



STATE OF MINNESOTA

Office of Governor Mark Dayton

130 State Capitol ♦ 75 Rev. Dr. Martin Luther King Jr. Boulevard ♦ Saint Paul, MN 55155

February 10, 2012

The Honorable Michelle L. Fischbach
President of the Senate
226 State Capitol
St. Paul, Minnesota 55155

Dear Madam President:

With this letter, I am vetoing and returning Chapter 118, SF 149, which addresses the unrelated topics of conciliation court claim limits and class actions appeals. These provisions are not consistent with the court's recommendations for effectively addressing small claims, represent legislative meddling with court procedures best handled by the judiciary, and do not address legitimate problems in Minnesota.

A recent study by the National Center for State Courts revealed that 72% of the civil case load in Minnesota is consumed by small claims and contract matters, while civil tort claims represent less than 3% of the cases. The Legislature should be addressing the areas of the court that consume the bulk of its workload. Unfortunately, this legislation misses that mark.

The Minnesota Supreme Court Civil Justice Task Force recently rejected the change in conciliation court claim levels contained in Section 1, because it would not have a significant impact on the courts' workloads. Additionally, the Task Force did not recommend the change in consumer credit cases contained in Section 1, and does not recommend making changes to this type of claim without significant changes regarding the evidence required for such matters. The Legislature has completely ignored the findings of the courts.

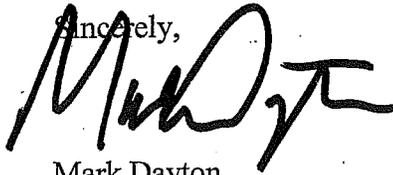
Furthermore, Section 2 is an attempt by the Legislature to control the internal workings of the court and its processes. Legislatively mandating specific interlocutory appeals in class action cases and staying the discovery process while an appeal is pending blur the separation of powers between the branches of government. The courts are in the best position to determine interim appeal processes, and they are correctly in control of procedures for the discovery of evidence.

The House author of this legislation indicated that there were only eight cases last year where this provision would be applicable – and not a single case without merit. The bill would not create jobs; rather it would set a dangerous precedent. I am certainly

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willing to consider reforms that will assist our courts with their workload and address real problems within our justice system. Such an endeavor must involve our courts and their expertise in these matters. This legislation does not, and I will not sign it into law.

Sincerely,



Mark Dayton
Governor

cc: Senator David H. Senjem, Senate Majority Leader
Senator Thomas M. Bakk, Senate Minority Leader
Senator Julianne E. Ortman
Representative Kurt Zellers, Speaker of the House
Representative Paul Thissen, House Minority Leader
Representative Doug Wardlow
The Honorable Mark Ritchie, Secretary of State
Mr. Cal R. Ludeman, Secretary of the Senate
Mr. Albin A. Mathiowetz, Chief Clerk of the House of Representatives



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Dear Madam President:

I have vetoed and am returning Chapter 119, SF 373, which drastically lowers the statute of limitations for many important civil claims. This legislation does not represent justice for Minnesotans. It would eliminate important protections for citizens and businesses, when they are harmed by the wrongful actions of others.

I am perplexed by the charge that Minnesota is an excessively litigious state or has a negative civil justice system for business. According to the Minnesota Supreme Court, civil case filings for injury claims are down over 40% since 1997, despite our expanding population. The U.S. Chamber of Commerce ranks Minnesota among the very top states for our treatment of businesses in the courtroom. Those and other comparisons affirm that our court system is working well to protect our Constitutional rights and is not being overburdened by frivolous matters.

Despite those facts, this legislation would lower by one-third the statute of limitation for Minnesota citizens and businesses to assert their rights in court. The current statute of six years was established in 1841 and has remained largely unchanged since that time. Minnesota's current statute of limitations is not out of line with other states, that have a "discovery rule" to allow an individual or company to learn of the harm sustained before the limitations period begins. In fact, we now have a shorter limitation period for many types of cases.

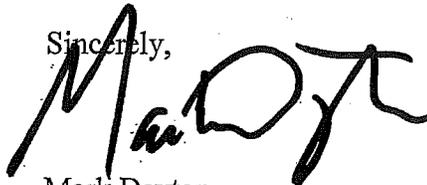
I am particularly concerned about lowering the limitation period for contract cases for businesses and consumers. Many companies may not learn of their claims within this shorter period. The Legislature has enacted laws to help businesses assert their rights at the behest of very important Minnesota companies, like Marvin Windows in Warroad. I

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see no justifiable reason to harm our businesses by taking away this important right of redress. A four-year limitation period would be a disadvantage to good Minnesota businesses. This legislation would end the exposure of large, mostly out-of-state insurance companies to pay legitimate claims two years earlier than the current law.

I will not support that change.

Sincerely,

A handwritten signature in black ink, appearing to read "Mark Dayton". The signature is stylized and written in a cursive-like font.

