



**Service Level Agreement  
Administration of Revenue Recapture**

Date \_\_\_\_\_

State of Minnesota  
Minnesota Department of Revenue

And

\_\_\_\_\_  
Agency Name

\_\_\_\_\_  
Revenue Recapture ID

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## Introduction

This Revenue Recapture Service Level Agreement between \_\_\_\_\_ (claimant agency, you, your) and the Minnesota Department of Revenue (Revenue, the department, we, us) defines the statutes and policies you must follow when using revenue recapture to resolve debts.

## Statutory Authorization

Minnesota Statutes, Chapter 270A, also known as the Revenue Recapture Act, authorizes the commissioner of Revenue to collect debts for claimant agencies. Minnesota Administrative Rules 8165.0100 -- 8165.0400 provide additional guidelines for managing agency access.

## Definitions

The following definitions apply to this service level agreement:

- A. **Authorized Users**  
Employees within your agency earning W-2 wages.
  
- B. **Claimant Agency**  
Any agency qualified to submit revenue recapture claims.
  
- C. **Commissioner**  
The commissioner of revenue.
  
- D. **Contested Claim**  
When a debtor disputes the validity of a claim.
  
- E. **Debt**  
A specific amount of money a natural person is legally obligated to pay a claimant agency.
  
- F. **Date of Debt**  
Date the debt was incurred.
  
- G. **Debtor**  
A natural person who owes a debt to a claimant agency.
  
- H. **e-Services**  
The online system claimant agencies use to manage revenue recapture claims. You must use this system to manage claims submitted to us.

**I. Nonliable Spouse**

A spouse that is not liable for an individual debt.

**J. Notice to the Debtor**

Notice you must provide a debtor when using the Revenue Recapture Program to collect a debt.

**K. Priority of Claim**

The order claims are paid.

**L. Refund**

Income tax refund, political contribution refund, property tax credit or refund, sustainable forest incentive payment, lottery prize, or payment made by recommendation of the Joint House-Senate Subcommittee on Claims.

**M. Revenue Recapture**

Revenue can take (recapture) state refunds and other refunds to pay claimant agencies through the revenue recapture process.

**N. Service Level Agreement**

The agreement that describes the duties and responsibilities of Revenue and the claimant agency.

**O. Statute of Limitations**

Legal amount of time an agency can collect a debt.

**P. Reconciliation Report**

Reports in e-Services are available to you to reconcile revenue recapture claims.

**Q. Third-party**

A person or entity who is an independent contractor, subcontractor, or billing agency.

**Limitations**

A. Claims submitted for revenue recapture must be at least \$25.

B. We will close claims when the balance is less than \$15.

## Duties of Claimant Agency

### Training and User Access

- A. Request access for authorized users only.
- B. Do not request access for third parties.
- C. Attend annual mandatory revenue recapture training.
- D. Do not share user IDs or passwords. Each authorized user must have their own user ID and password.
- E. Allow access for business purposes only.
- F. Update Revenue Recapture Program administrators and e-Services users when changes in staff occur.

### Claim Requirements

- G. Ensure all debts referred to the Revenue Recapture Program meet the following statutory requirements:
  - a. The debtor's name and Social Security Number are available to submit the claim.
  - b. Agency must have a unique agency control number for each claim. This number can be up to 18 characters and it must not be a Social Security Number.
  - c. There is not a written payment agreement in place that prohibits use of revenue recapture.
  - d. The collection attempt will not result in a loss of federal funds.
  - e. Agency must monitor and remove claims prior to the expiration of the time period allowed by law to collect the claim.
  - f. Your agency's statutes and Minnesota Statutes, section 270A.03 subd. 2 allow claim submission.
- H. Adhere to the priority of claims by:
  - a. Sending a notice to the debtor for each claim filed
  - b. Submitting revenue recapture claims for each debt
  - c. Contacting Revenue before refunding revenue recapture or nonliable spouse overpayments.
- I. Update claims within 30 days of debt balance changes.

## Notification Requirements

- J. Send a notice to the debtor no more than 30 days before but no later than five days after filing the claim.
- K. If the notice was returned due to an incorrect address, your agency must verify the address in e-Services. If there is a different address, you must send a new notification.
- L. The notice to the debtor must include the following information:
  - Date
  - Agency letterhead
  - Debtor name, address, city, state, and zip code
  - If the notice lists a specific refund type for revenue recapture, it must list all refund types:
    - State Tax Refunds
    - Lottery Winnings
    - Property Tax Credit or Refund
    - Other Funds
  - Intent to offset refunds and apply it to their debt until the debt is expired, paid, or canceled.
  - State law allows refunds to apply based on Minnesota Statutes, Chapter 270A, or the Revenue Recapture Act.
  - Debt detail, including agency name, date of debt, type of debt, debt description, debt amount(s), and total claim amount.
  - Exemption language if the debt is:
    - Based on overpayment of assistance, the debtor is a current recipient of assistance, and the payment is not based on a client waiver
    - Not an administrative or judicial finding of an intentional program violation
    - Owed to a program and the debtor is a client of that program at the time of notification, and is a current recipient of food stamps or food support, transitional childcare, or transitional medical assistance
    - For an obligation to pay medical care, including hospitalization, and the debtor's income is below specified levels at the time of service
  - The debtor's right to dispute the debt or claim at a contested claim hearing through the Office of Administrative Hearings (OAH). The debtor has 45 days to contest the claim in writing. Your agency must schedule a hearing within 30 days of receiving a written request.

