

**Government Finance Officers Association**  
**National Governors Association**  
**National Association of State Treasurers**  
**Council of State Governments**  
**National Conference of State Legislatures**  
**The United States Conference of Mayors**  
**National Association of Counties**  
**National League of Cities**  
**International City/County Management Association**  
**Airports Council International – North America**  
**National Association of Towns and Townships**  
**National Association of State Auditors, Comptrollers and Treasurers**  
**American Association of Port Authorities**  
**American Hospital Association**  
**American Planning Association**  
**American Public Power Association**  
**American Public Works Association**  
**American Society of Civil Engineers**  
**American Water Works Association**  
**Association of Public and Land-grant Universities**  
**Association of Metropolitan Water Agencies**  
**WaterReuse Association**  
**National Association of Clean Water Agencies**  
**Council of Infrastructure Financing Authorities**  
**International Public Management Association for Human Resources**  
**Large Public Power Council**  
**National Association of Municipal Advisors**  
**National Association of Bond Lawyers**  
**National Association of College and University Business Officers**  
**National Association of Health and Educational Facilities Finance Authorities**  
**National Association of Regional Councils**  
**National Community Development Association**  
**National Association of Local Housing Finance Agencies**

May 7, 2018

**VIA Electronic Mail**

RE: Request Co-sponsorship of HR 5003 to Amend the Internal Revenue Code of 1986 to Restore Advance Refunding

Dear Member of Congress:

The national organizations listed above represent hundreds of thousands of public-sector entities that issue debt to finance and build the infrastructure that contributes to strong economies at the state and local levels across the country. Our collective memberships support the need for legislation that would reinstate authority to advance refund municipal bonds. We also ask that you join as a co-sponsor of H.R. 5003, a

bipartisan bill to restore this federal tax code provision that for decades saved local taxpayers billions in interest expense.

Under previous law, 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 interest rates to realize billions of dollars in savings, which ultimately benefits taxpayers. In fact, the Government Finance Officers Association (GFOA) best practices recommended an advance refunding should produce a minimum savings threshold on a present value basis of 3-5 percent. In the last 5 years, 2013-2017, the advance refunding of municipal securities saved taxpayers at least \$12 billion, a benefit to all of our shared constituencies. It is the practice of state and local governments to measure savings on a present value basis but it is worth noting that the actual savings resulting from these advance refundings is far in excess of \$12 billion in present value savings.

Since tax-exempt advance refundings were prohibited, municipal bond market activity has declined significantly, creating less supply for the very strong demand that exists for municipal securities from retail and institutional investors. In Q1 2017 volume was \$92 billion compared to Q1 2018 just \$65 billion, a decrease in 30%. The bond market underpins the strength of state and municipal governments to provide necessary infrastructure across the United States.

Thank you for considering this important legislation. We look forward to working with you and supporting the effort to help the public issuer community on this vital issue.

Sincerely,

Government Finance Officers Association, Emily Swenson Brock, 202-393-8467  
Airports Council International – North America, Annie Russo, 202-293-4544  
American Association of Port Authorities, Susan Monteverde, 703-684-5700  
American Hospital Association, Mike Rock, 202-638-1100  
American Planning Association, Jason Jordan, 202-349-1005  
American Public Power Association, John Godfrey, 202-467-2929  
American Public Works Association, Andrea Eales, 202-218-6730  
American Society of Civil Engineers, Brian Pallasch, 202-789-7852  
American Water Works Association, Tommy Holmes, 202-326-3128  
Association of Metropolitan Water Agencies, Diane VanDe Hei, 202-331-2820  
Association of Public and Land-grant Universities, Craig Lindwarm, 202-478-6032  
Council of Infrastructure Financing Authorities, Rick Farrell, 202-547-1866  
Council of State Governments, Andy Karellas, 202-624-5460  
International City/County Management Association, Elizabeth Kellar, 202-962-5328  
International Public Management Association for Human Resources, Neil Reichenberg, 703-549-7100  
Large Public Power Council, Noreen Roche-Carter, 916-732-6509  
National Assoc. of Health and Educational Facilities Finance Authorities, Chuck Samuels, 202-434-7311  
National Association of Bond Lawyers, Jessica Giroux, 202-503-3303  
National Association of Clean Water Agencies, Kristina Surfus, 202-833-4655  
National Association of College and University Business Officers, Elizabeth Clark, 202-861-2553  
National Association of Counties, Jack Peterson, 202-661-8805  
National Association of Local Housing Finance Agencies, Heather Voorman, 202-367-2405  
National Association of Municipal Advisors, Susan Gaffney, 703-395-4896  
National Association of Regional Councils, Leslie Wollack, 202-618-6363  
National Association of State Auditors, Comptrollers and Treasurers, Cornelia Chebinou, 202-624-5451  
National Association of State Treasurers, Shaun Snyder, 202-744-6663

National Association of Towns and Townships, Jennifer Imo, 202-454-3947  
National Community Development Association, Vicki Watson 202-656-9552  
National Conference of State Legislatures, Max Behlke, 202-624-3586  
National Governors Association, Caroline Sevier, 202-624-5376  
National League of Cities, Brian Egan, 202-626-3107  
The United States Conference of Mayors, Larry Jones, 202-861-6709  
WateReuse Association, Amber Kim, 571-445-5504