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Michigan Bill Would Impose 20 Years' Oversight on Detroit.

CHICAGO — Michigan would create a seven-member committee to oversee Detroit for 20 years under legislation expected to be unveiled late Thursday, lawmakers said.

The bills would also authorize a state contribution of \$195 million in a one-time lump cash infusion toward the bankrupt city's pension debt.

The money would come from Michigan's rainy-day fund, which currently has a balance of \$580 million. The money would be repaid with annual appropriations of \$17 million from the state's tobacco settlement fund.

The lump sum payment is a change from Gov. Rick Snyder's original proposal, in which the state was to contribute \$350 million over 20 years. Snyder had proposed bonding against the tobacco funds to generate the proceeds.

The 10-bill package, expected to be unveiled late Thursday, is part of a so-called "grand bargain" between the state, the city, its pension systems, a group of private foundations and the city owned Detroit Institute of Arts museum.

In return for a roughly \$816 million contribution, which includes the state funds, the DIA would be spun off to an independent nonprofit board that would protect the art collection from any future sale or privatization.

Detroit's final plan of debt adjustment relies on the grand bargain, as most of the creditor settlements feature the additional funds.

The oversight board would have final say over the city's finances, budget and contracts, according to Rep. John Walsh, R-Livonia, who is taking the lead on the legislation.

The state would control most of the appointments to the oversight committee. Members would be appointed by the governor, state treasurer, state House speaker, state Senate Majority Leader, and the Detroit mayor. It's modeled after the board that oversaw New York City during that city's late 1970s fiscal crisis.

"If there are periods of fiscal health in the city, then it could go dormant," Walsh said.

House leaders earlier this week formed a new committee to handle the Detroit-related legislation. The House Committee on Detroit's Recovery and Michigan's Future will be chaired by Walsh and made up of two Republicans and two Detroit Democrats.

Snyder wants lawmakers to pass legislation before they break at the end of June.

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