

Beth Ford  
Pima County Treasurer



Patti Davidson  
Chief Deputy Treasurer

## Pima County Treasurer

September 16, 2013

Ms. Mary Jo Shapiro  
Securities and Exchange Commission, Chair  
100 F St., N.E.  
Washington, DC 20549-1090

Dear Ms. Shapiro,

The Arizona Association of County Treasurer's is opposed to the proposed rules to adopt a floating net asset value (NAV) for Money Market Mutual Funds (MMMFs) and the proposed rules instituting redemption fees. One of county treasurer's primary concerns is the safety of its investments. We support initiatives that strengthen MMMFs. However, these particular changes to the rules would significantly threaten our ability to use MMMF's as a cash management tool for Arizona's County governments. We ask that you reconsider these proposed changes to allow us to continue to use this valuable cash management tool.

One of the county treasurer's primary duties is to invest funds on deposit with the county treasury. Most of our investments are very short term due to the nature of our deposits. We need high quality liquid investments that provide yield as well as assured preservation of capital. Money Market Mutual Funds is one of the few investment options that have those characteristics. Many of our county treasuries do not have the resources that would be required to account for a floating NAV or the ability to recognize a loss on their investments. This rule change would eliminate our ability to use MMMFs as a cash management tool.

In addition, the Arizona Association of County Treasurer's is concerned about the impact these changes will have on the municipal bond market. Money market mutual funds are the largest investor in short-term municipal bonds. Reducing the market of municipal bonds will increase the borrowing cost of our municipalities increasing the financial burden on our citizens during already trying times.

We believe the existing regulations work well to provide a safe and stable cash management product MMMFs provide county government. We urge the SEC to refrain from regulatory changes that would disrupt the existing structure and characteristics of these funds, thereby increasing the cost and potential risk to our communities.

We thank you for your consideration.

Sincerely,

Beth Ford  
Pima County Treasurer  
Arizona Association of County Treasurer's, President Elect