

Bond Case Briefs

Municipal Finance Law Since 1971

Three More States and San Francisco Sue Trump Over Orders.

- Healey calls Trump's immigrant ban 'harmful, discriminatory'
- San Francisco files first sanctuary city case against Trump

New York, Massachusetts and Virginia joined lawsuits challenging President Donald Trump's executive order temporarily banning immigration from seven Middle Eastern countries, adding legal firepower and resources to litigation bound to have national impact.

Also on Tuesday, San Francisco became the first U.S. city to sue Trump over another executive order threatening funding cuts to so-called sanctuary cities, claiming it violates immigrants' rights and that the municipality is protected by the 10th amendment to the Constitution, which guarantees state rights.

"President Trump's executive action is unconstitutional, unlawful and fundamentally un-American," New York Attorney General Eric Schneiderman said in a statement, adding that the implementation of the order was "hasty and and irresponsible," with "families caught in the chaos."

Schneiderman and Massachusetts Attorney General Maura Healey said separately that they're joining lawsuits filed in their states by rights groups claiming the president's Jan. 27 order violates the Constitution. Virginia Attorney General Mark Herring will also join a case challenging the order, spokesman Micheal Kelly said in an e-mail. All three officials are Democrats, as is Washington state Attorney General Bob Ferguson, who filed a suit on Monday.

Trump's Jan. 27 directive indefinitely suspended U.S. entry Syrian refugees and all other refugee resettlement for 120 days. It also banned entry for 90 days of nationals from seven predominantly Muslim countries: Syria, Iraq, Iran, Sudan, Libya, Somalia, and Yemen. Trump has said the move will improve security by preventing potential terrorists from slipping into the country

Central Claim

A central claim in the lawsuits is that Trump's order discriminates against Muslims based on their religion. Trump has maintained that it isn't a Muslim ban, but rather a ban against specific regions where terrorism is a threat. The order's implementation slowed the entry of just 109 people at U.S. airports out of 325,000 people coming into the country on Jan. 28, White House spokesman Sean Spicer said, although by other calculations tens of thousands of people were affected.

Massachusetts joined a lawsuit filed on behalf of detained refugees by the state's branch of the American Civil Liberties Union. Carol Rose, executive director of the ACLU in Massachusetts, said lawyers are amending the complaint to add additional plaintiffs.

Mohamad Ali, chief executive officer of Boston-based Carbonite Inc., also condemned the executive order at the Massachusetts' press conference, calling it "morally and ethically beneath our America's values."

San Francisco alleges that a Jan. 25 executive order is a “severe invasion” of the city’s sovereignty. Claims against Trump, U.S. Secretary of the Department of Homeland Security John Kelly and Acting Attorney General Dana Boente boil down to San Francisco’s rights to determine how to handle its population of undocumented residents.

“San Francisco faces the imminent loss of federal funds and impending action if it does not capitulate the president’s demand that it help enforce federal immigration law,” the city said in the complaint filed in San Francisco federal court. “The Executive Branch may not commandeer state and local officials to enforce federal law.”

Federal Funding

San Francisco receives more than \$1.2 billion in federal funds annually, accounting for 13 percent of the city’s budget. The president’s threat to federal funds is preventing the city from producing a budget for the new fiscal year, according to the filing.

Prices for municipal bonds issued by San Francisco show investors are demanding more to own its debt, a sign of increased risk. City bonds due in 2029 were trading at yields of 0.53 percentage point over benchmark municipal debt, data compiled by Bloomberg show, compared with 0.39 percentage point on Jan. 23.

Two of the people who were detained at Logan International Airport in Boston because of the order are professors at the University of Massachusetts Dartmouth, on their way home from an engineering conference abroad, Healey said. “They are training the next generation of Massachusetts engineers,” she said. “But with the waive of a pen, the president’s executive order kept them and thousands of others from coming home.”

Bloomberg Politics

by Erik Larson and Kartikay Mehrotra

January 31, 2017, 10:41 AM PST January 31, 2017, 2:46 PM PST