

#### FOR PUBLICATION



# **E-FILED CNMI SUPERIOR COURT**E-filed: Jun 21 2017 01:33PM Clerk Review: N/A Filing ID: 60757677 Case Number: 17-0047-CV

N/A

## IN THE SUPERIOR COURT FOR THE COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS

EDWARD MANIBUSAN, in his official	) CIVIL ACTION NO. 17–0047
capacity as the Attorney General of the	)
Commonwealth of the Northern Mariana	)
Islands,	)
	)
Plaintiff,	)
<b>v.</b>	)
	ORDER DENYING DEFENDANT'S
	) MOTION FOR SUMMARY JUDGMENT
LARRISA LARSON, in her official	)
capacity as the Secretary of Finance of the	)
Commonwealth of the Northern Mariana	)
Islands,	)
	)
Defendant.	)
	)

#### I. INTRODUCTION

THIS MATTER came before the Court on May 3, 2017 at 9:30 a.m. in Courtroom 202A for a motions hearing. Civil Division Chief Christopher M. Timmons represented Plaintiff Attorney General Edward Manibusan ("AG Manibusan"). Attorneys Kimberlyn K. King-Hinds and Matthew T. Gregory represented Defendant Secretary of Finance Larrisa Larson ("SF Larson"). The Court heard arguments on SF Larson's two pending motions: (1) a motion to disqualify AG Manibusan and the Office of the Attorney General and (2) a NMI R. CIV. P. 56 motion for summary judgment.<sup>1</sup>

<sup>&</sup>lt;sup>1</sup> As a threshold matter, AG Manibusan argues that SF Larson's NMI R. CIV. P. 12(b)(6) motion to dismiss is actually a motion for summary judgment under NMI R. CIV. P. 56. NMI R. CIV. P. 12(b)(6) provides that:

If, on a motion asserting the defense numbered (6) to dismiss for failure of the pleading to state a claim upon which relief can be granted, matters outside the pleading are presented to and not

After reviewing the facts of this case, the arguments of the parties, and the relevant law the Court **DENIES** SF Larson's NMI R. CIV. P. 56 motion.<sup>2</sup>

#### II. BACKGROUND

This case centers on a dispute over whether the level of compensation paid to the Governor, Lt. Governor, and members of the Legislature is constitutionally permissible. On November 29, 2016, the Legislature passed Public Law 19–83 ("PL 19–83"), which instituted pay raises for civil service government employees, the Governor, Lt. Governor, and members of the Legislature. PL 19–83 was transmitted to the Governor, but he did not sign the act into law, nor did he exercise his veto power; instead, the Governor allowed PL 19–83 to lapse into law. The passage of PL 19–83 evoked a spirited public debate on the level of compensation to be paid to public officials.

On February 9, 2017, AG Manibusan filed the present suit seeking an order: (1) declaring PL 19–83, § 4 unconstitutional; (2) declaring PL 19–83, § 5 unconstitutional; (3) declaring Public Law 7–31, § 3(a) ("PL 7–31") unconstitutional; (4) declaring Public Law 4–32, § 3(a) ("PL 4–32") unconstitutional; (5) declaring that the 20th Legislature's legal salary is \$8,000 per annum; and (6) issuing the necessary injunctions to ensure that no unconstitutional salaries are paid out. On March 6, 2017, SF Larson responded by filing two motions, both seeking to have this case dismissed.

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Here, after reviewing the substance of the motion it is evident that SF Larson has based at least portions of her arguments on material outside the pleadings. As such, SF Larson's motion is a NMI R. CIV. P. 56 motion for summary judgment and not a motion under NMI R. CIV. P. 12(b)(6). The Court will apply a NMI R. CIV. P. 56 standard to SF Larson's motion.

pertinent to such a motion by Rule 56.

excluded by the court, the motion shall be treated as one for summary judgment and disposed of as provided in Rule 56, and all parties shall be given reasonable opportunity to present all material made

<sup>2</sup> For clarity and organizational purposes, the Court's decision on SF Larson's motion to disqualify is contained in a separate order. *See Manibusan v. Larson*, Civ. No. 17–0047 (NMI Super. Ct. June 15, 2017) (Order Denying Defendant's Motion to Disqualify).

