LOCAL FINANCIAL STABILITY AND CHOICE ACT (EXCERPT)
Act 436 of 2012

141.1543 Findings; declarations.
Sec. 3. The legislature finds and declares all of the following:
(a) That the health, safety, and welfare of the citizens of this state would be materially and adversely
affected by the insolvency of local governments and that the fiscal accountability of local governments is
vitally necessary to the interests of the citizens of this state to assure the provision of necessary governmental
services essential to public health, safety, and welfare.
(b) That it is vitally necessary to protect the credit of this state and its political subdivisions and that it is
necessary for the public good and it is a valid public purpose for this state to take action and to assist a local
government in a financial emergency so as to remedy the financial emergency by requiring prudent fiscal
management and efficient provision of services, permitting the restructuring of contractual obligations, and
prescribing the powers and duties of state and local government officials and emergency managers.
(c) That the fiscal stability of local governments is necessary to the health, safety, and welfare of the
citizens of this state and it is a valid public purpose for this state to assist a local government in a condition of
financial emergency by providing for procedures of alternative dispute resolution between a local government
and its creditors to resolve disputes, to determine criteria for establishing the existence of a financial
emergency, and to set forth the conditions for a local government to exercise powers under federal bankruptcy
law.
(d) That the authority and powers conferred by this act constitute a necessary program and serve a valid
public purpose.
Compiler's note: Enacting section 2 of Act 436 of 2012 provides:
"Enacting section 2. It is the intent of the legislature that this act function and be interpreted as a successor statute to former 1988 PA
101, former 1990 PA 72, and former 2011 PA 4, and that whenever possible a reference to former 1988 PA 101, former 1990 PA 72, or
former 2011 PA 4, under other laws of this state or to a function or responsibility of an emergency financial manager or emergency
manager under former 1988 PA 101, former 1990 PA 72, or former 2011 PA 4, under other laws of this state shall function and be
interpreted to reference to this act, with the other laws of this state referencing former 1988 PA 101, former 1990 PA 72, or former 2011
PA 4, including, but not limited to, all of the following:
(a) The charter township act, 1947 PA 359, MCL 42.1 to 42.34.
(b) 1966 PA 293, MCL 45.501 to 45.521.
(c) 1851 PA 156, MCL 46.1 to 46.32.
(d) The general law village act, 1895 PA 3, MCL 61.1 to 74.25.
(e) The home rule village act, 1909 PA 278, MCL 78.1 to 78.28.
(f) The fourth class city act, 1895 PA 215, MCL 81.1 to 113.20.
(g) The home rule city act, 1909 PA 279, MCL 117.1 to 117.38.
(i) 1947 PA 336, MCL 423.201 to 423.217.”