling.

Reported correctly enrolled.

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 4  
 5 A BILL FOR AN ACT ENTITLED: "AN ACT TO REQUIRE A PERSON  
 6 FRAUDULENTLY OBTAINING UNEMPLOYMENT COMPENSATION TO PAY  
 7 INTEREST ON BENEFIT AMOUNTS THAT HE MUST REPAY; AMENDING  
 8 SECTION 39-51-3201, MCA."

9  
 10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:  
 11 Section 1. Section 39-51-3201, MCA, is amended to  
 12 read:

13 "39-51-3201. Making false statement or representation  
 14 or failing to disclose material fact in order to obtain or  
 15 increase benefits -- administrative penalty and remedy. A  
 16 person who makes a false statement or representation knowing  
 17 it to be false or knowingly fails to disclose a material  
 18 fact in order to obtain or increase any benefit or other  
 19 payment under this chapter or under an employment security  
 20 law of any other state or territory or the federal  
 21 government, either for himself or for any other person, is:

22 (1) disqualified for benefits thereafter for a period  
 23 of not more than 52 weeks, beginning with the first  
 24 compensable week following the date of such determination by  
 25 the department, the length of time of the disqualification

1 as herein described to be determined by the department in  
 2 accordance with the severity of each case; and  
 3 (2) required to repay to the department, either  
 4 directly or as authorized by the department, by offset of  
 5 future benefits to which he may be entitled, or by a  
 6 combination of both such methods, a sum equal to the amount  
 7 wrongfully received by him plus interest at the rate of 18%  
 8 a year computed from the time the false statement or  
 9 representation or the failure to disclose a material fact  
 10 occurred, except that the interest due may not be used to  
 11 offset future benefits. However, he is not required to  
 12 repay any amount wrongfully obtained more than 5 years prior  
 13 to the date of the department's determination that he made  
 14 false statements, willful nondisclosure, or  
 15 misrepresentation."

16 NEW SECTION. Section 2. Extension of authority. Any  
 17 existing authority of the department of labor and industry  
 18 to make rules on the subject of the provisions of this act  
 19 is extended to the provisions of this act.

-End-



INTRODUCED BILL  
 HB 272

STATE OF MONTANA  
FISCAL NOTE

REQUEST NO. FNN150-85

Form BD-15

In compliance with a written request received January 21, 19 85, there is hereby submitted a Fiscal Note for H.B. 272 pursuant to Title 5, Chapter 4, Part 2 of the Montana Code Annotated (MCA). Background information used in developing this Fiscal Note is available from the Office of Budget and Program Planning, to members of the Legislature upon request.

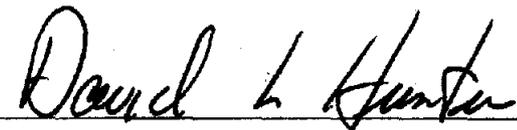
DESCRIPTION OF PROPOSED LEGISLATION:

"An Act To Require A Person Fraudulently Obtaining Unemployment Compensation To Pay Interest On Benefit Amounts That He Must Repay"

ASSUMPTIONS:

1. It is estimated that the Department of Labor and Industry will discover \$120,000 (\$10,000 per month) in fraudulent overpayments each fiscal year of the biennium.
2. It is estimated that the Department of Labor and Industry will recover \$30,000 in the Fiscal Year 1986 and \$54,000 in Fiscal Year 1987. An average interest rate of 18% will be applied to these recovered dollars.
3. It is assumed the collections are made in the 6th month of each fiscal year.

<u>FISCAL IMPACT:</u>	<u>FY 1986</u>	<u>FY 1987</u>
Current Law	-0-	-0-
Proposed Law	<u>\$2,700</u>	<u>\$4,900</u>
Net Increase	<u>\$2,700</u>	<u>\$4,900</u>



BUDGET DIRECTOR  
Office of Budget and Program Planning

Date: JAN 25, 1985

APPROVED BY COMM. ON  
BUSINESS AND LABOR

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 12 However, he is not required to repay any amount wrongfully  
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A BILL FOR AN ACT ENTITLED: "AN ACT TO REQUIRE A PERSON FRAUDULENTLY OBTAINING UNEMPLOYMENT COMPENSATION TO PAY INTEREST ON BENEFIT AMOUNTS THAT HE MUST REPAY; AMENDING SECTION 39-51-3201, MCA."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 39-51-3201, MCA, is amended to read:

"39-51-3201. Making false statement or representation or failing to disclose material fact in order to obtain or increase benefits -- administrative penalty and remedy. A person who makes a false statement or representation knowing it to be false or knowingly fails to disclose a material fact in order to obtain or increase any benefit or other payment under this chapter or under an employment security law of any other state or territory or the federal government, either for himself or for any other person, is:

(1) disqualified for benefits thereafter for a period of not more than 52 weeks, beginning with the first compensable week following the date of such determination by the department, the length of time of the disqualification

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However, he is not required to repay any amount wrongfully obtained more than 5 years prior to the date of the department's determination that he made false statements, willful nondisclosure, or misrepresentation."

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