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June 17, 2022

Vanessa Countryman
Secretary, Securities and Exchange Commission
100 F Street NE
Washington, DC 20549-0609

Re: File Number S7-10-22

Dear Ms. Countryman:

Thank you for the opportunity to comment on the proposed rule on the Enhancement and Standardization of Climate-Related Disclosures for Investors. The Division of Bond Finance issues municipal bonds for the State of Florida. While the proposed rule would not apply to it, the State is concerned that the SEC may attempt to apply the corporate regulatory framework to the municipal market. There are several reasons why the SEC should not attempt to mandate ESG climate-related disclosure to the municipal market.

Imposing mandatory disclosures with uniform metrics ignores the realities of the municipal market and the idiosyncratic attributes of issuers and their credits. Standardization and uniformity are not feasible constructs for the municipal market as used in the proposed rule for the corporate market for various industry groups. Also, analysts and investors have not developed consensus on what data and which metrics are important to their credit analysis or investment decisions in the municipal market. The disclosure mandates developed for corporate entities in the proposed rule are not material to the creditworthiness of municipal bonds or the most meaningful and relevant information for investors in the municipal market.

Voluntary disclosure and industry best practices have proven more effective in providing meaningful and relevant information to the municipal market. The Government Finance Officers Association ("GFOA") with over 20,000 members, has adopted a suite of industry best practices for ESG disclosure. The GFOA ESG Best Practices appropriately focuses on risk-based disclosure and is being used in its education programs for municipal issuers. Many municipal issuers are already voluntarily providing ESG disclosure in response to investor interest. In developing industry best practices for ESG-related disclosure, the GFOA recognized that the flexibility to be adaptive to each issuer's unique circumstances and challenges depending on size, geographic location, relevant risks, credit sector etc., helps produce the most meaningful disclosure for investors.

For governments, no data gathering or reporting infrastructure exists to produce the information required by the corporate rules. The factors the SEC has identified as necessary climate-related disclosure for corporations would be burdensome and require extensive resources to compile, synthesize, and disclose. Any increase in spending for disclosure of climate-related risk makes less funding available for other essential government services. Unlike the corporate market, virtually every project financed using

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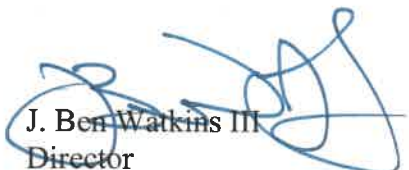
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municipal securities has a public purpose. Most of these projects are necessary to provide essential government services not to produce products, notwithstanding their impact on the climate. Additionally, unless a government issues “green bonds” and specifically identifies strategies and metrics for addressing climate change, the relevance of information produced by corporate disclosure mandates would be meaningless to investors in evaluating the government’s creditworthiness.

Governmental entities’ purposes and organizational structure are very different than private corporations, and the TCFD framework was not designed for the way governments are organized, operate, and report. Many independent but complementary governmental entities and political subdivisions (e.g., cities, counties, water management districts, and school districts) may be working to address different aspects of climate risk applicable to the entire state. For instance, a coastal city may be hardening its infrastructure against wind while a county works with other counties to address sea-level rise in an entire region of the state. All of this work strengthens the state as a whole against climate risk but is not necessarily undertaken or funded directly by the state and therefore would not be included in the State’s financial statements. Although meaningful activities and infrastructure improvements are being made, this is not reflected in financial statements of any single government.

Many municipal issuers are already addressing physical risks and mitigation strategies relevant to their credits. We encourage the SEC to acknowledge the fundamental differences in the municipal and corporate markets and not attempt to apply or impose the rigid disclosure framework of the proposed corporate rule on the municipal market.

Sincerely,


J. Ben Watkins III
Director