

TOBIAS READ
STATE TREASURER

NANCY BREWER
CHAIR



**MUNICIPAL DEBT
ADVISORY COMMISSION**
350 WINTER STREET NE, SUITE 100
SALEM, OREGON 97301-3896
(503) 378-4930

PUBLIC MEETING NOTICE AND AGENDA

MUNICIPAL DEBT ADVISORY COMMISSION
SPECIAL MEETING ON

Monday, June 15, 2020
1:00 PM – 2:00 PM (approximate end time)

Audio and video participation: [Join Microsoft Teams Meeting](#)
Audio participation only: +1 971-279-6217 Conference ID: 480 915 188#

AGENDA

| | <u>BEGIN</u> ¹ | <u>END</u> | <u>Presenter</u> |
|--|---------------------------|------------|------------------------------------|
| 1. Call to Order and Roll Call | 1:00 PM | 1:05 PM | N. Brewer |
| 2. October 21, 2019 Meeting Recording https://www.oregon.gov/treasury/oregon-bonds/municipal-debt-advisory/pages/default.aspx | | | N. Brewer |
| 3. Covid-19 Federal Liquidity Facility Survey Results | 1:05 PM | 1:25 PM | L. Lockwood-McCall |
| 4. MSRB EMMA Covid-19 Disclosure Filings | 1:25 PM | 1:45 PM | Christine Reynolds Carol McCoog |
| 5. Federal Legislation Related to Public Finance | 1:45 PM | 2:00 PM | P. Matthews |
| 6. Local Debt Verification Status | 2:00 PM | 2:05 PM | M. Kellams |
| 7. Public Comment | 2:05 PM | 2:15 PM | |
| 8. Adjournment | | | |

¹ Estimated times

TAB 3 –

Covid-19 Federal Liquidity Facility Survey Results

TOBIAS READ
STATE TREASURER

MICHAEL KAPLAN
DEPUTY STATE TREASURER

NANCY BREWER
CHAIR



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MEMO

FROM: Laura Lockwood-McCall
DATE: June 15, 2020
SUBJECT: Federal Liquidity Facility Survey Results

The results of Municipal Debt Advisory Committee's (MDAC) COVID-19 survey are in! As you may recall, in late April we sent a short survey regarding the budget impacts that the pandemic has had on local Oregon jurisdictions to over 3,300 contacts in the Oregon State Treasury's mailing list. As of May 11, we received 173 responses from finance and administrative officers representing a broad swath of both large and small cities, counties, school and special districts throughout the state. The results of the survey follow.

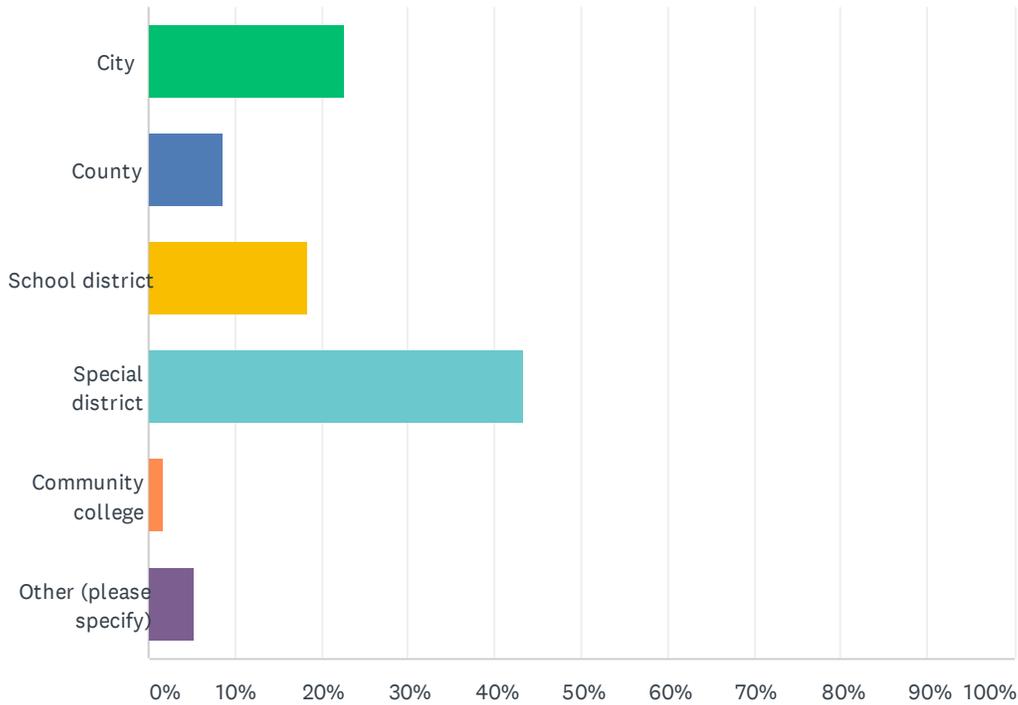
Among the survey respondents, roughly 40%, or 70 jurisdictions, expect to have cashflow issues in the coming fiscal year. The leading causes of their cashflow shortfalls are either revenue declines or the delay in the receipt of taxes and fees. Fortunately, for a majority of respondents, the amount of the anticipated shortfall is less than \$100,000 or 5% of their annual budget.

Approximately one-third of respondents (57 in total) expressed interest in addressing their cashflow shortfalls through a state-coordinated borrowing program through the Federal Reserve Liquidity Facility, with the majority projecting the need to borrow \$1 million or less. Of this subset of respondents, however, only 17 expressed a willingness to participate in a borrowing program if the State required some form of revenue intercept to assure that the State itself was not forced to cover the costs of repayment to the Federal Reserve.

We thank those who participated in the survey; your input provided valuable insight.

Q1 What type of local jurisdiction do you represent?

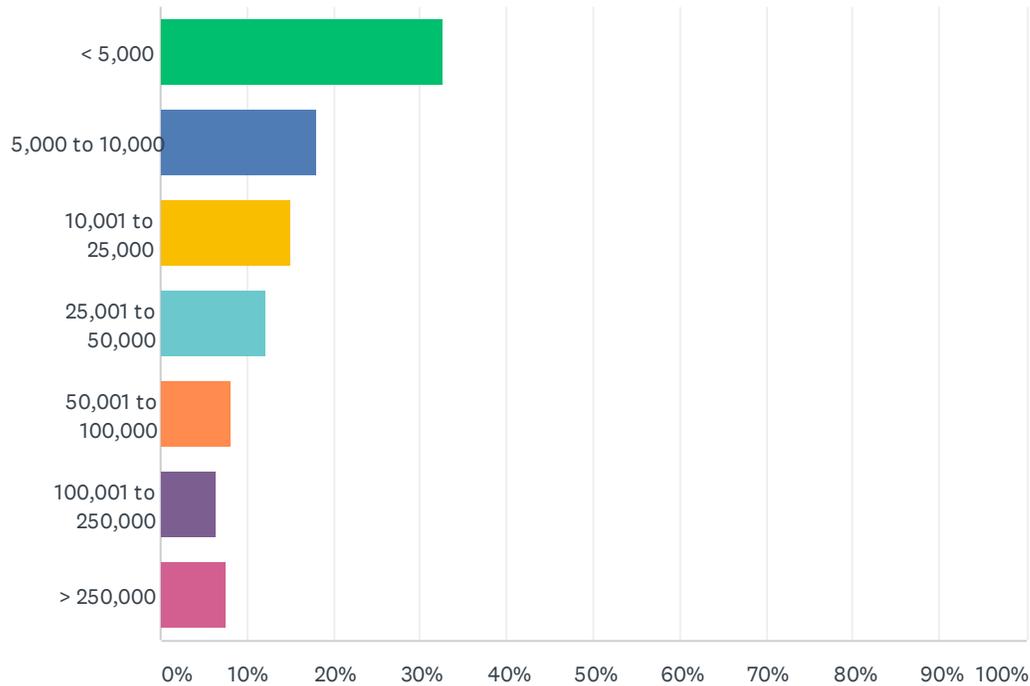
Answered: 173 Skipped: 0



| ANSWER CHOICES | RESPONSES | |
|------------------------|-----------|------------|
| City | 22.54% | 39 |
| County | 8.67% | 15 |
| School district | 18.50% | 32 |
| Special district | 43.35% | 75 |
| Community college | 1.73% | 3 |
| Other (please specify) | 5.20% | 9 |
| TOTAL | | 173 |

Q2 What is the approximate population of your jurisdiction?

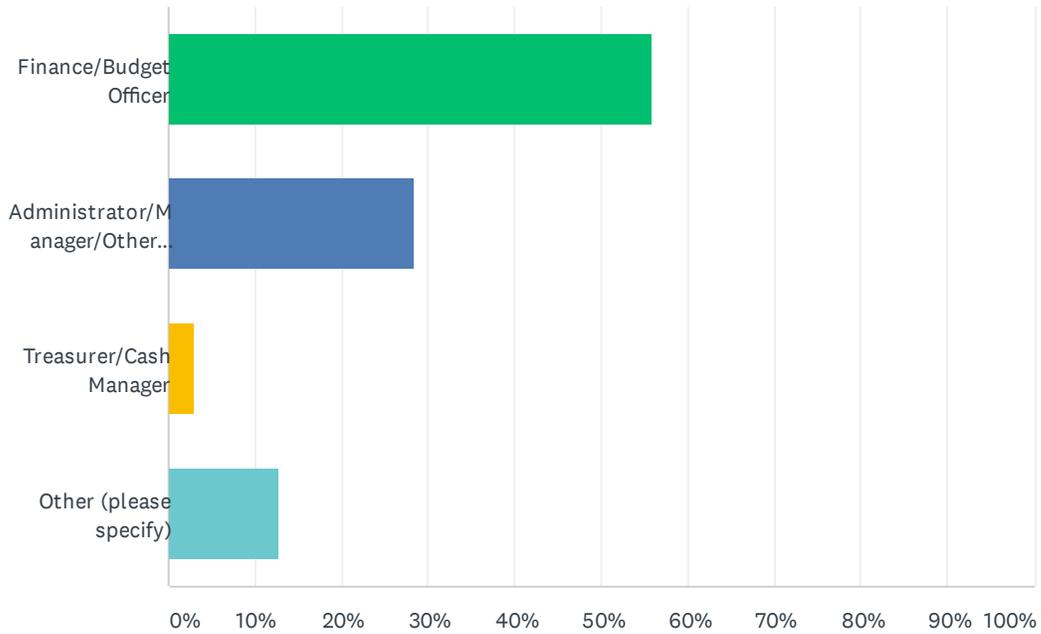
Answered: 172 Skipped: 1



| ANSWER CHOICES | RESPONSES | |
|--------------------|-----------|------------|
| < 5,000 | 32.56% | 56 |
| 5,000 to 10,000 | 18.02% | 31 |
| 10,001 to 25,000 | 15.12% | 26 |
| 25,001 to 50,000 | 12.21% | 21 |
| 50,001 to 100,000 | 8.14% | 14 |
| 100,001 to 250,000 | 6.40% | 11 |
| > 250,000 | 7.56% | 13 |
| TOTAL | | 172 |

Q3 What category below best describes your role in the jurisdiction?

