CHAPTER 13B

MATCHING PROGRAMS; COMPUTERIZED COMPARISON OF DATA

13B.01	DEFINITIONS.	13B.05	REMEDIES.
13B.02	MATCHING AGREEMENTS.	13B.06	CHILD SUPPORT OR MAINTENANCE OBLIGOR DATA MATCHES.
13B.03	FRONT END VERIFICATION AND MATCHING PROGRAMS; RIGHTS OF SUBJECTS.	13B.07	TAX DEBTOR DATA MATCHES.

13B.01 DEFINITIONS.

Subdivision 1. **General.** For purposes of this chapter, the following terms have the meanings given them.

Subd. 2. **Benefit program.** "Benefit program" means a program administered by a public entity or agent of a public entity that provides cash or in-kind assistance in the form of payments, grants, subsidies, loans, loan guarantees, or any other form of financial assistance to individuals.

Subd. 3. **Front end verification.** "Front end verification" means a computerized procedure operated by a public entity that checks the accuracy and truthfulness of data provided by an individual as part of an application with the public entity.

Subd. 4. **Government data.** "Government data" has the meaning given the term in section 13.02, subdivision 7.

Subd. 5. **Individual.** "Individual" has the meaning given the term in section 13.02, subdivision 8.

Subd. 6. **Law enforcement agency.** "Law enforcement agency" means an agency of the state, a political subdivision, or the University of Minnesota with the power to conduct criminal investigations or make arrests or an attorney authorized by law to prosecute or participate in the prosecution of criminal offenses.

Subd. 7. **Matching program.** "Matching program" means a computerized comparison of government data to government or nongovernment data for use by a public entity for purposes of determining the eligibility of individuals for a license, privilege, benefit program, or employment. Matching program does not include a comparison performed:

(1) by a public entity if all data used in the comparison are government data of one responsible authority within the public entity, other than personnel or payroll data;

(2) by a law enforcement agency after initiation of a law enforcement investigation for gathering evidence for a law enforcement proceeding against an identified individual;

(3) to produce aggregate statistical data without data that identify individuals in the final product; or

(4) to support a research or statistical project, the specific data of which may not be used to make decisions concerning the rights, benefits, or privileges of specific individuals.

Subd. 8. **Public entity.** "Public entity" means a state agency or statewide system as those terms are defined in section 13.02.

Subd. 9. **Responsible authority.** "Responsible authority" has the meaning given in section 13.02, subdivision 16.

History: *1990 c 566 s 1*

13B.02 MATCHING AGREEMENTS.

Before participating in a matching program, the responsible authority in each public entity that participates in the matching program shall enter into a written agreement with the other person specifying:

(1) the rationale, purpose, and legal authority for conducting the program;

(2) a description of the data that will be matched, including each data element that will be used, the approximate number of records that will be matched, and the projected starting and completion dates of the matching program;

(3) procedures for retention and destruction of data created by the matching program consistent with section 138.17;

(4) procedures for ensuring the security of the data;

(5) prohibitions on duplication and redisclosure of data by the person who receives the data, unless authorized by the public entity that releases the data;

(6) procedures governing the use of the data provided by the public entity for the matching program, including procedures governing return to the public entity or destruction of the data consistent with section 138.17; and

(7) information on assessments that have been made on the accuracy of the data that will be used in the matching program.

History: *1990 c 566 s 2,9; 1992 c 569 s 36; 1994 c 618 art 1 s 47; 1995 c 259 art 1 s 62*

13B.03 FRONT END VERIFICATION AND MATCHING PROGRAMS; RIGHTS OF SUBJECTS.

A public entity may not suspend, terminate, reduce, or make a final denial of employment or a license or other privilege or of assistance under a benefit program, or take other adverse action against an individual as a result of data produced by a matching program or front end verification, until the entity has independently verified the data. If independent verification shows that the data are correct, the entity shall give the individual written notice of its findings and an opportunity to contest the findings. The requirements of this section may be satisfied by verification, notice, hearing, and appeal rights governing the particular benefit program or employment or licensing procedure from which data were obtained to be used in the matching program.

