

SENATE BILL No. 461

May 5, 2005, Introduced by Senators BISHOP, SCOTT, BASHAM, KUIPERS, JELINEK, ALLEN, LELAND, HAMMERSTROM, TOY, BIRKHOLZ, GEORGE, McMANUS, HARDIMAN, STAMAS, BROWN and GOSCHKA and referred to the Committee on Local, Urban and State Affairs.

A bill to amend 1990 PA 72, entitled
 "Local government fiscal responsibility act,"
 by amending section 18 (MCL 141.1218).

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 18. (1) If the governor determines that a financial
 2 emergency exists under section 15, the governor shall assign the
 3 responsibility for managing the local government financial
 4 emergency to the local emergency financial assistance loan board
 5 created under the emergency municipal loan act, ~~Act No. 243 of the~~
 6 ~~Public Acts of 1980, being sections 141.931 to 141.942 of the~~
 7 ~~Michigan Compiled Laws— 1980 PA 243, MCL 141.931 TO 141.942.~~ The
 8 local emergency financial assistance loan board shall ~~appoint an~~
 9 ~~emergency financial manager~~ **SUBMIT TO THE GOVERNOR THE NAMES OF**

1 NOT MORE THAN 3 NOMINEES WHO SHALL BE CONSIDERED FOR APPOINTMENT TO
2 SERVE AS THE EMERGENCY FINANCIAL MANAGER FOR THE LOCAL GOVERNMENT.
3 FROM THE LIST OF NOMINEES SUBMITTED TO THE GOVERNOR, THE GOVERNOR
4 SHALL APPOINT, WITH THE ADVICE AND CONSENT OF THE SENATE, AN
5 EMERGENCY FINANCIAL MANAGER FOR THE LOCAL GOVERNMENT WHO SHALL HOLD
6 OFFICE FOR A TERM FIXED BY THE GOVERNOR, BUT NOT TO EXCEED 1 YEAR.
7 THE APPOINTMENT SHALL BE BY WRITTEN CONTRACT AND MAY BE RENEWED ON
8 AN ANNUAL BASIS FOR NOT MORE THAN 1 YEAR.

9 (2) The emergency financial manager shall be chosen solely on
10 the basis of his or her competence and shall not have been either
11 an elected or appointed official or employee of the local
12 government for which appointed for not less than 5 years before the
13 appointment. The emergency financial manager need not be a resident
14 of the local government for which he or she is appointed. The
15 emergency financial manager shall serve at the pleasure of the
16 ~~local emergency financial assistance loan board~~ GOVERNOR.

17 (3) The emergency financial manager shall be entitled to
18 compensation and reimbursement for actual and necessary expenses
19 from the local government as approved by the local emergency
20 financial assistance loan board. In addition to staff otherwise
21 authorized by law, with the approval of the local emergency
22 financial assistance loan board, the emergency financial manager
23 may appoint additional staff and secure professional assistance
24 considered necessary to implement this article.

25 ~~—— (2) An emergency financial manager appointed under the local~~
26 ~~government fiscal responsibility act, former Act No. 101 of the~~
27 ~~Public Acts of 1988, and serving on the effective date of this act,~~

1 ~~except as provided in subsection (1), shall continue under this act~~
2 ~~to fulfill his or her powers and duties.~~