

# **Bond Case Briefs**

*Municipal Finance Law Since 1971*

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## **Municipal Bankruptcy: Avoiding and Using Chapter 9 in Times of Fiscal Stress - Orrick**

*This report is dedicated to the memory of John Knox, Co-author of the first edition and a wonderful person, partner and public finance attorney.*

What should leaders of local governments know about municipal bankruptcy? The 3rd edition of this report offers a practical overview of both avoiding municipal bankruptcy and navigating through a chapter 9 case should a filing be necessary. The report emphasizes that underlying financial problems - whether structural operating deficits or catastrophic losses - must be resolved regardless of bankruptcy filing status, and that while chapter 9 can greatly benefit a local government, it also comes with significant costs and long-term consequences.

Drawing on real-world municipal bankruptcy cases including Detroit, Stockton, Jefferson County, Vallejo and San Bernardino, the report provides actionable frameworks for financial crisis assessment, bankruptcy preparation procedures, and post-bankruptcy recovery strategies.

[Read the full report.](#)

### **The Orrick Public Finance Green Book Series**

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