Answered: 172 Skipped: 1



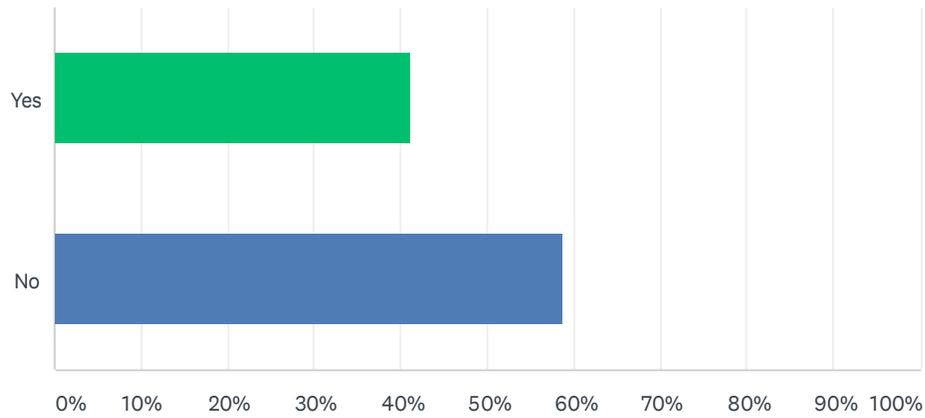
| ANSWER CHOICES | RESPONSES | |
|---|-----------|------------|
| Finance/Budget Officer | 55.81% | 96 |
| Administrator/Manager/Other Executive Officer | 28.49% | 49 |
| Treasurer/Cash Manager | 2.91% | 5 |
| Other (please specify) | 12.79% | 22 |
| TOTAL | | 172 |

Q4 Please provide your email address if you would like a copy of the survey results.

Answered: 127 Skipped: 46

Q5 Does your jurisdiction anticipate a temporary cash deficit during FY 2021?

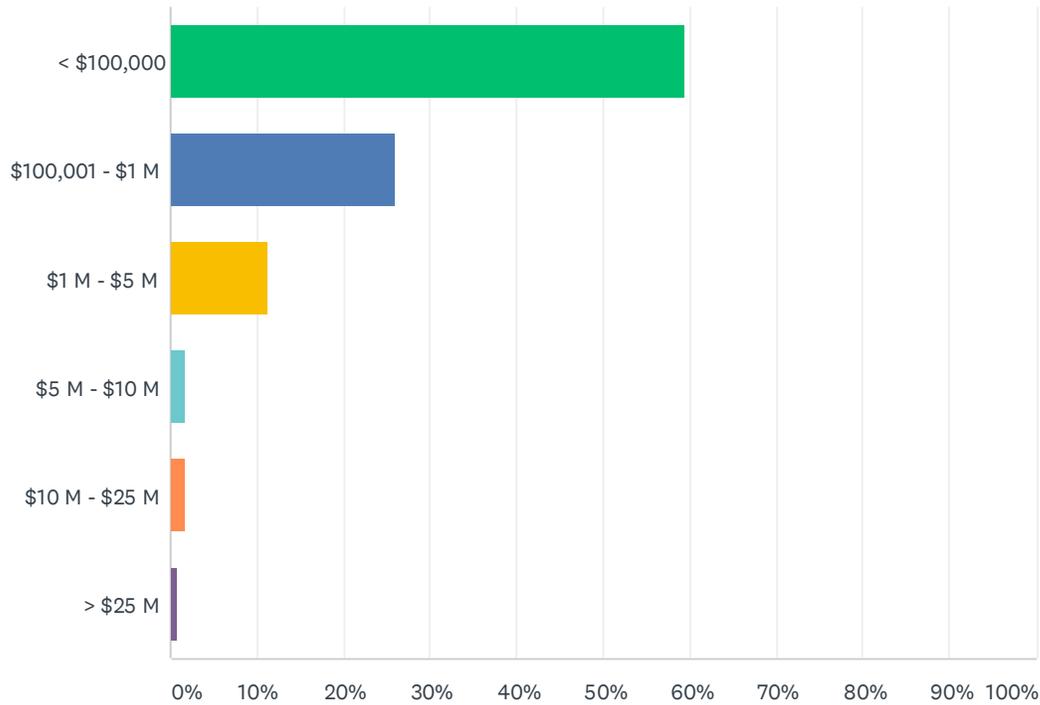
Answered: 170 Skipped: 3



| ANSWER CHOICES | RESPONSES | |
|----------------|-----------|-----|
| Yes | 41.18% | 70 |
| No | 58.82% | 100 |
| TOTAL | | 170 |

Q6 What size cash deficit are you forecasting for FY 2021:

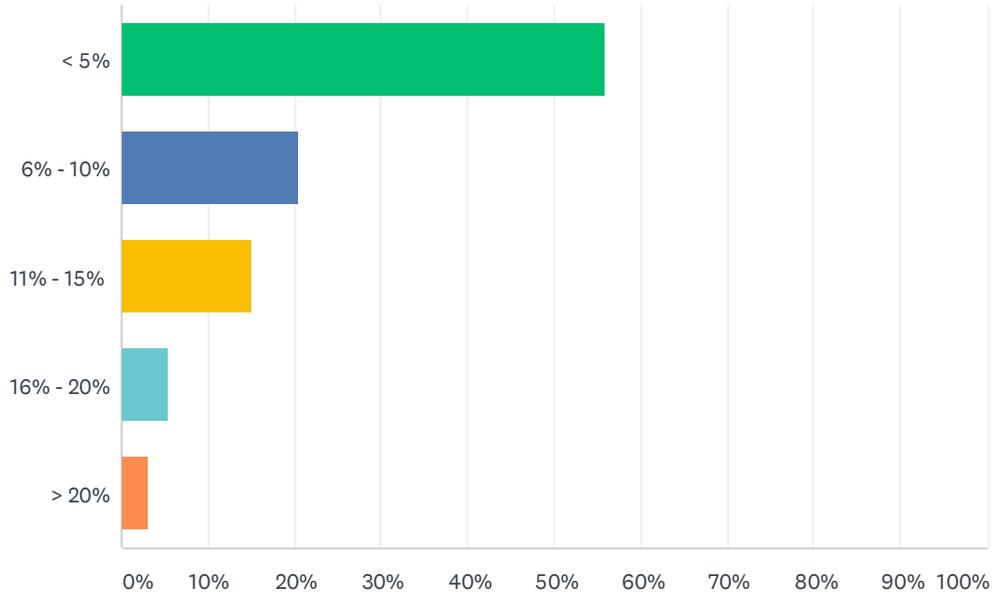
Answered: 123 Skipped: 50



| ANSWER CHOICES | RESPONSES |
|------------------------|-----------|
| < \$100,000 | 59.35% 73 |
| \$100,001 - \$1 M | 26.02% 32 |
| \$1 M - \$5 M | 11.38% 14 |
| \$5 M - \$10 M | 1.63% 2 |
| \$10 M - \$25 M | 1.63% 2 |
| > \$25 M | 0.81% 1 |
| Total Respondents: 123 | |

Q7 What percentage is this of your annual budget in FY 2021:

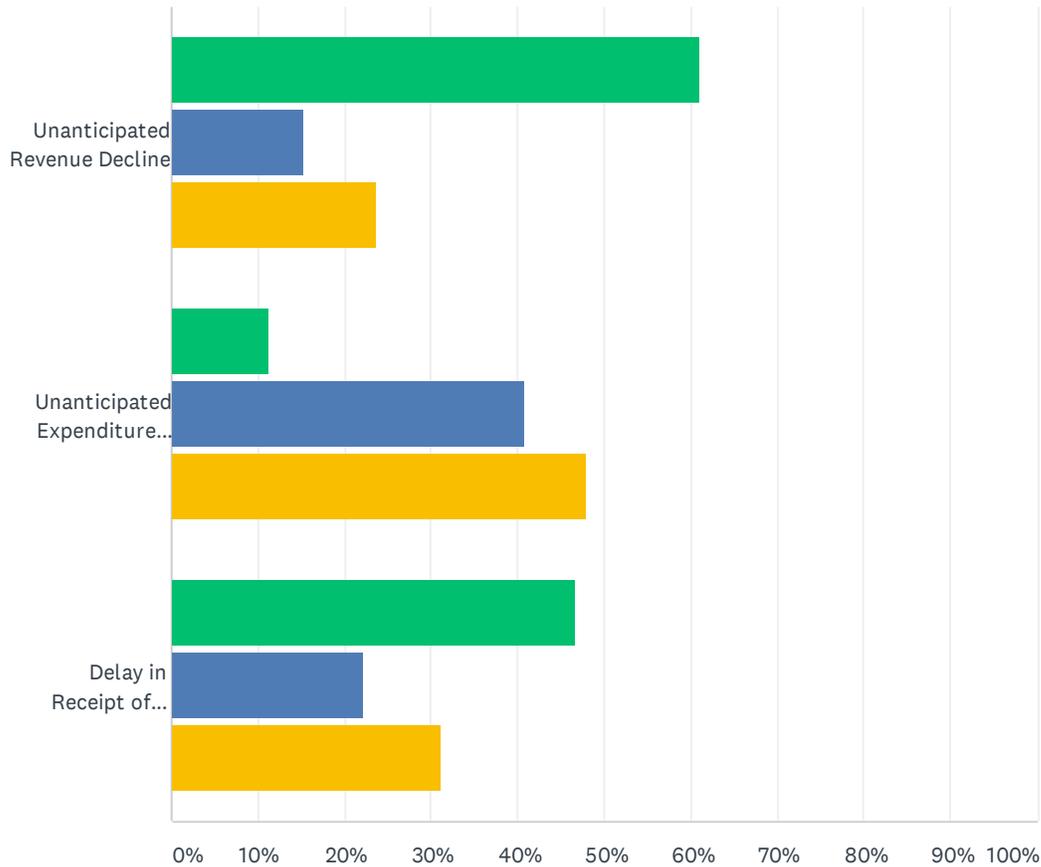
Answered: 127 Skipped: 46



| ANSWER CHOICES | RESPONSES | |
|----------------|-----------|------------|
| < 5% | 55.91% | 71 |
| 6% - 10% | 20.47% | 26 |
| 11% - 15% | 14.96% | 19 |
| 16% - 20% | 5.51% | 7 |
| > 20% | 3.15% | 4 |
| TOTAL | | 127 |

Q8 What are the reasons for the cash deficit?