#### III. LEGAL STANDARD

Under NMI R. CIV. P. 56, a moving party has the initial and ultimate burden to show that he or she is entitled to summary judgment. *Shon v. Choo, et al.*, Civ. No. 15–0018 (NMI Super. Ct. Oct. 31, 2016) (Order Denying Plaintiff's Motion for Partial Summary Judgment as to Defendants Lan Lan Wang and Yan Hua Li at 6) (hereinafter "*Choo*") (citing *Furuoka v. Dai-Ichi Hotel (Saipan), Inc.*, 2002 MP 5 ¶ 22). "If the defendant is the moving party, he or she must either show that the undisputed facts establish every element of an asserted affirmative defense or that the plaintiff cannot establish his or her prima facie case." *Choo* at 6 (citing *Furuoka*, 2002 MP at ¶¶ 22–23). "In considering the motion, the court views facts and inferences in the light most favorable to the nonmoving party." *Choo* at 6 (citing *Fujie v. Atalig*, 2014 MP 14 ¶ 7).

#### IV. DISCUSSION

SF Larson claims that summary judgment in her favor under NMI R. CIV. P. 56 is appropriate because AG Manibusan's complaint suffers from a number of legal defects. Specifically, SF Larson raises three main issues: (A) whether this case is ripe for adjudication since no appropriation has been made to pay out the allegedly impermissible raises in PL 19–83; (B) whether SF Larson is a proper party; and (C) whether AG Manibusan is statutorily barred from bringing a claim against an executive agency, like the Department of Finance. All three of SF Larson's arguments go to whether AG Manibusan's suit is appropriate as a matter of law.

#### A. AG Manibusan's Suit is Ripe for Adjudication.

"A claim is not ripe for adjudication if it rests upon 'contingent future events that may not occur as anticipated, or indeed may not occur at all." *Marine Revitalization Corp. v. Dept. of Land and Natural Res.*, 2011 MP 2 ¶ 8 (quoting *Texas v. United States*, 523 U.S. 296, 300 (1998) (quoting in turn *Thomas v. Union Carbide Agric. Prod. Co.*, 473 U.S. 568, 581 (1985))); *see also* 

Bank of Saipan, Inc. v. Atalig, 2005 MP 3 ¶ 12 ("The ripeness doctrine prevents courts from deciding theoretical or abstract questions that do not yet have a concrete impact on the parties."). In 3 considering whether a claim is ripe the Court must examine "the fitness of the issues for judicial 4 decision" and "the hardship to the parties of withholding court consideration." Union Carbide, 473 U.S. at 581 (quoting *Abbott Laboratories v. Gardner*, 387 U.S. 136, 149 (1967)).

Here, SF Larson argues that this case is not ripe for adjudication because PL 19–83 does not authorize her to disburse the allegedly unconstitutional pay raises. SF Larson notes that a future appropriation which has not and may never occur is necessary to effectuate the pay raises. See PL 19–83, § 103 ("The salary schedule . . . shall be implemented in Fiscal Year 2018 . . . but only upon sufficient funds being duly appropriated by subsequent law to cover the added expense of the increased salaries created by this Act . . . . "). SF Larson contends that the need for an additional appropriation makes AG Manibusan's complaint premature because it is contingent on some future event, which may never occur. AG Manibusan responds that this case is certainly ripe for adjudication because the allegedly impermissible pay raises will inevitably be implemented. Further, AG Manibusan argues that his claims are purely legal challenges and as such there is no need to wait for the actual application of the law for the Court to rule on the question.

AG Manibusan's complaint asks the Court to declare two previous pay raises, see PL 4–32 and PL 7–31, as well as the most recent pay raise, see PL 19–83, unconstitutional. The Secretary of Finance has paid out compensation based on PL 4–32 and PL 7–31. As to those provisions the dispute is certainly ripe because the alleged injuries, unconstitutional payments, are not in any way speculative. The violations are ongoing; every time SF Larson pays out compensation the NMI Constitution has allegedly been violated.

