



900 SW JACKSON ST., STE 201
TOPEKA KS 66612-1235

Jake LaTurner
KANSAS STATE TREASURER

PHONE: 785-296-3171
FAX: 785-296-7950

February 23, 2018

The Honorable Jerry Moran
United States Senate
Washington, DC 20515

Dear Senator Moran:

I am writing to respectfully encourage you to support S. 1117, the Consumer Financial Choice and Capital Markets Protection Act. As you may know this bipartisan proposal would restore access to money market funds as an important source of low-cost financing for infrastructure investments and other important economic needs in Kansas.

Many state and local governments access the capital markets and issue short term debt for a variety of reasons. Money market funds in particular are a widely-used cash management tool. They also facilitate access to the capital markets by investing in short-term municipal debt used to finance the operations of state and local governments, as well as the construction and maintenance of schools, roads, utilities, public transportation systems, affordable housing, airports and other important infrastructure projects.

That access was unnecessarily restricted by a Securities and Exchange Commission (SEC) rule that requires prime and tax-exempt money market funds offered to institutional investors to no longer use amortized cost accounting to operate on a stable net asset value (NAV) basis. Instead, since October 14, 2016, such funds are required to use a floating NAV. As a result, most businesses, state and local governments, and other institutional investors can no longer invest in prime and tax-exempt money market funds.

S. 1117 would restore the stable NAV for both prime and municipal money market funds and, in turn, restore the ability of state and local government to access permissible funds for investing their operating cash. At the same time, it will lower short-term funding costs for municipalities by increasing overall liquidity in the market.

Thank you for your consideration and for your service to the people of Kansas.

Sincerely,

A handwritten signature in black ink, appearing to read "Jake LaTurner", is written over a faint, larger version of the same signature.

Jake LaTurner
Kansas State Treasurer