

## LAYOFFS LEAD TO SURGE IN MURDERS



With municipalities such as Stockton, CA, San Bernardino, CA, and Yonkers, NY suffering financially, layoffs in public services such as fire and police, have led to a surge of murders, and uneasiness in people when the area they live contemplates Chapter 9 bankruptcy. In Stockton, CA, according to Bloomberg, the killing has been one of 29 homicides this 2012, following a record 58 in 2011. Besides murder, the city is rising in other crimes such as robbery. One Stockton resident has undergone five robberies at gunpoint in three and a half years. The resident is now used to the dangers of Stockton, and just sees it as a fact of life. **Update:** Companies hiring in the city, visit [Granted.com](#) to find **new jobs in Stockton, CA** Section 109(c) of the Bankruptcy Code establishes who may begin a proceeding under Chapter 9. Public entities use Chapter 9 for federal bankruptcy protection. Section 109(c)(1) lets an entity seek Chapter 9 relief if it is a municipality. Municipality is defined in Section 101(40) as a “political subdivision or public agency or instrumentality of a State.” Sometimes when a municipality wants to file bankruptcy, there is an issue on what is a municipality. This slows down the bankruptcy process, resulting in more layoffs while people wait on what to do. In San Bernardino, CA, a week after the San Bernardino City Council approved deep budget cuts and layoffs to keep the city operating through bankruptcy, employees remained uncertain about their fates. San Bernardino had to cut government spending by a third. Along with widespread layoffs, there were pay reductions for city workers. **Update:** San Bernardino firms looking for employees, eligible candidate can [apply for jobs in Bernardino, CA](#) on [Granted.com](#) The Bankruptcy Court for the District of Nevada articulated three basic characteristics for courts to consider when determining whether an entity falls under the definition of a municipality under Section 101(40) of the Bankruptcy Code:

1. Courts look into the extent to which an entity has traditional governmental functions such as powers to tax. An entity that engages in traditional government attributes is likely a municipality.
2. Courts review the extent to which a state controls an entity’s operations. More state control over daily decisions and operations makes an entity likely an instrumentality of the state. If the state’s control is not necessary, but general oversight, the entity is less likely a municipality.
3. Courts consider the extent to which the state categorizes the entity as a municipality. If the state treats the entity as a municipality, bankruptcy courts may also.

Section 109(c)(2) requires a municipality to be authorized by state law to file bankruptcy under Chapter 9. Some states limit the type of entity that may file bankruptcy, and some require state approval before any filing. Section 109(c)(3) requires a municipality be insolvent as of the date it petitions for bankruptcy relief. This is perhaps the reason for entities to undergo layoffs and budget cuts. In Yonkers, NY, schools underwent massive budget hits two years running. **Update:** People looking for a [job in Yonkers, NY](#) can visit [Granted.com](#) for latest opening.