

# HOUSE BILL NO. 6296

June 30, 2022, Introduced by Reps. Yaroach, Bellino, Allor and Borton and referred to the Committee on Local Government and Municipal Finance.

A bill to require a fiscal review system to identify local governments that are exhibiting fiscal or operational stress; to identify local governments in a potential fiscal emergency; to provide for the powers and duties of certain state and local governmental officers and entities; to create community engagement advisory committees and prescribe their powers and duties; and to create a fund to provide technical assistance to certain local governments.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1       Sec. 1. This act may be cited as the "fiscal review and  
2 assistance to local governments act".

3       Sec. 3. As used in this act:

4       (a) "Advanced qualified technical assistance" means any of the  
5 technical assistance described in section 19(4) that is provided to  
6 a local government under the final determination of the state  
7 treasurer in section 13.

8       (b) "Chief administrative officer" means any of the following:

9       (i) The elected county executive or appointed county manager of  
10 a county; or, if the county has not adopted an optional unified  
11 form of county government, the controller of the county appointed  
12 under section 13b of 1851 PA 156, MCL 46.13b; or, if the county has  
13 not appointed a controller, an individual designated by the county  
14 board of commissioners of the county.

15       (ii) The city manager of a city or, if a city does not employ a  
16 city manager, the mayor of the city.

17       (iii) The manager of a township or, if the township does not  
18 employ a manager, the supervisor of the township.

19       (iv) The manager of a village or, if a village does not employ  
20 a manager, the president of the village.

21       (c) "Committee" means a community engagement advisory  
22 committee created in section 17.

23       (d) "Department" means the department of treasury.

24       (e) "Financial improvement agreement" means an agreement  
25 between the state treasurer and a local government determined to be  
26 in need of advanced qualified technical assistance to assist the  
27 local government in addressing the fiscal and operational factors  
28 identified by the fiscal review system for that local government.

29       (f) "Financial recovery agreement" means an agreement created

1 by the community engagement advisory committee for a local  
2 government determined to be in a potential fiscal emergency.

3 (g) "Fund" means the local government technical assistance  
4 fund created in section 19.

5 (h) "Local action statement" means a statement prepared by a  
6 local government that has been determined to be in need of  
7 qualified technical assistance that addresses the fiscal and  
8 operational factors identified by the fiscal review system for that  
9 local government.

10 (i) "Local government" means a county, city, village, or  
11 township.

12 (j) "Qualified technical assistance" means any of the  
13 technical assistance described in section 19(4) that is provided to  
14 a local government under the final determination of the state  
15 treasurer in section 11.

16 Sec. 5. The department shall develop a fiscal status dashboard  
17 that is publicly available and includes both of the following:

18 (a) A summary of each local government's fiscal condition.

19 (b) All relevant fiscal and operational factors from the  
20 fiscal review system created under section 9 for each local  
21 government.

22 Sec. 7. The department shall, not less than every 3 years,  
23 generate a report on the overall fiscal health of local governments  
24 in this state. The report must include, but not be limited to, the  
25 identification of trends, risks, and ongoing challenges local  
26 governments have in delivering critical public services. The report  
27 must be posted on the department's website and be provided in  
28 writing to the governor, the secretary of the senate, and the clerk  
29 of the house of representatives.

1        Sec. 9. The department shall develop a fiscal review system  
2 that identifies local governments that are exhibiting fiscal or  
3 operational stress. Not later than December 31, 2023, the  
4 department shall provide guidance for the fiscal review system and  
5 shall update the review criteria for the fiscal review system not  
6 later than December 31 of each year in which a report is generated  
7 under section 7. The fiscal review system must consist of all of  
8 the following factors:

9        (a) A fiscal model that provides a statistical review of each  
10 local government by unit type based upon all of the following  
11 indicators:

12        (i) Cash solvency, which means general fund cash and  
13 investments as a ratio of total general fund liabilities.

14        (ii) Budget solvency, which means assigned, unassigned, and  
15 committed fund balances as a ratio of general fund revenues.

