



STATE OF MINNESOTA

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ARNE H. CARLSON
GOVERNOR

May 11, 1993

The Honorable Dee Long
Speaker of the House
Minnesota House of Representatives
463 State Office Building
Saint Paul, Minnesota 55155

Dear Speaker Long:

I have vetoed and am returning Chapter 173, House File 163, a bill relating to campaign reform.

I am committed to, and the people of Minnesota are demanding, comprehensive electoral and ethical practices reform. I am vetoing House File 163 not to engage in debate or combat with the Minnesota Legislature. I am vetoing House File 163 because this legislation is bad for the people of Minnesota and unhealthy for all of us who believe in a democratic elective process. The objections I hold are non-partisan. The objections I hold have been answered in a federal campaign reform proposal which has been endorsed by President Clinton. Why should I accept less for the people of this state than the President is willing to accept for the people of this nation?

As I informed the legislature approximately six weeks ago, I expect any reform bill to include certain goals and principles. I have reviewed House File 163 in the light of those goals and principles. I have also reviewed the bill as a whole to see how the provisions relate to each other and to assess its overall impact upon Minnesota's electoral process.

House File 163 has some good provisions which include the dissolution of "Friends of" committees, the elimination of transfers among candidates' campaign committees, the lowering of contribution limits, and the elimination of public subsidies for unopposed candidates. However, when viewed as a whole, assessing the overall impact of the bill, it is clear that House File 163 does not achieve comprehensive reform. There are some who will argue that a bill that reforms even a little is worthy of becoming law, following the old cliché that half a loaf is better than none at all. I must tell the people of this state that in this case, the half-loaf is moldy. This bill worsens the existing electoral process by giving the special interests who already hold undue influence, even more power than before.

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The disproportionate influence of special interest groups upon Minnesota's electoral process is one of the chief problems that must be effectively addressed in any comprehensive electoral reform package. House File 163, unfortunately, empowers special interests at the expense of individual contributors and voters. By failing to provide for any response to special interest independent expenditures, and failing to ban PACs or PAC contributions while simultaneously seriously reducing individual contribution limits and establishing a low 20 percent aggregate contribution for PACs, lobbyists, and large individual contributors, the Legislature has handed over to the special interest groups the ability to control Minnesota elections. The net effect of these inter-related provisions is to drive special interest contributions from the area of regulated PAC contributions to the area of unregulated independent expenditures. It is an arrogant abuse of power marked by a process that excluded compromise. I refuse to sign any bill that permits special interests to control Minnesota's electoral process.

The Legislature's failure in House File 163 to create a means by which a candidate can respond to being targeted by special interest independent expenditures has resulted in a campaign finance system that is an unconstitutional violation of a candidate's right to free speech. Pursuant to both House File 163 and current law, a candidate must agree to abide by expenditure limits and receive public subsidies on or before September 1 preceding the General Election. However, once a candidate files an agreement to be bound by the expenditure limits, he or she is locked into those expenditure limits. As a result, the candidate cannot respond to special interest independent expenditures directly targeted against that candidate prior to a post-September 1 Primary or the General Election. The failure of House File 163 to provide a candidate who agrees to public subsidy relief from expenditure limits after being targeted by special interest independent expenditures is unconstitutional as a violation of that candidate's freedom of speech.

A targeted candidate must be provided the opportunity to publicly debate and contest the contents of independent expenditure attacks. This right is protected by and embodied in the free speech clause of the First Amendment to the United States Constitution and is the essence of good government. The United States Supreme Court has so mandated in a ruling in which it stated that the central purpose of that clause is "to assure a society in which 'uninhibited, robust and wide open' public debate concerning matters of public interest would thrive for only in such a society can a healthy representative democracy flourish." A system such as Minnesota's, embodied in House File 163, which denies a candidate the right to exceed expenditure limits in order to engage in an uninhibited wide-open public debate of the issues raised by independent expenditures is both unconstitutional and contrary to sound public policy.

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The mere providing of notice as incorporated in House File 163 does not remedy the unconstitutional failure to provide a targeted candidate a means to respond to a special interest independent expenditure. Moreover, the notice provided in House File 163 is wholly inadequate to provide effective notice or protect against fraudulent notice.

House File 163 also fails to achieve the goal and principle of restoring integrity and parity in Minnesota's electoral process. The bill fails to provide a "level playing field" for both incumbents and challengers, for candidates of all parties plus independent candidates, and for all persons and groups who wish to express their political views in a lawful manner.

House File 163 has significant elements which provide protection for incumbents. These elements include the failure to provide pre-Primary public subsidies and the establishment of high threshold contribution amounts to be raised with low (\$50 or less) contributions in order to be eligible for public subsidy. These features are unrealistic for challengers, especially when multiple challengers exist in the pre-Primary stage, and create significant advantages for incumbents.

House File 163 also creates a significant unfair advantage to candidates of major parties at the expense of independent or third-party candidates. This bias is evident in the areas such as qualification for check-off dollar public subsidies, denial of pre-Primary public subsidies, continued allowance of PAC contributions, and access to enhanced public subsidies following an opponent's decision not to abide by spending limits.

Finally, I wish to note two areas of concern which I would like to see addressed either directly in House File 163 or as a companion to this bill. As I have travelled across our state, I have heard from citizens innumerable times the request for an opportunity to consider term limits for elected officials. I wholeheartedly endorse a referendum for term limits because I truly believe the heart of any campaign reform must deal with the temptations of protecting incumbency.

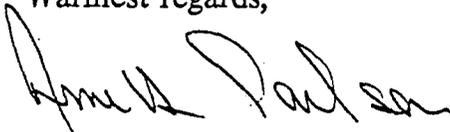
I also feel the people of this state deserve a Minnesota Legislature that does not exempt itself from the rules it promulgates for others. I believe no legislation that is called reform in any respect can omit the reference to ethics reform.

For these omissions and the concerns I have highlighted above, I am vetoing and returning to you this bill. I do so very regretfully on behalf of the citizens of this state who want and deserve elected officials who serve only for the greater good.

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Because of my commitment to reform, I am unwilling to veto and return this bill to you and rely solely upon the Legislature to design a true electoral reform package. Therefore, I am today announcing that I will be appointing a bi-partisan electoral reform commission to design a true comprehensive multi-faceted electoral reform package. In order to avoid the partisanship which infected House File 163, current elected officials and officials of political parties will not be members of the commission but will be invited to offer testimony and input. It is my hope that such a commission will incorporate the good aspects of House File 163 while addressing those problems that remain, including those set forth above.

Warmest regards,



ARNE H. CARLSON
Governor

c: Senator Alan Spear, President of the Senate
Senator Roger Moe, Majority Leader
Senator Dean Johnson, Minority Leader
Representative Steve Sviggum, Minority Leader
Representative Wally Sparby
Senator John Marty
Mr. Patrick E. Flahaven, Secretary of the Senate
Mr. Edward A. Burdick, Chief Clerk of the House
Ms. Joan Anderson Growe, Secretary of State