



Shawn Nydegger  
Executive Director

## IDAHO BOND BANK AUTHORITY BOARD MEMBERS

Ron G. Crane, Chairman  
Ken Harward, Governor Appointee  
Bart Davis, Idaho Senator  
Len Crosby, Governor Appointee  
Ken Roberts, Idaho Representative

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

Re: SEC Release No. 34-63576  
File No. S7-45-10

Dear Ms. Murphy:

Thank you for the opportunity to submit comments on the proposal to require certain members of public boards to register as municipal advisors. The Idaho Bond Bank Authority (Authority) is opposed to such a requirement.

The Authority is an instrumentality of the state of Idaho within the Office of the Idaho State Treasurer. The Authority is authorized to purchase municipal bonds issued by local Idaho governments using funds raised through the issuance of Authority bonds backed by a pledge of Idaho sales tax revenues. This process is critical to the ability of local Idaho governments to build sewage systems, public buildings and other infrastructure.

The Authority's board consists of five members whose qualifications are set forth in Idaho statute. In addition to the Idaho Treasurer, two elected officials serve on the Authority board. The Speaker of the Idaho House of Representatives selects a sitting member of that chamber to serve on the board. The President pro tempore of the Idaho Senate selects a sitting member of the Idaho Senate to serve on the board. The two remaining members are appointed by the Governor.

The members of the Authority board act collectively as the state of Idaho. Idaho, through its legislative process, has prescribed the qualifications of Authority members and subjected the members of the Authority board to laws governing conflicts of interest, open meetings, and public records. The proposed registration requirements for Authority members other than the Treasurer, the duties assigned to these members following registration, and the enforcement authority of the Securities and Exchange Commission (Commission) against registered Authority members unnecessarily interferes with the governance and activities of the state of Idaho.

The Commission identifies the issue being remedied by a registration requirement for appointed members of public boards as a lack of accountability to the citizens of Idaho. There is no distinction in Idaho law in the standard of care, conflicts of interest requirements, open meeting requirements, or public records disclosure requirements applied to the Treasurer as an elected ex-

officio member of the Authority board and the remaining appointed members of the Authority board. The standard of care applicable to Authority members does not require that they are unfailingly correct in their decisions. Instead, Authority members are required to act in the best interests of the state of Idaho at a properly noticed and open public meeting, disclose all conflicts and potential conflicts of interest, and refrain from taking action as an Authority member in the case of a conflict. In the event that an Authority member fails in one of these requirements, Idaho law provides a remedy for that failure. The remedy is the same for the Treasurer and for the appointed Authority board members.

Imposing an additional registration requirement and creating enforcement authority in the Commission will not improve the performance of appointed Authority board members and will deter future nominees from accepting appointment as a board member. The appointed Authority board members are provided with a token per diem reimbursement for their attendance at meetings. There is no financial incentive to serve as an appointed board member. Appointed members take time away from their families, jobs, businesses and duties as legislators to serve the state of Idaho. The additional burden of complying with complex regulatory requirements, paying registration fees, and disclosing information to the Commission each year will discourage participation of future volunteers.

The state of Idaho benefits from the appointed Authority board members' civic participation to an extent that cannot be measured. The Authority requests the Commission clarify that board members of public boards are not providing advice to the public board and instead acting as the public entity. Because board members are the recipients of advice and the agents of the public entity, these members are not "Municipal Advisors."

Sincerely,

A handwritten signature in blue ink, appearing to read "Shawn Nydegger", with a long, sweeping horizontal stroke extending to the right.

Shawn Nydegger  
Executive Director