

SUPREME COURT OF MINNESOTA

City of Duluth v. Fond du Lac Band of Lake Superior Chippewa

843 N.W.2d 577 (Minn. 2014) · No. A12-1324 · Decided March 12, 2014

SUMMARY

The Minnesota Supreme Court held that Minnesota state courts lacked subject matter jurisdiction over the City of Duluth’s action against the Fond du Lac Band concerning a 1986 gaming-related contract. The court concluded that resolving whether the 1986 waiver of sovereign immunity remained effective required interpretation of the 1994 agreements, which vested disputes exclusively in the United States District Court for the District of Minnesota.

CASE DETAILS

COURT	Supreme Court of Minnesota
WRITING FOR THE COURT	Page, Justice
JURISDICTION	Minnesota
DECIDED	March 12, 2014
DOCKET	A12-1324
DISPOSITION	reversed
PROCEDURAL POSTURE	The City appealed from dismissal of its breach-of-contract and injunction action for lack of subject matter jurisdiction and lack of ripeness. The Minnesota Court of Appeals reversed, and the Minnesota Supreme Court granted review.
STANDARD OF REVIEW	Subject matter jurisdiction and contract interpretation are reviewed de novo.
PRECEDENTIAL VALUE	Published opinion of the Supreme Court of Minnesota; binding precedent in Minnesota.
PARTIES	Fond du Lac Band of Lake Superior Chippewa v. City of Duluth

TOPICS

- tribal jurisdiction
- tribal sovereignty
- subject matter jurisdiction
- contract interpretation
- gaming compacts

PRACTICE AREAS

- Indian law
- tribal sovereignty
- civil procedure
- contracts
- federalism

QUESTIONS PRESENTED

1. Whether Minnesota state courts have inherent authority to determine their own subject matter jurisdiction.
2. Whether Minnesota state courts have subject matter jurisdiction over the City's dispute when determining whether the 1986 waiver of sovereign immunity remained effective requires interpretation of the 1994 Agreements, which assign disputes under those agreements exclusively to the United States District Court for the District of Minnesota.

HOLDINGS

1. Minnesota state courts have inherent authority to determine whether they possess subject matter jurisdiction over a proceeding.
2. Minnesota state courts lack subject matter jurisdiction over the dispute because deciding whether the 1986 waiver of sovereign immunity remains effective requires interpretation of the 1994 Agreements, and the 1994 Agreements assign disputes arising under them exclusively to the United States District Court for the District of Minnesota.

KEY QUOTATIONS

"We agree with the City and with the court of appeals that we have jurisdiction to determine the existence of our own subject matter jurisdiction." (582)

"The Band did not waive its immunity to suit in state court in the 1994 Agreements, which modify the 1986 Agreements." (582)

"Sections 9 and 11 of the 1994 Agreements clearly and unequivocally provide that interpretation of the 1994 Agreements is exclusively the province of the federal district court and that state courts do not have jurisdiction to hear disputes arising under the 1994 Agreements." (582)

"Therefore, we lack jurisdiction over this dispute." (582)

FACTUAL BACKGROUND

In 1986, the City and the Band entered agreements creating a joint venture to operate the Fond-du-Luth Casino, including a waiver consenting to suit in Minnesota state or federal court. After the National Indian Gaming Commission determined that the 1986 Agreements violated the Indian Gaming Regulatory Act, the parties executed and the Commission approved 1994 Agreements restructuring their relationship and limiting disputes under those agreements to the United States District Court for the District of Minnesota. In 2010, the Band acquired adjoining land and applied to place it into federal trust without obtaining the City's approval, prompting the City's state-court action.

PROCEDURAL HISTORY

The City commenced an action in St. Louis County District Court alleging that the Band breached the 1986 Agreements by applying to place additional land into trust without the City's approval. The district court dismissed for lack of subject matter jurisdiction and lack of ripeness, concluding that interpretation of the 1994

Agreements was reserved to the federal district court. The court of appeals reversed and remanded, but the Minnesota Supreme Court reversed the court of appeals and reinstated the district court's judgment for the Band.

DISPOSITION

reversed

REMAND INSTRUCTIONS

The court reversed the court of appeals and reinstated the district court's judgment for the Band; no further remand instructions were issued.

CASES CITED

- Schatz v. Interfaith Care Center, 811 N.W.2d 643, 653 (Minn. 2012)
- Halla Nursery, Inc. v. City of Chanhassen, 781 N.W.2d 880, 884 (Minn. 2010)
- Dykes v. Sukup Manufacturing Co., 781 N.W.2d 578, 582 (Minn. 2010)
- Savela v. City of Duluth, 806 N.W.2d 793, 796-97 (Minn. 2011)
- In re Florance, 360 N.W.2d 626, 629 n.1 (Minn. 1985)
- Santa Clara Pueblo v. Martinez, 436 U.S. 49, 58, 98 S. Ct. 1670, 56 L. Ed. 2d 106 (1978)
- City of Duluth v. Fond du Lac Band of Lake Superior Chippewa, 2013 WL 1500884, at *4-5 (Minn. Ct. App. Apr. 15, 2013)
- J.E.B. v. Danks, 785 N.W.2d 741, 747 (Minn. 2010)