

## In the Supreme Court of the State of Montana

No. DA-23-0689

Lake County,

*Plaintiff/Appellant,*

v.

State of Montana

*Defendant/Appellee.***APPELLANT'S REPLY BRIEF**

From the Twentieth Judicial District Court, Lake County, Montana

Lake County v. State of Montana

Cause No. DV-22-117

Honorable Amy Eddy

Robert T. Bell  
Lance P. Jasper  
REEP, BELL, & JASPER, P.C.  
202 W. Spruce St.  
P.O. Box 16960  
Missoula, MT 59808  
Phone: (406) 541-4100  
Email: bell@westernmontanalaw.com  
jasper@westernmontanalaw.com

*Attorney for Plaintiff/Appellant*

Dale Schowengerdt  
Landmark Law, PLLC  
7 West 6<sup>th</sup> Avenue, Suite 518  
Helena, MT 59601  
Phone: (406)457-5496  
Email: dale@landmarklawpllc.com

Mac Morris  
Leonard Smith  
Lars Phillips  
Crowley Fleck, PLLP  
1915 South 19<sup>th</sup> Avenue  
Bozeman, MT 59718  
Phone: 406-556-1430  
Email: wmorris@crowleyfleck.com  
lsmith@crowleyfleck.com  
lphillips@crowleyfleck.com

*Attorneys for Defendant/Appellee*

## TABLE OF CONTENTS

TABLE OF CONTENTS.....	i
TABLE OF AUTHORITIES .....	iii
ARGUMENT .....	1
I.    LAKE COUNTY’S CLAIMS ARE JUSTICIABLE.....	1
A. The Musselshell case does not apply.....	1
B. There is no violation of Constitutional separation of powers.....	6
C. Lake County’s Dispute with the State is real and substantial; It is not seeking a “hypothetical advisory opinion” .....	7
II.   THE CONTINUING VIOLATION DOCTRINE AND EQUITABLE TOLLING APPLY .....	9
A. The Continuing Violation Doctrine.....	9
B. Equitable Tolling .....	10
III.  THE COUNTY’S REMAINING CLAIMS MAY PROCEED AS A MATTER OF LAW.....	11
A. Congress intended that a State voluntarily assuming jurisdiction under PL280 would commit to itself ensuring funding for it exercise .....	11
B. Lake County’s unfunded mandate claim is appropriate as matter of law .....	13
C. Lake County’s unjust enrichment claim is also viable.....	15
D. The State’s statutory construction argument fails .....	17
CERTIFICATE OF COMPLIANCE .....	18

CERTIFICATE OF SERVICE.....	19
-----------------------------	----

## TABLE OF AUTHORITIES

### **Cases Cited:**

<i>Addison v. State</i> , 21 Cal.3d 313, 146 Cal.Rptr. 224, 578 P.2d 941, 945 (1978) .....	10
<i>Benjamin v. Anderson</i> , 327 Mont. 173, 185, 112 P.3d 1039, 1048 (2005) .....	9
<i>Brown</i> , ¶ 24.....	7
<i>Brilz v. Metro. Gen. Ins. Co.</i> , 2012 MT 184, ¶ 16, 366 Mont. 78, 84, 285 P.3d 494, 499 .....	10
<i>City of Great Falls v. Bd. of Commissioners of Cascade Cnty.</i> , 2024 MT 118, ¶ 13, 416 Mont. 494, 508, 549 P.3d 1158, 1169 .....	6
<i>City of Missoula v. Fox</i> , 2019 MT 250, 397 Mont. 388, 450 P.3d 898 .....	5,8
<i>Dist. No. 55 v. Musselshell County</i> , 245 Mont. 525, 529, 802 P.2d 1252, 1254 (Mont. 1990).....	1,2,3,4
<i>Flathead Health Ctr. v. Flathead County</i> , 183 Mont. 211, 218, 598 P.2d 1111, 1114 (Mont. 1979) .....	16
<i>Fletcher v. Union Pac. R. Co.</i> , 621 F.2d 902, 908 (8th Cir. 1980) .....	9
<i>Goodover v. Lindey's Inc.</i> , 255 Mont. 430, 438, 843 P.2d 765, 770 (1992) .....	6
<i>In re M.A.L.</i> , 2006 MT 299, ¶ 24, 148 P.3d 606, ¶ 24, 334 Mont. 436, ¶ 24. ....	15

