

# Bond Case Briefs

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## **BONDS - MICHIGAN**

### **Jackson v. Mayor of Detroit**

**Court of Appeals of Michigan - September 29, 2022 - Not Reported in N.W. Rptr. - 2022 WL 4586567**

Citizen plaintiff led a group of concerned Detroit residents in sounding the alarm about the city's issuance of bonds without proper notification and authorization. Specifically, the plaintiffs contended that Detroit issued bonds beyond the city's borrowing limit and kept residents uninformed about the city's bonding efforts.

The trial court, on summary disposition, carefully considered the plaintiffs' arguments and concluded that all of the defendants (the Mayor of Detroit, the Detroit City Council Members, and Detroit Chief Financial Officer John Naglick (collectively Detroit)) were entitled to prevail because the bonds were issued before plaintiffs filed suit.

Plaintiffs appealed.

The Court of Appeals hold that:

- Under the preclusive doctrine discussed in *Bigger v Pontiac*, 390 Mich 1; 210 NW2d 1 (1973), and *Sessa v Macomb Co*, 220 Mich App 279; 559 NW2d 70 (1996), the issuance of bonds stops challenges in their tracks because no meaningful remedy can be provided without harming bondholders. Thus, the court was bound to apply that preclusive doctrine to end the lawsuit; and
- Detroit did not issue bonds in excess of the debt limit imposed by MCL 117.4a(2).