

Washington Update



NFMA RELEASES NEW DISCLOSURES REPORT

The National Federation of Municipal Analysts has released the final version of its *Recommended Best Practices in Disclosure for State Government General Obligation and Appropriation Debt* (State GO RBP). This paper is the first of a two-part update of the NFMA's December 2001 *Recommended Best Practices in General Obligation and Tax-Supported Debt* (2001 RBP). This RBP incorporates and builds upon the *Voluntary Interim Financial Reporting: Best Practices for State Governments* report that was approved by NASACT in 2014. Jennifer Johnston, NFMA chair, stated:

“Given the changes in the market over the past decade, it was time to revisit disclosure at both the state and local level for general obligation and tax-backed bonds. We wanted to acknowledge the improvements in disclosure that have occurred over this period and incorporate the areas where we need to put more focus.”

The NFMA plans to follow the State GO RBP report with an RBP section addressing Local GO Bonds and Dedicated Tax Bonds. The full State GO RBP report can be found at www.nfma.org/assets/documents/RBP/rbp_statego_final.pdf.

FEDERAL-STATE P3 BILL INTRODUCED

Rep. Sean Maloney (D-NY) has introduced H.R. 3465, the Public-Private Partnership Infrastructure Investment Act. This bill is designed to enhance the services of the Office of Contracts and Procurement at the Department of Transportation to help states and grant recipients with procurement practices and contracts. Specifically, the bill aims to work with states and other grant recipients on implementing design-bid-build, design-build, and public-private partnerships (P3s) procurement best practices, including model contracts. The bill also develops suggested best practices to encourage standardizing state P3 authorities and practices, including fair and balanced assumptions



made in the calculations, consistency on unsolicited bids, non-compete clauses, and other major elements.

For purposes of this bill, the term “P3” means contractual agreements formed between a public agency and a private sector entity that allow for greater private sector participation in the delivery and financing of transportation projects.

H.R. 3465 has been referred to the House Committee on Transportation and Infrastructure, but does not yet have any cosponsors.

MSRB TO CREATE INVESTOR ADVISORY GROUP

The Municipal Securities Rulemaking Board has announced that it will establish an investor advisory group to provide the MSRB’s board of directors with additional expertise on municipal market practices, transparency and investor protection issues.

“The creation of an investor advisory group will provide the board of directors with a formal mechanism for

accessing the expertise of active municipal investors,” said MSRB Board Chair Kym Arnone. “As the board considers significant market structure proposals, we can ensure that our deliberations include the perspectives of a broad investor group.”

The MSRB board had earlier requested comment on a proposal to modify the application of the standard of independence for the one public member of the board designated to represent institutional or retail investors in municipal securities. The goal of the proposal was to allow the MSRB to identify an investor representative with significant knowledge of the municipal securities market from a broader group of applicants. The board determined not to pursue changes to the rule regarding the standard of independence at this time. “We are satisfied that the creation of the advisory group will address our current concerns and provide an excellent way for us to access the knowledge of experienced municipal securities investors,” Arnone said. Names of members of the investor advisory group will be announced at a later date.

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