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A California Bill Would Pull State Business From Banks That Work With Gun Makers.

- **Bill would keep some banks from underwriting California deals**
- **Proposal signals growing politicization of muni-bond market**

A California bill would pull state business from Wall Street banks who work with gun makers, in another sign of the growing politicization of the \$4 trillion municipal-bond market.

Legislation filed in the state Senate earlier this month by a Democrat from Orange County would “prohibit financial institutions that do business with gun manufacturers from doing business with the state of California,” according to the bill’s text. If enacted, it could have major repercussions in one of the largest segments of the \$4 trillion municipal-bond market.

Wall Street banks have been caught in the US debate over firearms as a handful of states consider policies limiting government business with firms that restrict the gun industry. The pending California legislation is the opposite of a 2021 law passed in Texas that bars most government contracts there with companies that curb their business with the gun industry.

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