

## The Minnesota Uniform Declaratory Judgments Act: The Litigator's Underutilized Yet Versatile Tool



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By nature, complex litigation can be messy with no easy solution. When clients face complicated legal problems, they look to creative litigators for help solving them. Advocating on behalf of plaintiffs or defendants, litigators have an arsenal of tools to address those problems. One often overlooked and underutilized tool is the Minnesota Uniform Declaratory Judgments Act (“Declaratory Judgments Act”), Chapter 555. When traditional claims cannot fully resolve the core problems at issue, the Declaratory Judgments Act provides the flexibility and versatility for litigators to request unique, creative solutions from courts.

Pursuant to Minnesota Statute § 555.01, courts have the power to “declare rights, status, and other legal relations whether or not further relief is or could be claimed.” See also Minn. R. Civ. P. 57; Fed. R. Civ. P.

57 (referring to 28 U.S.C. § 2201). In addition to this general catchall provision, the Declaratory Judgments Act has a specific provision to provide relief in cases involving written contracts or deeds. Minnesota Statute § 555.02 provides, “any person interested under a deed, will, written contract, or other writings constituting a contract, ... may have determined any question of construction or validity” arising under the contract and “obtain a declaration of rights, status, or other legal relations thereunder.” Minn. Stat. § 555.02. Furthermore, a party may seek declaratory judgment with regard to the parties’ rights under a contract before or after a breach of contract. Minn. Stat. § 555.02. This is a particularly useful tool for fiduciaries, creditors, executors, and trustees to affirmatively seek direction from courts in the face of pressure from interested parties.

The purpose of the Act is to settle uncertainty, and it is to be liberally construed and administered. Minn. Stat. § 555.12. “A declaratory judgment may be entered regardless of whether further relief is or could be claimed, and it will lie when legal relations are affected by a statute, municipal ordinance, contract, or franchise.” *All. For Metro. Stability v. Metro. Council*, 671 N.W.2d 905, 915 (Minn. Ct. App. 2003). “The Act, however, is not an express independent source of jurisdiction.” *All. for Metro. Stability*, 671 N.W.2d at 915. “A party seeking a declaratory judgment must have an independent, underlying cause of action based on a common-law or statutory right.” *Id.*

The Declaratory Judgments Act was used recently in the high-profile dispute between then Governor Mark Dayton and the Minnesota Legislature. In 2017, the Legislature filed an action against Governor Dayton seeking a declaratory judgment under Chapter 555 that the Governor’s line-item vetoes of funding for the Legislative Branch were unconstitutional. The district court granted the Legislature’s requested

declaratory relief before the Minnesota Supreme Court reversed and found the Governor’s line-item vetoes were constitutional. *Ninetyth Minnesota State Senate v. Dayton*, 903 N.W.2d 609, 626 (Minn. 2017).

In addition to political disputes, the Declaratory Judgment Act may be used in unique business disputes. In *Lighthouse*, the assignee for the benefit of creditors of a building owner, brought an action against a number of parties stemming from a transaction involving leased roof-top for the purposes of wireless phone antennas. *Lighthouse Mgmt. Grp., Inc. v. Deutsche Bank Tr. Co. of Americas*, 380 F. Supp. 3d 911, 913 (D. Minn. 2019). In the action, Lighthouse brought a claim for declaratory judgment alleging that an actual, present, genuine, and justiciable controversy existed between the parties as to the validity of the wireless leases and mortgages on the property based on allegations of fraud by a third party. The court denied Defendants’ motion for summary judgment concluding that because Lighthouse asserted a valid, independent claim for quiet title, the claim for declaratory judgment survived as well. *Id.* at 919. Months later, the parties settled the matter before trial.

These distinct cases, differing greatly in context and substantive law, demonstrate how versatile the Declaratory Judgments Act can be in resolving complex legal problems. When peering into the toolbox of potential claims and defenses, savvy litigators would be wise to look beyond traditional contract or tort claims and consider the Declaratory Judgments Act to address messy disputes.

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