Mark Dayton
Governor

cc: Senator David H. Senjem, Senate Majority Leader
Senator Thomas M. Bakk, Senate Minority Leader
Senator Julianne E. Ortman
Representative Kurt Zellers, Speaker of the House
Representative Paul Thissen, House Minority Leader
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Dear Madam President:

With this letter, I am vetoing and returning Chapter 120, SF 429, a measure that has been rejected several times by the legislature and the courts.

I am deeply concerned that this legislation would make it more difficult for average citizens to defend themselves against powerful interests. The suggestion that passage of this measure will somehow create jobs in Minnesota lacks merit and substantiation. Not a single job would be created – but important protections would be greatly impaired.

Over 300 Minnesota statutes require the shifting of attorney fees to the wrongdoer – all of which would be negatively impacted by this legislation. Deployed military personnel, farmers, vulnerable adults, and victims of workplace harassment, wrongful termination, and discrimination are just a few of the classes of individuals that would be harmed by this legislation.

This legislation would require that attorneys' fee awards must be in proportion to the damages awarded in a civil case. This requirement would seriously undermine the legislative purpose for enacting statutes that allow Minnesota businesses, consumers, and employees to collect their damages - plus reasonable attorney fees - for certain wrongful conduct. A rule of proportionality would make it difficult, if not impossible, for individuals to bring important and meritorious claims of relatively small value. To ensure that those claims are brought forward, the legislature has shifted the costs of bringing the claim to the negligent party, and rightly so. This legislation removes that protection.

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Further, the courts already review fee awards to ascertain that they are in relation to the recovery. However, the court will also consider other relevant factors like the time involved in the case and the nature of the controversy. No evidence has been presented that the current system is unfair to those found in violation of Minnesota laws.

Additionally, the legislation would change the process for settlements under Rule 68 of the Minnesota Rules of Civil Procedure. The Minnesota Supreme Court Rules Committee thoroughly reviewed, and rejected, the changes proposed in this bill in 2008. The Supreme Court Task Force on Civil Justice again rejected this change in its December 2011 report.

The experts on these Supreme Court committees, including judges and lawyers who represent plaintiffs and defendants, are in the best position to understand the impact of this change on Minnesotans. They have soundly and repeatedly rejected this concept, and I will rely upon their wisdom.

Eliminating Minnesotan's rights to redress and trial by jury is not a jobs program. This bill would benefit those who commit fraud, negligently injure our citizens and businesses, or allow an unfair work environment. I will not agree to it.

Sincerely,



Mark Dayton
Governor

cc: Senator David H. Senjem, Senate Majority Leader
Senator Thomas M. Bakk, Senate Minority Leader
Senator Scott J. Newman
Representative Kurt Zellers, Speaker of the House
Representative Paul Thissen, House Minority Leader
Representative Pat Mazorol
The Honorable Mark Ritchie, Secretary of State
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Dear Madam President:

With this letter, I am vetoing and returning Chapter 121, SF 530, which would lower the interest rate on judgments for negligent parties and their insurance companies. This bill is a step backwards for justice. Minnesota citizens and businesses deserve fair compensation, when they are harmed by the wrongful actions of others. This bill does the opposite.

Current low investment rates should not be the measure of damages in large cases over \$50,000. Consumers or businesses, who have to borrow funds during a case, must often pay interest in excess of the 4% rate allowed in this legislation, and sometimes even greater than the 10% allowed under current law.

The requirement to pay prejudgment interest has three important policy goals: fairly compensate for the losses from the time of the injury; promote prompt payment of legitimate claims; and prevent frivolous delays by insurance companies. Minnesota's current law accomplishes those objectives on large damage cases. It is important to remember that a defendant required to pay prejudgment interest has been found responsible for causing the harm. They should appropriately compensate those they have damaged - with no incentive to delay payment.

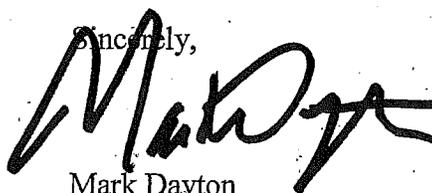
Minnesota's pre-judgment interest rate is also reasonable and balanced when compared to other states. Approval of this legislation would give Minnesota one of the lowest per-judgments rates in the country.

Lastly, I find it objectionable that the Legislature allowed prejudgment interest for businesses with commercial insurance policy claims at 10%, but lowered similar claims for average citizens to 4%. It is yet another example of the Republican majorities favoring their business friends over other Minnesotans.

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I am willing to consider changes to our civil laws that help Minnesota businesses and citizens obtain justice in our courts and recover promptly from insurance companies. I can see no measureable benefit to policyholders or average Minnesotans from this bill, and, therefore, I am vetoing it.

Sincerely,

A handwritten signature in black ink, appearing to read "Mark Dayton", written over the word "Sincerely,".

Mark Dayton
Governor

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Senator Thomas M. Bakk, Senate Minority Leader
Senator Julianne E. Ortman
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