<i>Larson v. State</i> , 2019 MT 28, ¶ 18, 39, 394 Mont. 167, 434 P.3d 241 .....	6,8
<i>Lewis &amp; Clark Cty. v. State Dept. of Comm.</i> , 224 Mont. 223, 228, 728 P.2d 1348, 1352 (1986) .....	5,6
<i>Meyer v. Knudsen</i> , 2022 MT 109, ¶ 12, 409 Mont. 19, ¶ 12, 510 P.3d 1246, ¶ 12 .....	6
<i>Montana Human Rights Division v. City of Billings</i> (1982), 199 Mont. 434, 443, 649 P.2d 1283, 1288 .....	8
<i>Mountain Water Co. v. Montana Dep't of Revenue</i> , 2020 MT 194, ¶ 16, 400 Mont. 484, ¶ 16, 469 P.3d 136, ¶ 16. ....	15,16
<i>Musselshell Cty. v. Yellowstone Cty. and State of Montana Dept. of Rev.</i> , 2012 MT 292 ¶8, 367 Mont. 350, 291 P.3d 379 .....	5,6
<i>Rohlfs v. Klemenhausen, LLC</i> , 2009 MT 440, ¶ 20, 354 Mont. 133, ¶ 20, 227 P.3d 42, ¶ 20 .....	6
<i>Rosebud Cnty. v. Dep't of Revenue of State</i> , 257 Mont. 306, 309–10, 849 P.2d 177, 179, 849 P.2d 177 (1993) .....	5,8
<i>Rosebud Sioux Tribe v. State of S.Dak.</i> , 900 F.2d 1164 (8 <sup>th</sup> Cir. 1990) .....	12
<i>Safeco Ins. Co. v. Mont. Eighth Judicial Dist. Court</i> , 2000 MT 153, ¶ 31, 300 Mont. 123, 2 P.3d 834 .....	8
<i>Satterlee v. Lumberman's Mutual Ins. Co.</i> , 2009 MT 368, ¶ 34, 353 Mont. 265, ¶ 34, 222 P.3d 566, ¶ 34 .....	6
<i>Schoof</i> , ¶ 37 .....	10
<i>State v. Arizona Prop. &amp; Cas. Ins. Guar. Fund</i> , 192 Ariz. 390, 391, 966 P.2d 557, 558 (Ariz. Ct. App. 1998) .....	3,4

<i>Town of Kevin v. N. Central Montana Water Authority</i> , 2024 MT 159 ¶ 12 .....	4
--	---

<i>Weidow v. Uninsured Employers' Fund</i> , 2010 MT 292, ¶ 28, 359 Mont. 77, ¶ 28, 246 P.3d 704, ¶ 28 .....	10
---	----

## **Statutes:**

Mont. Code Ann. § 1-2-109 .....	15
Mont. Code Ann. § 1-2-112 .....	1,14,15,16
Mont. Code Ann. § 1-2-115 .....	1
Mont. Code Ann. § 1-2-116 .....	1,3,7,16
Mont. Code Ann. § 1-2-301 .....	1,7, 15
Mont. Code Ann. § 2-1-301 .....	1,7,9,12,13,14,15,16,17
Mont. Code Ann. § 2-1-302 .....	11,16, 17
Mont. Code Ann. § 7-1-114 .....	2
Mont. Code Ann. § 7-32-2201 .....	17
Mont. Code Ann. § 27-8-102 .....	7
Mont. Code Ann. § 27-8-202 .....	8
Mont. Code Ann. § 27-8-205 .....	8

## **Other Authorities**

House Bill 55 .....	13
Public Law 280.....	<i>passim</i>
<i>The Continuing Violations Doctrine</i> 43 Gonz. L. Rev. 271, 296 .....	9

Attorney General Knudsen’s public comments,  
reported at <https://vp-mi.com/news/2024/may/08/knudsen-says-state-will-consider-funding-for-pl-28/> (5/18/2024) ..... 13

## ARGUMENT

### I. LAKE COUNTY’S CLAIMS ARE JUSTICIABLE

#### A. The Musselshell case does not apply.

Under the Musselshell doctrine, a “political subdivision” of the State—such as Lake County—may sue another political subdivision for damages when “express or implied statutory authority exists” to support the claim. *Dist. No. 55 v. Musselshell County*, 245 Mont. 525, 529, 802 P.2d 1252, 1254 (Mont. 1990).

