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STATE OF MINNESOTA
OFFICE OF ADMINISTRATIVE HEARINGS
FOR THE COUNTY OF HENNEPIN

in the Matter of the Revenue Recapture
of Clinton McDougal
RECOMMENDATION

FINDING OF FACT,
CONCLUSIONS AIM

The above-entitled matter came on for hearing before Bruce D. Campbell, Administrative Law Judge from the State Office of Administrative Hearings on April 9, 1985 at 2:00 p.m. in Minneapolis, Minnesota.

Appearances: Lynn Weeber, Collection Manager, Hennepin County Medical Center, 701 Park Avenue South, Minneapolis, Minnesota 55415, appeared on behalf of Hennepin County Medical Center; and Clinton McDougal, 5344 Elliot Avenue South, Minneapolis, Minnesota 55404, appeared on his own behalf.

The record herein closed on April 9, 1985, at the conclusion of the hearing.

This Report is a recommendation, not a final decision. Hennepin County will make the final decision after a review of the record which may adopt, reject or modify the Findings of Fact, Conclusions, and Recommendations contained herein. Pursuant to Minn. Stat. sec. 14.61, the final decision of Hennepin County shall not be made until this Report is made available to the parties to the proceedings for at least 10 days. An opportunity must be afforded to each party adversely affected by this Report to file exceptions and present argument to Hennepin County. Parties should contact: Lynn Weeber, Collection Manager, Hennepin County Medical Center, 701 Park Avenue, Minneapolis, Minnesota 55415, to ascertain the procedure for filing exceptions or presenting argument.

STATEMENT OF ISSUE

The issue to be determined in this contested case proceeding is whether Hennepin County Medical Center is entitled to recapture \$417.25 from the State Income Tax and Home Owner or Renter Property Tax Refund of Clinton McDougal.

Based upon all the proceedings herein, the Administrative Law Judge makes the following:

FINDINGS OF FACT

1. On September 27, 1981, Clinton McDougal was assaulted in the Northstar Parking Ramp in Minneapolis, Minnesota. He reported the occurrence to the security guard at the parking ramp and was taken by ambulance to Hennepin County Medical Center.

2. On September 27, 1981, Mr. McDougal received medical services and incurred expenses relating to the operating room, x-rays and miscellaneous services from Hennepin County Medical Center in the total amount of \$417.25.

(CTY. Ex. 3.)

3. At an undetermined date subsequent to the receipt of notical services by Mr. McDougal, Hennepin County Medical Center sent him an initial billing for services rendered. Mr. McDougal received the billing.

4, At an unspecified date subsequent to his receipt of the tilling, Mr. McDougal contacted the Hennepin County Medical Center with respect to their charges for the Series rendered. On that occasion he spoKe to an unspecified person and stated that, in his judgment, the Northstar Ramp should be required to pay the bill since his injuries were the result of an occurrence on their premises. There is no evidence in the record regarding any response by the person to whom he spoke.

5. During a period of approximately one year from the date of the rendering of services, Hennepin County Medical Center sent to Mr. McDougal six notices of payment due at unspecified intervals. Subsequent to the sending of such billing notices, the account was referred to a collection agency. The collection agency retained the account for a period of approximately two years and attempted to collect the amount owing.

6. There is no evidence in the record that the ability of Mr. McDougal to prosecute a claim against the Northstar Ramp for the amount of the bill due and owing to Hennepin County Medical Center has been prejudiced by any action or representation of the medical center.

7. On December 15, 1984, the Hennepin County Medical Center mailed Mr. McDougal a notice that it had made a claim with the Commissioner of Revenue against his state tax refund. (CTY Ex. 1.) The notice advised Mr. McDougal of his right to contest the validity of this claim at a hearing. The notice also advised Mr. McDougal that if he qualified for a low-income credit during the year the medical care was provided he might be eligible for an adjustment of the claim.

8. By letter received on February 1, 1985, Mr. McDougal requested a hearing Pursuant to Minn. Stat. 270A.02 and 270A.09 (1954). "CTY Ex. 2.)

9. On March 8, 1985, Hennepin County Medical Center mailed a Notice of Hearing to Mr. McDougal setting a hearing date of April 9, 1985.