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In Marine Revitalization, the NMI Supreme Court expressly recognized that a dispute is ripe for judicial inspection when the question relates to injuries that occurred in the past. 2011 MP at ¶ 8. Marine Revitalization dealt with whether the trial court's award of post-judgment interest was ripe for review; the NMI Supreme Court ruled it was because accrual of interest was concrete and occurring on an ongoing basis. Id. Like Marine Revitalization, AG Manibusan is challenging conduct from the past as well as a natural outgrowth of the previous violations, PL 19-83's pay raises. PL 19-83 is indivisibly tied to the previous pay raises because the raises in PL 19-83 are based on the previous pay raises. It would make no sense to allow the case to proceed as to PL 4–32 and PL 7-31 without also allowing AG Manibusan to challenge PL 19-83 because all three acts allegedly suffer from the same constitutional malady: the raises go beyond what is permitted under NMI CONST. art. II, § 10.

Additionally, it would be unreasonable for the Court to rule that potential constitutional violations should be deemed unreviewable if there has not been an appropriation made. Here, the Legislature has unequivocally signaled that it intends to pay out raises, by passing PL 19–83 in the first place. The proverbial guillotine has begun to drop and AG Manibusan need not wait for the blow to actually be struck in the form of an appropriation. The mere fact that PL 19-83 has been passed into law is a potential constitutional injury because even if there is no appropriation it is the current law of the Commonwealth. AG Manibusan can proactively seek to block the allegedly unconstitutional payments, which have already occurred as well as those that are soon to begin. SF Larson's ripeness argument fails as a matter of law for the aforementioned reasons.

#### B. SF Larson Has a Stake in the Dispute.

"For state officials to be proper defendants in their official capacities, there must be a 'casual connection between their responsibilities and any injury that the plaintiff might suffer, such

that relief against defendants would provide redress . . . . "Davis v. Commonwealth Election Comm'n, 1–14–CV–00002, 2014 U.S. Dist. LEXIS 69723, 26–27 (D. N. Mar. I. May 20, 2014) (quoting Planned Parenthood of Idaho, Inc. v. Wasden, 376 F.3d 908, 919 (9th Cir. 2004). Also, "[t]he causal connection must be 'fairly direct; a generalized duty to enforce state law or general supervisory power over the persons responsible for enforcing the challenged provision will not subject an official to suit." Davis, 2014 U.S. Dist. LEXIS at 27 (quoting Los Angeles County Bar Ass'n v. Eu, 979 F.2d 697, 704 (9th Cir. 1992). Essentially, to sue a government official in their official capacity there needs to be a clear connection between the official's specific duties and the complained of conduct and relief against the official would provide redress. See Davis, 2014 U.S. Dist. LEXIS at 26–29 (finding that the Governor was not an appropriate party because he had no specific or special power to enforce the challenged voter restrictions, but the Commonwealth Election Commission and the commissioners in the their official capacities were proper parties).

SF Larson claims she lacks any stake in the present litigation, i.e. she has no ultimate opinion as to the claims at issue. SF Larson contends that her duties related to payment of compensation are merely ministerial and so charging her with defending the pay raises at issue is inappropriate. AG Manibusan counters that SF Larson has a constitutional and statutory duty to pay the raises in question because they are acts of the Legislature. AG Manibusan also contends that SF Larson's personal opinion is irrelevant to the inquiry. The key is that her office has a duty to disburse public funds and it is the disbursement of public funds that is at the heart of this dispute.

SF Larson has a constitutionally and statutorily defined role. NMI CONST. art. X, § 8 provides: "The Department of Finance or its successor department shall control and regulate the expenditure of public funds . . . ." 1 CMC § 2553 goes on to provide that the Department of

Finance, which is headed by the Secretary of Finance,<sup>3</sup> is obligated to disburse public funds pursuant to law and to promptly pay the outstanding obligations of the Commonwealth. *See* 1 CMC §§ 2553(g), (k). The NMI Constitution and the Commonwealth Code taken together clearly prescribe that the Secretary of Finance is the executive officer charged with disbursing public funds. The present dispute and the remedies requested by AG Manibusan center on the disbursement of public funds. SF Larson appears to be the appropriate executive officer because she is the officer charged with paying out government funds. Enjoining SF Larson from paying out compensation would undoubtedly redress AG Manibusan's alleged injury by preventing the allegedly unconstitutional disbursements of public funds from being made.