Mont. Code Ann. §§ 1-2-112 and 1-2-116 provide statutory authority supporting Lake County’s claim. Montana enacted these statutes explicitly to prevent state agencies from unjustly shifting the burden and associated costs of state programs onto local governments. With this purpose in mind, the State expressly acknowledged a local government’s right to bring a civil suit against the State as a remedy for violation of these statutes. Section 1-2-115 asserts that local governments may “bring a civil action in the district court of the county in which the local government unit is located” to prevent violations of § 1-2-112, MCA. *See* § 1-2-115(4), MCA. Section 1-2-116 similarly provides that local governments billed or charged by a state agency may “appeal[] to the district court” after following the administrative procedure provided for under Section 3. § 1-2-116(3)(b), MCA. Moreover, § 2-1-301(2), MCA has, since its enactment, required



reimbursement to Lake County for the expense associated with implementing PL 280 jurisdiction. Thus, statutory authority exists to pursue the claims, and *Musselshell* does not apply.

Lake County's action is also distinguishable from *Musselshell* and its progeny. Unlike *Musselshell*, which involved two "political subdivisions" of the State, Lake County has brought its claim against the State itself and thus the rationale underlying *Musselshell* proves significantly weaker. *Musselshell* determined that "political subdivisions" like "school districts, municipalities, and counties" have "no existence, no functions, no rights and no powers" as "creations of the state." *Musselshell*, 245 Mont. at 528. Under these circumstances, a political subdivision suing another subdivision would be like "the state, in effect, suing itself" because the same taxpayer pool funds both parties. See *id.* ("While the taxpayers, as represented by the School Districts, may benefit, the taxpayers, as represented by the County, must pay, through taxes or insurance, the deficient funds to the School Districts.").

The State, unlike its creations, does not lack independent powers, indeed it exercises immense powers over its "subdivisions," including the power to compel them to act on its behalf. See § 7-1-114(1)(f), MCA ("A local government with self-government powers is subject to the following provisions . . . any law directing or requiring a local government or any officer or employee of a local

government to carry out any function or provide any service.”). The State also pulls from a much larger pool of taxpayers than a local government when funding legislation, a fact recognized by § 1-2-116, MCA which prohibits cost shifting to individual counties for that very reason. Unlike in *Musselshell*, where a suit by Musselshell’s School Districts against the county would indeed be like “suing itself,” here a decision in Lake County’s favor would redistribute the costs it presently incurs across a significantly larger tax pool better capable of bearing the burden.

Lake County’s claims may be most closely analogized to *State v. Arizona Property and Casualty Insurance Guaranty Fund* (hereinafter “*State v. the Fund*”) which—although only persuasive authority—constitutes one of the only cases where a court previously applied the Musselshell doctrine to a claim for damages. See *State v. Arizona Prop. & Cas. Ins. Guar. Fund*, 192 Ariz. 390, 391, 966 P.2d 557, 558 (Ariz. Ct. App. 1998). In *State v. the Fund*, the State of Arizona sued a fund designed by the State to pay out insurance claims (“the Fund”) after the Fund declined a claim filed by the State. In a manner similar to Lake County’s own declaratory action claim, Arizona sought declaratory judgment that the Fund was obligated to pay its claim. *State v. the Fund*, 192 Ariz. at 391. In applying the Musselshell doctrine, the Arizona Court of Appeals determined that to allow Arizona to sue the Fund for damages would not constitute the state suing itself,

even though the Fund was created by the Legislature and “within the department of insurance.” *Id.* at 392. The Arizona Court of Appeals rejected the argument that “allowing a suit such as this would constitute shifting general state money from the account of one department to another” because the loss of Arizona, as an insurance carrier, would be “shifted and borne” by the Fund, which received funds directly from the insurance industry. *Id.* at 395. Arizona’s claim was thus appropriate, even though it involved a damages element, because “[t]he Fund’s payment of the State’s claim does not result merely in an accounting entry.” *Id.* This very reasoning was followed in *Town of Kevin v. N. Central Montana Water Authority*, 2024 MT 159 ¶ 12, where this Court affirmed an award of attorney fees by a county against the State because the tax sources behind them were not the same.

