



September 5, 2018

The Honorable Catherine Cortez Masto
United States Senate
Washington, DC 20510

Re: *S. 1117, the Consumer Financial Choice and Capital Markets Protection Act.*

Dear Senator Cortez Masto:

I am writing on behalf of the Nevada Subcontractors Association to ask for your support for legislation that would restore the ability of money market funds to serve our state and local governments as a safe investment option for the management of short-term cash, and as a source of low-cost capital for public infrastructure investment. The legislation is S. 1117, and it has the strong support of the National Association of Counties, National League of Cities, and the Government Finance Officers Association, in addition to public and private sector finance officers throughout the country.

Specifically, the legislation would fix the unintended consequences of an SEC rule that went into effect in October 2016. The rule prohibits public and private sector institutions that invest short term cash from investing in prime and tax exempt money market funds that have a stable net asset value (NAV). That has limited the investment options of state and municipal governments, and wiped out billions of dollars of low-cost liquidity used to finance public infrastructure, affordable housing, economic development and other important priorities.

Short-term borrowing costs have risen as a direct result of this rule, and it has reduced the ability of municipalities to obtain market returns on the short-term management of taxpayer money. These extra costs and lower returns are putting unnecessary pressure on state and municipal finances.

S. 1117 is a bipartisan and common sense bill, and municipalities could really use your support as a cosponsor, and your leadership in moving it through the legislative process so it can become law.

Sincerely,

Kelly Gaines

President, Nevada Subcontractors Association