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## **Bank of America Seeks Texas Muni Revival After Two-Year Halt.**

- **Bank had suspended underwriting in state due to GOP law**
- **Letter sent to AG's office says BofA plans to resume business**

Bank of America Corp. is seeking to resume its municipal-bond underwriting in Texas after a nearly two-year pause because of a Republican-backed law targeting banks over their gun policies, according to public records obtained by Bloomberg.

Bank of America, the nation's biggest muni underwriter, hasn't managed debt sales by Texas or its cities since two GOP measures went into effect in September 2021. One of the laws, known as Senate Bill 19, bars governmental entities from working with companies that "discriminate" against firearm entities.

The legislation caused a major pullback of Texas business by Bank of America and other Wall Street banks that have restrictions on dealings with gun companies. In 2018, Bank of America said it would stop making new loans to companies that make military-style rifles for civilian use. That policy remains in place.

The bank intends to continue its work with clients in Texas, a lawyer for Bank of America wrote in a May 17 dated letter to Texas Attorney General Ken Paxton and Leslie Brock, who leads the office's public finance division.

"Even though BoA had suspended entry into any contracts requiring the SB 13 and 19 verifications, we believe BoA can appropriately make such written verifications based on an application of its current risk-based framework and policies," the letter said.

A spokesperson for Bank of America declined to comment. The Texas Attorney General's Office did not respond to a phone call requesting comment.

Paxton was impeached and suspended by the Republican-dominated House of Representatives in late May. Former Texas Secretary of State John Scott was named the state's interim attorney general.

Aside from the firearms legislation, a separate Texas law restricts certain public contracts with financial companies that boycott the energy industry. The Texas Comptroller's office has released a list of companies that it considers to do so, and Bank of America isn't on that list.

The lawyer at Foley & Lardner LLP, Ed Burbach, said in a separate email to the Attorney General's office that the bank is not on that list, nor does it discriminate against a firearm entity or firearm trade association. Burbach did not immediately respond to a phone call requesting comment.

The letter did say that the bank generally considers the firearms industry as "high-risk, with clients subject to a heightened due diligence requirement." Because of that, the bank avoids certain

business transactions based on “traditional business reasons.”

The letters and emailed correspondence were obtained via public records request.

“BoA has longstanding business relationships with public and private entities operating in Texas, including many energy sector participants and firearms industry participants,” the letter said. “BoA anticipates continuing such relationships into the future. These commercial relationships are extremely important to BoA, its clients, and counterparties in Texas.”

Other banks initially affected by the GOP laws have sought to revive their public finance businesses in the state. In January, the Texas Attorney General’s Office said it wouldn’t approve state or local debt deals managed by Citigroup Inc. JPMorgan Chase & Co., meanwhile, has underwritten Texas muni deals this year.

## **Bloomberg Markets**

By Amanda Albright

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