Lake County could also obtain monetary relief under its declaratory judgment count. It is quite clear that *Musselshell* does not apply to claims based upon declaratory relief:

Although DOR has cited *School District No. 55 v. Musselshell County* (1990), 245 Mont. 525, 802 P.2d 1252, for the proposition that Rosebud County lacks standing in the case at bar, the two cases can be distinguished by the type of relief sought. Rosebud County is suing for injunctive and declaratory relief, rather than damages. Since counties are considered to be persons under § 2–4–102(8), MCA, they possess all the rights of persons during administrative rule-making. Sections 2–4–302 and –305, MCA. Because of DOR’s failure to satisfy the procedural and substantive requirements of MAPA by not holding hearings prior to making its rule to change the method of determining the value of property, Rosebud is entitled to bring an action against the State to protect its statutory and constitutional interests. The District Court did not err in denying DOR’s motion to dismiss.

*Rosebud Cnty. v. Dep't of Revenue of State*, 257 Mont. 306, 309–10, 849 P.2d 177, 179 (1993)(affirming district court’s decision to requiring the State Department of Revenue to assess heavy equipment at 100% of its market value for tax purposes).

Declaratory judgment cases by counties against the State are anything but rare, particularly when disputes exist over the meaning and enforceability of a statute or regulation. *See, Rosebud, supra.*; *City of Missoula v. Fox*, 2019 MT 250, 397 Mont. 388, 450 P.3d 898 (declaratory judgment concerning city ordinance requiring firearm background checks); *Musselshell Cty. v. Yellowstone Cty. and State of Montana Dept. of Rev.*, 2012 MT 292 ¶8, 367 Mont. 350, 291 P.3d 379 (Declaratory judgment re: State’s allocation of tax revenue between and among two counties); *Lewis & Clark Cty. v. State Dept. of Comm.*, 224 Mont. 223, 228, 728 P.2d 1348, 1352 (1986)(affirming district court declaratory judgment determining amount owed by State to county and entering judgment of \$1,016,957).

Indeed, the supplemental relief provisions of the Uniform Declaratory Judgment Act allow money damages as supplemental relief. A court has the power “to grant relief necessary to enforce its judgment under the Uniform Declaratory Judgments Act”. *Goodover v. Lindsey's Inc.*, 255 Mont. 430, 438, 843 P.2d 765, 770 (1992). This power is not inconsistent with the *Musselshell* case, discussed *supra*.

*Musselshell* does not apply to declaratory judgment cases. The present case would not be the first in which a district court entered a seven figure monetary judgment on behalf of a County against the State following declaratory judgment. *See Lewis & Clark Cty. v. State Dept. of Comm.*, 224 Mont. 223, 228, 728 P.2d 1348, 1352 (1986)(affirming district court declaratory judgment determining amount owed by State to county and entering judgment of \$1,016,957).

B. There is no violation of Constitutional separation of powers.

The State next argues that Lake County's Complaint requires the Court to infringe upon the power of the Legislature and its express power to allocate funds. *See Meyer v. Knudsen*, 2022 MT 109, ¶ 12, 409 Mont. 19, ¶ 12, 510 P.3d 1246, ¶ 12. It is generally true that the Court's role "is not to determine the prudence of a legislative decision." *Rohlfs v. Klemenhausen, LLC*, 2009 MT 440, ¶ 20, 354 Mont. 133, ¶ 20, 227 P.3d 42, ¶ 20 (citing *Satterlee v. Lumberman's Mutual Ins. Co.*, 2009 MT 368, ¶ 34, 353 Mont. 265, ¶ 34, 222 P.3d 566, ¶ 34). However, the "political question doctrine generally excludes from judicial review only those controversies which [involve] policy choices and value determinations constitutionally committed for resolution to other branches of government or to the people in the manner provided by law." *City of Great Falls v. Bd. of Commissioners of Cascade Cnty.*, 2024 MT 118, ¶ 13, 416 Mont. 494, 508, 549 P.3d 1158, 1169 (quoting *Larson v. State*, 2019 MT 28 ¶ 39). "District courts and this Court thus 'have the

exclusive authority and duty’ within constitutional limits ‘to adjudicate the nature, meaning, and extent of applicable constitutional, statutory, and common law [provisions] and to render appropriate judgments thereon in the context of cognizable claims for relief.’” *Id.* ¶ 14 (citations omitted).

