

BLACKROCK MUNICIPAL INCOME TRUST II
Form N-Q
July 26, 2012
UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM N-Q

QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED MANAGEMENT INVESTMENT COMPANY

Investment Company Act file number 811-21126

Name of Fund: BlackRock Municipal Income Trust II (BLE)

Fund Address: 100 Bellevue Parkway, Wilmington, DE 19809

Name and address of agent for service: John M. Perlowski, Chief Executive Officer, BlackRock Municipal Income Trust II, 55 East 52nd Street, New York, NY 10055

Registrant's telephone number, including area code: (800) 882-0052, Option 4

Date of fiscal year end: 08/31/2012

Date of reporting period: 05/31/2012

Item 1 – Schedule of Investments

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Schedule of Investments May 31, 2012 (Unaudited)

BlackRock Municipal Income Trust II (BLE)
(Percentages shown are based on Net Assets)

| | Par (000) | Value |
|--|--------------|--------------|
| Municipal Bonds | | |
| Alabama 0.4% | | |
| County of Jefferson Alabama, RB, Series A, 5.25%, 1/01/19 | \$ 1,620 | \$ 1,612,807 |
| Arizona 2.7% | | |
| Salt Verde Financial Corp., RB, Senior: 5.00%, 12/01/32 | 5,635 | 5,781,003 |
| 5.00%, 12/01/37 | 3,990 | 4,077,022 |
| | | 9,858,025 |
| California 10.6% | | |
| Bay Area Toll Authority, Refunding RB, San Francisco Bay Area, Series F-1, 5.63%, 4/01/44 | 2,480 | 2,813,808 |
| California County Tobacco Securitization Agency, RB, CAB, Stanislaus, Sub-Series C, 6.30%, 6/01/55 (a) | 9,710 | 116,714 |
| California Health Facilities Financing Authority, RB: | | |
| Stanford Hospital Clinics, Series A, 5.00%, 8/15/51 | 1,290 | 1,398,270 |
| Sutter Health, Series B, 6.00%, 8/15/42 | 3,500 | 4,138,365 |
| California HFA, RB, Series K, AMT Home Mortgage, 5.50%, 2/01/42 | 1,925 | 1,994,762 |
| California State Public Works Board, RB, Various Capital Project, Sub-Series I-1, 6.38%, 11/01/34 | 1,280 | 1,532,838 |
| California Statewide Communities Development Authority, RB, Kaiser Permanente, Series A, 5.00%, 4/01/42 | 2,400 | 2,593,416 |
| Los Angeles Department of Airports, RB, Series A, 5.25%, 5/15/39 | 860 | 957,240 |
| San Francisco City & County Redevelopment Agency, Special Tax Bonds, District No. 6, Mission Bay South Public Improvements, 6.63%, 8/01/27 | 3,120 | 3,129,922 |
| San Marcos Unified School District, CAB, SAN, Election of 2010, Series B (a): 5.36%, 8/01/33 | 3,000 | 1,037,460 |
| 5.66%, 8/01/43 | 2,500 | 482,300 |
| State of California, GO, Various Purpose: 6.00%, 3/01/33 | 1,760 | 2,119,902 |
| 6.50%, 4/01/33 | 10,670 | 12,976,001 |
| 5.00%, 10/01/41 | 3,320 | 3,562,924 |
| | | 38,853,922 |
| Colorado 1.7% | | |
| Colorado Health Facilities Authority, Refunding RB: | | |
| The Evangelical Lutheran Good Samaritan Society Project, 5.00%, 12/01/42 | 1,920 | 1,977,907 |
| Catholic Healthcare, Series A, 5.50%, 7/01/34 | 2,330 | 2,627,821 |

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| | Par (000) | Value |
|---|--------------|--------------|
| Municipal Bonds | | |
| Colorado (concluded) | | |
| Park Creek Metropolitan District Colorado, Refunding RB, Senior, Limited Tax, Property Tax, 5.50%, 12/01/37 | \$ 1,375 | \$ 1,448,645 |
| | | 6,054,373 |
| Connecticut 0.4% | | |
| Connecticut State Health & Educational Facility Authority, RB, Ascension Health Senior Credit, 5.00%, 11/15/40 | 1,505 | 1,631,435 |
| Delaware 1.6% | | |
| County of Sussex Delaware, RB, NRG Energy, Inc., Indian River Project, 6.00%, 10/01/40 | 1,240 | 1,376,400 |
| Delaware State EDA, RB, Exempt Facilities, Indian River Power, 5.38%, 10/01/45 | 4,430 | 4,643,260 |
| | | 6,019,660 |
| District of Columbia 6.2% | | |
| District of Columbia Tobacco Settlement Financing Corp., Refunding RB, Asset- Backed: | | |
| 6.50%, 5/15/33 | 7,500 | 8,141,325 |
| 6.75%, 5/15/40 | 11,500 | 11,718,500 |
| Metropolitan Washington Airports Authority, RB, First Senior Lien, Series A: | | |
| 5.00%, 10/01/39 | 550 | 595,529 |
| 5.25%, 10/01/44 | 2,000 | 2,183,980 |
| | | 22,639,334 |
| Florida 6.1% | | |
| City of Leesburg Florida, RB, Leesburg Regional Medical Center Project, 5.50%, 7/01/32 | 1,000 | 1,000,410 |
| County of Miami-Dade Florida, RB: Miami International Airport, Series A AMT (AGC), 5.25%, 10/01/38 | 2,855 | 3,008,656 |
| Water & Sewer System Revenue (AGM), 5.00%, 10/01/39 | 5,000 | 5,492,300 |
| County of Miami-Dade Florida, Refunding RB, Miami International Airport, Series A-1, 5.38%, 10/01/41 | 1,255 | 1,400,681 |
| Live Oak Community Development District No. 1, Special Assessment Bonds, Series A, 6.30%, 5/01/34 | 3,040 | 3,125,667 |
| Miami Beach Health Facilities Authority, RB, Mount Sinai Medical Center of Florida, 6.75%, 11/15/21 | 3,640 | 3,992,097 |
| Mid-Bay Bridge Authority, RB, Series A, 7.25%, 10/01/40 | 2,500 | 2,931,525 |

