

A CONCURRENT RESOLUTION directing the staff of the Legislative Research Commission to study municipal bankruptcy.

WHEREAS, recent high-profile local government defaults and bankruptcy filings in Alabama, California, Pennsylvania, and Rhode Island have brought heightened awareness of municipal bankruptcy; and

WHEREAS, states may consider the possibility of credit downgrades for the entire state due to the unhealthy financial health of its local governments; and

WHEREAS, 19 states have enacted laws allowing the state government to intervene in a city, town, or county financial crisis; and

WHEREAS, a state is only as strong as its component parts, and vibrant, financially stable communities are the building blocks of strong statewide economies and help produce tax revenue that pours into state government coffers; and

WHEREAS, municipal bankruptcy provisions and intervention practices vary among many states and further study may determine what method is best for the Commonwealth;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky, the Senate concurring therein:

➔Section 1. The staff of the Legislative Research Commission shall conduct a study of municipal bankruptcy issues that shall include:

- (1) An overview of federal and state municipal bankruptcy laws;
- (2) A summary of bankruptcy laws in other states; and
- (3) Prevention practices implemented in other states to address municipal bankruptcy.

➔Section 2. Staff shall transmit the results of the study to the Legislative Research Commission for distribution to the appropriate interim joint committee or committees by December 1, 2015.

➔Section 3. Provisions of this Resolution to the contrary notwithstanding, the

Legislative Research Commission shall have the authority to alternatively assign the issues identified herein to an interim joint committee or subcommittee thereof and to designate a study completion date.