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Texas Pushes Back With Municipal Bonds.

Political push-back comes in many forms. In a September 12, 2022 amendment to a municipal bond Official Statement for bonds issued by the City of Anna, Texas, they drew a giant line in the sand for the lefties. In bold caps just two paragraphs into the Official Statement Amendment was this paragraph (irrelevant boiler plate removed):

Further state law compliance: *The city reserves the right to reject any bid or bidder...who is...on a list maintained by the Texas Comptroller or has received a letter or other inquiry from...the Texas Comptroller or the Texas Attorney General related to its inclusion on any list of financial companies boycotting energy companies or companies that have...a practice, policy, guidance or directive that discriminates against a firearm entity or firearm trade association.*

As President George W. Bush said, “Don’t mess with Texas.” Politics has always played a part in issuing municipal bonds. This usually focuses around a new city hall, water and sewer system improvements, or school districts that want a new school. As the bond issue gains support, underwriters swarm to scrutinize the city’s numbers. Once the underwriter(s) is selected, a selling group forms—usually consisting of a dozen or more firms. For the Anna, Texas Certificates of Obligation, Robert W. Baird & Co. was the underwriter. The bulge bracket, left-leaning New York firms either didn’t bother applying or were summarily rejected if they did.

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