



October 31, 2024

Senator Kari Dziedzic, Chair
Senate State and Local Government
Finance and Policy Committee
3403 Minnesota Senate Building
Saint Paul, MN 55155

Representative Ginny Klevorn, Chair
House State and Local Government
Finance and Policy Committee
5th Floor, Centennial Office Building
Saint Paul, MN 55155

Senator Bruce Anderson, Ranking Minority Member
Senate State and Local Government
Finance and Policy Committee
2209 Minnesota State Building
Saint Paul, MN 55155

Representative Jim Nash, Ranking Minority Member
House State and Local Government
Finance and Policy Committee
2nd Floor, Centennial Office Building
Saint Paul, MN 55155

Dear Representatives and Senators:

Attached is the annual uncollectible debt summary report for fiscal year 2024 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 2023 to fiscal year 2024, the total number of uncollectible debts decreased approximately 41 percent, from 133,653 to 79,475, while the total amount of uncollectible debts increased approximately 4 percent, from \$107,186,607 to \$110,957,599.

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

Sincerely,

A handwritten signature in black ink that reads 'Erin M. Campbell'.

Erin Campbell
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

Minnesota Management and Budget

M.S. 16D.09 Uncollectible Debt Summary Report

Fiscal Year 2024

	<u>Number</u>	<u>Percent of Total</u>	<u>Dollar Amount</u>	<u>Percent of Total</u>
Write Offs				
Under \$10,000	78,103	98%	\$46,103,218.58	42%
\$10,000 or more	1,372	2%	\$64,854,380.87	58%
Total Write-Offs	<u>79,475</u>	<u>100%</u>	<u>\$110,957,599.46</u>	<u>100%</u>

Debt Breakdown

Over \$999,999	1	\$1,181,632.85
\$500,000 - \$999,999	11	\$7,044,760.48
\$250,000 - \$499,999	23	\$7,528,831.52
\$100,000 - \$249,999	103	\$14,962,721.27
\$50,000 - \$99,999	195	\$13,241,203.89
\$10,000 - \$49,999	1,039	\$20,895,230.86
Under \$10,000	<u>78,103</u>	<u>\$46,103,218.58</u>
	79,475	<u>\$110,957,599.46</u>