

16D.13 INTEREST.

Subdivision 1. **Authority.** Unless otherwise provided by a contract out of which the debt arises, by state or federal law, or by a written justification from an agency and approved by the Department of Finance showing the costs of charging interest exceed the benefit, a state agency shall charge simple interest on debts owed to the state at the rate provided in subdivision 2 if notice has been given in accordance with this subdivision. Interest charged under this section begins to accrue on the 30th calendar day following the state agency's first written demand for payment that includes notification to the debtor that interest will begin to accrue on the debt in accordance with this section.

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

Subd. 3. **Exclusion.** A state agency may not charge interest under this section on overpayments of assistance benefits under the programs formerly codified in sections 256.031 to 256.0361, 256.72 to 256.87, and under chapters 119B, 256D, and 256I, or the federal food stamp program. Notwithstanding this prohibition, any debts that have been reduced to judgment under these programs are subject to the interest charges provided under section 549.09.

History: 1995 c 254 art 5 s 11; 1999 c 159 s 4; 2003 c 112 art 1 s 15,16; 2005 c 151 art 2 s 17; 2007 c 147 art 2 s 2