

August 31, 2016

The Honorable Dan Kildee
United States House of Representatives
227 Cannon HOB
Washington, D.C. 20515

Dear Congressman Dan Kildee:

On behalf of 83 counties in Michigan, and the nearly 10 million residents residing throughout those counties, we respectfully urge your support of H.R. 4216.

As you may know, counties use tax-exempt debt to finance various capital and public works projects. Passage of H.R. 4216 will enable us to continue cost-efficient funding of facility improvements and expanded services to include enhanced infrastructure necessary for economic development.

Today, money market funds (“MMFs”) are significant purchasers of tax-exempt obligations. However, we fear that without the passage of H.R.4216, MMFs 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 pursuant to a Securities and Exchange Commission Rule. Without MMFs to purchase our bonds, the cost of projects will be incrementally more expensive, limiting our future growth. In addition, obtaining the lowest possible interest costs for tax-exempt financing is an especially important tool to fund county public works and other infrastructure projects and facility upgrades.

As such, we urge your support of H.R.4216 to benefit not only Michigan residents, but local governments, business owners, developers, and the construction trades by preserving stable value money market funds for public infrastructure investment, economic development, and growth.

Since the Securities and Exchange Commission (“SEC”) rule takes effect in October, **time is of the essence**. We need House Financial Services Ranking Member Waters to support a September hearing for the bill when the House goes back into session. As one of two Michigan delegation members serving on the U.S. House Financial Services Committee, we thought you would be best suited to make that request.

Thank you for your attention to this issue, we greatly appreciate your consideration.

Sincerely,



Timothy K. McGuire
Executive Director
Michigan Association of Counties