LOCAL GOVERNMENT AND SCHOOL DISTRICT FISCAL ACCOUNTABILITY ACT
Act 4 of 2011

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Compiler's note: Compiler's note: Act 4 of 2011, which was approved by the governor March 16, 2011 and filed with the secretary of state March 16, 2011, provided a new act (MCL 141.1501 to 141.1531) known as the local government and school district fiscal accountability act, effective March 16, 2011. On February 29, 2012, a petition seeking a referendum on Act 4 of 2011 was filed with the secretary of state. Const 1963, art 2, sec 9, provides that no law as to which the power of referendum properly has been invoked shall be effective thereafter unless approved by a majority of the electors voting thereon at the next general election. A referendum was presented at the November 2012 general election as Proposal 12-1, which read as follows:

PROPOSAL 12-1

A REFERENDUM ON PUBLIC ACT 4 OF 2011 –

THE EMERGENCY MANAGER LAW

Public Act 4 of 2011 would:

Establish criteria to assess the financial condition of local government units, including school districts.

Authorize Governor to appoint an emergency manager (EM) upon state finding of a financial emergency, and allow the EM to act in place of local government officials.

Require EM to develop financial and operating plans, which may include modification or termination of contracts, reorganization of government, and determination of expenditures, services, and use of assets until the emergency is resolved.

Alternatively, authorize state-appointed review team to enter into a local government approved consent decree.

Should this law be approved?

YES ____

NO ____

Act 4 of 2011 was rejected by a majority of the electors at the November 2012 general election. The vote was certified by the state board of canvassers on November 26, 2012.

Act 72 of 1990, which had been repealed by Act 4 of 2011, came back into effect while the referendum on Act 4 of 2011 was pending. Act 436 of 2012, which was approved by the governor December 26, 2012 and filed with the secretary of state December 27, 2012, provided a new act (MCL 141.1541 to 141.1575) known as the local financial stability and choice act, effective March 28, 2013. Act 436 of 2012 repeals Act 72 of 1990, effective March 28, 2013.

The People of the State of Michigan enact:

141.1501-141.1531 Act 4 of 2011 was rejected by a majority of the electors at the November 2012 general election.

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