

**8165.0200 SUSPENSION OF CLAIMANT AGENCY STATUS.**

Subpart 1. **Commissioner's power to suspend.** A claimant agency defined under Minnesota Statutes, section 270A.03, subdivision 2, shall be suspended from participation in the Revenue Recapture Act for a violation of the act after due notice and an opportunity for hearing.

For purposes of this part, the terms used have the same meaning as in Minnesota Statutes, chapter 270A. The specified proceedings shall be governed by the procedure for contested case proceedings as provided in Minnesota Statutes, chapter 14.

Subp. 2. **Reasons for suspension.** A claimant agency shall be suspended from filing new claims or receiving offsets on existing claims, if the agency has done one of the following:

A. failed to remit to a spouse who does not owe the debt the spouse's properly allocated share of a joint tax refund which has been recaptured to satisfy a debt of the liable spouse;

B. filed claims on debts for which the time period allowed by law for collecting the debt has expired;

C. failed to notify the commissioner to remove from revenue recapture satisfied debts or debts for which the time period allowed by law for collecting the debt has expired;

D. failed to notify debtors of the basis and validity of the agency's claim, whether the debtor might be exempt, or of the debtor's right to a contested case hearing; or

E. violated any other provisions of Minnesota Statutes, chapter 270A.

Subp. 3. **Warning.** Whenever a claimant agency has violated a provision of the Revenue Recapture Act, the commissioner shall notify the claimant agency in writing of the specific violation committed. The notification must contain a warning to the claimant agency that if the violation continues, the commissioner shall commence a proceeding for suspension from participation in the Revenue Recapture Act. The claimant agency must mail its reply to the notice within 30 days after the notice is mailed and when necessary, correct any deficiencies.

Subp. 4. **Proceeding.**

A. If a claimant agency fails to comply with the warning in subpart 3, the commissioner shall send a written notice to the claimant agency, providing the following information:

(1) the nature of the violations of the Revenue Recapture Act that the agency has committed;

(2) the commissioner's intent to suspend the agency from filing new claims or receiving offsets on existing claims;

(3) the right of the claimant agency to appeal the suspension by submitting a written request for a contested case hearing to the commissioner within 30 days after the notice is mailed; and

(4) the right of the claimant agency to petition for reinstatement as provided in subpart 6.

B. If the commissioner receives written notice of a claimant agency's request for a contested case hearing, the commissioner must schedule a hearing within 30 days after the request is mailed. The claimant agency must be billed for and pay one-half of the costs of the hearing.

Subp. 5. **Disciplinary actions.** If the claimant agency fails to timely request a hearing, or if upon completion of the contested case proceedings the commissioner makes a determination to suspend the claimant agency, the commissioner shall send written notice of the suspension to the claimant agency. The suspension begins as of the date of the notice. The commissioner's determination must explain the basis for the disciplinary action being taken.

Subp. 6. **Petition for reinstatement.** Beginning 90 days after suspension, a suspended claimant agency may petition the commissioner for reinstatement to participate in the Revenue Recapture Act. The petition must be supported with documentation that the claimant agency has corrected the prior violations and has taken steps to ensure that the prior violations will not be repeated. The commissioner shall review the petition and make a determination within 30 days as to whether the claimant agency may be reinstated to participate in the Revenue Recapture Act. If the petition is denied by the commissioner, the claimant agency may request the commissioner in writing for a contested case hearing within 30 days after the notice of denial is mailed. If the commissioner receives written notice of a claimant agency's request for a contested case hearing, the commissioner must schedule a hearing within 30 days after the request is mailed. The claimant agency must be billed for and pay one-half of the costs of the hearing. Upon completion of the contested case proceedings, the commissioner shall send the claimant agency written notice of the commissioner's decision.

**Statutory Authority:** *MS s 270.06; 270C.06*

**History:** *26 SR 771; L 2005 c 151 art 1 s 114*

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