



October 31, 2022

Senator Mary Kiffmeyer, Chair
Senate State Government Finance
and Policy and Elections Committee
3103 Minnesota Senate Building
Saint Paul, MN 55155

Representative Michael Nelson, Chair
House State Government Finance
and Elections Committee
585 State Office Building
Saint Paul, MN 55155

Senator Jim Carlson, Ranking Minority Member
Senate State Government Finance
and Policy and Elections Committee
2207 Minnesota State Building
Saint Paul, MN 55155

Representative Jim Nash, Ranking Minority Member
House State Government Finance
and Elections Committee
349 State Office Building
Saint Paul, MN 55155

Dear Representatives and Senators:

Attached is the annual uncollectible debt summary report for fiscal year 2022 as required by Minn. Stat. § 16D.09.

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

1. All reasonable collection efforts have been exhausted.
2. The cost of further collection action will exceed the amount recoverable.
3. The debt is legally without merit or cannot be substantiated by evidence.
4. The debtor cannot be located.
5. The available assets or income, current or anticipated, that may be available for payment of the debt are insufficient.
6. The debt has been discharged in bankruptcy.
7. The 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 fiscal year 2021 to fiscal year 2022, the total number of uncollectible debts declined approximately 29 percent, from 67,578 to 47,661, while the total amount of uncollectible debts decreased approximately 21 percent, from \$102,603,185 to \$81,174,917.

If you have any questions, please contact Paul Moore, Assistant Commissioner, at 651-201-8004.

Sincerely,

Jim Schowalter
Commissioner

Cc: Eric Nauman, Senate Counsel, Research and Fiscal Analysis Office
Emily Adriaens, House Fiscal Analysis Department
Andrew Erickson, Senate Counsel, Research and Fiscal Analysis Office
Helen Roberts, House Fiscal Analysis Department
Paul Moore, Minnesota Management and Budget