§ 3002. Legislative findings and statement of purposes. It is hereby found and declared that, by reason of the severe economic and social dislocations of recent years, there has been a great increase in the need and demand for public services at a time when financing such services has become increasingly difficult, and that, due to a general decline in investor acceptance of local government securities and to almost unprecedented interest rates, a number of municipalities in this state have, despite the financial soundness of their obligations, recently faced increased difficulty in selling a sufficient amount of their securities to enable them to refund their outstanding obligations or to meet their cash requirements. For the immediate future, this increased difficulty has caused concern that such municipalities may be unable to provide, without interruption, many services essential to their inhabitants while also meeting their obligations to the holders of their outstanding securities as they come due. It is in the public interest and is the policy of this state to assist municipalities attempting to provide, without interruption, services essential to their inhabitants while meeting their obligations to the holders of their outstanding securities. The impairment of the credit of the municipalities within the state may affect the ability of the state to issue its own obligations at normal interest rates. Such effect is a matter of state concern. It is further declared that the state should exercise its power in the interest of such municipalities and should implement such policy by authorizing on behalf of each municipality which is found by the legislature to require the state's assistance and which expressly requests such assistance, the creation of a state instrumentality to be a body corporate and politic, having full powers to borrow money and to issue its bonds and notes for the purpose of providing to that municipality assistance sufficient to enable it to avoid the interruption of services essential to its inhabitants while meeting its obligations to the holders of its outstanding securities. It is further declared to be in the public interest and is the policy of this state that each such instrumentality shall provide financial assistance to a municipality only if that municipality agrees to make and observe such changes in its record keeping, accounting, budgeting and financial management practices as that instrumentality may be authorized, by the special law creating it, to require as a condition of

providing financial assistance.