



**KEN PAXTON**  
ATTORNEY GENERAL OF TEXAS

September 29, 2017

To All Bond Counsel:

RE: Bond Counsel Input on Applicability of HB 89 and SB 252 to Contracts Relating to the Issuance of Public Securities

As you may be aware, the 85<sup>th</sup> Legislature passed House Bill 89 and Senate Bill 252. Generally, these laws prohibit governmental entities from entering into certain contracts with companies that either boycott Israel or do business with Iran, Sudan or a foreign terrorist organization. We have received several questions regarding our interpretation of the scope of the laws as each relates to the issuance of public securities, and, assuming their applicability, what procedures will be necessary to evidence compliance with each law. The Public Finance Division will be responding to these questions in a future All Bond Counsel Letter. We are informing you of these inquiries to give you an opportunity to submit legal briefs or memoranda discussing the applicability of these laws to contracts relating to the issuance of public securities, such as contracts for the purchase of securities (whether competitively bid or otherwise), credit agreements, and various agreements with paying agents, insurers, escrow agents, or other parties necessary to a transaction.

We ask that all such briefs be submitted by October 6, 2017. To ensure we have adequate time to consider legal analysis and to do additional research as needed, and considering the anticipated transcript volume, our response should not be anticipated prior to October 16. However, we are mindful that these laws took effect September 1, 2017. Therefore, in an abundance of caution, and pending our final determination, assume that House Bill 89 and Senate Bill 252 apply generally to any contracts relating to the issuance of public securities, including but not limited to those contracts specified above. During this time, language provided in transaction documents or certificates to evidence compliance with the restrictions of the laws may be qualified so as not to concede the applicability of either law to the particular contracts.

Sincerely,

A handwritten signature in cursive script that reads "Leslie Brock".

Leslie Brock  
Assistant Attorney General  
Chief, Public Finance Division