



**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 _____ and the Minnesota Department of Revenue 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.

Most agencies use Minnesota Statutes, section 541.05, for their statute of limitations; however, some agencies follow a different statute.

Definitions

These definitions apply to this service level agreement:

A. Authorized Users

Employees within your agency earning W-2 wages who are authorized to add, change, and remove claims.

B. Authorized Agent

Employee at agency who makes decisions or signs contracts on your agency's behalf, supervises agency's authorized users who refer debts, and resolves administration or participation issues with the Revenue Recapture program. Also referred to as Service Level Agreement signer.

C. Claimant Agency

Any agency qualified to submit revenue recapture claims.

D. Commissioner

The commissioner of Revenue.

E. Contested Claim

When a debtor disputes the validity of a claim.

F. Date of Debt

Date the debt was incurred.

G. Revenue Recapture e-Services

The online system claimant agencies are required to use to manage revenue recapture claims. Some agencies also use a secure online space, Virtual Room, to exchange electronic files for multiple revenue recapture claims using Revenue's secure network.

H. Nonliable Spouse

A spouse not responsible for a debt incurred by another individual.

I. Notice to the Debtor

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

J. Priority of Claim

The order claims are paid.

K. 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.

L. Revenue Recapture

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

M. Secondary Contact

Employee at agency with the same authority as the Authorized Agent or Service Level Agreement signer.

N. Statute of Limitations

Legal amount of time an agency can collect a debt.

O. Reconciliation Report

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

P. 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 Policies

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

Claim Requirements

- A. Ensure all debts meet these statutory requirements before adding claims:
 - 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. Your agency's statutes and Minnesota Statutes, section 270A.03, subdivision 2 allow claim submission.
- B. Add all claims using the appropriate claim type:
 - a. Child Support
 - b. Criminal Restitution
 - c. Health Care Recapture
 - d. General (all other types)
- C. Adhere to the priority of claims by:
 - a. Sending a notice to the debtor for each claim filed
 - b. Submitting a revenue recapture claim for each debt
 - c. Contacting Revenue before refunding revenue recapture or nonliable spouse overpayments of \$40 or more
- D. Update claims within 30 days of balance reduction changes.
- E. Monitor and remove all claims prior to the statute of limitations.

Notification Requirements

- A. Send a notice to the debtor no more than 30 days before but no later than five days after filing the claim.

- B. If the notice was returned due to an incorrect address, your agency must check Revenue Recapture e-Services for a new address. If there is a different address, you must document it, update the address in your system, and send a new notification within five days.
- C. Revenue must approve your notice to the debtor. The notice must be on your agency's letterhead and include this information:
- Date
 - 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 amounts, 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 not 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.
- D. Depending on statute, your agency's notification letter might require additional information.
- E. Your agency must keep a copy of the notification letter if the debt is within the statute of limitations, or until the debt is paid or canceled.
- F. If you add a claim for a deceased customer, you must send notification to their estate.

Process Requirements

- A. 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

- A. Comply with Revenue's audits and correct issues found within the time limits given.
- B. Your agency must keep adequate records including, but not limited to:
 - a. Copy of the notification letter
 - b. Claims filed
 - c. Payments received
 - d. Current balances
- C. Notify us if your agency no longer qualifies or wants to participate in the Revenue Recapture Program. You must cease all existing claims.
- D. Place a hold on a debtor's claims during bankruptcy proceedings and cancel claims for debts discharged in bankruptcy.

Duties of the Minnesota Department of Revenue

- A. Provide mandatory annual 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:
 - 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 payments to you each business day.

- E. Make reconciliation reports available to you through Revenue Recapture 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. Inactivate users who have not accessed Revenue Recapture e-Services in 15 months.
- I. Suspend your agency if you do not follow Minnesota statutes, rules, or policies.
- J. 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 authorized users 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 users for your agency are:

D. You may not assign or transfer any rights or obligations under this service level agreement without prior written approval of Revenue.

E. If your authorized agent changes, you must contact the Revenue Recapture Program to determine if you need a new service level agreement to continue using the program.

F. You and Revenue agree each party is responsible for their own acts and the results of those actions 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 agents must sign, date, and return all pages of this agreement to us for review. If approved, 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 informal agreements between the two agencies regarding the Revenue Recapture Act.

Agency Name: _____

Authorized Agent Name (printed): _____ Title: _____

Authorized Agent Email: _____ Phone: _____

Authorized Agent Signature: _____ Date: _____

Second Contact

Name (printed): _____ Title: _____

Email: _____ Phone: _____

Signature: _____ Date: _____

Minnesota Department of Revenue
Collection Division

Sara Westly, Director

Date _____