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Texas Advances Bill Targeting Bank of America, Citi Over Gun Policies.

- **Legislation would curtail banks' work with Texas governments**
- **A similar bill has already passed the state's Senate**

Texas moved closer to enacting a law that would ban government work with Wall Street banks whose policies restrict the firearms industry, marking a pushback from Republicans in the gun-friendly state against corporations taking sides in America's political fights.

After a fiery debate on Thursday, the Texas House of Representatives passed a bill that would block the state and local governments from contracting with banks and other financial-services companies that have policies that limit their work for the firearms or ammunition industries. The approval sends it back to the Senate, where a different version of the bill has already passed, making it likely to head to Governor Greg Abbott for his approval.

The law would crimp business for Bank of America Corp. and Citigroup Inc., both of which enacted policies targeting certain types of firearms in the wake of the 2018 mass shooting at a school in Parkland, Florida, that left 17 dead.

Citigroup said it would prohibit its retailer-store customers from offering bump stocks or selling guns to those who haven't passed a background check or are younger than 21. Bank of America announced it would stop extending new loans to companies that make military-style rifles for civilian use.

The legislation reflects ire among Republicans as corporations are drawn into politically divisive policies of America's culture wars. That angst has been building since corporations and executives opposed Georgia's move to make it more difficult to vote after Democrats carried the state in the most recent U.S. presidential and senate elections.

Gene Wu, a House Democrat, said the bill could trigger costly legal fights, saying it creates First Amendment issues. "We don't need a thought police," he said during the floor debate before the vote. "We don't need speech police. Let Texans be."

If enacted, the Texas legislation could hurt the banks municipal underwriting business in Texas, a fast-growing state that's a major source of debt issues in the $3.9 trillion municipal-bond market. Texas-based issuers accounted for $58 billion of debt sales in 2020, the second-most of any state behind California, according to data compiled by Bloomberg.

Spokespeople for Bank of America and Citigroup declined to comment.

The House version of the bill provides an exemption that would allow banks to still participate in certain short-term note sales issued by the Texas Comptroller of Public Accounts, a type of short-term debt issued that can cover revenue shortfalls.

The legislation would affect governmental entities, which Texas law defines as state agencies, as well as political subdivisions like counties, municipalities and school districts. An amendment proposed on Thursday that would have exempted municipalities' bond sales failed.

The bill will have "a severe impact on city operations," said Vikki Goodwin, the Democratic state lawmaker who proposed the amendment. She said the main concern she's hearing is that the bill could impact bond issuances.

The bill would take effect Sept. 1.

"If I'm limited in who I can do business with and talk to and engage with, that's going to raise my costs and increase the cost to the taxpayers," Elizabeth Reich, chief financial officer for the city of Dallas, said in an interview about the bill in April.

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