Answered: 139 Skipped: 34

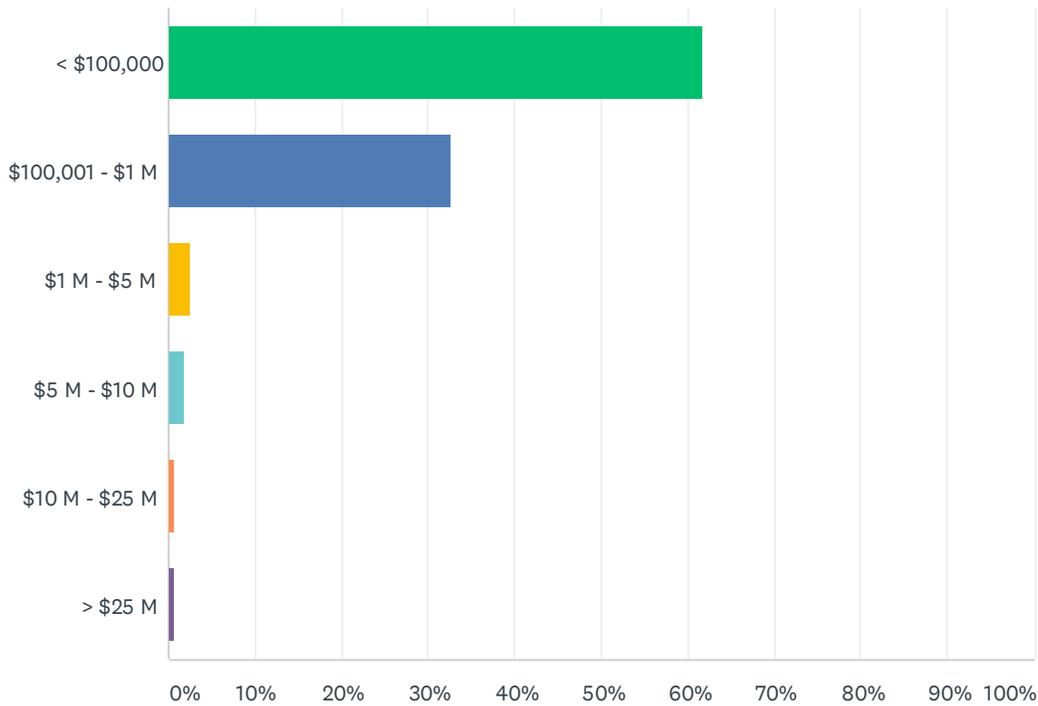


Major Cause Minor Cause N/A

| | MAJOR CAUSE | MINOR CAUSE | N/A | TOTAL | WEIGHTED AVERAGE |
|--|--------------|--------------|--------------|-------|------------------|
| Unanticipated Revenue Decline | 61.07% 80 | 15.27% 20 | 23.66% 31 | 131 | 1.20 |
| Unanticipated Expenditure Increase | 11.30% 13 | 40.87% 47 | 47.83% 55 | 115 | 1.78 |
| Delay in Receipt of Fees, Taxes, Other Revenue | 46.72% 57 | 22.13% 27 | 31.15% 38 | 122 | 1.32 |

Q9 Please estimate the amount of expenses directly relating to COVID-19 that your jurisdiction is forecasting for Fiscal Year 2021. For this purpose, the estimated costs should include all personnel, contractor and materials/supply costs directly relating to the pandemic.

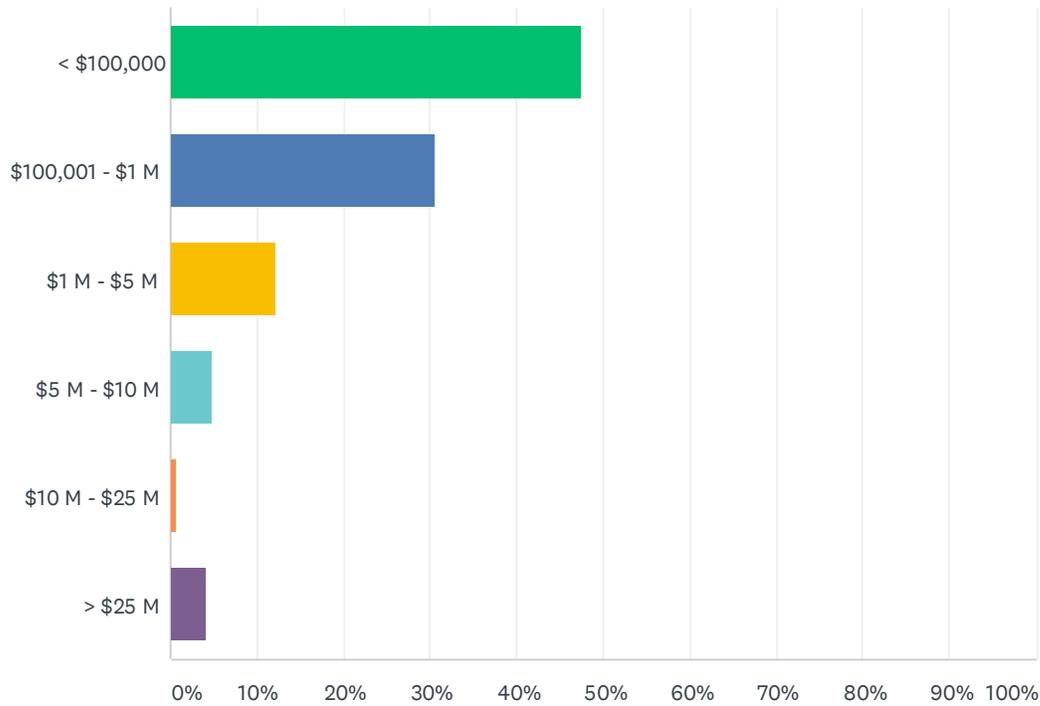
Answered: 165 Skipped: 8



| ANSWER CHOICES | RESPONSES | |
|-------------------|-----------|------------|
| < \$100,000 | 61.82% | 102 |
| \$100,001 - \$1 M | 32.73% | 54 |
| \$1 M - \$5 M | 2.42% | 4 |
| \$5 M - \$10 M | 1.82% | 3 |
| \$10 M - \$25 M | 0.61% | 1 |
| > \$25 M | 0.61% | 1 |
| TOTAL | | 165 |

Q10 Please estimate the amount of reserves your jurisdiction has available in Fiscal Year 2021 to pay for these COVID-19 expenses.

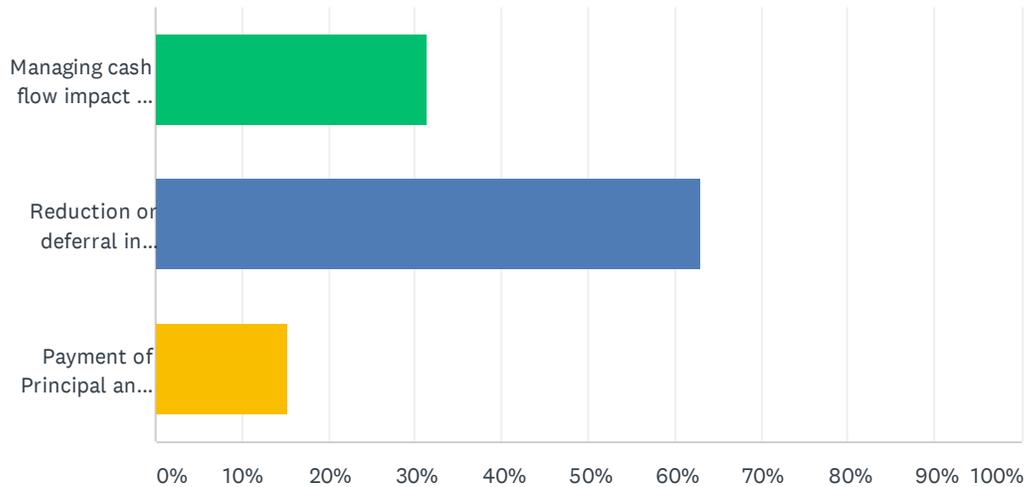
Answered: 164 Skipped: 9



| ANSWER CHOICES | RESPONSES | |
|-------------------|-----------|------------|
| < \$100,000 | 47.56% | 78 |
| \$100,001 - \$1 M | 30.49% | 50 |
| \$1 M - \$5 M | 12.20% | 20 |
| \$5 M - \$10 M | 4.88% | 8 |
| \$10 M - \$25 M | 0.61% | 1 |
| > \$25 M | 4.27% | 7 |
| TOTAL | | 164 |

Q11 If you were to consider short-term borrowing to address your cash deficit, please identify one or more of the authorized uses of proceeds under the Fed Liquidity Facility that such a borrowing would qualify under:

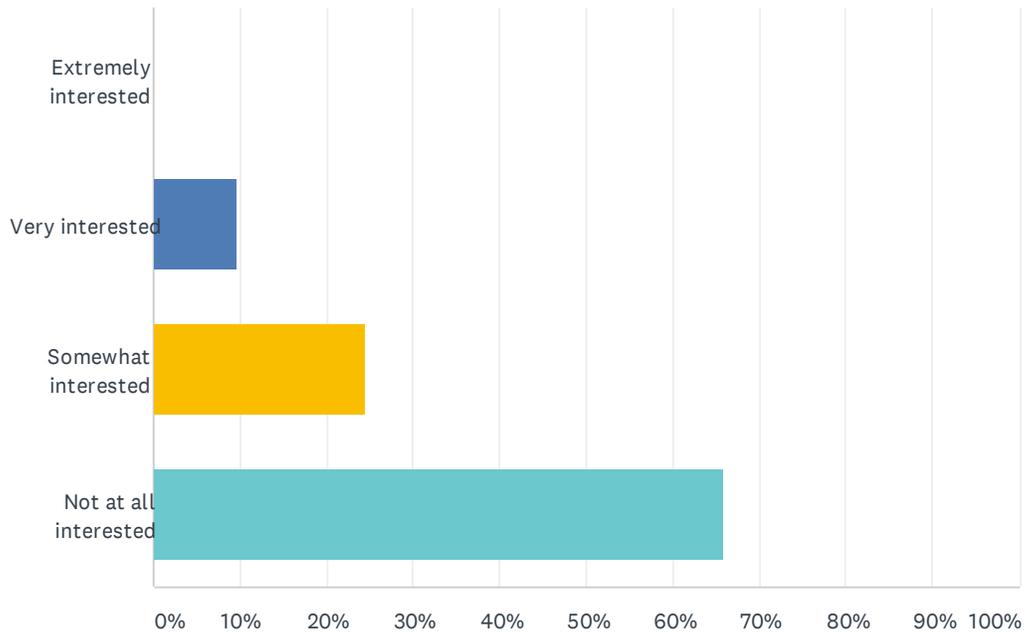
Answered: 124 Skipped: 49



| ANSWER CHOICES | RESPONSES | |
|--|-----------|----|
| Managing cash flow impact of income tax deferrals | 31.45% | 39 |
| Reduction or deferral in tax/other revenues or increase in expenses relating to COVID-19 | 62.90% | 78 |
| Payment of Principal and Interest on outstanding debt obligations | 15.32% | 19 |
| Total Respondents: 124 | | |

Q12 Based on what you know today, would your jurisdiction be interested in exploring a short-term cash flow borrowing?

