

SUBSTITUTE FOR
HOUSE BILL NO. 6255

A bill to amend 1990 PA 72, entitled
"Local government fiscal responsibility act,"
by amending section 20 (MCL 141.1220).

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 20. (1) ~~In consultation with the local government, the~~
2 ~~emergency financial manager shall develop, and may from time to~~
3 ~~time amend, a written financial plan for the local government.~~
4 **WITHIN 180 DAYS AFTER BEING APPOINTED, THE EMERGENCY FINANCIAL**
5 **MANAGER, IN CONSULTATION WITH THE LOCAL GOVERNMENT, SHALL DEVELOP**
6 **AND HAVE APPROVED BY THE LOCAL EMERGENCY FINANCIAL ASSISTANCE LOAN**
7 **BOARD A WRITTEN FINANCIAL PLAN FOR THE LOCAL GOVERNMENT. IF AN**
8 **EMERGENCY FINANCIAL MANAGER IS SERVING ON THE EFFECTIVE DATE OF THE**
9 **AMENDATORY ACT THAT ADDED THIS SENTENCE, WITHIN 180 DAYS AFTER THE**
10 **EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED THIS SENTENCE, THE**

1 EMERGENCY FINANCIAL MANAGER, IN CONSULTATION WITH THE LOCAL
2 GOVERNMENT, SHALL DEVELOP AND HAVE APPROVED BY THE LOCAL EMERGENCY
3 FINANCIAL ASSISTANCE LOAN BOARD A WRITTEN FINANCIAL PLAN FOR THE
4 LOCAL GOVERNMENT. THE EMERGENCY FINANCIAL MANAGER, IN CONSULTATION
5 WITH THE LOCAL GOVERNMENT, MAY FROM TIME TO TIME AMEND THE WRITTEN
6 FINANCIAL PLAN FOR THE LOCAL GOVERNMENT. The financial plan shall
7 provide for both of the following:

8 (a) Conducting the operations of the local government within
9 the resources available according to the emergency financial
10 manager's revenue estimate.

11 (b) The payment in full of the scheduled debt service
12 requirements on all bonds and notes of the local government and all
13 other uncontested legal obligations.

14 (2) IN ADDITION TO THE REQUIREMENTS OF SUBSECTION (1), THE
15 WRITTEN FINANCIAL PLAN SHALL ALSO INDICATE HOW ALL OF THE
16 REQUIREMENTS OF THE LOCAL EMERGENCY FINANCIAL ASSISTANCE LOAN BOARD
17 FOR ENDING THE FINANCIAL EMERGENCY WILL BE MET.

18 (3) ~~(2)~~—After the initial development of a financial plan, the
19 plan shall be regularly reexamined by the emergency financial
20 manager in consultation with the local government, and if the
21 emergency financial manager reduces his or her revenue estimates,
22 the emergency financial manager shall modify the financial plan to
23 conform to revised revenue estimates.

24 (4) ~~(3)~~—The financial plan shall be in a form and shall
25 contain that information for each year during which year the
26 financial plan is in effect that the local emergency financial
27 manager specifies.

1 (5) ~~(4)~~The emergency financial manager shall make public the
2 plan or modified plan. This subsection ~~shall not be construed to~~
3 **DOES NOT** mean that the emergency financial manager must receive
4 public approval before he or she implements the financial plan or
5 any modification of the plan.