

commission or agency of the legislature without a limit on the duration of the employment may elect to transfer accumulated employee and matching employer contributions, as provided in section 352D.03.

Presented to the governor May 2, 2000

Signed by the governor May 5, 2000, 10:51 a.m.

CHAPTER 458—S.F.No. 3016

An act relating to family law; changing certain child support enforcement provisions; providing for notices; clarifying certain delegation of powers provisions; amending Minnesota Statutes 1998, sections 256.979, by adding a subdivision; 518.255; 518.64, subdivision 5; 518.68, subdivision 2; 524.5-505; 552.01, subdivision 3, and by adding a subdivision; 552.03; and 552.04, subdivisions 4, 6, 11, and 16; Minnesota Statutes 1999 Supplement, sections 13B.06, subdivision 1; and 256.978, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 552; repealing Minnesota Statutes 1998, section 552.05, subdivisions 1, 2, 3, 6, 7, 8, and 9; Minnesota Statutes 1999 Supplement, section 552.05, subdivisions 4, 5, and 10; Minnesota Rules, parts 9500.1800; 9500.1805; 9500.1810; 9500.1811; 9500.1812; 9500.1815; 9500.1817; 9500.1820; and 9500.1821.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 1999 Supplement, section 13B.06, subdivision 1, is amended to read:

Subdivision 1. **DEFINITIONS.** The definitions in this subdivision apply to this section.

(a) "Account" means a demand deposit account, checking or negotiable withdraw order account, savings account, time deposit account, or money market mutual fund.

(b) "Account information" means the type of account, the account number, whether the account is singly or jointly owned, and in the case of jointly owned accounts the name and address of the nonobligor account owner if available.

(c) "Financial institution" means any of the following that do business within the state:

(1) federal or state commercial banks and federal or state savings banks, including savings and loan associations and cooperative banks;

(2) federal and state chartered credit unions;

(3) benefit associations;

(4) life insurance companies;

(5) safe deposit companies; and

(6) money market mutual funds.

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(d) "Obligor" means an individual who is in arrears in court-ordered child support or maintenance payments, or both, in an amount equal to or greater than three five times the obligor's total monthly support and maintenance payments, and is not in compliance with a written payment agreement regarding both current support and arrearages approved by the court, a child support magistrate, or the public authority.

(e) "Public authority" means the public authority responsible for child support enforcement.

Sec. 2. Minnesota Statutes 1999 Supplement, section 256.978, subdivision 1, is amended to read:

Subdivision 1. **REQUEST FOR INFORMATION.** (a) The public authority responsible for child support in this state or any other state, in order to locate a person or to obtain information necessary to establish paternity and child support or to modify or enforce child support or distribute collections, may request information reasonably necessary to the inquiry from the records of (1) all departments, boards, bureaus, or other agencies of this state agencies or political subdivisions of this state, as defined in section 13.02, which shall, notwithstanding the provisions of section 268.19 or any other law to the contrary, provide the information necessary for this purpose; and (2) employers, utility companies, insurance companies, financial institutions, credit grantors, and labor associations doing business in this state. They shall provide a response upon written or electronic request within 30 days of service of the request made by the public authority. Information requested and used or transmitted by the commissioner according to the authority conferred by this section may be made available to other agencies, statewide systems, and political subdivisions of this state, and agencies of other states, interstate information networks, federal agencies, and other entities as required by federal regulation or law for the administration of the child support enforcement program.

(b) For purposes of this section, "state" includes the District of Columbia, Puerto Rico, the United States Virgin Islands, and any territory or insular possession subject to the jurisdiction of the United States.

