



Ohio Municipal League

Our Cities and Villages ★ Bringing Ohio to Life

August 20, 2015

The Honorable Sherrod Brown
United States Senate
713 Hart Senate Office Building.
Washington DC 20510

Re: The Consumer Financial Choice and Capital Markets
Presentation Act of 2015 (SB 1802)

Dear Senator Brown:

On behalf of the 900 + villages and cities in Ohio, we respectfully urge you to support Senate Bill 1802, which is currently pending before the Senate Banking, Housing, and Urban Affairs Committee. This legislation will enable our members to cost efficiently fund desperately needed public works projects to include an enhanced infrastructure necessary for needed economic development. This is an especially important tool for local government since the state has decreased the funding to local governments. Local governments use short-term debt to finance various capital and public works projects. Money Market Funds are significant purchasers of municipal obligations. Without Senate Bill 1802, Money Market Funds may no longer purchase such debt after October 2016 when the fund's underlying net asset value moves from a fixed sum to a floating value.

We are very concerned that local governments will lose the largest purchaser of local government debt if money market funds are not permitted to retain a fixed net asset value. A second costly impact is the loss of enhanced financial returns on surplus government deposits. Most of our members use the Star Ohio program to help manage their cash flow needs. Senate Bill 1802 will enable this program to continue serving our members and provide elevated returns on statutorily approved investments.

We thank you in advance for your consideration. You may hear from some of our individual members during the course of the debate and we would urge you to reach out to any one of our member's cities who would be more than happy to enlighten you upon the positive impact of Senate Bill 1802.

Very truly yours,

Susan J. Cave
Executive Director