



**STATE OF NEW HAMPSHIRE
OFFICE OF THE GOVERNOR**

CHRISTOPHER T. SUNUNU
Governor

July 28, 2023

Governor's Veto Message Regarding Senate Bill 42

By the authority vested in me, pursuant to part II, Article 44 of the New Hampshire Constitution, on July 28, 2023, I have vetoed Senate Bill 42, relative to overpayment of unemployment compensation.

New Hampshire's Unemployment Compensation Trust Fund is almost solely funded by mandatory contributions collected from New Hampshire employers. These entities fund unemployment benefits for those who need them the most and are unemployed through no fault of their own. In return, employers expect the state to provide accountability for these funds by ensuring those who are filing for benefits are eligible for them in the first place. If a claimant is found to be ineligible after they were paid benefits and the reason they received benefits was because they provided information to the department they knew and understood was inaccurate, employers expect the state to recoup those funds and ensure they go to eligible claimants. Without the accrual of interest, individuals do not have an incentive to pay these funds back. In other words, this bill would allow ineligible beneficiaries to get an interest-free loan on the backs of New Hampshire employers.

While Senate Bill 42 may be well-intentioned, it is important to note that the NH Department of Employment Security (NHES) already has a process in place contained within state law and administrative rule requiring the department to evaluate whether someone is 'with fault' or 'without fault' in causing benefits to have been paid when they are subsequently found ineligible. If the person is determined to be without fault because the department or an employer made an error then current law allows the person to keep the benefits. It is only in those instances where the person is found to be with fault in causing benefits to be paid when they should not have been paid, that the person is required to repay those benefits back to the trust fund and potentially could accrue interest if not repaid in a timely manner.

The State is currently attempting to recoup \$6 million in overpayments from between 2017 and 2022. If Senate Bill 42 were to be signed, this would be nearly impossible to accomplish.

There was an opportunity to rectify all of the issues with the bill as written with an amendment offered in both the committee and on the floor. The amendment would have given NHES the flexibility they need to help ensure only the claimants who are eligible for benefits receive and keep them. Unfortunately, the amendment was not adopted.

For the reasons stated above, I have vetoed Senate Bill 42.

Respectfully submitted,

A handwritten signature in blue ink that reads "Chris T. Sununu".

Christopher T. Sununu
Governor