Sec. 3. Minnesota Statutes 1998, section 256.979, is amended by adding a subdivision to read:

Subd. 11. FEDERAL CHILD SUPPORT INCENTIVES. (a) The commissioner of human services shall distribute to the counties the earned federal child support incentive payments using the methodology specified in Title IV-D of the Social Security Act and applicable federal regulations for earning federal incentives by the states except for the paternity portion of the incentive. The commissioner shall distribute the federal paternity incentive earned using the IV-D paternity establishment percentage. The commissioner shall follow the federal transition plans in distributing the incentives to the counties. The commissioner shall distribute to the county child support agency estimated federal incentive payments within 60 days after the end of each calendar quarter. The commissioner shall issue actual federal incentive payments to the county agency within 60 days of receiving the final federal incentive grant award from the federal agency.

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(b) The county child support agency shall reinvest incentive funds disbursed under this section in the county child support enforcement program. These funds may not be used by a county to reduce funding of the child support enforcement program by the amount of the incentive earned below the base amount allowed under the applicable federal regulations. The county agency shall maintain a record of incentives earned and expended according to a procedure approved by the commissioner. The county agency shall repay any incentive erroneously issued.

Sec. 4. Minnesota Statutes 1998, section 518.255, is amended to read:

518.255 PROVISION OF LEGAL SERVICES BY THE PUBLIC AUTHORITY.

Subdivision 1. GENERAL. (a) The provision of services under the child support enforcement program that includes services by an attorney or an attorney's representative employed by, under contract to, or representing the public authority does not create an attorney-client relationship with any party other than the public authority. Attorneys employed by or under contract with the public authority have an affirmative duty to inform applicants and recipients of services under the child support enforcement program that no attorney-client relationship exists between the attorney and the applicant or recipient. This section applies to all legal services provided by the child support enforcement program.

(b) The written notice must inform the individual applicant or recipient of services that no attorney-client relationship exists between the attorney and the applicant or recipient; the rights of the individual as a subject of data under section 13.04, subdivision 2; and that the individual has a right to have an attorney represent the individual.

(c) Data disclosed by an applicant for, or recipient of, child support services to an attorney employed by, or under contract with, the public authority is private data on an individual. However, the data may be disclosed under section 13.46, subdivision 2, clauses (1) to (3) and (6) to (19), under subdivision 2, and in order to obtain, modify or enforce child support, medical support, and parentage determinations.

(d) An attorney employed by, or under contract with, the public authority may disclose additional information received from an applicant for, or recipient of, services for other purposes with the consent of the individual applicant for, or recipient of, child support services.

Subd. 2. ACCESS TO ADDRESS FOR SERVICE OF PROCESS. (a) If there is a IV-D case as defined in section 518.54, a party may obtain an ex parte order under this subdivision. The party may obtain an ex parte order requiring the public authority to serve legal documents on the other party by mail if the party submits a sworn affidavit to the court stating that:

(1) the party needs to serve legal process in a support proceeding and does not have access to the address of the other party;

(2) the party has made reasonable efforts to locate the other party; and

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(3) the other party is not represented by counsel.

(b) The public authority shall serve legal documents provided by the moving party at the last known address of the other party upon receipt of a court order under paragraph (a). The public authority shall provide for appropriate service and shall certify to all parties the date of service by mail. The public authority's proof of service must not include the place or address of service.

(c) The state court administrator shall prepare and make available forms for use in seeking access to an address under this subdivision.

Sec. 5. Minnesota Statutes 1998, section 518.64, subdivision 5, is amended to read:

Subd. 5. **FORM.** The department of human services state court administrator's office shall prepare and make available to courts court administrators, obligors, and persons to whom child support is owed a form to be submitted by the obligor or the person to whom child support is owed in support of a motion for a modification of an order for support or maintenance or for contempt of court.