History: *1990 c 566 s 3*

13B.04 [Repealed, 1995 c 259 art 1 s 62]

13B.05 REMEDIES.

The remedies and penalties in sections 13.08 and 13.09 apply to this chapter.

History: *1995 c 259 art 1 s 28*

13B.06 CHILD SUPPORT OR MAINTENANCE OBLIGOR DATA MATCHES.

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.

(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 five times the obligor's total monthly support and maintenance payments.

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

Subd. 2. **Data match system established.** The commissioner of children, youth, and families shall establish a process for the comparison of account information data held by financial institutions with the public authority's database of child support obligors. The commissioner shall inform the financial industry of the requirements of this section and the means by which financial institutions can comply. The commissioner may contract for services to carry out this section.

Subd. 3. **Duty to provide data.** On written request by a public authority, a financial institution shall provide to the public authority on a quarterly basis the name, address, Social Security number, tax identification number if known, and all account information for each obligor who maintains an account at the financial institution.

Subd. 4. **Method to provide data.** To comply with the requirements of this section, a financial institution may either:

(1) provide to the public authority a list containing only the names and other necessary personal identifying information of all account holders for the public authority to compare against its list of child support obligors for the purpose of identifying which obligors maintain an account at the financial institution; the names of the obligors who maintain an account at the institution shall then be transmitted to the financial institution which shall provide the public authority with account information on those obligors; or

(2) obtain a list of child support obligors from the public authority and compare that data to the data maintained at the financial institution to identify which of the identified obligors maintains an account at the financial institution.

A financial institution shall elect either method in writing upon written request of the public authority, and the election remains in effect unless the public authority agrees in writing to a change.

Subd. 5. **Means to provide data.** A financial institution may provide the required data by submitting electronic media in a compatible format, delivering, mailing, or telefaxing a copy of the data, or by other means authorized by the commissioner of children, youth, and families that will result in timely reporting.

Subd. 6. **Access to data.** (a) With regard to account information on all account holders provided by a financial institution under subdivision 4, clause (1), the commissioner of children, youth, and families shall retain the reported information only until the account information is compared against the public authority's obligor database. Notwithstanding section 138.17, all account information that does not pertain to an obligor listed in the public authority's database must be immediately discarded, and no retention or publication may be made of that data by the public authority. All account information that does pertain to an obligor listed in the public authority's database must be incorporated into the public authority's database. Access to that data is governed by chapter 13. Notwithstanding section 16D.06, data collected pursuant to this chapter is available for the collection of child support debt only and is not available for other debt collection activities undertaken by the state under chapter 16D.

(b) With regard to data on obligors provided by the public authority to a financial institution under subdivision 4, clause (2), the financial institution shall retain the reported information only until the financial institution's database is compared against the public authority's database. Data that do not pertain to an account holder at the financial institution must be immediately discarded, and no retention or publication may be made of that data by the financial institution.

Subd. 7. **Fees.** A financial institution may charge and collect a fee from the public authority for providing account information to the public authority. The commissioner may pay a financial institution up to $150 each quarter if the commissioner and the financial institution have entered into a signed agreement that complies with federal law. The commissioner shall develop procedures for the financial institutions to charge and collect the fee. Payment of the fee is limited by the amount of the appropriation for this purpose. If the appropriation is insufficient, or if fund availability in the fourth quarter would allow payments for actual costs in excess of $150, the commissioner shall prorate the available funds among the financial institutions that have submitted a claim for the fee. No financial institution shall charge or collect a fee that exceeds its actual costs of complying with this section.

Subd. 8. **Failure to respond to request for information.** The public authority shall send by certified mail a written notice of noncompliance to a financial institution that fails to respond to a first written request for information under this section. The notice of noncompliance must explain the requirements of this section and advise the financial institution of the penalty for noncompliance. A financial institution that receives a second notice of noncompliance is subject to a civil penalty of $1,000 for its failure to comply. A financial institution that continues to fail to comply with this section is subject to a civil penalty of $5,000 for the third and each subsequent failure to comply. These penalties may be imposed and collected by the public authority.