## **Additional Notification Requirements**

- Depending on statute, your agency's notification letter might require additional information.
- Your agency must keep a copy of the notification letter as long as the debt is within the statute of limitations, or until the debt is paid or canceled.

## **Process Requirements**

- M. Your agency must have processes to administer:
- a. Nonliable spouse claims
  - b. Exemption claims
  - c. Contested claim hearings
  - d. Returned mail
  - e. Statute of Limitations
  - f. Refunds and overpayments

## **Other Key Items**

N. Comply with Revenue's audits and correct issues found within the time limits given.

O. Your agency must keep adequate records including, but not limited to:

- g. Copy of the notification letter
- h. Claims filed
- i. Payments received
- j. Current balances

P. Notify us if your agency no longer qualifies to participate in the Revenue Recapture Program. You must cease all existing claims.

## **Duties of the Minnesota Department of Revenue**

- A. Provide mandatory training and support for agency staff who administer revenue recapture.
- B. Send debtors a revenue recapture notice when we apply a refund to their debt. This written notice must include the following information:
- a. The refund amount that applied to the debt
  - b. Your address and phone number
  - c. The right of the debtor to contest the validity of the revenue recapture claim

- d. For joint refunds, a nonliable spouse has the right to request their portion of the refund
- C. Process revenue recapture claims and account updates you submit by the next business day.
- D. Remit refund payment(s) to you each business day.
- E. Make reconciliation reports available to you through e-Services.
- F. Notify you before making changes to revenue recapture requirements or procedures and provide an anticipated schedule for the changes.
- G. Audit you to ensure compliance with Minnesota Statutes and this service level agreement.
- H. Provide you with annual Computer Based Training
- I. Inactivate users who have not accessed e-Services in 15 months.
- J. Suspend your agency if you do not follow Minnesota Statutes, rules, or policies.
- K. Require you to sign a Revenue Recapture Service Level Agreement.

### **Data Practice Responsibilities**

- A. We can exchange private data on individuals between Revenue, the Minnesota Taxpayer Rights Advocate, the Minnesota Attorney General's Office, the claimant agency, and the debtor when necessary with the intent of collecting debts through the revenue recapture process.
- B. Data we collect from you relating to claims filed under revenue recapture are private data on individuals.
- C. Revenue recapture claims must be administered by W-2 employees of your agency.
- D. Your employees must have disclosure and anti-browsing training to access the database.



- E. Any person you employ or formerly employed who discloses information for any other reason than collecting debts using revenue recapture will be subject to civil and criminal penalties (See Minnesota Statutes, Chapter 270A.11).

**Legal Requirements**

- A. This agreement is effective for three years unless canceled by either party.
- B. A claimant agency defined under Minnesota Statutes, section [270A.03](#), subdivision 2, will be suspended from participation in the Revenue Recapture Program for a violation of the Revenue Recapture Act or Minnesota Rules after due notice and an opportunity for hearing.
- C. The authorized agent(s) for \_\_\_\_\_ (Agency Name)  
Is/are: \_\_\_\_\_ (User Name)  
The authorized agent for the Minnesota Department of Revenue is the Collection Division director.
- D. You may not assign or transfer any rights or obligations under this service level agreement without prior written approval of the department.
- E. If you make changes, your authorized agent must sign a new service level agreement to continue using the Revenue Recapture Program.
- F. You and the department agree each party is responsible for their own acts and the results thereof to the extent authorized by law and will not be responsible for the acts of any others and the results thereof.
- G. Any amendments to this agreement must be in writing and executed by the same parties who executed the original agreement or their successors in office.

Please indicate how your agency qualifies to participate in revenue recapture by referencing Minnesota Statutes, section 270A.03 subd. 2.

Qualifying agency type: \_\_\_\_\_

Your authorized agent must sign, date, and return this agreement to us by Monday, May 19, 2020. This agreement will become effective on the date signed by the Minnesota Department

of Revenue Collection Division director. This agreement supersedes all prior formal and/or informal agreements between the two agencies regarding the Revenue Recapture Act.

AGENCY NAME: \_\_\_\_\_

SIGNATURE: \_\_\_\_\_ DATE: \_\_\_\_\_

NAME (Printed): \_\_\_\_\_ TITLE: \_\_\_\_\_

EMAIL: \_\_\_\_\_ PHONE: \_\_\_\_\_

SECOND CONTACT

NAME (Printed): \_\_\_\_\_ TITLE: \_\_\_\_\_

EMAIL: \_\_\_\_\_ PHONE: \_\_\_\_\_

Minnesota Department of Revenue  
Collection Division

\_\_\_\_\_  
Sara Westly, Director

DATE \_\_\_\_\_