Bond Case Briefs

Municipal Finance Law Since 1971

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

October.14.2025

Copyright © 2026 Bond Case Briefs | bondcasebriefs.com