Minnesota Debt Fairness Act Outline

Medical Debt Reforms

1. Ban medical debt from being reported to credit bureaus (*New Statute: 332C.03*).
2. Ban medical providers from withholding medically necessary care due to unpaid debt (*New Statute: Minn. Stat. 62J.806*).
3. Eliminate automatically transferring medical debt to a patient's spouse (*Minn. Stat. 519.05*).
4. Establish new medical debt collection rights, enforceable by the Attorney General and private right of action, including attorney fee-shifting and a per-violation statutory damage award pegged to the Consumer Price Index (*New Statute*: *Minn. Stat. 332C.02 and 332C.05*), including:
    a. Parties collecting medical debt cannot use robo dialers to collect debt.
    b. Parties collecting medical debt cannot say medical services will be withheld if the debt is not paid.
    c. Parties collecting medical debt cannot contact third parties about debt.
    d. Parties collecting medical debt must notify patients of their right to hire an attorney or contact the Attorney General regarding the debt.
    e. Parties collecting medical debt cannot violate the Fair Debt Collection Practices Act or any other Minnesota statute.
5. Require that Minnesotans who successfully defend medical debt collection lawsuits must be paid their attorney's fees incurred in defending the case (N*ew Statute*: *Minn. Stat. 332C.04*).
6. Require medical providers to publish their medical debt collection practices (*New Statute*: *Minn. Stat. 62J.806*).
7. Establish new process for patients to dispute incorrect coding or billing of medical care (*New Statute*: *Minn. Stat. 62J.808*).

Judgement Collection and Bankruptcy Reforms

1. Establish automatic income-based wage garnishment levels:
    a. People making less than minimum wage (calculated at 40 hr/wk) are exempt from wage garnishment.
    b. 10% wage garnishment allowed for people making 1-1.5x minimum wage (calculated at 40 hr/wk).
    c. 15% wage garnishment allowed for people making 1.5-2x minimum wage (calculated at 40 hr/wk).
    d. 25% wage garnishment for people making more than 2x minimum wage (calculated at 40 hr/wk).

2. Extend Minnesota's wage garnishment protections to independent contractors (*Minn. Stat. 571.921*).
3. Establish new protections for property from collection and in bankruptcy (*Minn. Stat. 550.37*).
    a. **$1,500** "Wild Card exemption" that can be applied to protect any property, including funds in a bank account.
    b. Vehicle protection increased from **$5,000 to $10,000** with enhanced protection for:
        i. Disability-equipped vehicles - **$100,000**.
        ii. Vehicles used by or for a person with a mobility disability - **$25,000**.
        iii. Work vehicles - **$12,500**.
    c. Personal electronic devices like smartphones, computers, and tablets.
    d. **$3,000** for household tools like snowblowers and lawnmowers.
    e. **$2,000** for sacred possessions like the Bible, Torah, Qu'ran, prayer rug, and other religious items.
    f. **$2,000** for musical instruments.
    g. **$1,000** for family pets.
    h. **$750** for books.
    i. Federal or state tax credits received by eligible low-income taxpayers, including, but not limited to the earned income tax credit, the Minnesota working family credit, and renter's credit.
    j. Money received in personal injury cases.
4. Apply Minnesota's garnishment laws to everyone who lives and works in Minnesota (*Minn. Stat. 571.92*).
5. Simplify process for challenging garnishment and levy of property (*Minn. Stat. 571.914*).
6. Attorney General to consult with affected business and consumer groups to revise garnishment and levy forms and will provide recommendations for legislative revisions to these forms.