



A Robinson+Cole Legal Update

Coronavirus (COVID-19)

June 15, 2020

Disclosure by Municipal Issuers of the Impact of COVID-19

Authored by [Keisha S. Palmer](#), [David M. Panico](#), and [Glenn A. Santoro](#)

On May 4, 2020, the United States Securities and Exchange Commission (SEC) released a Public Statement (Statement) regarding the disclosure of the impact of the COVID-19 pandemic on the financial condition and operations of issuers, conduit borrowers, and other obligated persons of municipal securities (municipal issuers). The Statement requested that municipal issuers “provide investors with as much information about their current financial and operating condition as is reasonably practicable.” The Statement also encouraged municipal issuers to “provide investors with forward-looking information regarding the potential future impact of COVID-19 on their financial and operating conditions.”

The Statement provided examples of some of the types of disclosures that may be important, including:

Operations and Financial Conditions

- Current status, including decreases in revenues and delays in collection of revenues
- Impacts, including both unbudgeted costs and increases in budgeted costs, associated with response to COVID-19
- Expected changes as efforts to fight COVID-19 evolve

Sources of Liquidity

- Cash on hand
- Reserves (access, including any limitations)
- Liquidity facilities (access, including material terms)
- Whether liquidity is expected to be adequate to fund essential services and make timely debt service payments

Federal, State and Local Aid

- Description of available aid applied for, or planning to apply for, including timing
- Description of any aid obtained (nature, amount, expected use and material terms)
- Likely effect on operations and financial condition

Disclosure of Other Reports

- Consider disclosing details of other reports made by the municipal issuer for other purposes to investors

The Statement can be found at: https://www.sec.gov/news/public-statement/statement-clayton-olsen-2020-05-04#_edn2.

A municipal issuer that has completed its budget for the fiscal year ending June 30, 2021, may want to make a voluntary filing on the Municipal Securities Rulemaking Board’s electronic municipal market access (EMMA) website regarding the impact of COVID-19 on current and future financial condition and operations. Please consult your municipal advisor regarding the content of such a filing.

If you have any questions regarding the Statement, or for a template of the recommended disclosure, please do not hesitate to contact one of us.



Keisha S. Palmer
kpalmer@rc.com
(860) 275-8392



David M. Panico
dpanico@rc.com
(860) 275-8390



Glenn A. Santoro
gsantoro@rc.com
(860) 275-8322

Read more legal updates, blog posts, and speaking engagements related to this area on [Robinson+Cole's Coronavirus Response Team](#) page and feel free to contact any member of our team with questions.

[Bruce B. Barth \(Chair\)](#) | [Kenneth C. Baldwin](#) | [Michael H. Bernstein](#) | [J. Tyler Butts](#) | [Dennis C. Cavanaugh](#)
[Britt-Marie K. Cole-Johnson](#) | [Candace M. Cunningham](#) | [Andrew A. DePeau](#) | [Kathleen E. Dion](#)
[Conor O. Duffy](#) | [William J. Egan](#) | [Steven L. Elbaum](#) | [Gilbert L. Lee](#) | [Virginia E. McGarrity](#)
[Matthew T. Miklave](#) | [Endicott Peabody](#) | [Kathleen M. Porter](#) | [Taylor A. Shea](#) | [Lauren M. Sigg](#)
[Brian R. Smith](#) | [Alisha N. Sullivan](#) | [Anna Jinhua Wang](#) | [Abby M. Warren](#) | [Jeffrey J. White](#)

For insights on legal issues affecting various industries, please visit our [Thought Leadership](#) page and subscribe to any of our newsletters or blogs.



Boston | Hartford | New York | Providence | Miami | Stamford | Los Angeles | Wilmington | Philadelphia | Albany | New London



© 2020 Robinson & Cole LLP. All rights reserved. No part of this document may be reproduced, stored in a retrieval system, or transmitted in any form or by any means, electronic, mechanical, photocopying, recording, or otherwise, without prior written permission. This document should not be considered legal advice and does not create an attorney-client relationship between Robinson+Cole and you. Consult your attorney before acting on anything contained herein. The views expressed herein are those of the authors and not necessarily those of Robinson+Cole or any other individual attorney of Robinson+Cole. The contents of this communication may contain ATTORNEY ADVERTISING under the laws of various states. Prior results do not guarantee a similar outcome.