Although allocations of funds are typically within the discretion of the Legislature, the State has determined that the Legislature may not simply abdicate its duty to fund an “undertaking required by state law to be carried out primarily by a state agency.” § 1-2-116, MCA. Therefore, while allocations may be the province of the Legislature, “that authority must nevertheless be exercised in compliance with” other provisions of state law. *Brown*, ¶ 24. It is well within this Court’s province to determine whether the State is required to fund Lake County’s implementation of PL 280 jurisdiction under § 2-1-301(2), MCA and § 1-2-116, MCA. Thus prudential standing concerns do not bar Lake County’s Complaint.

C. Lake County’s dispute with the State is real and substantial; It is not seeking a “hypothetical advisory opinion”.

The State also asserts that Lake County’s declaratory judgment count seeks an advisory opinion, and is thus unripe for determination under the Uniform Declaratory Judgments Act. The Act is “declared to be remedial; its purpose is to settle and *to afford relief from uncertainty and insecurity* with respect to rights, status, and other legal relations; and *it is to be liberally construed and administered.*” Mont. Code Ann. § 27-8-102 (emphasis added). “Any person ...

whose rights, status, or other legal relations are affected by a statute ... may have determined *any question* of construction or validity arising under the ... statute ... and obtain a declaration of rights, status, or other legal relations thereunder.” Mont. Code Ann. § 27-8-202 (emphasis added). “In order to establish standing to sue, one need only show potential economic harm.” *Rosebud Cnty. v. Dep’t of Revenue of State*, 257 Mont. 306, 309, 849 P.2d 177, 179, 849 P.2d 177 (1993)(affirming declaratory judgment in favor of Rosebud County against the State of Montana, Department of Revenue)(citing *Montana Human Rights Division v. City of Billings* (1982), 199 Mont. 434, 443, 649 P.2d 1283, 1288). Consequently, a “[c]ounty has a substantial interest in the protection of its tax base” that supplies “standing to sue.” *Id.*

“A court has the liberal discretion to ‘declare rights, status, and other legal relations whether or not further relief is or could be claimed.’” *Safeco Ins. Co. v. Mont. Eighth Judicial Dist. Court*, 2000 MT 153, ¶ 31, 300 Mont. 123, 2 P.3d 834 (quoting Mont. Code Ann. § 27-8-205). Ultimately, “an issue is justiciable if within the constitutional power of a court to decide, an issue in which the asserting party has an actual, non-theoretical interest, and an issue upon which a judgment can effectively operate and provide meaningful relief.” *City of Missoula v. Fox*, 2019 MT 250, ¶ 11, 397 Mont. 388, 450 P.3d 898 (quoting *Larson v. State*, 2019 MT 28, ¶ 18, 394 Mont. 167, 434 P.3d 241) (internal quotations omitted). Here, a

justiciable controversy clearly exists. It is essential that Lake County and the State of Montana obtain a declaration setting forth their respective rights and obligations concerning funding for PL 280 jurisdiction under Mont. Code Ann. § 2-1-301.

## II. THE CONTINUING VIOLATION DOCTRINE AND EQUITABLE TOLLING APPLY

### A. The Continuing Violation Doctrine.

The State presents several arguments against the application of the Continuing Violation Doctrine. First, it asserts that the doctrine only applies to common law torts, an argument that prioritizes form over substance. The underlying rationale of the continuing violation concept is what matters, specifically whether the claim arises from a series of violations rather than a single, isolated act. For example, as noted in *Benjamin v. Anderson*, 327 Mont. 173, 185, 112 P.3d 1039, 1048 (2005), a statute of limitations does not expire as long as a hostile work environment persists within the statutory period for filing a claim. The Continuing Violation principle ensures that a recurring illegal act does not become legal simply due to the passage of time, as discussed in *Fletcher v. Union Pac. R. Co.*, 621 F.2d 902, 908 (8th Cir. 1980), which reasoned that where the wrongful conduct is ongoing, the statute of limitations does not begin to run until the last wrongful act is committed.

