



February 16, 2011

Ms. Elizabeth M. Murphy  
Secretary  
Securities and Exchange Commission  
100 F Street, NE, Washington, DC 20549-1090

Re: SEC Proposed Rule 34-63576/File S7-45-10

Dear Ms. Murphy,

Recently, the U.S. Securities and Exchange Commission issued proposed rules that would include appointed board members of a municipal entity within the definition of municipal advisors and create a permanent registration process for municipal advisors. On behalf of the nation's 3,068 counties, I would like to take the opportunity to express NACO's concerns with the proposed rule as they would hamper the ability of county officials to find volunteers willing to be appointed to serve on boards with bond-issuing authority.

To begin, many counties utilize the voluntary services of constituents with particular areas of expertise. Many times this expertise is critical in assisting the decision-making process that facilitates the effective functioning of a county's governing body. To view these volunteers as an advisor to the county rather than as members of the governing body itself is a position we cannot agree with. Appointed members are typically citizens interested in serving for the public good and in furthering the goals of the entities they have chosen to serve.

Secondly, the registration process itself creates burdens that significantly outweigh any benefits created for a citizen to volunteer their services. Paying fees, meeting multiple disclosure requirements and on-going potential liabilities are just some of the burdens that could serve as a deterrent for citizens to volunteer.

Finally, we feel that not excluding appointed board members from the definition of municipal advisor has a far-reaching impact on county issuers and their boards since a clear definition of what constitutes advice has yet to be established. Particularly, what constitutes the amount of consultation to a county's governing body that would result in "advice" under the Dodd-Frank Act or the proposed rules? Without that certainty, appointed members may feel the need to register as a precaution and subject themselves to the burdens mentioned earlier. Or in the likely alternative, simply choose to not serve at all.

In conclusion, NACO strongly urges the SEC to reconsider the exclusions from the definition of municipal advisor and include all members serving on a governing body, whether appointed, elected or an employee. Thank you for the opportunity to comment on these matters.

Sincerely yours,

A handwritten signature in black ink that reads "Larry E. Naake". The signature is written in a cursive style with a large, stylized "L" and "N".

Larry E. Naake  
Executive Director