



WASHINGTON UPDATE

444 N. Capitol Street NW, Suite 234 ♦ Washington, DC 20001 April 22, 2013

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SEC Hosts Municipal Market Roundtable

Heralded as an event that would “discuss potential ways to improve the transparency and efficiency of...the municipal securities market,” the Securities and Exchange Commission’s all-day municipal market roundtable last Tuesday had a much narrower focus. Most conversation centered on improving pre-trade and post-trade price transparency and strengthening brokers’ existing obligations to provide investors with best execution and fair pricing. An entire panel was dedicated to “Potential Improvements to the Market Structure for Municipal Securities,” referencing the July 2012 SEC “Report on the Municipal Securities Market,” and featuring Ben Watkins, chairman of the Government Finance Officers Association’s Debt Committee. Discussion in this panel too was dominated by the topics of price transparency and market liquidity, barely delving into the state and local government side of the equation.

The archived webcast of the event can be found at

[www.sec.gov/news/
otherwebcasts/2013/fixed-income-
roundtable-041613.shtml](http://www.sec.gov/news/otherwebcasts/2013/fixed-income-roundtable-041613.shtml).

Public Pension Transparency Bill Reintroduced in House

Rep. Devin Nunes (R-CA) has reintroduced H.R. 1628, the Public Employee Pension Transparency Act (PEPTA). This bill is similar to the one Rep. Nunes introduced in the 112th Congress, with a few minor changes. The bill

would require state and local governments to provide specific pension funding disclosure information to the Treasury Department or lose federal tax benefits on their bond issues. The legislation would also require that the public plan restate the funding status by valuing assets at a fair market value and by using certain Treasury yield curves in place of the plan’s expected rate of return to determine liabilities. Sen. Richard Burr (R-NC) is expected to introduce companion legislation in the Senate. H.R. 1628 currently has two co-sponsors.

The bill can be found at [http://
nunes.house.gov/legislation/pepta.htm](http://nunes.house.gov/legislation/pepta.htm).

Online Sales Tax Bill Making Moves in Senate

Senate Majority Leader Harry Reid (D-NV) bypassed his own Finance Committee chairman Sen. Max Baucus (D-MT) and filed cloture on a motion to proceed to the Internet sales tax bill (S. 336), The Marketplace Fairness Act of 2013. This move was made to break a stalemate on the progress of the legislation, where it has been languishing in the Finance Committee since February, setting up a vote for early next week. The bill would allow states to collect sales taxes from most online retailers, simplify their sales tax procedures, and provide retailers with software that automates the collection process. In a test vote earlier this spring within the budget resolution amendment, the bill passed by a 75-24 vote.

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Companion House legislation (H.R. 684) has 55 co-sponsors. It is estimated that states lose out on over \$23 billion a year in sales tax revenue due to the inability to tax remote sellers.

about municipal bond issuance.

The introduction guide can be found at <http://msrb.org/msrb1/EMMA/pdfs/EMMA-Guide-for-Issuers.pdf>.

MSRB Updates State and Local Toolkit

The Municipal Securities Rulemaking Board has added an introductory guide to its Electronic Municipal Market Access website for state and local government issuers of municipal bonds. The guide, which is part of the MSRB's State and Local Government Toolkit, serves as an introduction to using the EMMA website and walks state and local governments through using the site to better evaluate municipal financing options, communicate with investors, and comply with disclosure rules.

The four-page introductory guide encourages state and local governments to:

“...use EMMA to communicate useful information to investors on a voluntary basis. Voluntary disclosures may include pre-sale documents such as preliminary official statements, investor presentations, links to investor relations websites, bank loan disclosures or quarterly financials, as well as information on the timing of and accounting standard used for annual financials.”

The State and Local Government Toolkit also includes information on using the EMMA website, understanding continuing disclosure, and learning