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Minnesotans' Best Interests Should Be the Governor's Only Agenda

By: Deputy Majority Leader Julianne Ortman

Governor Dayton put his political agenda ahead of the best interests of Minnesota by vetoing lawsuit reform bills that passed both the Senate and the House with bi-partisan support. These common sense reforms would have made our courts more accessible and affordable for all Minnesotans: individuals, families and businesses, plaintiffs and defendants alike.

As all who have ever been in Minnesota's justice system know, our courts are busy, overburdened, and the time to trial is lengthy. The reforms were designed to provide more cost-effective resolution of disputes.

Conciliation Court is the fastest court in Minnesota; it is an informal venue where litigants can seek quick and inexpensive review of disputes of less than \$7500. Neither party is required to have an attorney, which makes the process cost-effective. Examiners review and assess evidence, and issue non-binding decisions (either party can take the matter to the District Court if not satisfied). The Governor vetoed a proposal to raise the limit for disputes to \$10,000, which would allow more cases to be heard in Conciliation Court. This is about equal access to justice as many Minnesotans cannot afford to bring their disputes to the District Court.

Minnesota's statutes of limitation (the deadline for filing a lawsuit), varies depending on the type of case. Our state's default statute of limitation is six years, unless it is otherwise specified by the law. Minnesota is one of only three states with a six-year default statute; the national average is only three years. The Governor vetoed our proposal for a four year default, which would shorten the length of time in many cases. Courts often hear cases filed on the last day of the six year period and these cases can then require an additional two years to even reach trial.

It is in all our best interests to ensure that parties in our courts do not bear overly-burdensome or unnecessary legal costs. For businesses, as for individuals, there's a price to be paid for spending that much time engaged in litigation. For our courts (and the taxpayers that fund them) it means a heavier caseload when lawyers can file lawsuits here when other states have decided that the claims and the evidence are probably too old to be fairly adjudicated. Our six year statute was adopted at statehood, when the pony express delivered mail, it took weeks to travel to interview witnesses, and lawyers hired clerks to prepare handwritten copies of court documents. This is one way to reduce the cost of doing business in Minnesota.

The Governor shouldn't take issue with our attempts to bring Minnesota's courts in to the 21st Century.

Governor Dayton also vetoed our bill authorizing early review by Minnesota's appellate courts to conduct an early review of a district court's decision to certify a few named plaintiffs to advance a class action lawsuit (ginormous litigation on behalf of hundreds or thousands of plaintiffs). Now our appellate court may only review the decision after the lawsuit has concluded, which in most cases is too late. These are the complex questions appellate courts are designed to review, and early review would provide the parties an assessment of the merits of the claims, and assessment of risk and liability – which often leads to an earlier settlement, and lower costs to consumers.

Finally, Governor Dayton vetoed the bill to tie Minnesota's pre-judgment interest rate to the U.S. Treasury Rate (with a floor of four percent as a minimum). Legislation from 2009 set the interest rate at 10 percent! This can be a perverse incentive to invest in litigation, because the 10 percent return on investment is way better than any rate in the marketplace. In 2010 Minnesota's schools, cities and counties complained that the pre-judgment interest produced too big a strain on their budgets; they lobbied for and received an exception (now they pay only the Treasury Rate or the four percent minimum). Clearly the same is true in the private sector, and the same rate should be applied to them. Claimants in court should earn a reasonable amount of interest, but 10 percent goes too far in today's economy.

Minnesotans deserve swift justice, and the ability to reach fair resolution of their disputes within a reasonable amount of time and expense. The House and Senate passed these reforms with bi-partisan support. Sixty-two Thousand (62,000) employers and individuals across Minnesota formed a coalition to support these proposals and asked the Governor for support. By vetoing the bills he denied the reasonable requests of the residents he was elected to serve, and has denied us all a more accessible and affordable judicial system.

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