



November 2, 2021

The Honorable Mary Kiffmeyer, Chair
Senate State Government Finance
and Policy and Elections
3103 Minnesota Senate Building
St. Paul, MN 55155

The Honorable Michael Nelson, Chair
House State Government Finance
585 State Office Building
St. Paul, MN 55155

The Honorable Jim Carlson
Ranking Minority Member
Senate State Government Finance
and Policy and Elections
2207 Senate Office Building
St. Paul, MN 55155

The Honorable Tony Albright
Ranking Minority Member
House State Government Finance
259 State Office Building
St. Paul, MN 55155

Dear Senators and Representatives:

Attached is the Uncollectible Debt Summary report for FY 2021 as required by M.S. 16D.09. This is the third year of a new reporting requirement resulting from the 2019 Legislative Session.

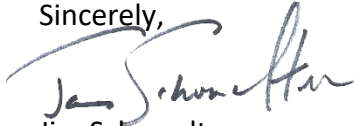
The statute provides eight reasons for writing off debt owed to the state.

1. All reasonable collection efforts have been exhausted
2. Cost of further collection action will exceed the amount recoverable
3. Debt is legally without merit or cannot be substantiated by evidence
4. Debtor cannot be located
5. Available assets or income, current or anticipated, that may be available for payment of the debt are insufficient
6. Debt has been discharged in bankruptcy
7. Applicable statute of limitations for collection of the debt has expired
8. It is not in the public interest to pursue collection of the debt

From FY 2020 to FY 2021, the total number of uncollectible debts declined 8% from 73,361 to 67,578, while the total amount of uncollectible debts increased 16% from \$88,170,194 to \$102,603,185. The increase in the amount of debt is in part due to a lag in debt write offs during 2020 as a result of the pandemic.

If you have any questions, please contact Cindy Farrell at 651.201.8012.

Sincerely,

A handwritten signature in black ink, appearing to read "Jim Schowalter". The signature is fluid and cursive, with a large initial "J" and "S".

Jim Schowalter
Commissioner

Cc: Eric Nauman, Senate Counsel, Research and Fiscal Analysis
Bill Marx, House Fiscal Analysis
Andrew Erickson, Senate Counsel, Research and Fiscal Analysis
Helen Roberts, House Fiscal Analysis