

The Financially Distressed Municipalities Act (Act of 1987, P.L. 246, No. 47), also known as Act 47, empowers the Pennsylvania Department of Community and Economic Development to declare certain municipalities as financially distressed. It provides for the restructuring of debt of financially distressed municipalities, limits the ability of financially distressed municipalities to obtain government funding; authorizes municipalities to participate in Federal debt adjustment actions and bankruptcy actions under certain circumstances; and provides for consolidation or merger of contiguous municipalities to relieve financial distress.

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