

CHAPTER 16D

STATE DEBT COLLECTION

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16D.08 COLLECTION DUTIES AND POWERS.

[For text of subd 1, see M.S.2004]

Subd. 2. Powers. (a) In addition to the collection remedies available to private collection agencies in this state, the commissioner, with legal assistance from the attorney general, may utilize any statutory authority granted to a referring agency for purposes of collecting debt owed to that referring agency. The commissioner may also use the tax collection remedies in sections 270C.03, subdivision 1, clause (8), 270C.31, 270C.32, 270C.52, subdivisions 2 and 3, 270C.63, 270C.65, and 270C.67 to 270C.72. A debtor may take advantage of any administrative or appeal rights contained in the listed sections. For administrative and appeal rights for nontax debts, references to administrative appeals or to the taxpayer rights advocate shall be construed to be references to the case reviewer, references to Tax Court shall be construed to mean district court, and offers in compromise shall be submitted to the referring agency. A debtor who qualifies for cancellation of collection costs under section 16D.11, subdivision 3, clause (1), can apply to the commissioner for reduction or release of a continuous wage levy, if the debtor establishes that the debtor needs all or a portion of the wages being levied upon to pay for essential living expenses, such as food, clothing, shelter, medical care, or expenses necessary for maintaining employment. The commissioner's determination not to reduce or release a continuous wage levy is appealable to district court. The word "tax" or "taxes" when used in the tax collection statutes listed in this subdivision also means debts referred under this chapter.

(b) Before using the tax collection remedies listed in this subdivision, notice and demand for payment of the amount due must be given to the person liable for the payment or collection of the debt at least 30 days prior to the use of the remedies. The notice must be sent to the person's last known address and must include a brief statement that sets forth in simple and nontechnical terms the amount and source of the debt, the nature of the available collection remedies, and remedies available to the debtor.

History: 2005 c 151 art 2 s 1

16D.10 CASE REVIEWER.

Subdivision 1. Duties. The commissioner shall make a case reviewer available to debtors. The reviewer must be available to answer a debtor's questions concerning the collection process and to review the collection activity taken. If the reviewer reasonably believes that the particular action being taken is unreasonable or unfair, the reviewer may make recommendations to the commissioner in regard to the collection action.

Subd. 2. Authority to issue debtor assistance order. On application filed by a debtor with the case reviewer, in the form, manner, and in the time prescribed by the commissioner, and after thorough investigation, the case reviewer may issue a debtor assistance order if, in the determination of the case reviewer, the manner in which the state debt collection laws are being administered is creating or will create an unjust and inequitable result for the debtor. Debtor assistance orders are governed by the provisions relating to taxpayer assistance orders under section 270C.37.

Subd. 3. Transfer of duties to taxpayer rights advocate. All duties and authority of the case reviewer under subdivisions 1 and 2 are transferred to the taxpayer rights advocate.

History: 2005 c 151 art 1 s 116; art 9 s 1

16D.11 COLLECTION COSTS.

[For text of subd 1, see M.S.2004]

Subd. 2. Computation. At the time a debt is referred, the amount of collection costs is equal to 15 percent of the debt, or 25 percent of the debt remaining unpaid if the commissioner or private collection agency has to take enforced collection action by serving a summons and complaint on or entering judgment against the debtor, or by utilizing any of the remedies authorized under section 16D.08, subdivision 2, except for the remedies in sections 270C.32 and 270C.65 or when referred by the commissioner for additional collection activity by a private collection agency. If, after referral of a debt to a private collection agency, the debtor requests cancellation of collection costs under subdivision 3, the debt must be returned to the commissioner for resolution of the request.

[For text of subds 3 to 7, see M.S.2004]

History: 2005 c 151 art 2 s 17

16D.13 INTEREST.

[For text of subd 1, see M.S.2004]

Subd. 2. Computation. Notwithstanding chapter 334, the rate of interest is the rate established by the Department of Revenue under section 270C.40.

[For text of subd 3, see M.S.2004]

History: 2005 c 151 art 2 s 17