16        (iii) Long-term solvency, which means net position as a ratio of  
17 governmental revenues.

18        (iv) Service solvency, which means taxable value as a ratio of  
19 population.

20        (b) An operational model that reviews each local government  
21 for compliance with all of the following:

22        (i) Having an approved deficit elimination plan if a deficit  
23 elimination plan is required under section 21 of the Glenn Steil  
24 state revenue sharing act of 1971, 1971 PA 140, MCL 141.921.

25        (ii) Submitting audits or annual financial reports that are  
26 required by law that are not delinquent for 2 or more consecutive  
27 reporting periods.

28        (iii) The provisions of the protecting local government  
29 retirement and benefits act, 2017 PA 202, MCL 38.2801 to 38.2812.

1 (iv) Submitting an audit to the department that does not  
2 include a disclaimed or adverse opinion.

3 (v) Adopting a budget in accordance with the uniform budgeting  
4 and accounting act, 1968 PA 2, MCL 141.421 to 141.440a.

5 (vi) Filing a qualifying statement as required under section  
6 303 of the revised municipal finance act, 2001 PA 34, MCL 141.2303,  
7 that has not been denied for any of the following reasons:

8 (A) Defaulting on an outstanding security.

9 (B) Being delinquent more than 1 time in a fiscal year in  
10 transferring employee taxes to the appropriate agency.

11 (C) Being delinquent more than 1 time in a fiscal year in  
12 transferring taxes collected as agent for another taxing entity to  
13 that taxing entity.

14 (D) Being delinquent more than 1 time in a fiscal year in  
15 making all required pension, retirement, or benefit plan  
16 contributions.

17 (vii) Disclosing any fiscal irregularities including, but not  
18 limited to, defalcations, misfeasance, nonfeasance, or malfeasance  
19 that came to an auditor's attention under section 8 of the uniform  
20 budgeting and accounting act, 1968 PA 2, MCL 141.428.

21 Sec. 11. (1) Based upon the fiscal and operational factors in  
22 the fiscal review system, the department may at any time  
23 preliminarily determine that a local government needs qualified  
24 technical assistance. In addition, a local government may, by  
25 resolution, request a preliminary written determination by the  
26 state treasurer that the local government is in need of qualified  
27 technical assistance and the state treasurer may grant the request.  
28 Upon a preliminary determination that a local government needs  
29 qualified technical assistance, the department shall notify in

1 writing the chief administrative officer and the governing body of  
2 that local government of that preliminary determination and the  
3 factors supporting the preliminary determination.

4 (2) Within 45 days after the notice of the preliminary  
5 determination of needing qualified technical assistance is provided  
6 to the chief administrative officer and the governing body of the  
7 local government, and before a final determination is made that the  
8 local government is in need of qualified technical assistance and  
9 in need of developing a local action statement, the local  
10 government may, by resolution, submit written comments to the  
11 department concerning the preliminary determination that the local  
12 government needs qualified technical assistance.

13 (3) If the local government fails to respond to the notice  
14 described in subsection (1) or fails to adequately show how the  
15 local government is responding to the preliminary determination of  
16 needing qualified technical assistance as provided under subsection  
17 (2), the state treasurer shall make a final determination that the  
18 local government is in need of qualified technical assistance and  
19 shall, within 45 days after making that final determination,  
20 provide written notice to the chief administrative officer and the  
21 governing body of that local government of the final determination  
22 and the factors supporting the final determination.

23 (4) If the state treasurer makes a final determination that a  
24 local government is in need of qualified technical assistance, that  
25 local government shall prepare, within 45 days after written notice  
26 of the final determination is provided to the chief administrative  
27 officer and the governing body of that local government, a local  
28 action statement to address the fiscal and operational factors  
29 identified as creating the need for qualified technical assistance.

1 The local action statement must be approved by the governing body  
2 of the local government.

3 (5) The department may provide a local government with  
4 qualified technical assistance in preparing and implementing a  
5 local action statement.