Sec. 6. Minnesota Statutes 1998, section 518.68, subdivision 2, is amended to read:

Subd. 2. **CONTENTS.** The required notices must be substantially as follows:

IMPORTANT NOTICE

1. PAYMENTS TO PUBLIC AGENCY

According to Minnesota Statutes, section 518.551, subdivision 1, payments ordered for maintenance and support must be paid to the public agency responsible for child support enforcement as long as the person entitled to receive the payments is receiving or has applied for public assistance or has applied for support and maintenance collection services. MAIL PAYMENTS TO:

2. DEPRIVING ANOTHER OF CUSTODIAL OR PARENTAL RIGHTS — A FELONY

A person may be charged with a felony who conceals a minor child or takes, obtains, retains, or fails to return a minor child from or to the child's parent (or person with custodial or visitation rights), according to Minnesota Statutes, section 609.26. A copy of that section is available from any district court clerk.

3. RULES OF SUPPORT, MAINTENANCE, VISITATION

(a) Payment of support or spousal maintenance is to be as ordered, and the giving of gifts or making purchases of food, clothing, and the like will not fulfill the obligation.

(b) Payment of support must be made as it becomes due, and failure to secure or denial of rights of visitation is NOT an excuse for nonpay-

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ment, but the aggrieved party must seek relief through a proper motion filed with the court.

(c) Nonpayment of support is not grounds to deny visitation. The party entitled to receive support may apply for support and collection services, file a contempt motion, or obtain a judgment as provided in Minnesota Statutes, section 548.091.

(d) The payment of support or spousal maintenance takes priority over payment of debts and other obligations.

(e) A party who accepts additional obligations of support does so with the full knowledge of the party's prior obligation under this proceeding.

(f) Child support or maintenance is based on annual income, and it is the responsibility of a person with seasonal employment to budget income so that payments are made throughout the year as ordered.

(g) If there the obligor is a layoff laid off from employment or receives a pay reduction, support may be reduced as of the time of the layoff or pay reduction, but only if a motion to reduce the support is served and filed with the court at that time, but. Any such reduction must be will take effect only if ordered by the court and may only relate back to the time that the motion is filed. If a motion is not filed, the support obligation will continue at the current level. The court is not permitted to reduce support retroactively, except as provided in Minnesota Statutes, section 518.64, subdivision 2, paragraph (c).

(h) Reasonable visitation guidelines are contained in Appendix B, which is available from the court administrator.

(i) The nonpayment of support may be enforced through the denial of student grants; interception of state and federal tax refunds; suspension of driver's, recreational, and occupational licenses; referral to the department of revenue or private collection agencies; seizure of assets, including bank accounts and other assets held by financial institutions; reporting to credit bureaus; interest charging, income withholding, and contempt proceedings; and other enforcement methods allowed by law.

4. PARENTAL RIGHTS FROM MINNESOTA STATUTES, SECTION 518.17, SUBDIVISION 3

Unless otherwise provided by the Court:

(a) Each party has the right of access to, and to receive copies of, school, medical, dental, religious training, and other important records and information about the minor children. Each party has the right of access to information regarding health or dental insurance available to the minor children. Presentation of a copy of this order to the custodian of a record or other information about the minor children constitutes

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sufficient authorization for the release of the record or information to the requesting party.

(b) Each party shall keep the other informed as to the name and address of the school of attendance of the minor children. Each party has the right to be informed by school officials about the children's welfare, educational progress and status, and to attend school and parent teacher conferences. The school is not required to hold a separate conference for each party.

(c) In case of an accident or serious illness of a minor child, each party shall notify the other party of the accident or illness, and the name of the health care provider and the place of treatment.

(d) Each party has the right of reasonable access and telephone contact with the minor children.

5. WAGE AND INCOME DEDUCTION OF SUPPORT AND MAINTENANCE

Child support and/or spousal maintenance may be withheld from income, with or without notice to the person obligated to pay, when the conditions of Minnesota Statutes, section 518.6111 have been met. A copy of those sections is available from any district court clerk.

6. CHANGE OF ADDRESS OR RESIDENCE

Unless otherwise ordered, each party shall notify the other party, the court, and the public authority responsible for collection, if applicable, of the following information within ten days of any change: the residential and mailing address, telephone number, driver's license number, social security number, and name, address, and telephone number of the employer.