There is a crucial distinction between cases where a single wrongful act results in ongoing damages (which typically would not qualify as a continuing



violation) and cases where the wrongful act is repeatedly committed (which would qualify). Although the State attempts to distinguish each case cited by the County, these distinctions are not significant. This is evident in the State's criticism that "Lake County cites no case . . . allow[ing] a plaintiff to sue a legislative body for legislative inaction over a period of decades" (Opp. Br. 21). Conversely, the State cites no case where a plaintiff's claim has been dismissed under similar circumstances. The uniqueness of the present case demonstrates that the rationale of the Continuing Violation Doctrine applies. Rejecting this would effectively permit ongoing wrongful acts to be validated by the mere passage of time.

**B. Equitable Tolling.**

As noted in our opening brief, this Court has "reject[ed] anyone-size-fits-all approach that would serve only to undermine the purpose of the equitable tolling doctrine and . . . deprive a plaintiff of his or her rights. . . .". *Schoof*, ¶ 37 (quoting *Weidow v. Uninsured Employers' Fund*, 2010 MT 292, ¶ 28, 359 Mont. 77, ¶ 28, 246 P.3d 704, ¶ 28). "The policy behind the doctrine of equitable tolling is likewise to 'avoid [ ] forfeitures and allow[ ] good faith litigants their day in court.'" *Brilz v. Metro. Gen. Ins. Co.*, 2012 MT 184, ¶ 16, 366 Mont. 78, 84, 285 P.3d 494, 499 (Quoting *Addison v. State*, 21 Cal.3d 313, 146 Cal.Rptr. 224, 578 P.2d 941, 945 (1978)).

Lake County acknowledges that the present case is unique. There has never been a similar lawsuit filed in Montana. Again, the policies underlying the statutes of limitation should be considered. Here, the State seeks to treat the citizens of Lake County today as if they and their Commissioners were themselves present and making decisions many decades ago. That obviously is not the case. The present-day citizens have been burdened by a slowly changing set of circumstances—namely the gradual increase in costs of fulfilling PL 280 jurisdiction that was not foreseen in the 1960s when § 2-1-302's predecessor was enacted. Under the circumstances, it is appropriate to apply equitable tolling principles to the unique circumstances of this case.

### III. THE COUNTY'S REMAINING CLAIMS MAY PROCEED AS A MATTER OF LAW.

The final section of the State's brief requests this Court affirm dismissal based on reasons not decided by the District Court. Each of these arguments is without merit.

#### A. Congress intended that a State voluntarily assuming jurisdiction under PL 280 would commit itself to ensuring funding for its exercise.

The State contends in essence that its assumption of jurisdiction under PL 280 imposed no corresponding obligation on it. Essentially, the State argues it could assume jurisdiction without itself being obligated to exercise that jurisdiction by providing law enforcement services in a meaningful way. In other words, the

State would receive the right without any corresponding responsibility. This is most certainly not what Congress intended.

The State attempts to distinguish *Rosebud Sioux Tribe v. State of S.Dak.*, 900 F.2d 1164 (8<sup>th</sup> Cir. 1990) because it did not involve the precise question here, *i.e.* a lawsuit between a county and a state over funding. Nevertheless, the *rationale* underlying the *Rosebud* case applies directly. The critical element of that case was its recognition that “Congress’ offer of jurisdiction over Indians” was conditioned upon whether a state’s authorizing statute demonstrates “substantive compliance with PL 280, *i.e.* is the jurisdiction statute sufficient to accept Congress’ offer of jurisdiction over Indians.” *Id.* at 1169. A state was only permitted to assume jurisdiction if its assumptive statute “reflect[ed] an acceptance of the burden of jurisdiction”. *Id.* (emphasis added), The Eighth Circuit found South Dakota’s statute ineffective because it did not respond to one of the principal concerns underlying PL 280’s enactment—a transfer of the financial burden from the federal government to *the state*. *Id.* at 1171.

The importance of the decision lies in its recognition that a state itself is obligated to ensure proper fulfillment of PL 280 jurisdiction. It cannot simply abdicate responsibility to do so effectively while gaining the right to exercise that jurisdiction. That *the State* assumed this obligation itself (as opposed to the County) is manifest in the language of the adoptive statute, § 2-1-301: “The state

of Montana hereby obligates and binds *itself* to assume, as herein provided, criminal jurisdiction over Indians and Indian territory of the Flathead Indian reservation . . .” (emphasis added).

