

# Bond Case Briefs

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## **There's a \$1 Trillion Time Bomb Ticking in Muni Finances.**

**Depriving local governments of federal relief money amid worsening climate disasters will threaten their economies, putting some of Trump's staunchest supporters at risk.**

If your insurance company ditches you in the middle of open-heart surgery, leaving you with the full tab, you'll probably go bankrupt despite years of paying premiums to avoid just that fate. State and local governments face a similar future if and when President Donald Trump cuts off federal disaster relief in an era of supercharged natural disasters.

If he has his way, many places risk becoming like western North Carolina after Hurricane Helene: bogged down in a slow recovery that devastates the local economy, saps municipal finances and makes it even harder to withstand the next destructive storm. And poor rural counties that often voted overwhelmingly for Trump face the biggest risks of all.

As I wrote last week, Arkansas recently caught a glimpse of this grim future when the president turned down Governor Sarah Huckabee Sanders' plea for assistance after a string of deadly tornadoes inflicted millions of dollars in damages. Trump has expressed a desire to make locals manage disasters, openly discussed disbanding the Federal Emergency Management Agency and proposed making it much harder for victims to get relief — jacking up the deductible, if you will.

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### **Bloomberg Opinion**

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May 7, 2025