

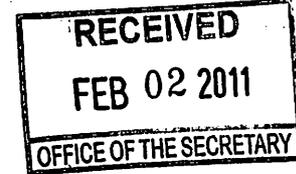


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January 27, 2010



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

**Re: File Number S7-45-10 - The Dodd-Frank
 Act Comments**

Dear Ms. Murphy:

On behalf of the New Jersey League of Municipalities (the "League"), I am submitting these comments to Section 975 of the Dodd-Frank Wall Street Reform and Consumer Protection Act effective October 1, 2010 (the "Dodd-Frank Act") as well as the Securities and Exchange Commission Release No. 34-63576 issued on December 20, 2010 proposing rules to implement the above Section 975 (the "Proposed Rules") in connection with a portion thereof that requires municipal advisors to register with the Securities and Exchange Commission. The League is a voluntary association authorized by statute and, since 1915, has been serving local officials throughout the State of New Jersey (the "State"). All 566 municipalities are members of the League and over 560 mayors and 13,000 elected and appointed officials of member municipalities are served by the League.

These comments are issued because of the concern addressed in the Proposed Rules that would extend the registration requirements for municipal advisors to appointed officials serving independent entities created by such municipal entities.

Without going into detail, the League supports the concept of the registration requirement imposed upon "municipal advisors" who provide advice to such municipalities with respect to the issuance of municipal securities and other municipal financial products. The Proposed Rules, as opposed to the Dodd-Frank Act itself, seek to include within its purview appointed members of a governing body of a municipal entity who are not "elected" official members. It appears to make the distinction between elected and appointed officials on the basis of accountability derived solely from the election process. The League suggests that this distinction is superficial at best and significantly misunderstands the broad concept of accountability applicable to all municipal officials whether elected or appointed. This distinction should not be provided for in the Proposed Rules. The League believes this will have a chilling effect on those appointed

officials who provide the services and is unnecessary, cumbersome, and unduly and inappropriately burdensome.

The appointed officials for the municipal entities referenced in the Act and Proposed Rules are appointed by the elected officials. Such officials are subject to removal for cause by such elected officials or other regulatory boards in the State of New Jersey and are subject to reappointment periodically by the elected officials at the end of designated terms provided for in the statutes. In some instances, the elected officials have veto power over the actions taken by the appointed officials. Furthermore, although not directly on the point, all municipal entities in New Jersey whether they are governed by elected or appointed officials prepare budgets that are submitted to, reviewed and ultimately approved by a State regulatory board. In addition they must all submit audits to the State prepared by independent accounting firms. The bonds themselves when issued, depending on the circumstances, are subject to review and/or approval, as appropriate, by the Local Finance Board. In fact, the only distinction between bond issues undertaken by municipal entities that are governed by elected officials vs. appointed officials is that all bond issues undertaken by municipal entities governed by appointed officials must be submitted to the Local Finance Board for review before being issued.

The League believes that the purpose of the Dodd-Frank Act was not to bring in such appointed officials to this requirement. The Dodd-Frank Act references a "fiduciary duty" between the municipal advisor and the municipal entity. It seems clear that this reference was intended to refer to independent firms providing a service to the municipal entity and not appointed vs. elected officials, since the fiduciary duty owed to the public they serve by both elected and appointed officials is the same. The professional advisors who generally provide this advice are certainly the intended parties meant to be included in this requirement. The officials themselves, whether elected or appointed, who retain such advisor should not be subjected to such a requirement.

We urge the Commission to revisit this requirement and remove it from the rule.

Very truly yours,



William G. Dressel, Jr.
Executive Director

WGD:mw/sc