

Chair Paul Marquart, Members of the House Taxes Committee,

March 9, 2021

Representatives, please support this reform of the revenue recapture law.

I ran a national distribution Company in Minneapolis for 35 years. When I had to collect debts I had to use the Courts and often hired a Collection Agency which charged 20% to 40% of the debt collected. The process was expensive and took precious time away our business activities. It is outrageous as a President of a small Minnesota business to learn that Large and profitable private companies are able to have their debts collected by the State for a mere \$15.

I recently became aware, from a December article in the Minneapolis Star Tribune, of the unfortunate segment of Minnesota Law that this bill would remove. After researching the issue I sent a note to the Editor of Southside Pride Community Newspaper advocating for public pressure to have these unfair provisions removed from State Law. The Editor responded by asking me to write a article about the outrageous section inserted into a Minnesota Law and how it benefited just one large Corporation. (Link to story below) That story got a tremendous response.

<https://drive.google.com/file/d/1DvniPgPLAAj1lT4haxu-nse19a-4xfIM/view?usp=sharing>

I have since learned that there are other private corporations also benefiting from provisions of this law. HF 363 removes private Corporations that are benefiting from this law designed to collect debts on behalf of Government and Public Institutions.

If there was any justification for the State to do Collection for any business, it should be for the 550,000 small businesses in Minnesota. Small business provides over 50% of employment in America and I expect MN too. The last House Research Service Study showed that Small business create 95% of new jobs in Minnesota. This shows that Small Business is the biggest business in Minnesota and in America. Small Business is the real economic engine for jobs and development in our communities. Yet, even Small Business should not get this collection benefit. I think there are much better ways to help our vital small business sector.

HF 363 removes sections of State Law that never should have been allowed. Please remove this embarrassing, special privilege in our law being given to a few large, profitable companies. Please correct the problem as quickly as possible: pass HF 363.

Thank you.

Sincerely,

John R Kolstad