6 (6) The department shall monitor the local government's  
7 compliance with the local action statement prepared by the local  
8 government until the local government is no longer in need of  
9 qualified technical assistance. Not less than annually, the  
10 department shall notify the chief administrative officer and the  
11 governing body of the local government of the department's  
12 evaluation of the local government's compliance with the local  
13 action statement and the continuing need, if any, of qualified  
14 technical assistance for that local government.

15 (7) The state treasurer may make a determination that a local  
16 government has completed its local action statement or that the  
17 fiscal or operational stress in that local government has been  
18 resolved. If a determination is made by the state treasurer under  
19 this subsection, the local government is no longer in need of  
20 qualified technical assistance and is no longer subject to the  
21 local action statement.

22 Sec. 13. (1) The state treasurer may make a preliminary  
23 determination that a local government is in need of advanced  
24 qualified technical assistance if any of the following occur:

25 (a) The local government fails to develop a local action  
26 statement required under section 11.

27 (b) If subject to a local action statement under section 11,  
28 the local government remains in substantial noncompliance with that  
29 local action statement for more than 45 days after the state

1 treasurer provides written notice to the chief administrative  
2 officer and the governing body of the local government regarding  
3 the substantial noncompliance.

4 (c) The fiscal condition of the local government, as measured  
5 by the fiscal review system, has substantially deteriorated from  
6 the date that the state treasurer made the final determination  
7 under section 11 that the local government was in need of qualified  
8 technical assistance.

9 (d) The local government receives ongoing qualified technical  
10 assistance from the department for up to 5 continuous years and the  
11 fiscal condition of the local government, as measured by the fiscal  
12 review system, has not substantially changed from the date the  
13 state treasurer made the final determination under section 11 that  
14 the local government was in need of qualified technical assistance.

15 (e) The local government requests, by resolution, a written  
16 determination by the state treasurer that the local government is  
17 in need of advanced qualified technical assistance and the state  
18 treasurer grants the request.

19 (2) The state treasurer may determine that the local  
20 government is in need of advanced qualified technical assistance  
21 because of fiscal or operational stress even if the local  
22 government did not have a prior determination of needing qualified  
23 technical assistance under section 11.

24 (3) If the state treasurer makes a preliminary determination  
25 under subsection (1) or (2) that a local government is in need of  
26 advanced qualified technical assistance, the state treasurer shall,  
27 within 45 days after the preliminary determination is made, provide  
28 written notice to the chief administrative officer and the  
29 governing body of the local government of that preliminary



1 determination and the factors supporting the preliminary  
2 determination.

3 (4) Within 45 days after the notice of the preliminary  
4 determination of needing advanced qualified technical assistance is  
5 provided to the chief administrative officer and the governing body  
6 of the local government, and before a final determination is made  
7 that the local government is in need of advanced qualified  
8 technical assistance, the local government may, by resolution,  
9 submit written comments to the department concerning the  
10 preliminary determination that the local government needs advanced  
11 qualified technical assistance. The written comments to the  
12 department may include, but are not limited to, showing how the  
13 local government is addressing, in a reasonable time frame, the  
14 fiscal and operational factors that led to the preliminary  
15 determination that the local government needs advanced qualified  
16 technical assistance.

17 (5) If the local government fails to respond to the notice  
18 described in subsection (3) or fails to adequately show how the  
19 local government is responding to the preliminary determination of  
20 needing advanced qualified technical assistance as provided under  
21 subsection (4), the state treasurer shall make a final  
22 determination that the local government is in need of advanced  
23 qualified technical assistance and shall, within 25 days after  
24 making that final determination, provide written notice to the  
25 chief administrative officer and the governing body of that local  
26 government of the final determination and the factors supporting  
27 the final determination.

28 (6) If the state treasurer makes a final determination that a  
29 local government is in need of advanced qualified technical

1 assistance, the local government shall, within 75 days after notice  
2 of the final determination is provided to the chief administrative  
3 officer and the governing body of that local government, enter into  
4 a financial improvement agreement with the state treasurer. The  
5 financial improvement agreement must be approved by the governing  
6 body of the local government and be approved by the state  
7 treasurer. The financial improvement agreement approved under this  
8 subsection must include, but not be limited to, all of the  
9 following:

10 (a) A summary of the conditions that led to the local  
11 government to be in need of advanced qualified technical assistance  
12 that includes, but is not limited to, referencing any of the  
13 trends, risks, and ongoing challenges local governments have in  
14 delivering critical public services as described in the report  
15 under section 7.