A financial institution that has been served with a notice of noncompliance and incurs a second or subsequent notice of noncompliance has the right to a contested case hearing under chapter 14. A financial institution has 20 days from the date of the service of the notice of noncompliance to file a request for a contested case hearing with the commissioner. The order of the administrative law judge constitutes the final decision in the case.

Subd. 9. **Immunity.** A financial institution that provides or reasonably attempts to provide information to the public authority in compliance with this section is not liable to any person for disclosing the information or for taking any other action in good faith as authorized by this section or chapter 552.

Subd. 10. **Civil action for unauthorized disclosure by financial institution.** (a) An account holder may bring a civil action in district court against a financial institution for unauthorized disclosure of data received from the public authority under subdivision 4, clause (2). A financial institution found to have violated this subdivision shall be liable as provided in paragraph (b) or (c).

(b) Any financial institution that willfully and maliciously discloses data received from the public authority under subdivision 4 is liable to that account holder in an amount equal to the sum of:

(1) any actual damages sustained by the account holder as a result of the disclosure; and

(2) in the case of any successful action to enforce any liability under this section, the costs of the action taken plus reasonable attorney's fees as determined by the court.

(c) Any financial institution that negligently discloses data received from the public authority under subdivision 4 is liable to that account holder in an amount equal to any actual damages sustained by the account holder as a result of the disclosure.

(d) A financial institution may not be held liable in any action brought under this subdivision if the financial institution shows, by a preponderance of evidence, that the disclosure was not intentional and resulted from a bona fide error notwithstanding the maintenance of procedures reasonably adopted to avoid any error.

History: *1997 c 203 art 6 s 3; 1997 c 245 art 3 s 1-4; 1999 c 196 art 2 s 1; 2000 c 458 s 1; 1Sp2001 c 9 art 12 s 1; 2002 c 379 art 1 s 113; 2013 c 125 art 1 s 3,4; 2024 c 80 art 8 s 70*

13B.07 TAX DEBTOR DATA MATCHES.

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

(a) "Account" means demand deposit account, checking account, negotiable order of withdrawal account, savings account, time deposit account, money market mutual fund account, or certificate of deposit account located in Minnesota.

(b) "Account information" means the type of account, the account number, and whether the account is singly or jointly owned.

(c) "Commissioner" means the commissioner of revenue.

(d) "Debtor" means a person for whom a notice of lien has been filed by the commissioner as provided by section 270C.63, subdivision 2.

(e) "Financial institution" means any of the following that do business in this 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) safe deposit companies; or

(4) money market mutual funds.

(f) "Person" means a person as defined in section 270C.01, subdivision 6.

(g) "Service level agreement" means an agreement entered into between the commissioner and a financial institution that defines terms and conditions by which the financial institution will provide data matches to the commissioner.

Subd. 2. **Data match system established.** The commissioner shall establish a process for the comparison of account information data held by financial institutions with the Department of Revenue's database of debtors. The commissioner, in consultation with representatives from financial institutions, shall develop an implementation and administration plan for the data match system that attempts to minimize financial burdens on financial institutions for start-up and compliance costs and takes into consideration the financial institutions' existing data match systems. The commissioner shall inform the financial industry of the requirements of this section and the means by which financial institutions can comply no later than October 1, 2008, with the financial institutions receiving the first match requests no earlier than January 1, 2009. The commissioner may enter into service-level agreements with financial institutions.

Subd. 3. **Duty to provide data.** Within 30 days of a request by the commissioner, a financial institution shall provide to the commissioner the name, address, personal identifying information, and account information for each debtor or account holder, in accordance with the method chosen in subdivision 4, who maintains an account at the financial institution. The commissioner may request from a financial institution the data concerning any debtor not more than once every three months.