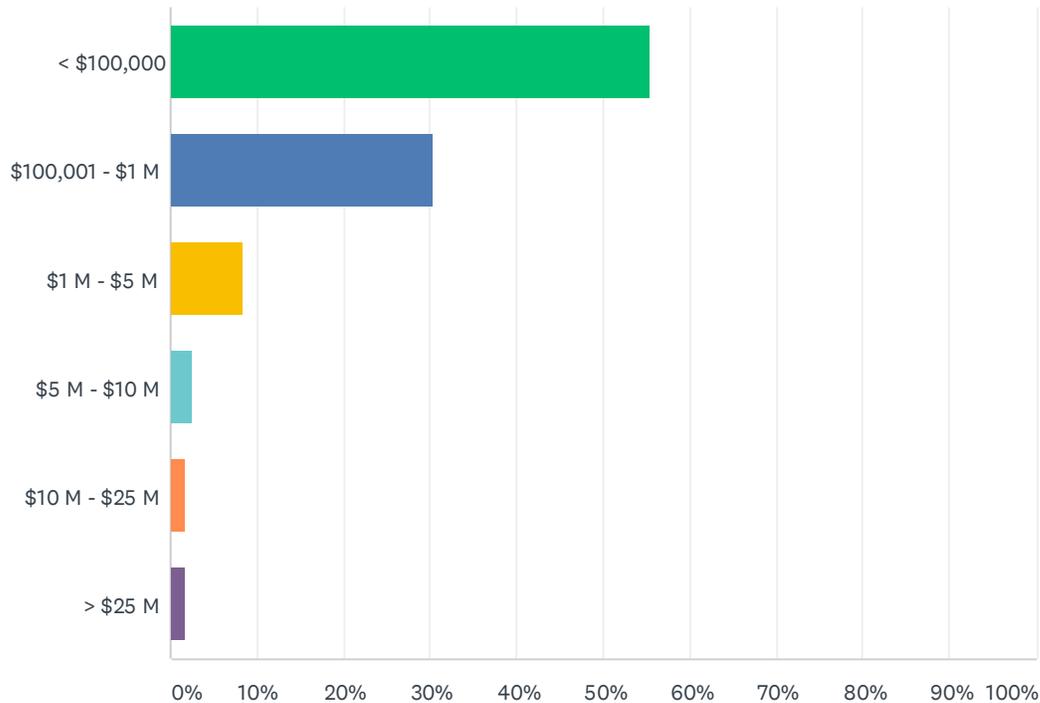
Answered: 167 Skipped: 6



| ANSWER CHOICES | RESPONSES | |
|-----------------------|-----------|------------|
| Extremely interested | 0.00% | 0 |
| Very interested | 9.58% | 16 |
| Somewhat interested | 24.55% | 41 |
| Not at all interested | 65.87% | 110 |
| TOTAL | | 167 |

Q13 If your jurisdiction was to pursue a short-term borrowing to address its cash flow needs in response to COVID-19, what is your anticipated borrowing amount?

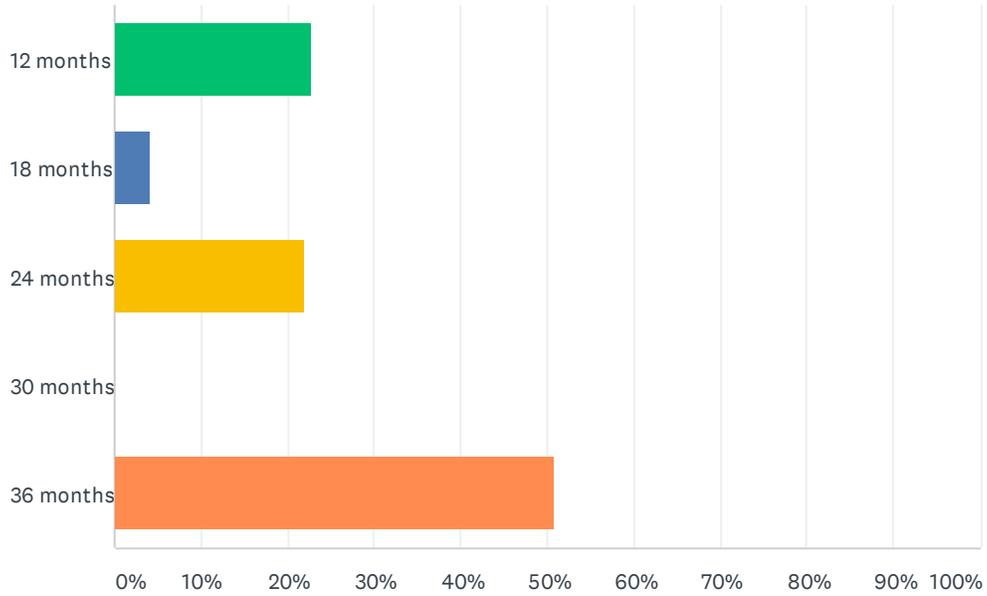
Answered: 119 Skipped: 54



| ANSWER CHOICES | RESPONSES | |
|-------------------|-----------|------------|
| < \$100,000 | 55.46% | 66 |
| \$100,001 - \$1 M | 30.25% | 36 |
| \$1 M - \$5 M | 8.40% | 10 |
| \$5 M - \$10 M | 2.52% | 3 |
| \$10 M - \$25 M | 1.68% | 2 |
| > \$25 M | 1.68% | 2 |
| TOTAL | | 119 |

Q14 What would be your preferred term?

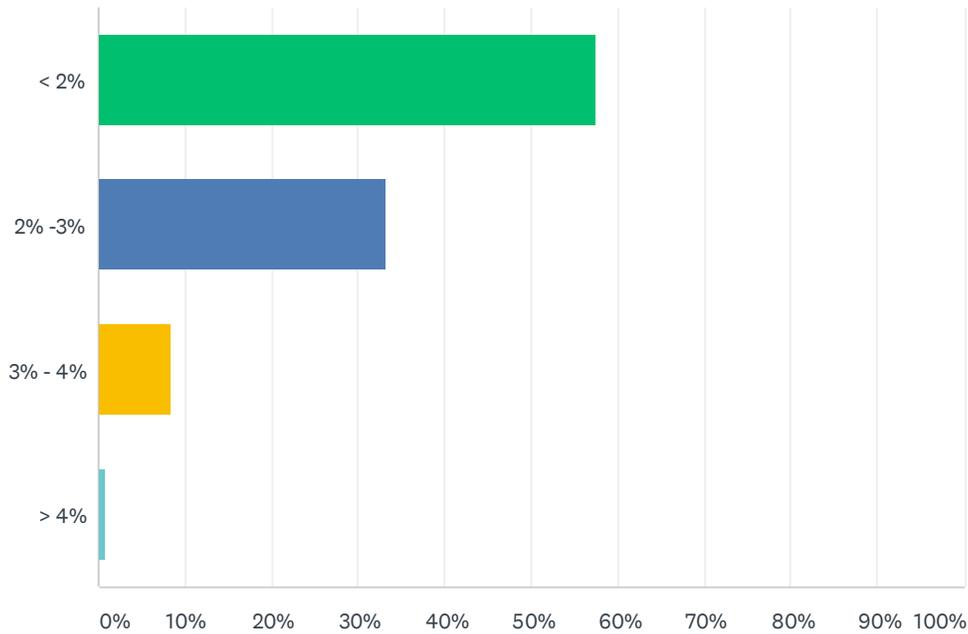
Answered: 118 Skipped: 55



| ANSWER CHOICES | RESPONSES | |
|----------------|-----------|------------|
| 12 months | 22.88% | 27 |
| 18 months | 4.24% | 5 |
| 24 months | 22.03% | 26 |
| 30 months | 0.00% | 0 |
| 36 months | 50.85% | 60 |
| TOTAL | | 118 |

Q15 What would be the maximum interest rate your jurisdiction would agree to?