16 (b) A short-term strategic plan of action for a period not to  
17 exceed 3 years that identifies strategic goals and necessary  
18 actions required to address the need for advanced qualified  
19 technical assistance in the local government and to provide for the  
20 fiscal stability of the local government.

21 (c) A long-term strategic plan of action for a period that  
22 exceeds 3 years that identifies strategic goals and necessary  
23 actions required to address the need for advanced qualified  
24 technical assistance in the local government and to provide for the  
25 fiscal stability of the local government.

26 (d) A plan for the local government to meet the periodic  
27 reporting requirements of the department.

28 (e) A requirement that the governing body of the local  
29 government annually attest to substantial compliance with the

1 financial improvement agreement or, in the alternative, make a  
2 request to amend the financial improvement agreement. The state  
3 treasurer may, in his or her sole discretion, allow or deny a local  
4 government's request to amend a financial improvement agreement.

5 (7) The department may provide advanced qualified technical  
6 assistance to a local government in preparing, implementing, and  
7 complying with a financial improvement agreement.

8 (8) The state treasurer shall monitor a local government's  
9 compliance with the financial improvement agreement by requiring  
10 the local government to file financial status reports, in a form  
11 and manner as prescribed by the department, not less than twice per  
12 year with the state treasurer. The department shall notify the  
13 local government not less than annually as to whether the local  
14 government is in compliance with the financial improvement  
15 agreement.

16 (9) If the requirements of the financial improvement agreement  
17 by the local government are met, or upon a written request by the  
18 chief administrative officer and the governing body of the local  
19 government, the state treasurer may make a determination that the  
20 local government has completed its financial improvement agreement  
21 or that the need for advanced qualified technical assistance in  
22 that local government has been resolved. If a determination is made  
23 by the state treasurer under this subsection, the local government  
24 is no longer subject to the financial improvement agreement and no  
25 longer in need of advanced qualified technical assistance.

26 Sec. 15. (1) The state treasurer may make a preliminary  
27 determination that a local government is in a potential fiscal  
28 emergency if any of the following occur:

29 (a) The local government is in need of advanced qualified

1 technical assistance and is unable to prepare or agree to an  
2 approved financial improvement agreement required under section 13.

3 (b) The fiscal condition of the local government, as measured  
4 by the fiscal review system, has materially deteriorated from the  
5 date that the state treasurer made the final determination under  
6 section 11 that the local government was in need of qualified  
7 technical assistance, and the fiscal condition of the local  
8 government jeopardizes the local government's ability to provide  
9 necessary public services essential to the public health, safety,  
10 and welfare of that local government.

11 (c) The local government materially breaches a financial  
12 improvement agreement required under section 13.

13 (d) The local government requests, by resolution, a written  
14 determination from the state treasurer that the local government is  
15 in a potential fiscal emergency and the state treasurer grants the  
16 request.

17 (2) If the state treasurer makes a preliminary determination  
18 under subsection (1) that a local government is in a potential  
19 fiscal emergency, the state treasurer shall, within 45 days after  
20 the preliminary determination is made, provide written notice to  
21 the chief administrative officer and the governing body of the  
22 local government of that preliminary determination and the fiscal  
23 and operational factors supporting the preliminary determination.

24 (3) Within 45 days after the notice of the preliminary  
25 determination that the local government is in a potential fiscal  
26 emergency is provided to the chief administrative officer and the  
27 governing body of the local government under subsection (2), and  
28 before a final determination is made that the local government is  
29 in a potential fiscal emergency, the local government may, by

1 resolution, submit written comments to the department concerning  
2 the preliminary determination that the local government is in a  
3 potential fiscal emergency. Before submitting written comments to  
4 the department, the governing body of the local government must  
5 hold a public hearing regarding the preliminary determination of a  
6 potential fiscal emergency in the local government. The written  
7 comments to the department may include, but not be limited to,  
8 showing how the local government is addressing, in a reasonable  
9 time frame, the fiscal and operational factors that led to the  
10 preliminary determination that the local government is in a  
11 potential fiscal emergency.

