

Government Finance Officers Association
American Public Gas Association
American Public Power Association
American Public Transportation Association
American Water Works Association
Association of Metropolitan Water Agencies
Association of School Business Officials International
Council of Infrastructure Financing Authorities
International City/County Management Association
Large Public Power Council
National Association of Clean Water Agencies
National Association of College and University Business Officers
National Association of Counties
National Assoc. of Health and Educational Facilities Finance Authorities
National Association of State Treasurers
National Association of Towns and Townships
National Council of State Housing Agencies
National Governors Association
National League of Cities
National Special Districts Coalition
The United States Conference of Mayors

February 21, 2023

The Honorable Janet Yellen
Secretary
U.S. Department of the Treasury
1500 Pennsylvania Avenue, NW
Washington, DC 20220

The Honorable Gary Gensler
Chairman
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

Dear Secretary Yellen and Chairman Gensler:

The organizations listed below, collectively the Public Finance Network, represent state and local governments, governmental entities, authorities, and issuers of municipal securities. We are deeply interested in the law signed by President Biden last December - *P.L. 117-263, TITLE LVIII—FINANCIAL DATA TRANSPARENCY ACT of 2022*— that requires federal Departments and regulators to develop machine readable data standards for our members in the public sector. Both Subtitle A and Subtitle B, Section 5823 of the Law (Data Transparency Relating to Municipal Securities) will affect the way governments, entities, authorities and all municipal securities issuers prepare their own financial statements and submit information to the Municipal Securities Rulemaking Board.

Financial statements in the state and local government sector are complex and present a variety of financial information that may differ due to the type of entity preparing the statement as well as the

variability of state laws and practices that govern this arena. This is why input from our sector will be essential as the Department of the Treasury, the Securities and Exchange Commission, and other Departments and federal regulators begin the task of understanding how this new mandate will be applied in this sector. We would welcome the opportunity to provide your staffs an overview of governmental financial reporting, an overview of the extensive and expansive types of municipal securities issuers that exist from those who will have to submit machine readable data financial reports to the MSRB, and discuss questions and concerns that our sector has regarding how regulations will be developed and implemented.

Without careful and thorough discussions and understanding of public sector financial reporting at the beginning of the process, there will likely be unnecessary confusion, burdens and costs for our members upon implementation. We respectfully request the opportunity to provide a municipal securities issuers and financial reporting briefing, engage in ongoing dialogues, and participate in industry working groups that will be developed in the months to come.

Please reach out to Emily Brock, Federal Liaison Center Director at the Government Finance Officers Association (ebroock@gfoa.org, 202-393-8467) with any questions and to coordinate efforts going forward.

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