

Hon. Elaine Phillips  
Nassau County Comptroller



OFFICE OF THE NASSAU COUNTY COMPTROLLER  
240 Old Country Road  
Mineola, New York 11501  
Tel: (516) 571-2386 Fax: (516) 571-5900  
[nccomptroller@nassaucountyny.gov](mailto:nccomptroller@nassaucountyny.gov)

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

Re: Financial Data Transparency Act, File No. S7-2024-05  
Via electronic submission: [SEC.gov](https://www.sec.gov) | [Financial Data Transparency Act Joint Data Standards](#)

October 21, 2024

On behalf of Nassau County, New York, we write today to provide comments on S7-2024-05, the Proposed Rule to establish data standards and impose other mandates in order to implement the Financial Data Transparency Act. As a government/entity with outstanding bonds and looking to access the bond market in the future on an annual basis, we are very interested in how the federal government will develop this and additional rulemaking. We are concerned about how this will impact how our government prepares financial and disclosure information.

We concur with comments made by issuer organizations, especially the Government Finance Officers Association and urge regulators to carefully review these comments. GFOA's more in-depth analysis and discussion of the concerns of the issuer community strongly reflect what we are likely to experience here in Nassau County.

**Nassau County supports strong financial transparency and standards, and we believe that the reporting practices we and other governments provide are already significant.** Nassau County annually issues an Annual Comprehensive Financial Report (ACFR). Nassau County's ACFR for the Fiscal Year ended December 31, 2022, was awarded the Certificate of Achievement for Excellence in Financial Reporting by the GFOA for the 39th consecutive year. Nassau County also issues a Popular Annual Financial Report (PAFR) which received the Award for Outstanding Achievement in Popular Financial Reporting for the 5<sup>th</sup> consecutive year. The

County also offers current financial information on the Comptroller's website under "Open Nassau".

While we stand by our robust reporting standards, we are aware that the SEC and other regulators may continue with efforts to impose mandates on how our financial information is submitted to regulators. Regulators must avoid any actions that would conflict with the Tower Amendment, and provisions in the FDTA prohibiting any new disclosure requirements. Additionally, the SEC should strongly consider utilizing the provision in the FDTA to scale implementation and mandates of the law in our sector and avoid burdening governments and entities. The SEC should focus on minimizing "market disruption" and we can focus on what is practical and feasible. This will help to minimize costs for our taxpayers and limit the possibility of disruption in the municipal securities market.

**Changes to the way we develop our financial information into a structured data format could take considerable staff time and resources to find consultants and programs to comply with these mandates.** Currently, the County, like many other municipalities and state governments, is working to replace a decades old financial software system with a new ERP that provides greater functionality and security. This implementation may cost over \$40 million to implement and over \$1 million per year for the following 8 years. We have not yet begun to estimate the cost to the County to comply with the requirements of the FDTA, or what it will cost to remain compliant or if failure to remain compliant could prevent access to the municipal bond market.

We understand that there are other elements of the rulemaking that could also be imposed on issuers and others in the municipal securities market. As regulators consider these items going forward, they need to be aware that the elements that apply to corporate entities and the federal government face greater hurdles for local governments, including Nassau County, NY.

The best way for the SEC and other regulators to understand how governments like ours currently prepare financial and disclosure information, and to understand how any new mandates would affect us and work in our sector is to have conversations with us. The law calls on regulators to consult with issuers and other market participants, and that should be the first step of many, as this proposed rule is finalized, and additional rulemaking is developed.

**This law is an unfunded federal mandate on Nassau County and tens of thousands of others across the country.** We hope that the examples and information we provided, as well as ongoing conversations, will assist in thoughtful and workable rules that, if needed, our government can easily implement without extensive burden.

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Thank you for the opportunity to submit these comments. We welcome the opportunity to discuss any of these issues in greater detail with regulators as the process moves forward.

Sincerely,

A handwritten signature in blue ink, appearing to read "Elaine Phillips", with a stylized flourish extending to the right.

Elaine Phillips

Comptroller, Nassau County N.Y.