7. COST OF LIVING INCREASE OF SUPPORT AND MAINTENANCE

Child support and/or spousal maintenance may be adjusted every two years based upon a change in the cost of living (using Department of Labor Consumer Price Index, unless otherwise specified in this order) when the conditions of Minnesota Statutes, section 518.641, are met. Cost of living increases are compounded. A copy of Minnesota Statutes, section 518.641, and forms necessary to request or contest a cost of living increase are available from any district court clerk.

8. JUDGMENTS FOR UNPAID SUPPORT

If a person fails to make a child support payment, the payment owed becomes a judgment against the person responsible to make the payment by operation of law on or after the date the payment is due, and the person entitled to receive the payment or the public agency may obtain entry and docketing of the judgment WITHOUT NOTICE to the person responsible to make the payment under Minnesota Statutes, section 548.091. Interest begins to accrue on a payment or installment

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of child support whenever the unpaid amount due is greater than the current support due, according to Minnesota Statutes, section 548.091, subdivision 1a.

9. JUDGMENTS FOR UNPAID MAINTENANCE

A judgment for unpaid spousal maintenance may be entered when the conditions of Minnesota Statutes, section 548.091, are met. A copy of that section is available from any district court clerk.

10. ATTORNEY FEES AND COLLECTION COSTS FOR ENFORCEMENT OF CHILD SUPPORT

A judgment for attorney fees and other collection costs incurred in enforcing a child support order will be entered against the person responsible to pay support when the conditions of section 518.14, subdivision 2, are met. A copy of section 518.14 and forms necessary to request or contest these attorney fees and collection costs are available from any district court clerk.

11. VISITATION EXPEDITOR PROCESS

On request of either party or on its own motion, the court may appoint a visitation expeditor to resolve visitation disputes under Minnesota Statutes, section 518.1751. A copy of that section and a description of the expeditor process is available from any district court clerk.

12. VISITATION REMEDIES AND PENALTIES

Remedies and penalties for the wrongful denial of visitation rights are available under Minnesota Statutes, section 518.175, subdivision 6. These include compensatory visitation; civil penalties; bond requirements; contempt; and reversal of custody. A copy of that subdivision and forms for requesting relief are available from any district court clerk.

Sec. 7. Minnesota Statutes 1998, section 524.5-505, is amended to read:

524.5-505 DELEGATION OF POWERS BY PARENT OR GUARDIAN.

(a) A parent or a guardian of a minor or incapacitated person, by a properly executed power of attorney, may delegate to another person, for a period not exceeding six months, any powers regarding care, custody, or property of the minor or ward, except the power to consent to marriage or adoption of a minor ward.

(b) A parent who executes a delegation of powers under this section must mail or give a copy of the document to any other parent within 30 days of its execution unless:

(1) the other parent does not have visitation rights or has supervised visitation rights; or

(2) there is an existing order for protection under chapter 518B or a similar law of another state in effect against the other parent to protect the parent executing the delegation of powers or the child.

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(c) A parent of a minor child may delegate those powers for a period not exceeding one year by a designated caregiver agreement under chapter 257A.

Sec. 8. Minnesota Statutes 1998, section 552.01, subdivision 3, is amended to read:

Subd. 3. **JUDGMENT DEBTOR.** "Judgment debtor" means a party an obligor against whom the public authority has a judgment for the recovery of money owed pursuant to a support order as defined in section 518.54.

Sec. 9. Minnesota Statutes 1998, section 552.01, is amended by adding a subdivision to read:

Subd. 7. **JUDGMENT.** "Judgment" means a child support judgment by operation of law under section 548.091, subdivision 1a, or under a proceeding under section 548.091, subdivision 2a.

