



*CACTTC*

September 13, 2012

Jennifer Galloway  
Municipal Securities Rulemaking Board  
1900 Duke Street, Suite 600  
Alexandria, VA 22314

Dear Ms. Galloway,

Thank you for the opportunity to comment on this important proposed change to MSRB Rule G-37 to disclose certain contributions to municipal bond ballot campaigns. The California Association of County Treasurers and Tax Collectors (CACTTC) is in full support of including disclosure requirements for bond ballot campaigns and believes that an amendment to Rule G-37 is necessary to reduce the perception of pay-to-play and to help ensure that underwriters and other municipal financial professionals are not awarded bond transactions because they have contributed to related bond ballot measures.

In fact, CACTTC believes that the MSRB should go one step further and consider an amendment to Rule G-37 that includes an outright ban on brokers, dealers, or any other municipal finance professionals from contributing to bond ballot measures and/or their related committees. This proposed ban would simply expand the existing ban on political contributions to public officials involved in approving related bond transactions.

CACTTC is in a unique position to see the impacts of pay-to-play activities throughout all 58 counties within the State of California. The bond ballot contribution problem is most prevalent for school district financings in California due to proposition 39, enacted in 2000, which lowered to 55%, from 66%, the amount of voter approval needed to approve a bond ballot measure. A recent review by The Bond Buyer publication found "a nearly perfect correlation between broker-dealer contributions to California school bond efforts in 2010 and their underwriting subsequent bond sales". CACTTC believes that similar correlations exist for related municipal financial professionals as well.

Pay-to-play activities in municipal bond elections and transactions undermine the competitive process that ensures that taxpayer money is spent in the most efficient and effective manner, and CACTTC strongly urges the MSRB to make amendments to Rule G-37 that will either shed light on or eliminate pay-to-play activities.

Sincerely,

A handwritten signature in cursive script that reads "Wayne Hammar".

Wayne Hammar  
CACTTC President