

Joint Committee on Ways and Means

Carrier – House: Rep. Huffman
Carrier – Senate: Sen. Johnson

Revenue: No revenue impact

Fiscal: Fiscal statement issued

Action: Do Pass

Vote: 17 – 7 – 1

House

Yeas: Beyer, Buckley, Cowan, Komp, Kotek, Nathanson, Nolan, G. Smith, Thatcher

Nays: Freeman, Garrard, McLane, Whisnant

Exc: Richardson

Senate

Yeas: Bates, Devlin, Edwards, Johnson, Monroe, Nelson, Verger, Winters

Nays: Girod, Thomsen, Whitsett

Exc:

Prepared By: Michelle Deister, Legislative Fiscal Office

Meeting Date: June 3, 2011

WHAT THE MEASURE DOES: Authorizes the Employment Department to waive the recovery of benefits paid due to a non-claimant error if the recovery of benefits would be against equity and good conscience. Changes what is required for reopening a hearing regarding unemployment insurance benefits. Declares an emergency, effective upon passage.

ISSUES DISCUSSED:

- Fiscal impact that was issued represents the maximum impact if all requests for waiver were granted; actual fiscal impact is indeterminate, and will be based on actual experience.

EFFECT OF COMMITTEE AMENDMENT: No amendment.

BACKGROUND: Current statute allows the recovery of overpaid unemployment insurance (UI) benefits to be waived if the Director of the Employment Department finds that benefits are unrecoverable due to either a change in federal or state law, and that the change caused the disqualification of benefits previously paid. Senate Bill 725 expands the ability to waive recovery of UI benefits if doing so would be against equity and good conscience. Examples of this include the overpayment not being due to providing a false statement or misrepresentation or failure to disclose a material fact. Thirty-four states currently have some form of waiver provision for non-claimant-caused overpayments.

Senate Bill 725 also clarifies when the Department can reopen a hearing related to unemployment insurance benefits. Current statute restricts a hearing to be reopened only when the reason for missing the hearing is “beyond the control” of the requester. The measure changes the standard to “good cause,” which is the standard in current law for showing a reason for being late in requesting a hearing.