



**County
Commissioners
Association of Ohio**

Serving Ohio Counties Since 1880

Suzanne K. Dulaney, Esq., Executive Director

209 East State Street • Columbus, Ohio 43215-4309

Phone: 614-221-5627 • Fax: 614-221-6986

Toll Free: 888-757-1904 • www.ccao.org

August 7, 2015

The Honorable Sherrod Brown
713 Hart Senate Office Building
Washington, DC 20510

Dear Senator Brown:

I respectfully seek your assistance to address the negative impact of recent changes made by the Securities and Exchange Commission (SEC) pertaining to the structure of money market funds. The rule changes made by the SEC in 2014 risk impairing the ability of Ohio's counties to obtain low-cost financing for critical infrastructure projects.

CCAO, both individually and as a member of the National Association of Counties (NACo), have been advocating that money market mutual funds are important investment tools used by our counties. These funds contain substantial amounts of the short-term debt that local governments use to finance public works like roads, bridges, water and sewage treatment facilities, and other infrastructure and vital public facilities that are crucial to economic development. Unfortunately, the SEC proceeded with rule changes that forced money market mutual funds to abandon their stable price per share and instead "float" the net asset values (NAV).

County governments in Ohio operate under legal constraints that limit them from investing in instruments without a stable value. Without such financing, local governments may be forced to limit projects, spend more on financing or increase taxes due to the necessity of shifting to bank products that have historically paid lower yields or are much less secure.

I understand that Senator Toomey recently introduced the Consumer Financial Choice and Capital Markets Protection Act of 2015 (the "Act") which has now been introduced as S.1802. Under the Act, an Institutional Fund would be required to operate as a Floating NAV Fund unless its board of directors elected to operate as a Stable Value Fund. Any open-end investment fund, including an Institutional Fund, could operate as a money market fund that computes its price per share under the stable NAV approach. This legislation appears to be a reasoned approach to addressing the concerns of counties.

Please consider supporting S. 1802. I look forward to any assistance you can provide in supporting Ohio's counties. Please do not hesitate to contact me at (614)220-7977 with any questions or concerns.

Sincerely,

Suzanne K. Dulaney
CCAO Executive Director



County Risk
Sharing Authority

Fax: 614-220-0209
www.corsa.org



Fax: 614-229-4588
www.cebc.org



County Commissioners
Association of Ohio
Service Corporation

Fax: 614-221-6986
www.ccao.org