Subd. 4. **Method to provide data.** To comply with the requirements of this section, a financial institution must elect, in a manner authorized by the commissioner, to either:

(1) provide to the commissioner a list containing only the names and other necessary personal identifying information, including the debtor's address, Social Security number if an individual, and tax identification number if known, of all account holders for the commissioner to compare against its list of debtors for the purpose of identifying which debtors maintain an account at the financial institution; the names of the debtors who maintain an account at the institution shall then be transmitted to the financial institution which shall provide the commissioner with account information on those debtors; or

(2) obtain an electronic list of debtors from the commissioner that includes each debtor's name, address, Social Security number if an individual, and tax identification number if known, and compare that data to the data maintained at the financial institution to identify which of the identified debtors maintains an account at the financial institution.

Subd. 5. **Means to provide data.** A financial institution must provide the required data in encrypted form by secure electronic means or other means authorized by the commissioner.

Subd. 6. **Access to data.** (a) With regard to account information on all account holders provided by a financial institution under subdivision 4, clause (1), the commissioner shall retain the reported information only until the account information is compared against the commissioner's debtor database. Notwithstanding section 138.17, all account information that does not pertain to a debtor listed in the commissioner's database must be immediately destroyed and no retention or publication of that data shall be made by the commissioner. All account information that pertains to a debtor listed in the commissioner's database must be incorporated into the commissioner's database. Access to that data is governed by chapters 13 and 270B. Notwithstanding section 16D.06, data collected pursuant to this section is available for the collection of delinquent taxes only and is not available for other debt collection activities undertaken by the state.

(b) With regard to data on debtors provided by the commissioner to a financial institution under subdivision 4, clause (2), the financial institution shall retain the reported information only until the financial institution's database is compared against the commissioner's database. Data that does not pertain to an

account holder at the financial institution must be immediately destroyed and no retention, publication, or any other use of that data shall be made by the financial institution.

Subd. 7. **Fees.** A financial institution may charge and collect a fee from the commissioner for providing account information to the commissioner. The commissioner may pay a financial institution up to $150 each quarter. The commissioner shall develop procedures for the financial institutions to charge and collect the fee. Payment of the fee is limited by the amount of the appropriation for this purpose. If the appropriation is insufficient, or if fund availability in the fourth quarter would allow payments for actual costs in excess of $150, the commissioner shall prorate the available funds among the financial institutions that have submitted a claim for the fee. No financial institution shall charge or collect a fee that exceeds its actual costs of complying with this section.

Subd. 8. **Failure to respond to request for information.** The commissioner shall send a written notice of noncompliance to a financial institution that fails to respond to a first written request for information under this section. The notice must be sent by certified mail and must explain the requirements of this section and advise the financial institution of the penalty for noncompliance. A financial institution that receives a second notice of noncompliance is subject to a civil penalty of $1,000 for its failure to comply. A financial institution that continues to fail to comply with this section is subject to a civil penalty of $5,000 for the third and each subsequent failure to comply. The penalties imposed under this subdivision are collected in the same manner as taxes. A financial institution that has been served with a notice of noncompliance and incurs a second or subsequent notice of noncompliance has the right to a contested case hearing under chapter 14. A financial institution has 20 days from the date of the service of the notice of noncompliance to file a request for a contested case hearing with the commissioner. The order of the administrative law judge constitutes the final decision in this case. A financial institution is considered to be in compliance with this section if it demonstrates that it is working in good faith to implement the data match program.

Subd. 9. **Confidentiality.** A financial institution furnishing a report to the commissioner under this section is prohibited from disclosing to a debtor that the name of the debtor has been received from or furnished to the commissioner.

Subd. 10. **Immunity.** A financial institution that provides or reasonably attempts to provide information to the commissioner in compliance with this section is not liable to any person for disclosing the information or for taking any other action in good faith as authorized by this section.

History: *2008 c 363 art 13 s 14; 2013 c 125 art 1 s 5*