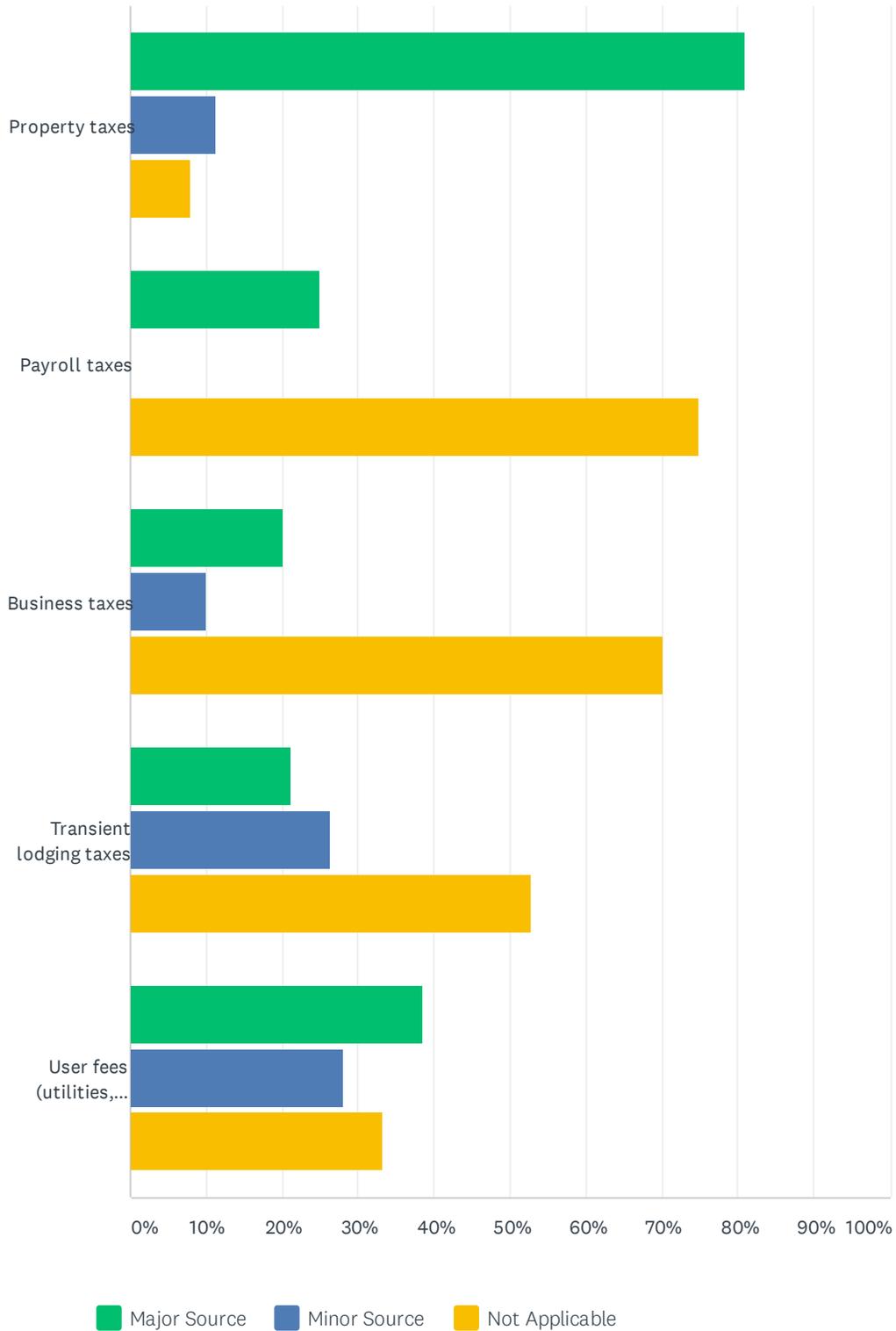
Answered: 120 Skipped: 53



| ANSWER CHOICES | RESPONSES | |
|----------------|-----------|------------|
| < 2% | 57.50% | 69 |
| 2% - 3% | 33.33% | 40 |
| 3% - 4% | 8.33% | 10 |
| > 4% | 0.83% | 1 |
| TOTAL | | 120 |

Q16 What sources of revenue would your jurisdiction use for repayment?

Answered: 116 Skipped: 57

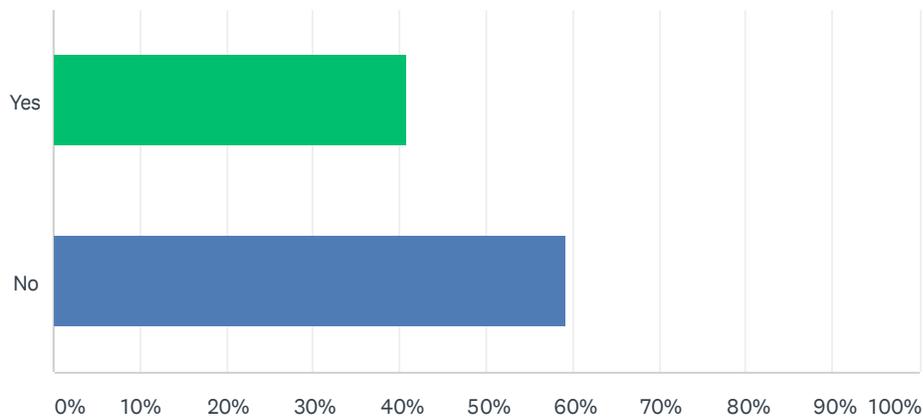


Municipal Debt Advisory Commission Survey COVID-19 Federal Liquidity Facility

| | MAJOR SOURCE | MINOR SOURCE | NOT APPLICABLE | TOTAL |
|---|--------------|--------------|----------------|-------|
| Property taxes | 80.90% 72 | 11.24% 10 | 7.87% 7 | 89 |
| Payroll taxes | 25.00% 3 | 0.00% 0 | 75.00% 9 | 12 |
| Business taxes | 20.00% 2 | 10.00% 1 | 70.00% 7 | 10 |
| Transient lodging taxes | 21.05% 4 | 26.32% 5 | 52.63% 10 | 19 |
| User fees (utilities, water, sewer, etc.) | 38.60% 22 | 28.07% 16 | 33.33% 19 | 57 |

Q17 If the State establishes a cash flow borrowing program for local governments through the Fed Liquidity Facility, each local government borrower would have to enter into an agreement with the State obligating it to repay the State for the cash flow borrowing. It is likely that the State would identify local government revenue streams to backstop the borrowing program, similar to the state intercept of funds for school and community college pension obligation bonds or the school bond guaranty program (under Article XI-K of the Oregon Constitution). This backstop could include local gas taxes, property taxes, and/or state intergovernmental aid. Would requiring a local government revenue backstop/intercept be a deterrent to your interest in participating in the Fed Liquidity Facility cash flow borrowing program?

Answered: 142 Skipped: 31



| ANSWER CHOICES | RESPONSES | |
|----------------|-----------|-----|
| Yes | 40.85% | 58 |
| No | 59.15% | 84 |
| TOTAL | | 142 |

TAB 4 –

MSRB EMMA Covid-19 Disclosure Filings

Public Statement

The Importance of Disclosure for our Municipal Markets



Chairman Jay Clayton



Rebecca Olsen
Director, Office of Municipal Securities

May 4, 2020

The Effects of COVID-19 Have Raised Uncertainties Regarding the Financial Status of State and Local Governments and Special Purpose Entities; Municipal Securities Issuers are Encouraged to Provide Updated Financial and Other Disclosures; Financial Professionals are Encouraged to Discuss These Matters With Main Street Investors

Introduction^[1]

On April 8, the Chairman and the Director of the Division of Corporation Finance issued a statement (Corporate Issuer Statement) with observations and requests about the disclosures of public companies in light of the effects and uncertainties created by COVID-19.^[2] The Corporate Issuer Statement noted the presence of significant investor uncertainty—for both equity and fixed income investors—regarding the financial and operating status of many companies, as well as their future prospects, and the resulting thirst for information from investors and the marketplace more generally.

This statement is directed to issuers of municipal securities^[3] as well as investors and market participants more generally and is intended to parallel the Corporate Issuer Statement.

The Corporate Issuer Statement urged companies to provide investors with as much information as practicable regarding their current financial and operating status. In addition, and recognizing the difficulties in providing accurate and meaningful forward-looking disclosure, the Corporate Issuer Statement also urged companies to

disclose as much material information as is practicable regarding their planning for, and expectations regarding, the company's future financial condition and operating status. The statement also reminded corporate issuers to strive for consistency across their various public and confidential disclosures and to fulfill their legal requirements with respect to the disclosure and dissemination of material non-public information.[4]

Following on from the recognition that forward-looking information, generally and particularly in times of broad societal and economic stress, is subject to various assumptions and factors beyond the control of the company, the Corporate Issuer Statement noted that good faith attempts to provide appropriately framed forward-looking information were not expected to be second guessed by the SEC. The Corporate Issuer Statement also highlighted the availability of (and encouraged the use of) safe harbors for forward-looking statements.

While there are significant differences between our corporate capital markets and our municipal securities markets, the importance of high quality disclosure, particularly in times of uncertainty, is consistent. Accordingly, we believe a similar approach to the provision of current and, to the extent practicable, forward-looking disclosure would provide significant benefits to investors, issuers and the municipal securities market generally. [5] In order to facilitate the provision of these important municipal securities-related disclosures, and the digestion of those disclosures by investors and other market participants, we offer the following observations and requests.[6]

Market Participants Should Recognize the Size, Importance, Complexity and Specialized Nature of the Municipal Securities Market

The municipal securities market is a large, diverse, important, complex and specialized segment of the U.S. capital markets and our domestic economy more generally. States, cities, local governments and special-purpose entities issue municipal securities to raise long-term funding, and, to a more limited extent, short-term funding. These funding needs support a vast array of important projects that promote the public good such as hospitals, transportation systems, schools and utilities. Providing a capital markets-based funding source for these vital, public-sector needs has long been the role of our municipal securities market. It is generally accepted that the continued functioning of this market is essential to the continued funding and operation of state and local governments and our economy more generally.

The municipal securities market is dominated by retail investors. At the end of 2019, Main Street investors held directly, and indirectly through funds and other managed products, over 72 percent of the market, or approximately \$3 trillion of outstanding municipal securities. This retail focus is driven largely by the favorable federal, state and local tax treatment holders of municipal securities often receive. As a result, investors and accounts that do not benefit from favorable municipal securities tax treatment—e.g., pension funds and retirement accounts—generally do not purchase municipal securities.

In addition to being largely retail investor driven, the municipal securities market differs from other fixed income markets—e.g., corporate bonds and U.S. Treasuries—in other important respects. The market is remarkably diverse and issuers vary tremendously in size, purpose, and capital needs. There are approximately 50,000 issuers of municipal securities, including states, their political subdivisions (such as cities, towns, counties, and school districts), their agencies and instrumentalities (such as housing, health care, airport, port, and economic development authorities and agencies), as well as a variety of private entities that access the market through “conduit” financings (such as hospitals, senior living and continuing care retirement communities, and museums). [7] There are approximately one million different municipal securities outstanding compared to approximately 30,000 corporate bonds outstanding.[8] Offerings of municipal securities range in size from thousands of dollars to billions of dollars, and the payments of principal and interest on these securities come from a variety of sources, including general revenues, specific tax receipts, or revenues from a particular project, among others.

The municipal securities market also is generally more fragmented than other fixed income markets. Typically characterized as a “buy and hold” market, in ordinary market conditions, a significant number of municipal bonds never trade or only trade infrequently after the initial offering period. This generally means that liquidity can vary significantly depending on the issuer, how long the bonds have been outstanding, the size of the series and other

idiosyncratic factors. Nevertheless, daily trade volume when measured in dollars and number of trades is significant—approximately \$12.4 billion and 34,467 per day, respectively.[9]

Just as it is diverse, the municipal securities market is also complex. In addition to the traditional general obligation bonds backed by the taxing power and/or “full faith and credit” of the issuing entity, municipal issuers employ a variety of complex and issuer-specific credit structures to support their bonds. For example, municipal issuers also issue revenue bonds backed by specific revenues such as sales and use taxes, tax increments, or the revenues of the enterprise being financed—e.g., a utility system, a toll road or transit system. In a conduit revenue bond financing, the bondholder generally cannot look to the issuer of the bonds, but instead must rely on the revenue stream pledged by the conduit borrower. Adding complexity to these myriad credit structures, municipal issuers also utilize a variety of derivative products as part of their capital financing portfolios and other risk-management strategies. These derivatives generally are designed to reduce risks, but in some cases their performance may be material to an investment decision.

Municipal issuers and investors in municipal securities should recognize that these factors generally mean that to some meaningful extent both issuer-specific disclosures and security-specific disclosures are material.[10] In addition, we encourage financial professionals to discuss the importance of issuer-specific and security-specific disclosures with the Main Street investors they serve and to consider the extent of such disclosures when providing recommendations and investment advice to Main Street investors.

