

Senate Bill 243

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SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Provides that individual paid unemployment insurance benefits to which individual is not entitled, in certain circumstances, is liable to have amount deducted from future benefits otherwise payable under law of another state.

Increases to five years period during which amount of unemployment benefits overpaid to individual because of false statement, misrepresentation or nondisclosure of material fact must remain unrecovered before Director of Employment Department may cancel overpaid amount. Changes requirement that director cancel overpaid amount to authorization to cancel it.

Declares emergency, effective on passage.

A BILL FOR AN ACT

1
2 Relating to the recovery of overpaid unemployment insurance benefits; creating new provisions;
3 amending ORS 657.315 and 657.320; and declaring an emergency.

4 **Be It Enacted by the People of the State of Oregon:**

5 **SECTION 1.** ORS 657.315 is amended to read:

6 657.315. (1) If the Director of the Employment Department decides that an individual has been
7 paid benefits to which the individual is not entitled because of an error not due to the individual
8 providing a false statement or misrepresentation of a material fact or not disclosing a material fact,
9 or because an initial decision to pay benefits is subsequently reversed by a decision finding the in-
10 dividual is not eligible for the benefits, the individual is liable to have the amount deducted from
11 any future benefits otherwise payable to the individual under this chapter **or the equivalent law**
12 **of another state** for any week or weeks within five years following the week in which the decision
13 establishing the erroneous payment became final.

14 (2) A decision of the director under this section does not authorize the recovery of the amount
15 of any benefits paid to an individual until the decision is final and the decision specifies that the
16 individual is liable to have the amount deducted from any future benefits otherwise payable under
17 this chapter **or the equivalent law of another state** for any week or weeks within five years fol-
18 lowing the week in which the decision establishing the erroneous payment became final.

19 (3) Amounts paid to an individual in excess of the maximum benefits allowable pursuant to this
20 chapter may be recovered in a civil action brought in the name of the director for such purpose.

21 **SECTION 2.** ORS 657.320 is amended to read:

22 657.320. (1)(a) If any amount paid to an individual as benefits, for which the individual has been
23 found liable under the provisions of ORS 657.310 to repay or to have deducted from benefits payable,
24 has neither been repaid nor deducted within a period of [*three*] **five** years following the date the
25 decision establishing the overpayment became final, and is equal to or is less than the state maxi-
26 mum weekly benefit amount or determined by the Director of the Employment Department to be
27 uncollectible, the overpayment together with the record of the overpayment and the resulting

NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.

1 shortage, [shall] **may** be canceled, and the overpayment, excluding any amount chargeable to
 2 reimbursable employers, shall be permanently charged to the fund.

3 (b) Notwithstanding paragraph (a) of this subsection, the overpayment may not be canceled if
 4 the debt is being recovered by payments or deductions that were received within the last three
 5 months or if repayment of the overpayment is required under ORS 657.213.

6 (2) If an amount paid to an individual as benefits, for which the individual has been found liable
 7 under the provisions of ORS 657.315 (1) to have deducted from benefits payable, has not been waived
 8 under ORS 657.317, paid or deducted from benefits otherwise payable to the individual for any week
 9 or weeks within five years following the week in which the decision establishing the overpayment
 10 became final, the overpayment together with the record of the overpayment and the resulting
 11 shortage, shall be canceled and the overpayment, excluding any amount chargeable to reimbursable
 12 employers, shall be permanently charged to the fund.

13 (3) When in the judgment of the director the best interests of the Employment Department are
 14 served in an effort to settle accounts, the director may waive, reduce or compromise any part or
 15 all of the interest or penalty charged pursuant to ORS 657.310. The director may determine that
 16 the amount of interest or penalty due and unpaid is uncollectible, and write the amount off. In
 17 making the determination that interest or a penalty is uncollectible, the director shall consider,
 18 among other factors:

- 19 (a) The administrative costs of continued collection efforts in relation to the amount due;
- 20 (b) The accessibility of the debtor for effective collection actions; and
- 21 (c) The debtor's financial condition and ability to pay the amount due, both current and
 22 projected.

23 **SECTION 3. The amendments to ORS 657.320 by section 2 of this 2015 Act apply to**
 24 **amounts paid to individuals as benefits:**

25 (1) **For which the individual is found liable under the provisions of ORS 657.310, on or**
 26 **after the effective date of this 2015 Act, to repay or to have deducted from benefits payable;**
 27 **or**

28 (2) **For which the three-year period described in ORS 657.320 (1) has not elapsed on the**
 29 **effective date of this 2015 Act.**

30 **SECTION 4. This 2015 Act being necessary for the immediate preservation of the public**
 31 **peace, health and safety, an emergency is declared to exist, and this 2015 Act takes effect**
 32 **on its passage.**

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