SF Larson's argument really seems to be that she has no personal opinion about the constitutionality of the pay raises at issue, but her contention is immaterial to the Court's inquiry. The Court examines the governmental officer's role to see if there is enough of a causal connection between the officer's duties and the relief requested. SF Larson is inextricably tied to this suit because she has a constitutional and statutory duty to oversee the disbursement of public funds. If an appropriation was indeed made she would be duty bound to execute the Legislature's chosen disbursement; just as she has had an interest in disbursing the current salaries, which are allegedly unconstitutional. The primary method for stopping an allegedly unconstitutional disbursement is to enjoin the Department of Finance, which is headed by SF Larson.

SF Larson's argument that she is not a proper party fails because there is a clear connection between her role as the Secretary of Finance and the alleged injury suffered by AG Manibusan. Further, if AG Manibusan were granted his requested relief against SF Larson the alleged injury would be redressed.

<sup>&</sup>lt;sup>3</sup> 1 CMC § 2551 provides: "There is in the Commonwealth a Department of Finance, to be headed by a Director of Finance."

### C. AG Manibusan Is Constitutionally Empowered to Bring Suit Against Executive Agencies and Their Officers.

It is a basic principle of constitutional construction that a court gives constitutional language its plain meaning unless there is evidence that some contrary meaning was intended. *See Palacios v. Yumul*, 2012 MP 12 ¶ 4 (citing *Peter-Palican v. Commonwealth*, 2012 MP 7 ¶ 6; *N. Marianas Coll. v. Civil Serv. Comm'n*, 2007 MP 8 ¶ 9). A court reads the constitutional language in the context of the entire provision with an eye towards avoiding results, which "defy common sense or lead to absurd results." *Peter-Palican*, 2012 MP at ¶ 6 (quoting *Commonwealth Ports Auth. v. Hakubotan Saipan Enters.*, *Inc.*, 2 NMI 212, 224 (1991)). In analyzing a constitutional provision, a court "may also rely upon committee recommendations, constitutional convention transcripts, and other relevant constitutional history," to apprehend the text's meaning. *Yumul*, 2012 MP at ¶ 5 (citing *Pangelinan v. N. Mariana Islands Ret. Fund*, 2009 MP 12 ¶ 20).

The constitutional role of the Attorney General is codified in NMI CONST. art. III, § 11, which provides:

There is in the Commonwealth government an Office of the Attorney General to be headed by an attorney general. The Office of the Attorney General is established as an independent agency within the executive branch of the Commonwealth government. The attorney general shall be elected at large within the Commonwealth for a term of office of four years. The Attorney General shall be the Chief Legal Officer of the Commonwealth government and shall be responsible for providing legal advice to the governor and executive departments (including public corporations and autonomous agencies), representing the Commonwealth in all legal matters, and prosecuting violations of Commonwealth law.

(emphasis added).

In *Commonwealth ex rel. Brown v. Demapan-Castro*, Civ. No. 04–0563 (NMI Super. Ct. Mar. 22, 2005) (Order Denying Various Motions to Dismiss, With Some Treated as Motion for Summary Judgment) (hereinafter "*Demapan-Castro*"), the court looked to the language of NMI

CONST. art. III, § 11 and determined that "prosecuting violations of Commonwealth law," includes both civil and criminal suits. *Demapan-Castro* at 15–19. The Attorney General is empowered to bring virtually any suit, which alleges a violation of Commonwealth law regardless of the type of action. *Id. Demapan-Castro* discussed whether the Governor and/or any other cabinet officer had the power to block the Attorney General from instituting a suit. *Id.* The *Demapan-Castro* court answered with a resounding "no." *Id.* The court detailed how it would be untenable and inconsistent with the text of NMI CONST. art. III, § 11 to read the provision such that the Attorney General's power to bring suit is constrained by other offices of the government. *Id.* 