Based upon the foregoing Findings of Fact, the Administrative Law Judge makes the following:

CONCLUSIONS

1. Hennepin County and the Administrative Law Judge have jurisdiction in this matter pursuant to Minn. Stat. sec. 14.50, 270A.07 and 270A.09 (1984).

2. The Notice of Hearing was proper and all relevant substantive and procedural requirements of law or rule have been fulfilled by Hennepin County.

3. Hennepin County bears the burden of establishing by a preponderance of the evidence the existence of a debt as defined in Minn. Stat. sec. 270A.03, subd. 5 (1984), and all other conditions precedent to the application of the Minnesota Revenue Recapture Act.

4. Hennepin County Medical Center has established the existence of a debt owed to it for the rendition of medical services to Clinton McDougal in the amount of \$417.25 and all other conditions precedent to the application of the Minnesota Revenue Recapture Act.

Based upon the foregoing Conclusions, the Administrative Law Judge makes the following:

RECOMMENDATION

IT IS RESPECTFULLY RECOMMENDED THAT Hennepin County Medical Center recover the amount of \$417.25 from the 1984 state income tax or homeowner or renter property tax refund of Clinton McDougal.

Dated this day of April, 1985.

Ann-, '
BRUCE D. CAMPBELL
Administrative Law Judge

NOTICE

Pursuant to Minn. Stat. 14.62, subd. 1, the agency is required to serve its final decision upon each party and the administrative law judge by first class mail.

Reported: Tape Recorded.

MEMORANDUM

There is no dispute in the record regarding the existence of the debt that gives rise to the revenue recapture claim of the Medical Center. It is the contention of Mr. McDougal that the failure of Hennepin County Medical Center to contact him for approximately a three year period after he contacted an unspecified person regarding his belief that the Northstar Parking Ramp should

pay the bill makes it inappropriate for the Medical Center to attempt to recover the debt from him now. The evidence in the record supports the conclusion that Hennepin County Medical Center sent at least six billings to

Mr. McDougal, advising him of his responsibility to satisfy the obligation.

Under such circumstances, Mr. McDougal had ample opportunity to attempt to collect the amount of the debt from the party he considered to be primarily responsible, the Northstar Parking Ramp.

Even assuming, however, that Mr. McDougal did not receive notice of the claim during the three year period in question, the assertions of Mr. McDougal would not give rise to an equitable estoppel.

To establish an equitable estoppel, it must be demonstrated that the governmental authority, through language or conduct, induced a person to rely, in good faith, on such language or conduct to his injury, detriment or prejudice. *Ridgewood Development Co. v. State*, 294 N.W.2d 288, 292 (Minn. 1980); *Beaty v. Minnesota Board of Teaching* 354 N.W.2d, 466, 471 (Minn. App. 1984). A balancing test is added to the general requirements for equitable estoppel when the government is sought to be estopped in its sovereign capacity. *Mesaba Aviation Division v. County of Itasca*, 258 N.W.2d 877, 879 (Minn. 1977).

Initially, Mr. McDougal received the services and remains primarily responsible for the satisfaction of the debt. The law is indifferent to the method in which he attempts to seek recompense from another party. Nor is there evidence in the record of any language or conduct on the part of the governmental agency that induced detrimental reliance. Mr. McDougal cannot identify the person to whom he spoke and there is no evidence in the record that that party made any statements which induced Mr. McDougal to forego pursuit of a claim against Northstar Parking Ramp. Moreover, there is no evidence in the record that Mr. McDougal has a valid claim against the Northstar Ramp which has been prejudiced by the passage of time or, if such a claim does exist, that it could not now be asserted.

In summary, Mr. McDougal admits owing the amount of the bill to the Hennepin County Medical Center. Under such circumstances, it is appropriate for the party primarily responsible for the debt to satisfy that debt. Any claim Mr. McDougal may have for reimbursement from another party is not the responsibility of the governmental entity. Under such circumstances, Hennepin County Medical Center has established its entitlement to collect the amount of the debt, \$417.25, through application of the Revenue Recapture Act.

It should be noted that, at the hearing, Mr. McDougal stipulated that he did not qualify for the low-income credit for the year in which the medical care was provided which would exempt the obligation from the definition of a debt contained in the Revenue Recapture Act.

B.D.C.