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BILL ANALYSIS

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Senate Bill 461 (Substitute S-1 as reported)
Sponsor: Senator Michael D. Bishop
Committee: Local, Urban and State Affairs

CONTENT

The bill would amend the Local Government Fiscal Responsibility Act to require the Governor to appoint an emergency financial manager from a list of nominees submitted by the Local Emergency Financial Assistance Loan Board to manage a local government during a financial emergency, and require the manager to submit a quarterly report to the board and the Legislature.

Specifically, the Local Emergency Financial Assistance Loan Board would be required to submit to the Governor the names of at least three nominees who would have to be considered for appointment to serve as the emergency financial manager for a local government. From the list of nominees, the Governor would have to appoint, with the advice and consent of the Senate, an emergency financial manager for the local government. The emergency financial manager would hold the office for a term fixed by the Governor, but not more than one year. The appointment would have to be by contract and could be renewed on an annual basis for not more than one year. An emergency financial manager would serve at the pleasure of the Governor, rather than the Board (as currently provided).

A contract of an emergency financial manager on bill's effective date could not be renewed for a period longer than one year.

An emergency financial manager would have to submit a quarterly report detailing his or her activities to the Local Emergency Financial Assistance Loan Board and to the chairpersons of the House and Senate committees with oversight of local government issues.

MCL 141.1218

Legislative Analyst: J.P. Finet

FISCAL IMPACT

The bill would have no fiscal impact on State or local government.

Date Completed: 9-26-05

Fiscal Analyst: David Zin