

## States' intervention programs for distressed localities reflect a range of practices

Table 2: Strategies employed in the 19 states that allow intervention in local finances, early 2013

State	Receiver/ Financial Manager/ Overseer/ Coordinator	State Agency	Financial Control Board/ State- Appointed Board or Commission	Restructure Finances: Renegotiate, Approve, or Issue Debt	Restructure Finances: Labor	Restructure Finances: Taxes, Fees, Credits	Emergency Financing (Enhanced Credit Backing, Loans, Grants)	Supervise Finances/ Technical Assistance (Including Approving Budgets)	Disincorporate/ Dissolve/ Consolidate Local Government
CT	✓		✓	✓	✓	✓		✓	
FL		✓	✓				✓	✓	
IL	✓	✓	✓	✓	✓	✓	✓	✓	
IN	✓	✓			✓		✓	✓	
ME		✓	✓	✓		✓	✓	✓	
MA	✓	✓	✓	✓		✓	✓	✓	
MI	✓	✓	✓	✓	✓		✓	✓	✓
NV	✓	✓		✓	✓	✓	✓	✓	✓
NH	✓						✓		
NJ	✓	✓	✓	✓		✓	✓	✓	
NM		✓					✓	✓	
NY			✓	✓	✓		✓	✓	
NC		✓	✓	✓		✓		✓	
OH	✓		✓	✓				✓	
OR			✓	✓				✓	
PA	✓	✓	✓	✓	✓	✓	✓	✓	
RI	✓		✓	✓		✓		✓	
TN	✓	✓		✓		✓	✓	✓	✓
TX	✓							✓	

Source

The Pew Charitable Trusts

## Table 2 endnotes

<b>Connecticut:</b>	The state deals with fiscal distress in an ad hoc manner. Four special acts have been enacted to restore fiscal sustainability within municipalities. See LCO 4532 (Waterbury); SA 92-5 (West Haven); SA 88-80, 89-23, 89-47, 90-31, 91-40 (Bridgeport); and SA 93-4 (Jewett City) [ <a href="http://cga.ct.gov/2001/rpt/2001-R-0312.htm">http://cga.ct.gov/2001/rpt/2001-R-0312.htm</a> ].
<b>Florida:</b>	See F.S.A. § 163.05, 163.055, and 218.50-218.504.
<b>Illinois:</b>	See 65 ILCS 5/8-12-1 through 65 ILCS 5/8-12-24 (Financially Distressed City Law) and 50 ILCS 320/1 through 50 ILCS 320/14 (Local Government Financial Planning and Supervision Act).
<b>Indiana:</b>	See IC § 6-1.1-20.3-1 through 6-1.1-20.3-13 (Distressed Unit Appeal Board).
<b>Maine:</b>	See 30-A M.R.S.A. § 6101-6113 (Municipal Finance Board).
<b>Massachusetts:</b>	The state deals with fiscal distress in an ad hoc manner. See MA Session Laws: Chapter 58 of the Acts of 2010 and Chapter 169 of the Acts of 2004. Given this ad-hoc approach, we reviewed the text of the two Acts dealing with the Lawrence and Springfield fiscal crises.
<b>Michigan:</b>	See M.C.L.A. § 141.1541 et al. (Local Financial Stability and Choice Act). On November 6, 2012, Michigan voters rejected Public Act 4; Act 436 of 2012 took effect on March 28, 2013 [ <a href="http://www.legislature.mi.gov/(S(dcdrrnmz50xehu45crrgy3iy))/mileg.aspx?page=PAsearch&amp;paNumber=436&amp;paYear=2012">http://www.legislature.mi.gov/(S(dcdrrnmz50xehu45crrgy3iy))/mileg.aspx?page=PAsearch&amp;paNumber=436&amp;paYear=2012</a> ].
<b>Nevada:</b>	See N.R.S. 354.655 through 354.725.
<b>New Hampshire:</b>	See N.H. Rev. Stat. § 13:1 through 13:7.
<b>New Jersey:</b>	See “Special Municipal Aid Act” N.J.S.A. 52:27D-118.24 to 118.31; “Local Government Supervision Act” N.J.S.A. 52:27BB-1 et seq.; “Municipal Finance Commission” R.S. 52:27-1 to R.S. 52:27-66; “Municipal Rehabilitation and Economic Recovery Act” N.J.S.A. 52:27BBB-1 et seq., and 18A:7A et seq.
<b>New Mexico:</b>	See N.M.S.A. 1978, § 12-6-1 through 12-6-14 (Audit Act), N.M.S.A. 1978, § 6-1-1 through § 6-1-13, § 10-5-2, and § 10-5-8.
<b>New York:</b>	The state deals with fiscal distress in an ad hoc manner. New legislation is passed for each municipality, establishing an emergency financial control board and laying out its powers. We looked at two cases in which such boards were established, for New York City and for Yonkers. See New York State Financial Emergency Act for the City of New York [NY Unconsolidated Law Ch. 22 § 5, <a href="http://public.leginfo.state.ny.us/">http://public.leginfo.state.ny.us/</a> ]; Financial Emergency Act for Yonkers [ <a href="http://codes.lp.findlaw.com/nycode/YFA/notes">http://codes.lp.findlaw.com/nycode/YFA/notes</a> ]; and Local Finance Law [§ 85.00 to 85.90, <a href="http://public.leginfo.state.ny.us/">http://public.leginfo.state.ny.us/</a> ].
<b>North Carolina:</b>	See N.C.G.S.A. § 159-1 through 159-180; N.C.G.S.A. § 63A; and § 159D. School districts are explicitly excluded from these provisions in the statute.
<b>Ohio:</b>	See Ohio’s R.C. § 118, 133.34, and 3735.49. In the event that fiscal emergency is declared, a Financial Planning and Supervision Commission is formed for each distressed locality, or the state auditor becomes the financial supervisor if the locality has fewer than 1,000 people.
<b>Oregon:</b>	See O.R.S. § 203.095-100 and § 287A.630. Oregon’s fiscal control board is established in the event that a county is declared to be in a state of public safety emergency.
<b>Pennsylvania:</b>	See PA ST 53 P.S. § 11701.101-712 (Municipalities Financial Recovery Act and Intergovernmental Cooperation Authority Act).
<b>Rhode Island:</b>	See RI GEN LAWS § 45-9-1 through 45-9-14.
<b>Tennessee:</b>	See T.C.A. § 9-13-201 to 212 (Emergency Financial Aid to Local Government Law of 1995), T.C.A. § 9-13-301 to 302 (Financially Distressed Municipalities, Counties, Utility Districts and Education Agencies Act of 1993), and T.C.A. § 9-21-403 (Local Government Public Obligations Act).
<b>Texas:</b>	See T.C.A., Local Government Code § 101.006. Municipalities that cannot pay their debts can voluntarily request that a receiver be appointed (this is a court-appointed receiver).