B. Lake County’s unfunded mandate claim is appropriate as a matter of law.

The State mistakenly asserts that Lake County voluntarily assumed to incur the costs associated with § 2-1-301, MCA. However, as explained in its opening brief, Lake County did not consent to *fund* PL 280 enforcement. It merely consented the State’s assumption of PL 280 jurisdiction. Nothing in HB 55 or the assumptive statute now codified at § 2-1-301 addressed or mentioned funding. The legislative history demonstrates that, at the time of the State’s assumption, it was assumed there would be no additional cost to Lake County. (*See* discussion at Lake County’s Opening Br. 15-17). In the absence of any funding from the State, Lake County faces a Hobson’s Choice: Either fund the exercise of PL 280 jurisdiction, or abdicate all responsibility to the State, which has neither the infrastructure nor personnel to fulfill PL 280 requirements. *See generally* Attorney General Knudsen’s public comments, reported at <https://vp-mi.com/news/2024/may/08/knudsen-says-state-will-consider-funding-for-pl-28/> (5/18/2024). Thus, the County’s PL 280 obligations are mandatory. Moreover, no other county in Montana is situated like Lake County and only the CSKT authorized state assumption of Indian jurisdiction. Lake County’s duty to enforce

criminal jurisdiction on the reservation is unique and not “expected of local governments in the scope of their usual operations.” § 1-2-112, MCA. The State fails to cite to any authority that would require Lake County to bear the financial costs of this unique burden.

The State is required to fund local governments when the State “requires a local government unit to perform an activity or perform a service or facility that requires the direct expenditure of additional funds and that is not expected of local governments in the scope of their usual operations.” § 1-2-112(1), MCA. The Legislature must fund any “legislatively imposed requirements that are not necessary for the operation of local governments but that provide a valuable service or benefit to Montana citizens.” § 1-2-112(3), MCA. Lake County is providing PL 280 services, not pursuant to its own jurisdiction, but rather pursuant to a federally granted jurisdiction that the State “obligates and binds itself to assume.” § 2-1-301, MCA. In other words, the exercise of PL 280 jurisdiction is not something ordinarily expected of Montana counties. Lake County bears a unique burden because the vast majority of the Flathead Reservation lies within its borders. Other counties in which reservations exist do not provide PL 280 services, because the State did not assume jurisdiction over their membership.

Although it did not form the basis for her decision, the District Court judge correctly recognized that viable claims exist under § 1-2-112:

Taking everything in the Complaint as true for purposes of the Motion to Dismiss, as of 2017, Lake County has sufficiently stated a claim that the Legislature was required to fund PL 280 jurisdiction and its failure to do so violated Mont. Code Ann. § 1-2-112(1).

(See App. 3, Appellant's Opening Brief)

Furthermore, Montana *presently* imposes this obligation on Lake County, thus, contrary to the State's assertion, Lake County's unfunded mandate claim would not require § 1-2-112, MCA to apply retroactively. No law contained in any of the statutes of Montana is retroactive unless expressly so declared. § 1-2-109, MCA. The State argues that Lake County's claim would require § 1-2-112, MCA to operate retroactively because § 2-1-301, MCA—which codified the State's PL 280 obligations—predates § 1-2-112, MCA. However, “[a] statute does not operate retroactively merely because it is applied to conduct occurring prior to its enactment.” *In re M.A.L.*, 2006 MT 299, ¶ 24, 148 P.3d 606, ¶ 24, 334 Mont. 436, ¶ 24. The mere fact that Lake County had been forced to bear the costs of an unfunded mandate prior to the Legislature enacting § 1-2-112, MCA, does not prohibit Lake County from seeking redress for the many years the county has continued to bear the costs of PL 280 enforcement since § 1-2-112, MCA was created.

C. Lake County's unjust enrichment claim is also viable.

Unjust enrichment claims focus on benefits conferred “without adequate legal ground.” *Mountain Water Co. v. Montana Dep't of Revenue*, 2020 MT 194, ¶

16, 400 Mont. 484, ¶ 16, 469 P.3d 136, ¶ 16. Although the State argues that such legal grounds exist to justify Lake County's assumption of PL 280-related costs, none of the statutes cited by the State prove adequate.