Sec. 10. Minnesota Statutes 1998, section 552.03, is amended to read:

552.03 SCOPE OF GENERAL AND SPECIFIC PROVISIONS.

General provisions relating to the public authority's summary execution as authorized in this chapter are set forth in section 552.04. Specific provisions relating to summary execution on funds at a financial institution are set forth in section ~~552.05~~ 552.06. When the public authority levies against funds at a financial institution, the specific provisions of section ~~552.05~~ 552.06 must be complied with in addition to the general provisions of section 552.04 that are not inconsistent with the specific provisions of section 552.06. Provisions contained in the statutory forms are incorporated in this chapter and have the same force of law as any other provisions in this chapter.

Sec. 11. Minnesota Statutes 1998, section 552.04, subdivision 4, is amended to read:

Subd. 4. **SERVICE OF THIRD PARTY LEVY; NOTICE AND DISCLOSURE FORMS.** When levying upon money owed to the judgment debtor by a third party, the public authority shall serve a copy of the notice of support judgment levy upon the third party either by registered or certified mail, by personal service, or by electronic transmission. Along with a copy of the notice of support judgment levy, the public authority shall serve upon the third party a notice of support judgment levy and disclosure form that must be substantially in the form set forth below.

OFFICE OF ADMINISTRATIVE HEARINGS DISTRICT COURT

	File No.
.....(Public authority)	
against	NOTICE OF SUPPORT JUDGMENT
.....(Judgment Debtor)	LEVY AND DISCLOSURE
and	(OTHER THAN EARNINGS)
.....(Third Party)	

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PLEASE TAKE NOTICE that pursuant to Minnesota Statutes, chapters 518 and 522 552, the undersigned, as representative of the public authority responsible for child support enforcement, makes demand and levies execution upon all money due and owing by you to the judgment debtor for the amount of the judgment specified below. A copy of the notice of support judgment levy is enclosed. The unpaid judgment balance is \$.....

In responding to this levy, you are to complete the attached disclosure form and mail it to the public authority, together with your check payable to the public authority, for the nonexempt amount owed by you to the judgment debtor or for which you are obligated to the judgment debtor, within the time limits in chapter 552.

Public Authority
Address
(.....)
Phone number

DISCLOSURE

On the ... day of,, the time of service of the execution levy herein, there was due and owing the judgment debtor from the third party the following:

(1) Money. Enter on the line below any amounts due and owing the judgment debtor, except earnings, from the third party.

.....

(2) Setoff. Enter on the line below the amount of any setoff, defense, lien, or claim which the third party claims against the amount set forth on line (1). State the facts by which the setoff, defense, lien, or claim is claimed. (Any indebtedness to you incurred by the judgment debtor within ten days prior to the receipt of the first execution levy on a debt may not be claimed as a setoff, defense, lien, or claim against the amount set forth on line (1).)

.....

(3) Exemption. Financial institutions shall not complete this line. Enter on the line below any amounts or property claimed by the judgment debtor to be exempt from execution.

.....

(4) Adverse Interest. Enter on the line below any amounts claimed by other persons by reason of ownership or interest in the judgment debtor's property.

.....

(5) Enter on the line below the total of lines (2), (3), and (4).

.....

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(6) Enter on the line below the difference obtained (never less than zero when line (5) is subtracted from the amount on line (1)).

.....

(7) Enter on the line below 100 percent of the amount of the public authority's claim which remains unpaid.

.....

(8) Enter on the line below the lesser of line (6) and line (7). You are instructed to remit this amount only if it is \$10 or more.

.....

AFFIRMATION

I, (person signing Affirmation), am the third party or I am authorized by the third party to complete this nonearnings disclosure, and have done so truthfully and to the best of my knowledge.

Dated:

Signature

.....

Title

.....

Telephone Number

Sec. 12. Minnesota Statutes 1998, section 552.04, subdivision 6, is amended to read:

Subd. 6. **ORAL DISCLOSURE.** Before or after the service of a written disclosure by a third party under subdivision 5, upon a showing by affidavit upon information and belief that an oral examination of the third party would provide a complete disclosure of relevant facts, any party to the execution proceedings may obtain an ex parte order requiring the third party, or a representative of the third party designated by name or by title, to appear for oral examination before the court or a referee appointed by the court. Notice of the examination must be given to all parties. This subdivision does not apply to financial institutions complying with section 552.06.

