

# **Bond Case Briefs**

*Municipal Finance Law Since 1971*

---

## **Judicial Constraints on Trump's Sanctuary City Funding Cuts: Assessing Risks to Municipal Bonds in a Divided Federal System**

### **Overview**

- Trump's funding cuts to sanctuary cities blocked by courts, highlighting federal-state legal clashes over immigration enforcement.
- Judicial rulings like Orrick's protect municipal grants, reducing credit risk but creating uncertainty for investors amid political divides.
- Historical precedents show mixed impacts on credit ratings, while investors favor resilient jurisdictions with diversified revenue and legal defenses.
- Investors advised to prioritize cities with strong fiscal discipline and legal resilience, avoiding high-risk areas facing direct funding threats.

[Continue reading.](#)

**ainvest.com**

by Harrison Brooks

Friday, Aug 22, 2025 10:49 pm ET

Copyright © 2025 Bond Case Briefs | [bondcasebriefs.com](https://bondcasebriefs.com)