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Neal Pandozzi Quoted in *The Bond Buyer's* “Florida lawmakers pass prohibition on issuing ESG municipal bonds”

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A Florida bill that bans the issuance of municipal bonds using environmental, social or governance (ESG) standards is headed to Gov. Ron DeSantis for his signature. The bill also bans an issuer from paying for a third-party verifier to certify that a bond may be designated or labeled as an ESG bond or using a rating agency whose ESG scores will harm an issuer's credit standing. Bonds issued before July 1, 2023, are not affected.

Neal Pandozzi spoke with *The Bond Buyer* during a recent podcast and said he is concerned about what the various restrictions will mean:

“Potentially you’ve got less information for investors to evaluate the credit risk of an issuer. If we’re going to see pared back ESG-related disclosure, that could lead to higher interest rates or the inclusion of more onerous covenants for issuers to mitigate any perceived risk due to less fully developed information about how an issuer is addressing ESG-related issues,” Neal said. He further noted that some of the defined terms, standards and concepts are broadly drafted, cryptic and sufficiently sweeping to create possible compliance questions.

Continue reading “[Florida lawmakers pass prohibition on issuing ESG municipal bonds](#)” on *The Bond Buyer* website (subscription required).