

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

***** 141.1547.new THIS NEW SECTION IS EFFECTIVE MARCH 28, 2013 *****

141.1547.new Local government options; approval of resolution by mayor or school board; failure of local governing body to pass resolution; limitation.

Sec. 7. (1) Notwithstanding section 6(3), upon the confirmation of a finding of a financial emergency under section 6, the governing body of the local government shall, by resolution within 7 days after the confirmation of a finding of a financial emergency, select 1 of the following local government options to address the financial emergency:

- (a) The consent agreement option pursuant to section 8.
- (b) The emergency manager option pursuant to section 9.
- (c) The neutral evaluation process option pursuant to section 25.
- (d) The chapter 9 bankruptcy option pursuant to section 26.

(2) Subject to subsection (3), if the local government has a strong mayor, the resolution under subsection (1) requires strong mayor approval. If the local government is a school district, the resolution shall be approved by the school board. The resolution shall be filed with the state treasurer, with a copy to the superintendent of public instruction if the local government is a school district.

(3) If the governing body of the local government does not pass a resolution as required under subsection (1), the local government shall proceed under the neutral evaluation process pursuant to section 25.

(4) Subject to section 9(6)(c) and (11), unless authorized by the governor, a local government shall not utilize 1 of the local options listed in subsection (1)(a) to (d) more than 1 time.

History: 2012, Act 436, Eff. Mar. 28, 2013.

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.
- (h) The metropolitan transportation authorities act of 1967, 1967 PA 204, MCL 124.401 to 124.426.
- (i) 1947 PA 336, MCL 423.201 to 423.217."