Here, like *Demapan-Castro*, SF Larson, an executive officer, is attempting to limit AG Manibusan from exercising his clear constitutional mandate to prosecute violations of Commonwealth law. SF Larson contends that to allow AG Manibusan to proceed with this case would eviscerate NMI Const. art. III, § 11's mandate that the Attorney General provide legal advice. SF Larson argues that the powers and duties contained in NMI Const. art. III, § 11 are in conflict and that providing legal advice trumps AG Manibusan's two other roles. SF Larson's argument is without merit because while it is certainly true that AG Manibusan's roles overlap it would be incongruous for the Court to rule that just because he has provided legal advice he is then barred from exercising his plenary authority to bring suit. SF Larson's reading of NMI Const. art. III, § 11 defies the plain meaning of NMI Const. art. III, § 11 and as such her interpretation cannot be given effect.

Moreover, NMI CONST. art. III, § 11 does not signal that any one duty trumps another. All three roles are placed on an equal footing; they are afforded the same weight. SF Larson asks that the legal advice obligation be provided extra weight, which would amount to giving her and other executive agencies a virtual veto power over the Attorney General. Applying SF Larson's logic, as

long as an agency has and/or continues to receive legal advice from AG Manibusan or his office he is barred from bringing suit to enforce Commonwealth law. Similarly to *Demapan-Castro*, such a ruling would have absurd and potentially disastrous results because government officials would be insulated from legal accountability. In *Demapan-Castro*, the concern was that if the Governor could control when the Attorney General could bring suit it could allow a particularly unscrupulous executive to force the Attorney General to bring actions against political enemies and/or refrain from prosecuting political allies. *Demapan-Castro* at 16–17. Here, the Court is not saying that SF Larson is attempting to undermine the legal system for political advantage. However, to rule in her favor would have the same effect because it would wholly constrain AG Manibusan's constitutional authority and mandate to seek out violations of law whether civil or criminal by allowing SF Larson to effectively veto the present suit. AG Manibusan believes that the pay raises for the Governor, Lt. Governor, and members of the Legislature contained in PL 4–32, PL 7–31, and PL 19–83 violate the NMI Constitution, the ultimate law of the Commonwealth. AG Manibusan has brought suit against SF Larson seeking to end the alleged violations of law, which is clearly provided for in NMI

The legislative history of NMI CONST. art. III, § 11 further supports the Court's reading and interpretation of the Attorney General's powers and responsibilities. In 2012, post *Demapan-Castro*, the Legislature amended NMI CONST. art. III, § 11 so that the Attorney General is elected by the people instead of appointed by the Governor. *See* House Legislative Initiative 17–2 ("HLI 17–2"). The findings and purpose section of HLI 17–2 provides:

The Legislature finds that the Office of the Attorney General is charged with prosecuting all violations of Commonwealth law and is one of the most integral offices of the Commonwealth of the Northern Mariana Islands. As such, the Office of the Attorney General should be free of any political influence or interference. The present system of the governor appointing the attorney general with the advice and consent of the Senate subjects the attorney general to removal at any time by the

CONST. art. III, § 11.

governor and proscribes independence of the attorney general to enforce the laws of the Commonwealth. The Legislature further finds that in order for the attorney general to function independently and ensure the enforcement of Commonwealth laws to the fullest extent, and be accountable to the people of the Commonwealth, it has become necessary to amend Article III, Section 11 of the Northern Mariana Islands Constitution to authorize the election of the attorney general.

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The NMI Constitution was amended so as to provide the Attorney General with even more insulation from political influence and interference. See HLI 17–2. In HLI 17–2, the Legislature tacitly endorsed the view taken in *Demapan-Castro*, the Attorney General needs to be insulated from political influences so that he or she can effectively prosecute all violations of Commonwealth law. After reviewing the legislative history of NMI CONST. art. III, § 11, it is evident that AG Manibusan's constitutional authority to bring suit, which was already quite broad, is even more expansive today. The Legislature has recognized that the Attorney General needs to be free to pursue enforcement of the law above all else, which is exactly what AG Manibusan is attempting to do in this case. It appears that SF Larson's argument that the legal advice obligation prevails over the prosecution mandate is not only incorrect, but the opposite might actually be true. If there is indeed a need to reconcile the overlapping obligations of the Attorney General it is likely that the conflict would be resolved in favor of allowing the Attorney General to bring suit at the expense of providing legal advice to the agencies of the government. Yet, the Court need not reach that conclusion in this case because AG Manibusan has complied with his obligations by appointing SF Larson's chosen counsels to represent her. AG Manibusan has been careful to ensure that he has faithfully carried out all his obligations under NMI Const. art. III, § 11.4

