

INSIGHTS + NEWS

Neal Pandozzi Quoted in The Bond Buyer's "Issuers, rating agencies are direct targets of anti-ESG bill in Florida"

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Pending legislation in Florida would prohibit bond issuers from issuing an environmental, social and corporate governance bond or paying for a third-party verifier that certifies or verifies that a bond may be designated or labeled as an ESG bond. It's one provision of a larger bill designed to broadly limit state investments perceived as pro-ESG as the Republican majorities in the state legislature rush to enact Gov. Ron DeSantis' agenda. According to a legislative staff analysis, the bill also threatens to upend the rating agency model by barring contracts with a rating agency "whose ESG scores for the issuer will have a direct negative impact on the issuer's bond ratings." Neal Pandozzi spoke with *The Bond Buyer* about the proposed legislation:

He noted that certain republican-led "red" states have been enacting anti-ESG laws against so-called "boycotts" of GOP-favored industries like the fossil fuel and firearms. "They're doing this, in their view, to deal with underwriters and investment banks that they feel have an ESG agenda that's contrary to the way the state views the issue." He pointed out that Florida's legislation goes much further than these types of anti-boycott laws. He stated, "The way the [Florida] bill is drafted now, I would be concerned as a bond lawyer about giving a V-B-E [valid, binding and enforceable] opinion on Florida bonds if this bill were to go into effect as it's currently drafted, because the language and defined terms are just so broadly drafted, very sweeping, very encompassing in the way that they look at ESG." He added that he hopes the bill will undergo further refinements to address such sweeping, broad language.

Continue reading "[Issuers, rating agencies are direct targets of anti-ESG bill in Florida](#)" on *The Bond Buyer* website (subscription required).