Church, civic law may conflict

PORTLAND, Ore. (CNS) — The bankruptcy filing by the Archdiocese of Portland is almost certain to place church law and civic law in conflict.

The two legal systems have met before in Oregon, and churches have often prevailed.

In one instance, Catholic hospitals worked for the right to opt out of physician-assisted suicide, which was legalized in Oregon in 1997. In another, after Lane County officials tape recorded a murder suspect's sacramental confession in the mid-1990s, the courts eventually ruled the act an undue state intrusion.

The debate even goes back to the 1920s, when the U.S. Supreme Court overturned an Oregon law that would have closed Catholic schools.

Judges dealing with the first bank-

uch as

ools of

d, proip."

with

tholiclation-

ved in

rliner,

'amily

or ex-

or the

inding

idents

stricts

ber of

ıt dis-

y one

tricts. books'

n dif-

d mat

l costto orn=the

lic edw the ligion uring I edu-

eds to iffer-

ts for re an

stu-

ruptcy filing in history by a U.S. Catholic diocese will need to consider canon law against bankruptcy law and First Amendment rights of freedom of religion.

Archbishop John G. Vlazny of Portland said the archdiocese filed for Chapter 11 federal bankruptcy protection July 6. The decision came as two lawsuits seeking restitution for childhood sexual abuse by a now-deceased priest of the archdiocese were about to go to trial. One plaintiff was seeking \$130 million. The other wanted \$25 million.

One key issue will be whether the court can dip into the resources of parishes and schools to pay sexabuse plaintiffs.

Lawyers for sex-abuse victims view the parishes and schools as assets of the archdiocese. The arch-

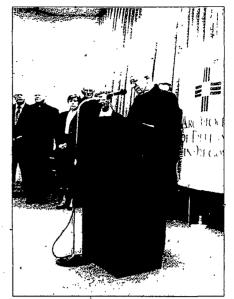
bishop said that canon law holds that parish property belongs to the parishes, not the archdiocese.

David Skeel, a professor of corporate law at the University of Pennsylvania, said that the bankruptcy judge cannot force the archdiocese to sell off parishes and schools or any other property.

It would be up to the archdiocese, he said, to decide if those kinds of closures are necessary to satisfy the financial arrangements approved by the creditors and the court.

The question, Skeel said, is whether the court will count parishes and schools as assets of the archdiocese when the time comes to develop the reorganization plan.

Canon law holds that parish and, school assets cannot be seized by the archdiocese.



· Ed Langlois/CNS

Archbishop John G. Vlazny of Portland, Ore., along with his cabinet and advisers, announces July 6 that the Archdiocese of Portland is filing for bankruptcy.

