

**46th House District**

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parts of Toledo

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**Michael P. Sheehy**  
State Representative

**Committees**

Transportation & Public Safety  
(Ranking Member)  
Agriculture & Rural Development  
Economic Development, Labor, &  
Commerce  
Community & Family  
Advancement

May 30, 2017

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

Dear Senator Brown,

I am writing you regarding Senate Bill 1117 (S. 1117), the Consumer Financial Choice and Capital Markets Protection Act of 2015 that is pending before the Senate Banking, Housing and Urban Affairs Committee. I am concerned about the rule the Securities and Exchange Commission ("SEC") passed affecting Money Market Funds ("MMFs") and the transition from a stable Net Asset Value (NAV) to a floating NAV. I am concerned this transition to a floating NAV has caused for communities in my district and across the state when they sell bonds to finance much needed infrastructure and economic development projects.

It appears S. 1117 would correct the negative impacts from the SEC's 2014 MMF rule. If this rule is not corrected and a floating NAV remains in effect we will continue to see financial entities offering MMFs to pull back from the market and result in increasing costs to tax-exempt debt issuers like local governments. To date we have seen over \$1 trillion leave the MMF market while contributing to increased interest costs.

MMFs are the most significant purchaser of tax-exempt bonds and I am concerned if we do not rectify this issue the increasing the costs of bond issuances will only continue at no fault of the issuer. As the former President of Oregon City Council, I know how local governments have struggled to provide services due to significant cuts by the General Assembly to the Local Government Fund (LGF). Cities and counties across Ohio have weathered the Great Recession by making exceedingly difficult decisions but their efforts were dealt a serious blow by the drastic cuts to the LGF. Now with the increased costs for selling bonds my concern is much needed economic development and infrastructure projects could be delayed or cancelled entirely.

As you are likely aware the Ohio County Commissioners Association, Ohio Municipal League, the Inter University Council, labor leaders and elected officials across the state have voiced their support for S. 1117 for many of these same reasons listed above. Thank you for your attention to this matter and I hope you will consider supporting S. 1117.

Sincerely,

A handwritten signature in black ink, appearing to read "M Sheehy". The signature is written in a cursive style with a long, sweeping tail on the final letter.

Michael Sheehy  
State Representative