Sec. 13. Minnesota Statutes 1998, section 552.04, subdivision 11, is amended to read:

Subd. 11. **BAD FAITH CLAIM.** If, in a proceeding brought under section 552.05, subdivision 9, or a similar proceeding under this chapter to determine a claim of exemption, the claim of exemption is not upheld, and the court finds that it was asserted in bad faith, the public authority shall be awarded actual damages, costs, reasonable attorney's fees resulting from the additional proceedings, and an amount not to exceed \$100. If the claim of exemption is upheld, and the court finds that the public authority disregarded the claim of exemption in bad faith, the judgment debtor shall be awarded actual damages, costs, reasonable attorney's fees resulting from the additional

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proceedings, and an amount not to exceed \$100. If the exemption claim of the judgment debtor is found to be in bad faith, the underlying judgment shall be modified to reflect assessment of damages, costs, and attorney's fees. However, if the party in whose favor a penalty assessment is made is not actually indebted to that party's attorney for fees, the attorney's fee award shall be made directly to the attorney, and if not paid, an appropriate judgment in favor of the attorney shall be entered. Any action by a public authority made in bad faith and in violation of this chapter renders the execution levy void and the public authority liable to the judgment debtor named in the execution levy in the amount of \$100, actual damages, and reasonable attorney's fees and costs.

Sec. 14. Minnesota Statutes 1998, section 552.04, subdivision 16, is amended to read:

Subd. 16. **PRIORITY OF LEVY.** Notwithstanding section 52.12, a levy by the public authority made under this section on an obligor's a judgment debtor's funds on deposit in a financial institution located in this state has priority over any unexercised right of setoff of the financial institution to apply the levied funds toward the balance of an outstanding loan or loans owed by the obligor judgment debtor to the financial institution. A claim by the financial institution that it exercised its right to setoff prior to the levy by the public authority must be substantiated by evidence of the date of the setoff and must be verified by the sworn statement of a responsible corporate officer of the financial institution. For purposes of determining the priority of a levy made under this section, the levy must be treated as if it were an execution made under chapter 550.

Sec. 15. **[552.06] SUMMARY EXECUTION OF SUPPORT JUDGMENT UPON FUNDS AT A FINANCIAL INSTITUTION.**

Subdivision 1. COMMENCEMENT OF SUMMARY EXECUTION. (a) This section applies to a judgment debtor who is in arrears in court-ordered support payments in an amount equal to or greater than five times the judgment debtor's total support order.

(b) Section 518.5513 applies to this section, except if it conflicts with the specific provisions of this section, this section applies.

(c) Time frames set out in the rules of civil procedure that are inconsistent with this section do not apply to this section.

(d) The public authority may not proceed with a summary execution of support judgment proceeding:

(1) if the judgment debtor is in compliance with a previously executed written payment agreement approved by the public authority or the court; and

(2) until after the judgment has been submitted for federal or state tax intercept.

(e) Upon receipt of information under section 13B.06 that a judgment debtor holds an account at the financial institution, the public authority may send the financial institution a notice of support judgment levy.

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(f) The support judgment levy and accompanying documentation must contain the name of the judgment debtor, the judgment debtor's social security number, any necessary verifying information, the amount of the judgment, and the procedures necessary for the financial institution to process the notice of support judgment levy and complete the disclosure form.

(g) Notice of support judgment levy under this section commences without notice to the judgment debtor and without the need for prior judicial notice or hearing.

(h) Within three business days after the public authority sends the notice of support judgment levy to the financial institution, the public authority shall send the judgment debtor a copy of the notice of support judgment levy by first class mail at the judgment debtor's last known address. In addition to the copy of the notice of support judgment levy, information must be provided that describes the exemptions a judgment debtor may claim and the form and procedure for claiming an exemption, the informal resolution process, the responsibilities of the judgment debtor, and the procedure and time frames to contest the levy.

