



JIM ANANICH
SENATE MINORITY LEADER
MICHIGAN SENATE

27TH DISTRICT
P.O. BOX 30036
LANSING, MI 48909-7536
PHONE: (517) 373-0142
FAX: (517) 373-3938
senjananich@senate.michigan.gov

March 27, 2017

The Honorable Jeb Hensarling
Chairman, Financial Services Committee
United States House of Representatives
2228 Rayburn House Office Building
Washington, D.C. 20515

The Honorable Maxine Waters
Ranking Member, Financial Services Committee
United States House of Representatives
2221 Rayburn House Office Building
Washington, D.C. 20515

Dear Chairman Hensarling and Ranking Member Waters:

Though the economic situation in Michigan has improved in recent years, our municipalities continue to struggle within the constraints of their funding. Our infrastructure is crumbling, and, as evidenced by my hometown of Flint, fixes are neither cheap nor easy.

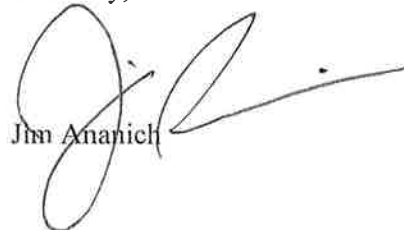
In his most recent State of the State, Governor Snyder estimated that Michigan needs to spend an additional \$4 billion more than it does today on infrastructure. This problem is not endemic specifically to Michigan, but represents a struggle for communities across the nation.

Many of our municipalities and counties use tax-exempt debt to finance their public work projects. A rule promulgated by the Securities and Exchange Commission in October of 2016 may impede the ability for our local governments to use this type of financing. Without the ability to finance these infrastructure projects, our municipalities will have even tougher choices to make regarding their budgeting practices.

Though it may have been well-intentioned, the unintended consequence of this rule change is an increase in the cost of crucial public works projects. With this in mind, I would urge you to strongly consider supporting any action to benefit Michigan municipalities and our residents to allow for the types of investment needed to fund our infrastructure upgrades.

I greatly appreciate your consideration of this issue.

Sincerely,


Jim Ananich