The Importance of Robust, Timely and Accurate Municipal Issuer Disclosures Has Become Even Greater as a Result of the Effects of COVID-19

Over the years, the Commission has encouraged municipal issuers to provide robust, timely and accurate information to investors and market participants.[11] The SEC’s focus on this issue has intensified in the past several years as we, together with our colleagues in the Office of Municipal Securities, have frequently called on municipal issuers to provide investors with more timely information, and also generally raised awareness about the importance of investor access to current financial information.[12]

Today, in light of the potentially significant effects of COVID-19 on the finances and operations of many municipal issuers, we increase this focus and request that municipal issuers provide investors with as much information about their current financial and operating condition as is reasonably practicable. The fluid and unpredictable nature of the public health crisis and its financial and economic impacts on municipal issuers has placed investor need for timely financial information into stark relief. We observe that, in today’s markets, the typical practice of providing historic financial information in the form of an annual information filing or similar disclosure may not enable investors to make informed assessments of the municipal issuer’s current and expected future financial condition.

Important Considerations that Generally Weigh in Favor of Providing Updated Investor-Oriented Disclosures that Discuss the Current and Anticipated Effects of COVID-19

We acknowledge that developing voluntary, unaudited, and non-routine disclosures regarding current financial status and operating conditions may be challenging, particularly under the current circumstances. For example, we recognize that such disclosures likely would not have the benefit of a formal audit process or an established framework. We also recognize that, in many cases and even for disclosures regarding current status, certain financial disclosure would be based on estimates and assumptions as well as projections regarding future circumstances. Nevertheless, we believe providing as much current issuer- and security-specific information as is practicable will benefit issuers, investors and our municipal securities markets more generally.

We also encourage municipal issuers to provide investors with forward-looking information regarding the potential future impact of COVID-19 on their financial and operating conditions. We understand that providing detailed information regarding future operating conditions and resource needs is challenging, particularly as response strategies designed to mitigate and more effectively treat COVID-19 are evolving rapidly and are likely to change in the future.

We recognize that the issue of liability often is raised when voluntary disclosures—or the expansion of required disclosures—are considered. While each issuer, in many cases in consultation with legal counsel, will have to assess this risk in the context of its particular circumstances, we believe there are various factors that generally weigh in favor of making these disclosures.

- Disclosure of the current financial and operating condition will not only aid investors in making informed investment decisions, but will also be important to the issuer-specific and more general functioning of the municipal securities market, including the ability to refinance existing obligations and raise new capital.
- Accompanying those disclosures with meaningful cautionary language—including, for example, (1) a description of relevant facts or assumptions affecting the reasonableness of reliance on and the materiality of the information provided, (2) a description of how certain important information may be incomplete or unknown, and (3) the process or methodology (audited vs. unaudited) used by the municipal issuer to produce the information—will not only improve the quality of the disclosure but also will reduce legal and other risks.
- Issuers may be required to disclose similar information to other parties, including, for example, in connection with (1) efforts by federal and state governments to assess the financial impact of COVID-19 on states, municipalities and special purpose entities and (2) the pursuit by municipal securities issuers of funding or other support from governmental authorities and private parties. For various legal and other reasons, ensuring that disclosure of this type is (1) consistent across all contexts, regardless of the purpose and (2) kept confidential until disclosed and, when disclosed, disclosed broadly, is extremely important.
- We would not expect good faith attempts to provide appropriately framed current and/or forward-looking information to be second guessed by the SEC.
- While the safe harbors for forward looking statements that are available to certain corporate issuers are not available to issuers of municipal securities, we believe that a municipal issuer’s approach to forward-looking disclosures should be informed by the judicially developed “bespeaks caution” doctrine.^[13]

We also recognize the issue of timing—e.g., when to make updating disclosure—often is raised in these circumstances. For municipal issuers with pending offerings of securities or required filings, we encourage you to include the disclosures discussed above, including for reasons of completeness. We also observe that not all municipal issuers with outstanding securities will conduct new offerings or be required to make a disclosure filing in the coming months. However, for the reasons of consistency and fair dissemination of disclosure discussed above, and because the operational and financial condition of a municipal issuer, particularly under the current circumstances, can change rapidly, we urge these issuers to consider providing voluntary disclosure regarding the current and reasonably anticipated future impacts of COVID-19 on their operational and financial condition.

Examples of Information Municipal Issuers Could Provide to Investors

While not intended to be an exclusive list, the following sets forth examples of certain types of disclosures that we believe may be important to provide to investors and the marketplace more generally at this time, whether in a primary offering document, a contractually required continuing disclosure filing,^[14] or in a voluntary public statement.^[15]

- Information Regarding the Impact of COVID-19 on Operations and Financial Condition. Our collective national effort to mitigate the COVID-19 pandemic has caused a deep contraction in vast areas of our economy, with many municipal issuers facing potentially sharp declines in revenues and, in some cases, with increases in un-budgeted costs.

Disclosures should reflect the issuer’s assessment of this state of affairs and outlook and, in particular municipal issuers should provide information regarding: (1) their current operational and financial status, including decreases in revenues and delays in collection of revenues; (2) how their COVID-19 response including efforts to protect the health and well-being of residents and employees has impacted their operational and financial condition, including un-budgeted costs; and (3) how their operational and financial condition may change as efforts

to fight COVID-19 evolve. In these circumstances, comparisons to historical information may be relatively less significant.

- Information Regarding Sources of Liquidity. A description of cash on hand, access to reserves or other funds (and to what extent such access is limited), access to liquidity facilities and whether current liquidity is expected to be adequate to fund essential services and make timely debt service payments. If not otherwise disclosed, we encourage municipal issuers to disclose the material terms of any liquidity facility the issuer has used or expects it may use.
- Information Regarding Availability of Federal, State and Local Aid. A description of available federal, state or local aid the issuer has sought or is planning to seek and the anticipated timing of such aid. In addition, if the municipal issuer has obtained any such aid, it should disclose the nature, amount, and other material terms of the aid if it materially affects or reasonably likely will materially affect its operational or financial condition.
- Reports Prepared for Other Governmental Purposes. Municipal issuers routinely prepare reports for governance purposes that may be significant sources of current information. As front-line responders, these reports could provide powerful insight into local, regional, and sector-specific strategies to fight and recover from COVID-19. Accordingly, municipal issuers should consider making these reports more readily accessible to investors.

Conclusion

We welcome engagement on these matters and encourage participants in the municipal securities markets to continue to reach out to us on these and other important issues. We also again encourage financial professionals to discuss these matters with their investors who buy, sell and hold municipal securities, including in particular when providing recommendations and investment advice to Main Street investors.

In these challenging times, it is only appropriate to conclude by recognizing that various municipal issuers are integrally involved in our efforts to fight COVID-19, including employing many front-line responders. On behalf of all our colleagues, we thank them for their selfless and lifesaving efforts.

[1] This statement represents the views of the Chairman and the Director of the Office of Municipal Securities of the U.S. Securities and Exchange Commission (“SEC” or “Commission”). It is not a rule, regulation, or statement of the SEC. The Commission has neither approved nor disapproved its content. This statement does not alter or amend applicable law and has no legal force or effect. This statement creates no new or additional obligations for any person.

[2] See Chairman Jay Clayton and William Hinman, the Director, Division of Corporation Finance, The Deep and Essential Connections Among Markets, Businesses, and Workers and the Importance of Maintaining those Connections in our Fight Against COVID-19 (Apr. 8, 2020), available at <https://www.sec.gov/news/public-statement/statement-clayton-hinman>.

[3] For purposes of this statement, the term “municipal issuer” includes an obligated person, as defined in 15 U.S.C. § 78o-4(e)(10) and 17 C.F.R. § 240.15c2-12(f)(10).

[4] See also Regulation Fair Disclosure, Exchange Act Release No. 43154, 65 FR 51716 (Aug. 24, 2000) (addressing selective disclosure by public company issuers). Regulation FD codified best practices by corporate issuers and while it does not apply to municipal issuers, it provides municipal issuers with a helpful guide for framing their disclosure practices and procedures.

[5] We note that municipal issuers do not have a safe harbor from private liability for forward-looking statements. The safe harbor for forward-looking statements from private actions set forth in Section 27A of the Securities Act

and Section 21E of the Exchange Act applies to issuers that are reporting companies under Sections 13(a) or 15(d) of the Securities Exchange Act and, accordingly, has limited application for municipal issuers. As discussed below, see infra n. 13, a municipal issuer's approach to forward-looking statements may be informed by the judicially created "bespeaks caution" doctrine.

[6] We make this statement mindful of the many municipal issuers that have already provided, and continue to provide, information to investors about the impacts of COVID-19 on their financial and operating condition. We commend these municipal issuers for providing such voluntary disclosures and encourage others to provide this important information to investors.

[7] See MSRB, Self-Regulation and the Municipal Securities Market (Jan. 2018), available at <http://www.msrb.org/Market-Topics/~media/8059A52FBF15407FA8A8568E3F4A10CD.ashx>.

[8] See MSRB, Muni Facts, available at <http://www.msrb.org/msrb1/pdfs/MSRB-Muni-Facts.pdf>. Notably, municipal securities often trade in minimum denominations of \$5,000 and, accordingly, an individual bond could be held by hundreds or even thousands of investors.

[9] Average figures based on trading activity from January 2, 2019 through March 31, 2020. MSRB, Municipal Trade Statistics, available at <https://emma.msrb.org/MunicipalTradeStatistics/ByTradeCharacteristic.aspx>.

[10] See Exchange Act Release No. 34-34961 (Nov. 10, 1994), 59 FR 59590, 59593 (Nov. 17, 1994). The Commission has previously noted that the diverse nature of this market means it is particularly ill-suited to a "one size fits all" approach to such disclosure. The Commission has historically taken a principles-based approach to disclosure in the municipal securities market, guided by the doctrine of materiality. As a general matter, a fact is material if there is a substantial likelihood that the information would have been viewed by a reasonable investor as having significantly altered the total mix of information available. This assessment necessarily involves a consideration of the particular facts and circumstances of the situation. As we encourage municipal issuers to make COVID-19-related disclosures, we continue to use materiality as our guide and follow a principles-based approach that recognizes the unique nature of each municipal issuer.

[11] See, e.g., Exchange Act Release No. 33741 (Mar. 9, 1994), 59 FR 12748, 12755-56 (Mar. 17, 1994) (the "1994 Interpretive Release"); Securities and Exchange Commission, Report on Municipal Securities Market (Jul. 31, 2012), available at <https://www.sec.gov/news/studies/2012/munireport073112.pdf>. In the absence of a statutory scheme for municipal securities registration and on-going reporting requirements, the Commission's investor protection efforts in the municipal securities market have been accomplished through the antifraud provisions of the federal securities laws and regulation of broker-dealers and municipal securities dealers, including through Exchange Act Rule 15c2-12 ("Rule 15c2-12"), which facilitates annual and event-based disclosures for the benefit of municipal investors.

