

# *City of Athens*

## *Auditor's Office*

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Honorable Steve Stivers  
Rayburn House Office Building, 2234  
Washington, DC 20510

Congressman Stivers,

I am writing to thank you for co-sponsoring H.R.4492. The current economic climate caused by the coronavirus has put Ohio's cities in significant financial turmoil. As you know, cities can't run deficits like the federal government and we are largely funded by the income tax. As unemployment grows, our revenues will shrink and the needs of our citizens will grow. It is my job as City Auditor to ensure the city's resources are spent wisely, efficiently and with accountability. This responsibility becomes even greater as resources shrink and demand for necessary services increases.

The financial markets and the challenging environment to sell tax exempt debt calls for the need to enact H.R.4492. It will alleviate some of the strain by introducing more than \$1 trillion back to the market to buy municipal debt and help keep interest rates low so less revenue is pledged to interest when we will need as much from our General Revenue Fund (GRF) for essential services as we can identify. The current market conditions are making it very difficult to sell these bonds, if at all, and if sales were to occur they likely are much more expensive for cities which will tie up needed resources into increased payments instead of on needed services.

H.R.4492 will correct the unintended consequences of the SEC rule change which required Money Market Funds (MMFs), the largest purchaser of tax exempt debt, to change a more than 40 year regulatory environment. The return to a stable NAV, which was the historical norm, will allow for almost \$1 trillion to return to the capital markets and provide for more affordable financing for our local governments at a much needed and unprecedented financial time.

I strongly urge you to advocate with your colleagues on both sides of the aisle for the inclusion of H.R.4492 in the next legislation targeting aid to the economy.

Sincerely,

Kathy Hecht, Auditor  
City of Athens