Subd. 2. RESPONSIBILITIES OF THE FINANCIAL INSTITUTION. (a) Upon receipt by the financial institution of a notice of support judgment levy, the financial institution shall seize all funds up to and including the amount contained in the notice from the judgment debtor's account.

(b) Forty-five days after receiving the levy, the financial institution shall complete the notice of support judgment levy and disclosure form and forward it together with the amount indicated on line 8 of the disclosure form, not to exceed the total amount seized, to the public authority at the address indicated in the notice of support judgment levy.

(c) When the judgment debtor and the public authority informally resolve a dispute under subdivision 3 and the public authority sends a notice of release to the financial institution, the financial institution shall release seized funds in accordance with the notice of release.

(d) If the financial institution receives notice of a contest of the summary execution of support judgment, the financial institution shall continue to hold the funds during the period of contest inclusive of any applicable appeal period and, upon receipt of notice to release from the public authority, shall send the lesser of the amount indicated in the notice of release, or the amount indicated on line 8 of the notice of support judgment levy and disclosure form not to exceed the total amount seized.

(e) If a judgment debtor has multiple accounts within the financial institution, the financial institution shall seize funds in as many accounts of the judgment debtor as is necessary to equal the amount contained in the notice of support judgment levy.

(f) A financial institution that receives more than one notice of support judgment levy under this section shall withhold sufficient funds to satisfy all notices of support judgment levy, if possible.

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(g) The Consumer Credit Protection Act, United States Code, title 15, section 1673(b), does not apply to funds withheld by a financial institution under this section.

(h) The public authority shall pay a fee of \$15 per levy to the financial institution. Financial institutions and the commissioner of human services shall establish procedures to automate the payment of this fee to the maximum extent possible. The fee may be recovered by the public authority from the judgment debtor as an allowable cost.

(i) No financial institution is liable for damages for complying with this section. The financial institution may rely on the date of mailing or delivery of a notice to it in computing any time periods in this section.

Subd. 3. INFORMAL RESOLUTIONS OF DISPUTES. (a) After the judgment debtor receives a notice of support judgment levy, the judgment debtor may contact the public authority with information regarding a mistake of fact or claim of exemption. In the event the matter is resolved, the public authority shall contact the financial institution and forward to the financial institution a notice of release regarding the appropriate transfer of funds and send a copy to the judgment debtor.

(b) Contact by the judgment debtor under this subdivision does not constitute a contest to the levy under subdivision 5. The time frame to contest the support judgment levy under subdivision 5 is not stayed while the judgment debtor contacts the public authority. The judgment debtor may contest the levy under subdivision 5.

Subd. 4. RESPONSIBILITIES OF THE PUBLIC AUTHORITY. (a) If a judgment debtor serves the public authority with a notice of motion and motion under subdivision 5, the public authority shall immediately notify:

(1) the financial institution, directing the financial institution to continue holding the funds pending resolution of the matter; and

(2) the obligee, by mailing by first class mail a copy of the notice of motion and motion.

(b) Upon final resolution of the matter, including the applicable appeal times, the public authority shall forward to the financial institution a notice of release regarding the appropriate transfer of funds.

(c) Funds received by the public authority must be applied to the judgment identified in the support judgment levy notice in compliance with federal regulations.

(d) In the event that multiple notices result in an amount of seized funds that is insufficient to satisfy all of the support judgment levies, the public authority shall distribute funds to satisfy each support judgment levy in the order in which they were sent to the financial institution.