[12] See, e.g., Exchange Act Release No. 34-83885 (Aug. 20, 2018), 83 FR 44700 (Aug. 31, 2018) (adopting two new material event disclosures "designed to facilitate investors' and other market participants' access to important information in a timely manner[.]"); Staff Legal Bulletin No. 21 (OMS), available at <https://www.sec.gov/municipal/application-antifraud-provisions-staff-legal-bulletin-21>; Remarks of Rebecca J. Olsen at the Municipal Finance Leadership Conference (Oct. 10, 2018), available at <https://www.sec.gov/news/speech/olsen-remarks-municipal-finance-leadership-conference-101018>. See generally, Remarks of Chairman Jay Clayton at Municipal Securities Disclosure Conference, available at <https://www.sec.gov/news/public-statement/statement-clayton-120618> (stating, "Timely and accurate financial information is essential for investors and analysts. Without that, it is challenging to accurately evaluate the current financial condition of a municipal issuer (or any issuer for that matter). However, despite the importance of timely financial information, some municipal issuers make their annual financial information available significantly *after* the end of their fiscal year or fiscal period."); Remarks of Chairman Jay Clayton at Government Finance Officers Association (GFOA) Mini-Muni Conference (Nov. 14, 2019), available at <https://www.sec.gov/news/speech/clayton-gfoa-conference-111419>; Press Release 2018-158, SEC Adopts Rule Amendments to Improve Municipal Securities Disclosure (Aug. 20, 2018), available at <https://www.sec.gov/news/press-release/2018-158> (quoting

Chairman Clayton, “Disclosures required by these [Rule 15c2-12] amendments will better equip investors and intermediaries to make informed investment decisions about municipal securities.”); Remarks of Chairman Clayton, Transcript of Meeting of Fixed Income Market Structure Advisory Committee (Jul. 29, 2019) (“I’m especially looking forward to the discussion on the content and timeliness of municipal issuer disclosures. This is an important topic particularly for our Main Street investors that I have addressed before.”), available at <https://www.sec.gov/spotlight/fixed-income-advisory-committee/fimsac-072919transcript.txt>.

[13] For a description of the “bespeaks-caution” doctrine developed by the federal courts of appeals, see generally, Robert A. Fippinger, *The Securities Law of Public Finance*, §8:3.4[B] (3d. ed. 2019).

[14] Because of the contractual nature of a municipal issuer’s Rule 15c2-12-related continuing disclosure obligations, we expect municipal issuers to continue to make their annual and event-based disclosures through the Electronic Municipal Market Access (“EMMA”) system of the Municipal Securities Rulemaking Board (the “MSRB”).

[15] We encourage municipal issuers to make such statements available to the public in the place or places at which they regularly make information available; such places may include the MSRB’s EMMA system or an investor relations webpage maintained by the municipal issuer.

HAWKINS ADVISORY

SEC Statement on Disclosure by Municipal Issuers Regarding the Impact of COVID-19

Introduction

On May 4, 2020, the Chairman of the Securities and Exchange Commission (the “SEC”) and the Director of the Office of Municipal Securities of the SEC released a public statement (the “SEC Statement”)¹ directed to issuers of municipal securities regarding disclosures about the impact of the novel coronavirus (“COVID-19”) on their financial and operating conditions. Such statement was intended to parallel prior guidance on this issue provided by the SEC for registered companies.² “Municipal issuers,” as used in the SEC Statement and this Advisory, also includes “obligated persons” as defined in SEC Rule 15c2-12.

The SEC Statement provides guidance on voluntary disclosure relating to the COVID-19 pandemic, but it “does not alter or amend applicable law and has no legal force or effect.” The SEC Statement does not impose any new legal obligations on any person. The SEC Statement requests “that municipal issuers provide investors with as much information about their current financial and operating condition as is reasonably practicable” and encourages “municipal issuers to provide investors with forward-looking information regarding the potential future impact of COVID-19 on their financial and operating conditions.”

Analysis

An Official Statement (or similar offering document) prepared under current circumstances will likely describe the impact of COVID-19 on a municipal issuer’s financial and operating conditions. However, in most instances, the fiscal impact of COVID-19 on a municipal issuer would not, in and of itself, require an event filing under a standard continuing disclosure agreement (“CDA”). As such, secondary market disclosure about the impact of COVID-19 on an issuer’s financial and operating conditions would be voluntary.

As the COVID-19 pandemic has progressed, municipal issuers have described with varying degrees of detail the current and potential future impact of COVID-19 on their financial and operating conditions in Official Statements and voluntary postings on the Electronic Municipal Market Access

(“EMMA”) system maintained by the Municipal Securities Rulemaking Board (“MSRB”). Since the beginning of 2020, issuers have filed more than 4,500 primary market and continuing disclosures relating to COVID-19 on EMMA.³

The SEC Statement recommends that the disclosure on financial and operating conditions, whether in an Official Statement, a filing made pursuant to a CDA, or a voluntary filing, be accompanied by meaningful cautionary language describing relevant facts or assumptions affecting the reasonableness of reliance on and the materiality of the information provided. Such disclosure may also caution how certain information may be incomplete or unaudited.

The SEC Statement reminds municipal issuers that they should ensure the information disclosed in a voluntary COVID-19-related filing is consistent with publicly available releases of the same information in other contexts (such as budgetary materials or statements made by officials of the municipal issuer). Certain municipal issuers, as the SEC Statement notes, “routinely prepare reports for governance purposes that may be significant sources of current information.” The SEC Statement suggests that such municipal issuers consider making these reports more readily accessible to investors, as they may “provide powerful insight into local, regional, and sector-specific strategies to fight and recover from COVID-19.”

The SEC Statement encourages the inclusion of specific detail as to the issuer’s assessment of COVID-19-related matters in forward-looking statements, noting that “[w]e would not expect good faith attempts to provide appropriately framed current and/or forward-looking information to be second guessed by the SEC.” While statutory safe harbors for forward-looking statements applicable to corporate issuers are not available for municipal issuers, the SEC Statement references an analogous judicially developed doctrine, the “bespeaks-caution” doctrine. Under such doctrine, municipal issuers may be afforded protection from claims based upon economic projections, estimates of future performance, and similar forward-looking statements if these are accompanied by meaningful, specific cautionary language that adequately discloses the risks bearing upon the reasonableness of reliance upon such statements.

¹ Public Statement – “The Importance of Disclosure for our Municipal Markets” (May 4, 2020), available at <https://www.sec.gov/news/public-statement/statement-clayton-olsen-2020-05-04>.

² Public Statement by the Chairman and the Director, Division of Corporation Finance – “The Importance of Disclosure – For Investors, Markets and Our Fight Against COVID-19” (April 8, 2020), available at <https://www.sec.gov/news/public-statement/statement-clayton-hinman>, and CF Disclosure Guidance: Topic No. 9 – “Coronavirus (COVID-19)” (March 25, 2020), available at <https://www.sec.gov/corpfin/coronavirus-covid-19>.

³ The MSRB is monitoring the impact of COVID-19 on municipal market participants and market activity. See <http://www.msrb.org/News-and-Events/COVID-19-Information.aspx>. As part of such information, the MSRB publishes summaries of primary market disclosures and continuing disclosures submitted to EMMA to assist market participants, policymakers, and the general public with identifying disclosures made by issuers of municipal securities that reference COVID-19.

SEC Statement's Examples of Disclosure

The SEC Statement sets forth examples of information that may be material or useful to investors and the marketplace when describing the impact of COVID-19 on a municipal issuer's financial and operating conditions, whether in an Official Statement, a filing made pursuant to a CDA, or a voluntary filing. This information includes:

- Information and the municipal issuer's assessment regarding the current and future impact of COVID-19 on its operations and financial condition
- Information regarding sources of liquidity, including
 - Cash on hand
 - Access to reserves or other funds (and to what extent such access is limited)
 - Access to liquidity facilities and any material terms thereof (such as lines of credit for debt service payments or operating expenses or similar facilities rather than standby bond purchase agreements)
 - Whether current liquidity is expected to be adequate to fund essential services and make timely debt service payments
- Information regarding availability of federal, state, or local aid, including the timing and material terms of any such aid
- Reports prepared for other governmental purposes

Further Considerations

In addition to these subjects, we suggest the following matters be considered when preparing disclosure of the impact of COVID-19 on a municipal issuer's financial and operating conditions:

- Have COVID-19-related circumstances such as remote work arrangements adversely affected the issuer's ability to maintain operations, including financial reporting systems, internal control over financial reporting and disclosure controls and procedures? What challenges does the issuer anticipate in its ability to maintain these systems and controls? Will the issuer's operations be materially impacted by any constraints or other impacts on its human capital resources and productivity? Have travel restrictions had a material impact on the issuer's operations?
- How does the issuer expect COVID-19 to impact its future operating results and near and long-term financial condition?
- Does the issuer expect to receive (or has the issuer received) any funding from the state or federal

government relating to the impacts of COVID-19? Is the issuer aware of any additional legislation, at the local, state, or federal level, or executive orders, enacted or issued in connection with COVID-19, that may materially affect its finances or operations?

- Has the issuer's cost of or access to capital and funding sources, such as revolving credit facilities or other sources, changed, or may it be reasonably likely to change?
- Does the issuer have any concern or uncertainty regarding its ability to pay debt service when due on any of its financial obligations? Does the issuer expect the COVID-19 pandemic to result in the default of any material contractual or financial obligation? If so, what is the nature of the obligation and what is the extent of such default?
- Does the issuer have any concern or uncertainty regarding its ability to access the debt markets, including with respect to its commercial paper or other short-term financing arrangements, or with respect to any terms of swap providers, including the valuation of collateral, and counterparty or customer risk? Is there uncertainty about the issuer's ongoing ability to comply with the covenants in its financial contracts and other agreements?
- If germane to the issuer's credit, is the issuer aware of an effect that COVID-19 may have on (i) the collection of property taxes or assessed values (e.g., relocation, closure, of a major property owner, significant property owner delinquencies, material assessment appeals, blanket assessment reductions, or property tax extensions), or (ii) income taxes, sales taxes, or any other key revenue sources?

