

# MAINE STATE LEGISLATURE

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L.D. 1970

DATE: 5-26-99

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STATE OF MAINE  
HOUSE OF REPRESENTATIVES  
119TH LEGISLATURE  
FIRST REGULAR SESSION

HOUSE AMENDMENT "A" to H.P. 1372, L.D. 1970, Bill, "An Act to Address the Solvency of the Unemployment Compensation Fund"

Amend the bill in section 4 in subsection 9 in the 4th line from the end (page 3, line 20 in L.D.) by inserting after the following: "6," the following: 'the interest rate is 1.5% per month or per fraction of a month and'

Further amend the bill in section 5 in that part designated "~~§1164.~~" in the 27th line (page 4, line 12 in L.D.) by inserting after the following: "Fund" the following: 'including random audits of claimants and employers, which the department shall perform'

Further amend the bill by inserting after section 6 the following:

**Sec. 7. 26 MRSA §1191, sub-§6**, as amended by PL 1991, c. 885, Pt. E, §38 and affected by §47, is further amended by amending the first paragraph to read:

**6. Supplemental benefit for dependents.** An individual in total or partial unemployment and otherwise eligible for benefits must be paid for each week of that unemployment, in addition to the amounts payable under subsections 2 and 3, the sum of ~~\$10~~ \$12 for each unemancipated child of the individual who in any part of the benefit year and during any part of the individual's period of eligibility is, in fact, dependent upon and is being wholly or mainly supported by the individual, and who is under ~~the age of~~

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18 years of age, or who is 18 years of age or over and incapable  
2 of earning wages because of mental or physical incapacity, or who  
3 is a full-time student as defined in Title 39-A, section 102,  
4 subsection 9, paragraph C, or who is in that individual's custody  
5 pending the adjudication of a petition filed by the individual  
6 for the adoption of the child in a court of competent  
7 jurisdiction and for each such child for whom that individual is  
8 under a decree or order from a court of competent jurisdiction to  
9 contribute to that child's support and for whom no other person  
10 is receiving allowances hereunder. In no instance may the  
11 dependency benefits as provided in this subsection be more than  
12 50% of the individual's weekly benefit amount.'

14 Further amend the bill in section 7 by striking out all of  
15 subsection 6 and inserting in its place the following:

16  
17 '6. **Has falsified.** For any week for which the deputy finds  
18 that the claimant made a false statement or representation  
19 knowing it to be false or knowingly ~~fails~~ failed to disclose a  
20 material fact in his the claimant's application to obtain  
21 benefits, ~~and in.~~ In addition, the claimant ~~shall be~~ is  
22 ineligible to receive any benefits for a period of not less than  
23 6 months ~~or more than one year~~ from the mailing date of the  
24 determination and the commissioner shall assess a penalty of 200%  
25 of the benefits falsely obtained; or'

26  
27 Further amend the bill by relettering or renumbering any  
28 nonconsecutive Part letter or section number to read  
29 consecutively.

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31 **FISCAL NOTE**

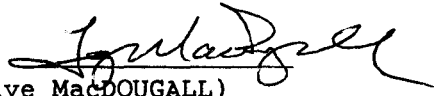
32  
33 Increasing the supplemental benefit for dependents from \$10  
34 to \$12 is expected to increase benefit costs paid from the  
35 Unemployment Compensation Trust Fund by approximately \$600,000 in  
36 calendar year 2000. Increasing the interest rate for fraud  
37 overpayments, conducting random audits and increasing the penalty  
38 for benefits falsely obtained will not have a significant fiscal  
39 impact on the fund.

40  
41 **SUMMARY**

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43 This amendment increases the interest rate assessed on an  
44 overpayment of unemployment benefits. It authorizes the  
45 Department of Labor to conduct random audits of claimants and  
46 employers with respect to unemployment benefits. It raises the  
47 supplemental benefit for dependents by 20%, from \$10 to \$12 per  
48 week per dependent. It provides that a person who falsely

HOUSE AMENDMENT "A" to H.P. 1372, L.D. 1970

obtains unemployment benefits must pay a penalty of 200% of the  
benefits falsely obtained.

SPONSORED BY:   
(Representative MacDOUGALL)

TOWN: North Berwick

# HOUSE AMENDMENT