



Senate Fiscal Agency
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BILL ANALYSIS



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Senate Bill 700 (as reported without amendment)
Sponsor: Senator Darrin Camilleri
Committee: Labor

CONTENT

The bill would amend the Michigan Employment Security Act to do the following:

- Prohibit the Unemployment Insurance Agency (UIA) from recovering an improperly paid benefit three or more years after the date on which the improperly paid benefit was paid for claims for benefits made on or after the bill's effective date.
- Require improperly paid benefits paid between February 7, 2020, and September 5, 2021, to be considered the result of an administrative or clerical error made by the UIA, which would result in the UIA waiving the recovery of these benefits, unless a final determination was made that benefits were improperly paid because of fraud or identity fraud.

MCL 421.62

BRIEF RATIONALE

From February 7, 2020, to September 5, 2021, the UIA paid an increased number of Michigan residents unemployment benefits because of job losses resulting from the COVID-19 pandemic. The benefits allowed Michigan residents to continue to purchase necessities during this time. Currently, the UIA is trying to recover improperly paid benefits, such as overpayments, from the pandemic. According to testimony, requiring repayment from that time could harm Michigan's poorest residents. Accordingly, forgiving improperly paid benefits from the pandemic has been suggested.

Legislative Analyst: Alex Krabill

FISCAL IMPACT

The bill would have a fiscal impact on the UIA, an indeterminate fiscal impact on penalty and interest revenue, and no fiscal impact on local units of government. The UIA could experience savings by limiting the number of years back the UIA could go to seek improper payments to three years. This could reduce ongoing costs to the UIA in the future, or the UIA could use those resources to recover potential improper payments within the last three years.

The penalty and interest revenue could be reduced if there were potential fraud payments that could have been recovered that were over three years old. It is unknown whether there would be any noticeable impact to penalty and interest revenue because of this restriction.

Date Completed: 11-14-25

Fiscal Analyst: Cory Savino, PhD