

HB 2829 -- MUNICIPALITIES FINANCIAL RECOVERY ACT

SPONSOR: Curtis

This bill establishes the Municipalities Financial Recovery Act.

If a municipality is insolvent or projected to be insolvent within 180 days or less, or is unable to ensure the continued provision of vital and necessary services, as defined in the bill, the Governor is authorized to declare a state of financial emergency within the municipality. The declaration authorizes the Governor to exercise the authority of the municipal officials and imbues him or her with certain emergency powers related to the provision of vital and necessary services, but does not give the Governor the authority to unilaterally: levy taxes; abrogate or interfere with contractual obligations of the municipality; impair or modify existing bonds and other financial instruments; or pledge the full faith and credit of the state.

Once a municipality has been declared to be in a state of financial emergency, the municipality may petition the General Assembly for emergency assistance in the form of a fiscal emergency loan, subject to appropriation.