Restitution may be made available under unjust enrichment claims "where such action involves no violation or frustration of law or opposition to public policy." *Flathead Health Ctr. v. Flathead County*, 183 Mont. 211, 218, 598 P.2d 1111, 1114 (Mont. 1979). The State argues that Lake County should be denied restitution because § 2-1-301(2), MCA provides that Lake County shall only be reimbursed for costs associated with the assumption of criminal jurisdiction over the Flathead Indian Reservation "to the extent funds are appropriated by the Legislature." However, when the Legislature fails to allocate a meaningful amount under this statute, the Legislature violates §§ 1-2-112 and 1-2-116, MCA. The State is prohibited from requiring a local government to "pay for all or part of the administrative costs of a program, activity, or undertaking required by state law to be carried out primarily by a state agency." § 1-2-116(3), MCA. Therefore, to make restitution available under these circumstances would not frustrate the law or oppose public policy, but rather bring § 2-1-302, MCA in alignment with the law.

The remainder of the statutes cited by the State as "legal grounds" for the benefit conferred on the State relate only to a local government's general obligations. Enforcement of § 2-1-301, MCA and the attendant costs constitute the

benefit that Lake County has inequitably conferred upon the State, not housing prisoners detained under Lake County's own jurisdiction. *See, e.g.*, § 7-32-2201, MCA *et seq.* Enforcement of § 2-1-301, MCA costs Lake County an additional \$4 million per year, independent of the costs it would accrue as a result of maintaining its county detention center and housing its own prisoners. (Compl. ¶ 17). It follows that the authorization for these costs must come from § 2-1-301, MCA or a provision related to the PL 280 jurisdictional scheme. Authorization for costs associated with PL 280 cannot be derived from a general provision related to the care and maintenance of detention centers and housing of prisoners detained pursuant to general state criminal jurisdiction.

**D. The State's statutory construction argument fails.**

The final argument in the State's brief contends that Lake County's declaratory relief claim fails as a matter of law. It focuses on Section 2-1-302(2)'s clause, "to the extent funds are appropriated by the Legislature". (State's Br. 41). As Lake County explained in its opening brief, the clause should not be read in a vacuum. It would be absurd for the State to enact a statute requiring it to reimburse Lake County for the costs of enforcing PL 280 jurisdiction, while allowing a \$1 or \$0 reimbursement. As explained in Lake County's opening brief, the statute should be read to require that the reimbursement bear a reasonable relationship to the



actual costs incurred by the County. (*See detailed discussion at Lake County's Opening Br. 28-37*).


DATED this 2<sup>nd</sup> day of August, 2024.

REEP, BELL, & JASPER, P.C.

By:   
Robert T. Bell  
Attorney for Plaintiff/Appellant

CERTIFICATE OF COMPLIANCE

Pursuant to Rule 11(4)(e) of the Montana Rules of Appellate Procedure, I certify that this Appellant's Opening Brief is printed with proportionally spaced Times New Roman text typeface of 14 points; is double spaced; and the word count calculated by Microsoft Word is 4,162 words, excluding certificate of service and certificate of compliance.

By:   
Robert T. Bell

## **CERTIFICATE OF SERVICE**

I, Robert T. Bell, hereby certify that I have served true and accurate copies of the foregoing Brief - Appellant's Reply to the following on 08-02-2024:

Lance Patrick Jasper (Attorney)  
Reep, Bell & Jasper, P.C.  
P.O. Box 16960  
Missoula MT 59808  
Representing: Lake County  
Service Method: eService

Dale Schowengerdt (Attorney)  
7 West 6th Avenue, Suite 518  
Helena MT 59601  
Representing: State of Montana  
Service Method: eService

E. Lars Phillips (Attorney)  
1915 S. 19th Ave  
Bozeman MT 59718  
Representing: State of Montana  
Service Method: eService

William McIntosh Morris (Attorney)  
1915 S. 19th Ave.  
P.O. Box 10969  
Bozeman MT 59719  
Representing: State of Montana  
Service Method: eService

Leonard Hudson Smith (Attorney)  
P.O. Box 2529  
Billings MT 59103  
Representing: State of Montana  
Service Method: eService

Electronically signed by Jayden Beed on behalf of Robert T. Bell

Dated: 08-02-2024