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## Michigan's Oversight of Troubled Cities Waning.

(Reuters) – Michigan's list of financially distressed cities subject to state oversight shrank on Friday with the release of Hamtramck, which is surrounded by Detroit, from receivership.

The move leaves just Detroit and Flint on the list, with Detroit aiming to end active supervision of its finances as soon as this spring.

Michigan Treasurer Nick Khouri dissolved Hamtramck's Receivership Transition Advisory Board, giving city officials full control of operations and finances.

Khouri cited improved financial management, policies and practices that allowed Hamtramck to produce an on-time fiscal 2017 audit that showed a budget balance of $6.5 million.

The city of 21,750 was declared to be in a financial emergency by Governor Rick Snyder in 2013 and was run by a state-appointed emergency manager from July 2013 to December 2014. With the fiscal emergency resolved, the advisory board was created to transition the city back to local control.

Michigan ended oversight of eight cities, one township and Wayne County in recent years. Four school districts continue to have some form of state supervision, according to the Michigan Treasury Department website.

With Detroit ending three straight fiscal years with balanced budgets, Mayor Mike Duggan has said the city's financial review commission should soon be able to go dormant. The state commission was created as part of Detroit's court-approved plan to exit in 2014 what was then the biggest U.S. municipal bankruptcy.

Michigan's largest city was able to shed about $7 billion of its $18 billion of debt and obligations in federal bankruptcy court.

In January, Michigan's treasurer diminished the role of Flint's oversight board, giving the mayor and city council more responsibility for operations and finances.

Flint's financial emergency, which began in 2011, became controversial when its state-appointed emergency manager in 2014 changed the city's water source, which caused lead to leach from pipes. The water crisis prompted dozens of lawsuits and criminal charges against former government officials.

By REUTERS

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(Reporting by Karen Pierog in Chicago; Editing by Matthew Lewis)

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