

# **Bond Case Briefs**

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## **JPMorgan Wins Texas Muni Deal in Key Step After Year-Long Pause.**

JPMorgan Chase & Co. won a competitive auction for a municipal-bond deal sold by a Texas school district, marking a major step for the bank after it paused most public-finance work in the state because of a new Republican law targeting Wall Street's gun policies.

Frisco Independent School District, about 30 miles (48 kilometers) north of Dallas, awarded a roughly \$13 million bond issue to the bank on Tuesday, according to data compiled by Bloomberg.

JPMorgan hasn't underwritten any municipal obligations sold by the state or its schools, cities or counties since at least August 2021, although it has handled deals by entities that are unaffected by the gun law, such as a health system, the data show. Texas is one of the nation's most lucrative public-finance markets.

The biggest US bank published a letter last week stating its interest in underwriting municipal securities for the state and its myriad issuers, including cities, counties and school districts. The letter amounted to a formal assertion by the bank that it doesn't "boycott energy companies" or have "a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association."

The gun law took effect in September 2021 with the backing of state GOP lawmakers. It says Texas governments can't work with companies unless the firms verify that they don't "discriminate" against firearms entities. JPMorgan doesn't finance companies that make military-style weapons for civilians.

JPMorgan, the No. 2 underwriter in the \$4 trillion market for US municipal debt, has long argued that it can comply with the firearms law. Back when the measure went into effect, the bank said its business practices should permit it to certify compliance with the firearms law, but that the legal risk from the "ambiguous" law prevented it from bidding on most business with Texas public entities.

A spokesperson for the school district didn't immediately respond to a request for comment. A representative for the bank declined to comment.

### **Bloomberg Markets**

By Amanda Albright and Danielle Moran

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