Subd. 5. EXEMPTION AND CONTEST. (a) PROCESS TO CLAIM EXEMPTION. If the judgment debtor elects to claim an exemption, the judgment debtor shall complete the applicable portion of the exemption form, sign it under penalty of perjury, and deliver one copy to the public authority within 20 calendar days of the date postmarked on the correspondence mailed to the judgment debtor. Failure of the

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judgment debtor to deliver the executed exemption does not constitute a waiver of any claimed right to an exemption. Upon timely receipt of a claim of exemption by the public authority, funds not claimed to be exempt by the judgment debtor remain subject to the support judgment levy. If a claim of exemption is resolved informally, the public authority shall proceed according to subdivision 3.

(b) **PROCESS TO CONTEST.** (1) The judgment debtor may contest a support judgment levy on the limited grounds that the seizure or the amount seized is improper due to mistake of fact or that the funds held in the account are exempt from levy for child support purposes under state or federal law.

(2) If the judgment debtor chooses to contest the withholding, within 30 calendar days of notice of support judgment levy, the debtor shall:

(i) file a motion with the court administrator, including in the motion the alleged mistake of fact or the basis for any claim that the funds are exempted from withholding;

(ii) obtain a hearing date from the court administrator; and

(iii) serve the public authority, either personally or by fax, with a copy of the notice of motion and motion no later than two business days after obtaining a hearing date.

(c) **HEARING.** The hearing date shall be set at the earliest practicable time, but the matter must be heard no later than ten calendar days from the date a request for hearing is made. The court administrator shall schedule these matters to be heard in the expedited process before a child support magistrate, but may schedule these cases in district court if the availability of child support magistrate does not permit a hearing to occur within the time frames of this section.

Subd. 6. **FORM.** The state court administrator's office shall prepare and make available to the court administrators and judgment debtors a form to be submitted by the judgment debtor in support of a motion to contest the support judgment levy under this section.

Sec. 16. INSTRUCTION TO REVISOR.

In the next edition of Minnesota Statutes, the revisor of statutes shall change references to section 552.05 to section 552.06.

Sec. 17. REPEALER.

(a) Minnesota Statutes 1998, section 552.05, subdivisions 1, 2, 3, 6, 7, 8, and 9, are repealed.

(b) Minnesota Statutes 1999 Supplement, section 552.05, subdivisions 4, 5, and 10, are repealed.

(c) Minnesota Rules, parts 9500.1800; 9500.1805; 9500.1810; 9500.1811; 9500.1812; 9500.1815; 9500.1817; 9500.1820; and 9500.1821, are repealed effective October 1, 2001.

New language is indicated by underline, deletions by strikeout.

Presented to the governor May 9, 2000

Signed by the governor May 11, 2000, 5:36 p.m.

CHAPTER 459—S.F.No. 2956

An act relating to transportation; adopting Midwest Interstate Passenger Rail Compact; amending Minnesota Statutes 1998, section 218.011, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 218.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 1998, section 218.011, is amended by adding a subdivision to read:

Subd. 8. **COMMISSION.** “Commission” means the Midwest Interstate Passenger Rail Compact commission.

Sec. 2. [218.75] **MIDWEST INTERSTATE PASSENGER RAIL COMPACT.**

The contracting states solemnly agree:

ARTICLE I

STATEMENT OF PURPOSE

The purposes of this compact are, through joint or cooperative action:

A) to promote development and implementation of improvements to intercity passenger rail service in the Midwest;

B) to coordinate interaction among Midwestern state-elected officials and their designees on passenger rail issues;

C) to promote development and implementation of long-range plans for high speed rail passenger service in the Midwest and among other regions of the United States;

D) to work with the public and private sectors at the federal, state and local levels to ensure coordination among the various entities having an interest in passenger rail service and to promote Midwestern interests regarding passenger rail; and

E) to support efforts of transportation agencies involved in developing and implementing passenger rail service in the Midwest.

ARTICLE II

ESTABLISHMENT OF COMMISSION

To further the purposes of the compact, a commission is created to carry out the duties specified in this compact.

New language is indicated by underline, deletions by ~~strikeout~~.