

January 8, 1976

The Honorable Patrick J. Lucey
Governor, State of Wisconsin
Office of the Governor
Madison, Wisconsin 53702

Dear Governor Lucey:

Thank you for your recent communication informing me of your concern regarding H.R. 10624, a bill that seeks to revise and up-date current municipal bankruptcy laws.

The House Committee on the Judiciary informs me that they met on Tuesday, January 6th, with representatives from the National Governor's Conference Committee on Executive Management and Fiscal Affairs, which you chair. In that meeting, your representatives aired your objections to tentative provisions in H.R. 10624 that would facilitate a municipality's ability to file for bankruptcy.

An earlier form of this legislation contained language stipulating that municipalities must make an attempt to straighten their affairs out with their creditors before filing for bankruptcy. This clause was removed in the belief that it contained more rhetoric than substance. At your representative's request however, the Conference Committee is now considering re-insertion of the provision back into the measure.

I am sure you are aware of the lengthy agenda that is being drawn up for the House and Senate Conferees on H.R. 10624. There are some eighty-five points of specific disagreement between the House and Senate versions of the bill. Even though approximately forty points have been tentatively agreed to, there are at least some twenty that are unclear, with another twenty that will probably be real causes for concern among the Conferees. With the Conference Committee scheduled to meet near the end of January, it is now becoming evident that it will be some time before the final version of this legislation will be sent to the President for his signature. I believe that you will have ample opportunity to convey your objections to the Conference Committee before that time.

I appreciate having your views on this most important issue, and please be advised that I intend to follow closely the Conferee's efforts. With best wishes, I am

Sincerely,

The Speaker

CA:dr