12 (4) In addition to subsection (1), the state treasurer may  
13 preliminarily determine that a local government is in a potential  
14 fiscal emergency even if the local government did not have a prior  
15 determination of needing qualified technical assistance under  
16 section 11 or needing advanced qualified technical assistance under  
17 section 13. Before the state treasurer makes a final determination  
18 that a local government is in a potential fiscal emergency under  
19 this subsection, and within 45 days after written notice of the  
20 preliminary determination that the local government is in a  
21 potential fiscal emergency is provided to the chief administrative  
22 officer and the governing body of the local government, the local  
23 government may, by resolution, submit written comments to the  
24 department concerning the preliminary determination of a potential  
25 fiscal emergency. Before submitting written comments to the  
26 department, the governing body of the local government must hold a  
27 public hearing regarding the preliminary determination of a  
28 potential fiscal emergency in the local government.

29 (5) If the local government fails to respond to the notice

1 under subsection (2) or (4) or fails to adequately show how the  
2 local government is not in a potential fiscal emergency under  
3 subsection (3), the state treasurer shall make a final  
4 determination that the local government is in a potential fiscal  
5 emergency and shall, within 21 business days after making that  
6 final determination, provide written notice to the chief  
7 administrative officer and the governing body of that local  
8 government of the final determination and the factors supporting  
9 the final determination.

10 (6) If the state treasurer makes a final determination under  
11 subsection (5) that the local government is in a potential fiscal  
12 emergency, the state treasurer shall refer the local government to  
13 the community engagement advisory committee created under section  
14 17 for that local government for monitoring and oversight.

15 (7) The community engagement advisory committee shall monitor  
16 and provide oversight for a local government referred to it under  
17 subsection (6) until the potential fiscal emergency is resolved.  
18 The committee may, in its discretion, make a recommendation to the  
19 state treasurer that a local government be removed from monitoring  
20 and oversight by the committee for either of the following reasons:

21 (a) The potential fiscal emergency in the local government is  
22 resolved.

23 (b) The committee finds, after reviewing and analyzing the  
24 fiscal status of the local government, that the local government  
25 should be removed from monitoring and oversight.

26 (8) A governing body of a local government that is determined  
27 to be in a potential fiscal emergency may request, by resolution,  
28 that the state treasurer remove the local government from  
29 monitoring and oversight by the community engagement advisory

1 committee, and by notifying the state treasurer and the committee  
2 of that action.

3 (9) The state treasurer may remove a local government from  
4 monitoring and oversight by the community engagement advisory  
5 committee for any of the following reasons:

6 (a) The state treasurer determines that the committee's  
7 actions cannot resolve the potential fiscal emergency.

8 (b) Despite ongoing monitoring and oversight by the committee,  
9 the local government fails to resolve the potential fiscal  
10 emergency.

11 (c) The state treasurer determines in his or her sole judgment  
12 that the local government should be removed from monitoring and  
13 oversight.

14 (10) The department may provide to a local government that is  
15 determined to be in a potential fiscal emergency any of the  
16 technical assistance described in section 19(4) that is necessary  
17 or advisable to resolve the potential fiscal emergency or to  
18 implement the recommendations of the community engagement advisory  
19 committee for that local government.

20 Sec. 17. (1) The governor may create a community engagement  
21 advisory committee for each local government that is determined to  
22 be in a potential fiscal emergency to make recommendations to, and  
23 to monitor and oversee the decisions of, the local government. A  
24 community engagement advisory committee serves at the pleasure of  
25 the governor.

26 (2) Each committee shall consist of 6 members who have the  
27 qualifications as described in subsection (5).

