

MICHIGAN SUPREME COURT

Genesee County Drain Commissioner v. Genesee County

No. 156579, Michigan Supreme Court (July 18, 2019)

SUMMARY

The Michigan Supreme Court held that a claim for unjust enrichment is not barred by the Governmental Tort Liability Act (GTLA). The Court ruled that unjust enrichment is an independent cause of action seeking restitution, not compensatory damages for a tort or breach of contract. Therefore, the GTLA, which bars tort liability for civil wrongs seeking compensatory damages, does not apply to unjust enrichment claims. The decision clarifies the definition of "tort liability" under *In re Bradley Estate*.

CASE DETAILS

COURT	Michigan Supreme Court
WRITING FOR THE COURT	Bridget M. McCormack; David F. Viviano; Richard H. Bernstein; Elizabeth T. Clement; Megan K. Cavanagh
JURISDICTION	Michigan
DECIDED	July 18, 2019
DOCKET	156579
DISPOSITION	affirmed
PROCEDURAL POSTURE	Appeal from the Court of Appeals, which affirmed trial court's denial of summary disposition on unjust enrichment claim.
STANDARD OF REVIEW	De novo on legal questions and summary disposition.
PRECEDENTIAL VALUE	Published
PARTIES	Genesee County v. Genesee County Drain Commissioner Jeffrey Wright

TOPICS

- sovereign immunity
- government liability
- statutory interpretation
- civil procedure
- appellate procedure
- summary judgment

PRACTICE AREAS

QUESTIONS PRESENTED

1. Whether a claim for unjust enrichment is barred by the governmental tort liability act (GTLA).

HOLDINGS

1. Unjust enrichment is neither a tort nor a contract but an independent cause of action, and its remedy is restitution, not compensatory damages. Therefore, the GTLA does not bar an unjust enrichment claim.

KEY QUOTATIONS

“The GTLA provides governmental agencies and their employees with immunity from tort liability when engaged in the exercise of governmental functions.” (1)

“Unjust enrichment is a cause of action to correct a defendant's unjust retention of a benefit owed to another.” (5)

FACTUAL BACKGROUND

Genesee County served as administrator for employee health insurance plans. Drain Commissioner Wright participated. BCBSM conducted audit revealing overpayment of premiums by both county and drain commissioner. County accepted refund from BCBSM and deposited into general fund. Wright demanded his share; county denied. Wright sued for contract and tort claims. After initial appeals, Wright amended to add unjust enrichment claim.

PROCEDURAL HISTORY

The drain commissioner filed an action in Genesee Circuit Court. The trial court partially granted summary disposition on contract claim and denied as to intentional torts. The Court of Appeals reversed on intentional torts, affirmed on contract. Plaintiff then amended to add unjust enrichment claim. Trial court denied summary disposition on that claim; Court of Appeals affirmed. Defendant sought leave to appeal; Supreme Court heard argument and affirmed.

DISPOSITION

affirmed

CASES CITED

- In re Bradley Estate, 494 Mich. 367 (2013)
- Ray v. Swager, 501 Mich. 52 (2017)
- People v. Bruner, 501 Mich. 220 (2018)
- McCreary v. Shields, 333 Mich. 290 (1952)
- Kammer Asphalt Paving Co v. East China Twp Sch, 443 Mich. 176 (1993)
- State Farm Mut Auto Ins Co v. Campbell, 538 U.S. 408 (2003)

- Great-West Life & Annuity Ins Co v. Knudson, 534 U.S. 204 (2002)

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