



TAMPA BAY BANKRUPTCY CENTER, P.A.

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Jefferson County to Decide on Bankruptcy

Alabama Governor Robert Bentley is fighting to help Jefferson County avoid filing for potentially the biggest municipal bankruptcy in the country. At this point, the governor is determined to find a solution to the \$3.4 billion debt problem that stems largely from a botched sewer contract. At the same time, local officials are set to resume deliberations on either a settlement with creditors or filing for bankruptcy.

Governor Bentley had met with the president pro tem of the state Senate, Del Marsh and the speaker of the House of Representatives, Mike Hubbard on the massive sewer debt owed by the county and other financial problems. Governor Bentley said, "All three of us are 100 percent committed to solving this issue in the Legislature. My administration and the legislative leadership stand ready to work with the rest of the state Legislature in a special session. This is a problem that can and must be solved for the good of both Jefferson County and the entire state."

In a provisional agreement approved by commissioners in September, the county and JPMorgan Chase & Co have agreed to making \$1.1 billion in concessions on the debt and implementing increases in sewer rates by as much as 8.2% for the first three years.

According to Commission President David Carrington, the agreement stipulates that JPMorgan Chase, which arranged most of the bonds, will take the biggest loss. In a briefing on November 7, Carrington told the press that the county and creditors are \$140 million apart. Commissioners are continuing to deliberate over the final draft of the agreement and will decide whether to accept it, continue to negotiate it or file for Chapter 9 bankruptcy.

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All 25 members of the county's legislature have not been able to unanimously agree on steps to take to implement the provisional agreement, including the important matter of how to generate revenue for the county's general fund.

In Jefferson County, members of a local delegation are able to block any law that applies to their jurisdictions on the basis of "local courtesy." Generally, if the full Legislature acts on the financial crisis without local approval, it could result in an internecine political war, Jefferson County lawmakers have said.

If you are having financial problems individually or in business, consider filing for bankruptcy protection. Bankruptcy will protect you from your creditors until you have the chance to sort out your financial situation. It can be your ticket to financial freedom again. Call us at (813) 200 4133 for a free consultation. Bentley is fighting to help Jefferson County avoid filing for potentially the biggest municipal bankruptcy in the country. At this point, the governor is determined to find a solution to the \$3.4 billion debt problem that stems largely from a botched sewer contract. At the same time, local officials are set to resume deliberations on either a settlement with creditors or filing for bankruptcy.

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