



WASHINGTON UPDATE

444 N. Capitol Street NW, Suite 234 ♦ Washington, DC 20001 January 7, 2013

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113th Congress Convenes

With the New Year comes a new Congress; the 113th was sworn in late last week. Following the election in November, the House now has 234 Republican representatives and 201 Democrats. The Senate is still in Democratic control, with a 55-45 margin, including the Independent senators Bernie Sanders of Vermont and Angus King of Maine, who caucus with the Democratic contingent.

Although the 112th Congress received some of the lowest public approval ratings in history, 95 percent of members who made it to the ballot retained their seats, showcasing the power of incumbency. House Speaker John Boehner (R-OH) retained his leadership position last Thursday in a vote in which Rep. Walter Jones (R-NC), who was taken off the Financial Services Committee by Boehner last month, voted for former U.S. Comptroller General David Walker. The Speaker of the House is not required to be a representative.

Fiscal Cliff Bill Extends Some State Financial Matters

The Fiscal Cliff bill, also known as the American Taxpayer Relief Act of 2012, was passed by Congress and signed into law by President Obama last Wednesday. It contained some provisions that are of note for NASACT members:

- Section 205: A one-year extension of the deduction of state and local general sales taxes.
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- Section 310: A one-year extension of qualified zone academy bonds.
- Sections 501, 502, and 503: Extends unemployment provisions, including emergency unemployment compensation payments for eligible individuals through January 1, 2014, and requirements that federal payments to states cover 100 percent of such payments until December 31, 2013. It also appropriates funds out of the employment security administration account to assist states in providing reemployment and eligibility assessment activities.
- Section 623: Extends through September 30, 2014, the authority of states to base eligibility determinations for Medicaid or the Children's Health Insurance Program on findings by an Express Lane agency.

MSRB Seeks Comments on Their Rule Book

The Municipal Securities Rulemaking Board has announced that it is initiating a review of its rules and guidance for brokers, dealers, municipal securities dealers and municipal advisors. The MSRB indicated that it is soliciting comments to determine whether any rules or guidance should be revised or restated due to changes in market practices or conditions. They outlined seven key questions as examples of the type of information they are seeking:

1. Are there any MSRB rules or related interpretive guidance that should be revised due to changed market practices, introduction of new or

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- different products or market participants, and if so, what revisions would be appropriate?
2. Are there any MSRB rules or related interpretive guidance that should be consolidated with or codified in an existing rule or related interpretive guidance?
 3. Are there any MSRB rules or related interpretive guidance that are no longer applicable or necessary, and if so, why?
 4. Are there any MSRB rules or related interpretive guidance that impose an undue burden on brokers, dealers, municipal securities dealers, municipal advisors, or municipal entities?
 5. Do any of the MSRB's rules or related interpretive guidance fail to accomplish their intended purpose, and if so, why?
 6. Are there any MSRB rules or related interpretive guidance that could be modified to promote more efficient compliance by brokers, dealers, municipal securities dealers and municipal advisors?
 7. Are there any current market conditions or practices that warrant examination by the MSRB for potential new rules or interpretive guidance, including those that would protect municipal entities, obligated persons, investors, or the public interest?

Comments should be submitted no later than February 19, 2013. The request for comment notice can be found at

www.msrb.org/Rules-and-Interpretations/Regulatory-Notices/2012/2012-63.aspx?n=1.