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<sup>&</sup>lt;sup>4</sup> SF Larson also argues that AG Manibusan's ability to bring suit is restricted by 1 CMC § 2153, which provides:

The Attorney General shall have the powers and duties as provided in the Commonwealth Constitution. In addition, the Attorney General shall have the following powers and duties: (a) To maintain the seal of the Commonwealth and to authenticate official actions and documents of the Commonwealth; (b) To register corporations and businesses; (c) To appoint and certify the

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After careful consideration, the Court rejects SF Larson's argument that AG Manibusan cannot properly bring suit against her. AG Manibusan has plenary authority to bring suit alleging violations of commonwealth law whether the violation is civil or criminal in nature. In the inexorable circumstance that the Attorney General brings suit against a department, by suing that department's officer, the Attorney General is obligated to ensure that competent counsel is appointed, which has occurred in this case.

SF Larson has failed to carry her burden to show that AG Manibusan lacks legal authority to prosecute this case.

appointment of notaries public and issue notarial certificates; (d) To be responsible for any matter pertaining to alien property; (e) To review and approve, as to form and legal sufficiency, all rules and regulations to be promulgated by any department, agency or instrumentality of the Commonwealth government, including public corporations, except as otherwise provided by law; (f) To be responsible for the publication of rules, regulations, and executive orders; (g) To review and approve, as to form and legal capacity, all proposed contracts, bonds, or other evidence of contractual obligations of the Commonwealth, its departments, agencies, and instrumentalities, including public corporations; (h) To act, upon request, as counsel to all departments, agencies, and instrumentalities of the Commonwealth, including public corporations, except the Marianas Public Land Trust. Subject to availability of funds by budgetary appropriation, separate legal counsel may be retained for particular matters.

SF Larson contends that 1 CMC § 2153 manifests an intention to limit the powers of the Attorney General because the act fails to include the attachment of the common law power to bring suit on behalf of the people as a whole. As a threshold matter, the Court need not rule on the question of whether 1 CMC § 2153 has abolished or constrained AG Manibusan's common law power to bring suit on behalf of the people because AG Manibusan's claim is grounded in the text of NMI Const. art. III, § 11. Yet, assuming arguendo that the Court were required to rule on the question the Court is satisfied that the Attorney General still possess common law powers by virtue of the operation of 7 CMC § 3401, which provides:

In all proceedings, the rules of the common law, as expressed in the restatements of the law approved by the American Law Institute and, to the extent not so expressed as generally understood and applied in the United States, shall be the rules of decision in the courts of the Commonwealth, in the absence of written law or local customary law to the contrary; provided, that no person shall be subject to criminal prosecution except under the written law of the Commonwealth.

Currently, no provision of written law or local custom manifests an intention to abolish common law powers vested in the Attorney General. 1 CMC § 2153 merely omits any reference of common law powers, which is fundamentally different from providing a contrary intent. It is certainly true that 1 CMC § 2153 provides a list of powers and duties; yet, it appears to be a non-exhaustive list, evidenced by the fact that it neglects to specifically enumerate the Attorney General's power to bring suit. As such, it is likely that the Attorney General can still exercise common law powers.

#### V. CONCLUSION

In sum, SF Larson's NMI R. Civ. P. 56 motion for summary judgment is **DENIED**. This case is ripe for adjudication because AG Manibusan's suit alleges ongoing constitutional violations and it is extremely likely that PL 19–83 will be fully implemented. SF Larson has a stake in this litigation by virtue of her role as the head of the Department of Finance. Finally, AG Manibusan can properly bring suit against SF Larson because NMI Const. art. III, §11 expressly grants him plenary authority to bring suit when there are arguably violations of Commonwealth law.

**IT IS SO ORDERED** this <u>21st</u> day of June, 2017.

10 <u>/s/</u>

ROBERTO C. NARAJA
Presiding Judge