

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 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.

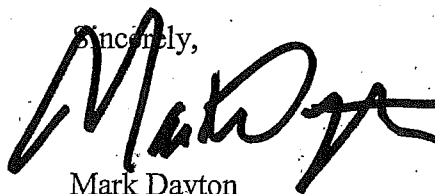
Minnesota's pre-judgment interest rate is also reasonable and balanced when compared to other states. Approval of this legislation would give Minnesota one of the lowest per-judgments rates in the country.

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

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 Pat Mazorol
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