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House Bill Would It More Difficult for Municipalities to File Chapter 9.

Rep. John Conyers (D-MI) has introduced legislation that would require municipalities to negotiate “in good faith” with creditors before being allowed to file for Chapter 9, clarifying the term to have the same meaning as it does with respect to the National Labor Relations Act. If enacted, a municipality would have to show “clear and convincing evidence” that it met requirements to file under the new law.

The legislation would also require the permission of beneficiaries before any readjustment plans could cut municipal employee or pension benefits.

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