28 (3) The 4 members of the committee appointed under this  
29 subsection shall serve on each community engagement advisory

1 committee created by the governor, and shall be appointed as  
2 follows:

3 (a) Two members appointed by the governor.

4 (b) One member appointed by the governor from a list of 3 or  
5 more individuals nominated by the senate majority leader.

6 (c) One member appointed by the governor from a list of 3 or  
7 more individuals nominated by the speaker of the house of  
8 representatives.

9 (4) Except as otherwise provided in this subsection, the 2  
10 members of the committee appointed under this subsection shall be  
11 appointed by the governor from a list of 4 or more individuals who  
12 are nominated by the governing body of the local government that is  
13 in the potential fiscal emergency. At least 3 of the 4 individuals  
14 nominated by the governing body of the local government must be  
15 residents of the local government that is in the potential fiscal  
16 emergency. If the governing body of the local government fails to  
17 nominate individuals as required under this subsection, the  
18 governor must appoint 2 residents of the local government who meet  
19 the qualifications under subsection (5) as members of the  
20 committee.

21 (5) Each member appointed under subsections (3) and (4) must  
22 have all of the following qualifications:

23 (a) Knowledge, skill, or experience in the field of business,  
24 finance, or local government.

25 (b) Knowledge, training, skill, or experience in budgeting,  
26 revenue forecasting, debt management or borrowing, actuarial  
27 science, law, local government management or financial operations,  
28 or labor relations.

29 (6) For the initial members appointed under subsection (3) (a),



1 1 member must be appointed for a term of office of 4 years and 1  
2 member must be appointed for a term of office of 2 years. For the  
3 initial members appointed under subsections (3)(b) and (c), 1  
4 member must be appointed for a term of office of 4 years and 1  
5 member must be appointed for a term of office of 3 years. For the  
6 initial members appointed under subsection (4), each member must be  
7 appointed for a term of office of 3 years. After the initial terms  
8 of office, the term of office for members appointed under  
9 subsections (3) and (4) is 4 years. Each member appointed to the  
10 committee shall take and subscribe to the constitutional oath of  
11 office under section 1 of article XI of the state constitution of  
12 1963. The oath must be filed with the secretary of state.

13 (7) A vacancy of an unexpired term of office for a member of a  
14 committee must be filled in the same manner as the original  
15 appointment. An individual appointed to fill a vacancy on a  
16 committee is appointed to serve the remainder of the unexpired term  
17 of office. After the expiration of the term of office, a member may  
18 continue to serve until a successor is appointed and qualified.

19 (8) The member appointed under subsection (3)(a) for a term of  
20 office of 4 years shall be appointed to serve as chairperson of the  
21 committee.

22 (9) A majority of the members of a committee constitute a  
23 quorum for the transaction of business. A committee shall meet to  
24 monitor and oversee a local government's potential fiscal emergency  
25 at times and places designated by the chairperson of the committee.  
26 Special meetings of a committee may be called by the chairperson if  
27 needed.

28 (10) Subject to subsections (13) and (17), each committee  
29 shall adopt bylaws for governing the committee that must, at a

1 minimum, address the procedures for conducting meetings, including  
2 voting procedures, and the requirements for its members to attend  
3 meetings. The bylaws adopted are not subject to the administrative  
4 procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328.

5 (11) Members of the committee serve without compensation, but  
6 may receive reasonable reimbursement for necessary travel and  
7 expenses incurred in the charge of their official duties.

8 (12) The initial and final meetings of a committee must be  
9 conducted in the local government that is in the potential fiscal  
10 emergency.

11 (13) A writing prepared, owned, used, in the possession of, or  
12 retained by a committee in the performance of an official function  
13 is subject to the freedom of information act, 1976 PA 442, MCL  
14 15.231 to 15.246.

15 (14) A committee retains broad powers to recommend corrective  
16 actions for the purpose of addressing the potential fiscal  
17 emergency in the local government including, but not limited to,  
18 all of the following:

19 (a) Reviewing and providing recommendations on adopting all or  
20 parts of a budget or budget adjustments.

