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August 15, 2022

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

Re: File Number S7-17-22


Dear Ms. Countryman:

Thank you for the opportunity to comment on the proposed rule on Environmental, Social, and Governance Disclosures for Investment Advisers and Investment Companies. The Division of Bond Finance issues municipal bonds for the State of Florida. While the proposed rule may seem to have no immediate impact on municipal issuers, the imposition of this rule may have negative, unintended consequences for the municipal market.

The vast majority of transactions by municipal issuers finance public infrastructure projects, which do not require defined metrics or methodologies to demonstrate their positive impact and benefit to the public. These types of projects meet many of the goals of ESG investing. However, the government entities like the cities, counties, and states building these projects do not generate the type of data, particularly in regard to GHG emissions, that would satisfy the disclosure requirements of the proposed rule. The production of ESG data is expensive and burdensome for municipal issuers. If investment advisers and investment companies cannot acquire the information required to be disclosed under the proposed rule, the unintended consequence of the rule may be to impede the flow of capital into the municipal space. Municipal bonds meet the goals of many impact investors, but the effect of the proposed rule may be the exclusion of municipal bonds from impact funds.

If this rule is adopted, which we believe is burdensome, overly proscriptive and will not produce information that is meaningful and relevant for investors, the SEC should consider an exemption for investment in public infrastructure financed with municipal bonds.

Sincerely,


J. Ben Watkins III
Director