



Government Finance Officers Association
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June 30, 2020

The Honorable Roger F. Wicker
United States Senate
555 Dirksen Senate Office Building
Washington, D.C. 20510

The Honorable Debbie Stabenow
United States Senate
731 Hart Senate Office Building
Washington, D.C. 20510

Dear Senator Wicker and Senator Stabenow:

On behalf of the Government Finance Officers Association (GFOA) and our membership of over 21,000 public finance officials, I write to express our appreciation to members of the Senate for their advocacy of the municipal bond at such a pivotal time in our nation's history. Having helped laid the foundations for our modern economy to thrive, expanding use of the tax exemption of municipal bonds through restoration of tax-exempt Advance Refunding Bonds strengthens a useful tool for state and local fiduciaries. The bipartisan and bicameral support for this bill underscores the utility of the municipal bond interest exemption and its role in economic recovery.

Prior to 2018, governmental bonds and 501(c)(3) bonds issued by state and local governments were permitted a single advance refunding. This allowed public issuers to take advantage of reductions in future interest rates, acting as a reliable cost saving measure benefitting the taxpayers who ultimately pay for governmental activities. In fact, GFOA best practices recommended an advance refunding should produce a minimum savings threshold on a present value basis of 3-5 percent. In the 5-year period from 2013-2017, the advance refunding of municipal securities saved taxpayers at least \$12 billion, a benefit to all of our shared constituencies.

We appreciate the efforts of Sens. Roger Wicker and Debbie Stabenow for introducing a bill reinstating the use of tax-exempt advance refunding bonds, and applaud their leadership as advocates for state and local governments across the country. We look forward to working with you in support of this bipartisan bill.

Sincerely,

A handwritten signature in black ink that reads "Marion M. Gee". The signature is written in a cursive, flowing style.

Marion Gee
President, Government Finance Officers Association
Director of Finance, Metropolitan St. Louis Sewer District
St. Louis, Missouri