21 (b) Reviewing and providing contract recommendations, if the  
22 contract at issue involves a value of \$25,000.00 or more or if the  
23 contract at issue involves 5% or more of the local government's  
24 budget.

25 (c) Reviewing and providing recommendations on employee labor  
26 agreements, pay increases for appointed or elected officials, and  
27 benefit changes for appointed and elected officials.

28 (d) Reviewing and providing recommendations on issuing debt by  
29 the local government.

1 (e) Appointing, at no cost to the local government, a  
2 community coordinator for the local government whose duties  
3 include, but are not limited to, all of the following:

4 (i) Assisting the local government in planning for and  
5 implementing budget adjustments.

6 (ii) Engaging budget experts in planning for and implementing  
7 budget adjustments.

8 (iii) Coordinating with state agencies for additional  
9 assistance.

10 (iv) Providing recommendations for policy adoption or  
11 structural changes at the state or local level that include, but  
12 are not limited to, potential improved coordination and assistance  
13 to the local government from state departments and agencies.

14 (f) Issuing a finding that the potential fiscal emergency  
15 cannot be resolved by the local government and the reasons for that  
16 finding.

17 (15) In addition to the powers provided under subsection (14),  
18 if a committee determines that entering into a financial  
19 improvement agreement with the local government under section 13 is  
20 not sufficient to address the fiscal condition in that local  
21 government, the committee may recommend and create a financial  
22 recovery agreement for the local government that includes specific  
23 corrective actions to be taken by the local government by specific  
24 dates to address the potential fiscal emergency in that local  
25 government. Within 45 days after receiving the financial recovery  
26 agreement from the committee, the governing body of the local  
27 government shall review and adopt the financial recovery agreement.  
28 If the governing body of the local government does not adopt the  
29 financial recovery agreement within 75 days after receiving the

1 financial recovery agreement from the committee, the governing body  
2 of the local government must revise the financial recovery  
3 agreement to resolve the potential fiscal emergency. Within 45 days  
4 after receiving the revised financial recovery agreement from the  
5 governing body of the local government, the committee shall approve  
6 or reject the revised financial recovery agreement.

7 (16) Each community engagement advisory committee shall, on or  
8 before March 15 of each year, prepare and submit a report to the  
9 governor, the secretary of the senate, and the clerk of the house  
10 of representatives that describes the work done by the committee  
11 during the period covered by the report. The report must contain  
12 the findings and recommendations of the committee.

13 (17) The business of a committee must be conducted at a public  
14 meeting held in compliance with the open meetings act, 1976 PA 267,  
15 MCL 15.261 to 15.275.

16 Sec. 19. (1) The local government technical assistance fund is  
17 created in the department.

18 (2) The state treasurer may receive money or other assets from  
19 any source for deposit into the fund. The state treasurer shall  
20 direct the investment of the fund. The state treasurer shall credit  
21 to the fund interest and earnings from fund investments.

22 (3) Money in the fund at the close of the fiscal year shall  
23 remain in the fund and shall not lapse to the general fund.

24 (4) The department shall expend money in the fund to provide  
25 technical assistance and resources to local governments to  
26 implement the provisions of this act, including, but not limited  
27 to, all of the following:

28 (a) Providing technical support and resources for local  
29 governments that have been determined to be in need of qualified

1 technical assistance or advanced qualified technical assistance,  
2 and for local governments determined to be in a potential fiscal  
3 emergency.

4 (b) Providing expertise to address critical areas in need of  
5 improvement.

6 (c) Developing budget and community plans to address needs.

7 (d) Building staff knowledge and capacity.

8 (e) Facilitating cooperation among state departments and  
9 agencies in support of the local government and for sharing program  
10 findings with other state departments and agencies.

11 (f) Assisting in compliance with statutory and regulatory  
12 requirements.

13 (g) Providing assistance to a local government to develop a  
14 local action statement, financial improvement agreement, or  
15 financial recovery agreement.

16 (h) Implementing the recommendations of a community engagement  
17 advisory committee.

18 (i) Providing staff support to each community engagement  
19 advisory committee.