



## Supreme Court Commonwealth of the Northern Mariana Islands

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### PRESS RELEASE

#### *Taisague v. Inos*, 2014 MP 13

The NMI Supreme Court responded to three questions posed by the United States District Court for the Northern Mariana Islands concerning the retirement-fund settlement. The questions arose from a suit brought in federal court by Jesus Taisague alleging the Commonwealth unconstitutionally impaired or diminished retiree-contract rights by entering into the Betty Johnson Settlement. Because these claims presented novel questions about the NMI Constitution, the federal court sought guidance from the NMI Supreme Court. Specifically, the federal court asked whether contract rights are impaired or diminished under the NMI Constitution when the Commonwealth: (1) does not pass a law creating a defense to breach; (2) does not pass a law depriving a retiree of the ability to sue for breach; and (3) does pass a law requiring the appropriation of funds before a judgment may be enforced.

The parties agreed that the first two questions did not pose a constitutional violation. Thus, the Court did not address those questions because any answer would be an impermissible advisory opinion.

Turning to the third question, the Court explained that unconstitutional diminishment or impairment both require legislative action that detrimentally affects contract rights. But the law requiring the Legislature appropriate funds before a judgment can be enforced against the Commonwealth does not detrimentally affect rights. Instead, the law merely codifies existing constitutional separations of power: the Legislature is the only branch that can allocate funds—the Judiciary, even in the absence of the statute at question, could not compel the Legislature to pay a judgment. Accordingly, the Court concluded that the law does not unconstitutionally impair or diminish a contract.

The Supreme Court's full opinion, 2014 MP 11, can be found at:  
<http://www.cnmilaw.org/supreme14.html>.

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