Conclusion

The SEC Statement provides a useful guide for municipal issuers to develop effective disclosures on the current and projected impacts of COVID-19 on their financial and operating conditions. As issuers continue to monitor and assess the effects of the COVID-19 pandemic, the full fiscal impact on such issuers may change significantly in the coming months, particularly as budgets are considered for upcoming fiscal years (in many instances beginning July 1 or October 1). A voluntary filing may not be necessary or appropriate for some issuers; for others, it may be useful to make regular voluntary filings as circumstances change. We caution that any COVID-19-related disclosure should include appropriate disclaimers indicating that the information included is subject to change without notice, may be affected by future events and actions that may be outside the control of the issuer and that the issuer does not undertake to supplement the filing or disclosure for future events or circumstances.

About Hawkins Advisory

The Hawkins Advisory is intended to provide occasional general comments on new developments in Federal and State law and regulations that we believe might be of interest to our clients. Articles in the Hawkins Advisory should not be considered opinions of Hawkins Delafield & Wood LLP. The Hawkins Advisory is not intended to provide legal advice as a substitute for seeking professional counsel; readers should not under any circumstance act upon the information in this publication without seeking specific professional counsel. Hawkins Delafield & Wood LLP will be pleased to provide additional details regarding any article upon request.

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SEC Urges Disclosure of COVID-19 Impact in the Municipal Market

Public Finance Alert | May.13.2020

On May 4, 2020, Securities and Exchange Commission Chairman Jay Clayton and Director of the Office of Municipal Securities Rebecca Olsen issued a statement encouraging municipal securities issuers and obligors (each referred to herein as “issuer(s)”) to provide robust, timely and accurate disclosures, in light of the effects of and uncertainties created by COVID-19. This statement echoes a statement issued on April 8 by the SEC Chairman and the Director of the Division of Corporation Finance regarding disclosures by public companies in light of the COVID-19 pandemic, and encourages a similar approach to the provision of current and, to the extent practicable, forward-looking disclosure as outlined in the corporate issuer disclosure statement.

WHAT DOES THIS MEAN FOR ISSUERS IN THE MUNICIPAL MARKET?

As most issuers in the municipal market only file annual reports and notice of specifically listed events, and COVID-19 on its own is not a listed event under Rule 15c2-12¹, the SEC has urged issuers to make additional, voluntary disclosures concerning both the current and projected impacts of COVID-19. Issuers that plan on being in the market or that are filing annual reports, quarterly reports or event notices (or the next time a required filing is due) should disclose the impact of COVID-19 on their financial and operating condition in offering documents or required filings. All other issuers should consider (i) providing voluntary disclosure on the current and reasonably anticipated future impact of COVID-19 on their financial condition and operating results and (ii) the risks associated with providing such voluntary disclosure. However, issuers should note that there is no requirement to make such a voluntary disclosure. The SEC does not have the power to require issuers to make this voluntary disclosure.

To date, issuers have made several thousand filings on EMMA concerning the effects of COVID-19. The MSRB publishes a list of these filings weekly, so issuers can review other filings and compare what other entities similar to themselves have done.

If an issuer decides to make a voluntary disclosure, the disclosure can either be posted on EMMA or posted on the issuer's website. If the information is posted in both places, the same information should be posted in each place. Any information posted must be consistent with any other information in the public domain, such as reports made to public officials or public bodies.

SUMMARY OF SEC STATEMENT

The municipal disclosure statement requests issuers to provide investors with “as much information about their current financial and operating condition as is reasonably practicable” and encourages issuers to make “voluntary, unaudited and non-routine disclosures regarding current financial status and operating conditions.” The statement emphasizes the “need for timely financial information” and notes that due to the unpredictable nature of the health crisis and its impact in today's markets, the practice of providing

historical financial information in an annual information filing may not be enough for investors to make assessments of an issuer's current and expected financial condition in order to make an informed investment decision. The statement also encourages issuers to provide forward-looking information on the potential impact of COVID-19 on their financial and operating condition. Regarding timing, the statement encourages issuers to include these disclosures in disclosure for bond offerings or required filings, and also to consider providing voluntary disclosure.

The statement acknowledges that the issue of liability for voluntary or expanded required disclosures is often raised, and lists some factors that weigh in favor of making those disclosures in light of the concern of potential liability:

- The statement notes that accompanying these disclosures with “meaningful cautionary language - including, for example, (1) a description of relevant facts or assumptions affecting the reasonableness of reliance on and the materiality of the information provided, (2) a description of how certain important information may be incomplete or unknown, and (3) the process or methodology (audited vs. unaudited) used by the municipal issuer to produce the information—will not only improve the quality of the disclosure but also will reduce legal and other risks.”
- Issuers may already be required to disclose similar information to other parties in connection with government programs or in the pursuit of funding and disclosure should be consistent and reach all potential investors when appropriate.
- According to the statement, the Chairman and the Director “would not expect good faith attempts to provide appropriately framed current and/or forward-looking information to be second guessed by the SEC.”
- The statement notes that “[w]hile the safe harbors for forward looking statements that are available to certain corporate issuers are not available to issuers of municipal securities, we believe that a municipal issuer’s approach to forward-looking disclosures should be informed by the judicially developed “bespeaks caution” doctrine, which is discussed below.

CONSIDERATIONS WHEN DRAFTING COVID-19 DISCLOSURE

An issuer’s disclosure about the impacts of COVID-19 should not merely recite the history of COVID-19 related actions it has taken. Rather, its disclosure should address the myriad potential effects of COVID-19 on the operations and finances of the issuer as an entity and on the issuer’s securities.

In addition to any historical results that may be required for a particular reporting period, the disclosure should address the current condition of the issuer in light of the COVID-19 pandemic, and issuers should consider whether to include future projections regarding its financial and operating results as the SEC is urging.

Considerations for Disclosure of Current Conditions. Disclosing the current condition of the issuer is based on known and verifiable factual information and is important, especially if its current condition differs from historical results. Issuers should consult with legal counsel but some items to address are:

- How have its operations been affected? Have operations ceased or are they limited?
- How have revenues, expenses and investments been affected?
- Can the issuer make timely debt service payments and does it have enough resources to fund essential operations?

- Have any programs been instituted to reduce expenses and address any unbudgeted costs? (e.g. labor or salary reductions)
- Has the issuer incurred new debt?
- Has the issuer obtained new liquidity facilities or drawn on existing liquidity facilities?
- Has the issuer received any governmental funding or does it plan to seek aid and if so what type and amount and are there any unique terms or conditions?
- Is the issuer a defendant in any litigation related to COVID-19?

Considerations for Disclosure of Projections. In addition to disclosing the past and current state of the issuer, the SEC has encouraged issuers to assess the future impact that COVID-19 will have on their financial and operating condition by using forward-looking statements and projections. Unlike the corporate market, there is no safe harbor for municipal securities for forward-looking statements. Rule 10b-5² liability still applies to any forward-looking statements or projections.

The SEC points out in its municipal disclosure statement that forward-looking statements should be informed by the “bespeaks caution” doctrine which has been created by a series of federal Circuit Court decisions. This doctrine says that a forward-looking statement accompanied by sufficient cautionary language is not actionable because a reasonable investor could not have found the statement materially misleading. However, issuers should be aware of the enforcement and litigation risks associated with such statements, especially in this evolving and uncertain environment. For that reason it is important to internally vet all projections and assumptions with experts, legal counsel and other advisers, as well as include all assumptions and appropriate disclaimers in such disclosure. This will be critical in order to mitigate any litigation or enforcement risk should projections materially differ from actual results.

REMINDER

As with any communication by an issuer to the market, Rule 10b-5 liability applies to any issuer statements regarding the effects of COVID-19, whether it be in an offering document, annual or quarterly filing, event notice, voluntary event notice, public statement (for example statements made in connection with presenting budgets for upcoming fiscal years) or investor website. Issuers should consult with legal counsel and other advisors when making any disclosures or other public statements about the effects of COVID-19 on the issuer and its securities.

It is important to assess whether your disclosure is material and complete. And it is imperative that any forward-looking statements or projections contain the underlying assumptions and necessary disclaimers.

¹ SEC Rule 15c2-12, 17 C.F.R. § 240.15c2-12 (2020).

² SEC Rule 10b-5, 17 C.F.R. § 240.10b-5 (2020).

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Related Areas

- **Public Finance**
- **Coronavirus (COVID 19) Resource Center: Considerations for Businesses & Employers**

TAB 5 –

Federal Legislation Related to Public Finance

TOBIAS READ
STATE TREASURER

MICHAEL KAPLAN
DEPUTY STATE TREASURER

NANCY BREWER
CHAIR



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June X, 2020

The Honorable Earl Blumenauer
U.S. House of Representatives
1111 Longworth House Office Building
Washington, DC 20510

Via Email: Jason.Little@mail.house.gov

Dear Representative Blumenauer:

On behalf of Oregon's Municipal Debt Advisory Commission (MDAC), I write today to extend the MDAC's full support of legislation to enhance municipal bonds and ask for your full support as well.

Oregon established its MDAC to assist local governments to manage municipal debt. Among other efforts, the MDAC acts as a voice for local governments on debt-related issues confronting Oregon communities.

State and local governments (including Public Power, Public Water, Public Schools, Public Works) rely on municipal bonds because they have the capacity to immediately finance critical projects that support our nation's infrastructure needs while protecting the economy during this crisis. Several provisions that were previously included in legislation during this crisis have demonstrated their effectiveness. As for the immediate need, we respectfully ask that the infrastructure efforts include the following:

Restore Advance Refunding of Tax-Exempt Bonds (H.R. 2772): Restoring the ability for governments and other qualifying entities to advance refund tax-exempt municipal bonds would free up billions of dollars governments and nonprofits could spend on infrastructure projects, spurring local economic recovery through construction jobs. We are asking you to restore advance refunding and provide debt service savings for taxpayers, which can be put to immediate public works purposes. This would be of immense help for planning and budgeting purposes for state and local communities and institutions, such as hospitals who are first line responders during this immediate crisis.

Increase Access to Capital for Small Borrowers (H.R. 3967): Increase the bank qualified borrowing limit from \$10 million to \$30 million, and have it apply at the borrower level to assist the thousands of small issuers and governmental and nonprofit borrowers. This would mean that thousands of small local governments and charities would be able to access capital for immediate project needs.

Restore and Expand the Use of Direct-Pay Bonds: Restoring and expanding the use of direct pay type bonds and ending their exposure to sequestration, would immediately create an attractive investment option globally for thousands of local projects.

While the full impact the COVID-19 virus will have on the economy remains uncertain, a major infrastructure plan could certainly create a stimulating effect in the near term. Looking forward, State and local governments and special districts know that preparing for a pandemic requires strengthening the infrastructure network that underpins their communities. Therefore, funding and financing infrastructure will remain an issue of paramount importance for many years to come. We look forward to working with you on this and other matters of mutual interest. If I can be of assistance or if you should have any questions, please do not hesitate to contact me.

Sincerely,

Nancy Brewer
Chair, Oregon Municipal Debt Advisory Commission