Schedule of Investments (continued)

BlackRock Municipal Income Trust II (BLE)
(Percentages shown are based on Net Assets)

| | Par (000) | Value |
|--|----------------------|--------------|
| Municipal Bonds | | |
| Florida (concluded) | | |
| Stevens Plantation Community Development District, Special Assessment Bonds, Series A, 7.10%, 5/01/35 | \$ 1,895 | \$ 1,421,383 |
| | | 22,372,719 |
| Georgia 0.3% | | |
| DeKalb Private Hospital Authority, Refunding RB, Children s Healthcare, 5.25%, 11/15/39 | 915 | 996,700 |
| Hawaii 0.4% | | |
| State of Hawaii, Refunding RB, Series A, 5.25%, 7/01/30 | 1,480 | 1,650,999 |
| Illinois 15.5% | | |
| Chicago Board of Education Illinois, GO, Series A, 5.50%, 12/01/39 | 2,300 | 2,629,084 |
| Chicago Transit Authority, RB, Sales Tax Receipts, 5.25%, 12/01/40 | 1,150 | 1,288,748 |
| City of Chicago Illinois, GO, Project, Series A, 5.00%, 1/01/33 | 4,940 | 5,441,459 |
| City of Chicago Illinois, RB, O Hare International Airport Revenue, General, Third Lien: | | |
| Series A, 5.75%, 1/01/39 | 5,000 | 5,799,550 |
| Series C, 6.50%, 1/01/41 | 6,430 | 7,780,300 |
| City of Chicago Illinois, Refunding RB: 5.25%, 1/01/38 | 895 | 1,009,900 |
| Water Revenue, 5.00%, 11/01/42 | 3,130 | 3,496,210 |
| Illinois Finance Authority, RB: MJH Education Assistance IV LLC, Sub-Series B, 5.38%, 6/01/35 (b)(c) | 900 | 89,991 |
| Navistar International, Recovery Zone, 6.50%, 10/15/40 | 1,675 | 1,847,810 |
| Illinois Finance Authority, Refunding RB: Ascension Health, Series A, 5.00%, 11/15/37 | 1,060 | 1,157,584 |
| Ascension Health, Series A, 5.00%, 11/15/42 | 1,925 | 2,089,491 |
| Central Dupage Health, Series B, 5.50%, 11/01/39 | 1,750 | 1,940,645 |
| Friendship Village Schaumburg, Series A, 5.63%, 2/15/37 | 455 | 433,397 |
| Illinois Sports Facilities Authority, RB, State Tax Supported (AMBAC), 5.50%, 6/15/30 | 10,500 | 11,444,055 |
| | Par (000) | Value |
| Municipal Bonds | | |

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| | | |
|---|----------|--------------|
| Illinois (concluded) | | |
| Metropolitan Pier & Exposition Authority, Refunding RB, McCormick Place Expansion Project: | | |
| Series B (AGM), 5.00%, 6/15/50 | \$ 3,430 | \$ 3,614,328 |
| Series B-2, 5.00%, 6/15/50 | 2,725 | 2,870,488 |
| Railsplitter Tobacco Settlement Authority, RB: | | |
| 5.50%, 6/01/23 | 1,470 | 1,693,469 |
| 6.00%, 6/01/28 | 1,255 | 1,440,087 |
| State of Illinois, RB, Build Illinois, Series B, 5.25%, 6/15/34 | 685 | 766,453 |
| | | 56,833,049 |
| Indiana 2.6% | | |
| Indiana Finance Authority, RB, Sisters of St. Francis Health, 5.25%, 11/01/39 | 915 | 991,412 |
| Indiana Finance Authority, Refunding RB, Ascension Health Senior Credit, Series B-5, 5.00%, 11/15/36 | 1,500 | 1,576,875 |
| Indiana Finance Authority Wastewater Utility, Refunding RB, First Lien, CWA Authority, Series A, 5.25%, 10/01/38 | 1,720 | 1,946,111 |
| Indiana Health Facility Financing Authority, Refunding RB, Methodist Hospital Inc., 5.38%, 9/15/22 | 3,675 | 3,676,176 |
| Indiana Municipal Power Agency, RB, Series B, 6.00%, 1/01/39 | 1,200 | 1,384,908 |
| | | 9,575,482 |
| Iowa 0.7% | | |
| Iowa Student Loan Liquidity Corp., Refunding RB, Series A-1, AMT, 5.15%, 12/01/22 | 2,140 | 2,401,123 |
| Kansas 0.5% | | |
| Kansas Development Finance Authority, Refunding RB, Sisters of Leavenworth, Series A, 5.00%, 1/01/40 | 1,755 | 1,884,203 |
| Kentucky 0.3% | | |
| Kentucky Economic Development Finance Authority, RB, Owensboro Medical Health System, Series A, 6.38%, 6/01/40 | 1,105 | 1,274,993 |
| Louisiana 3.3% | | |
| Louisiana Local Government Environmental Facilities & Community Development Authority, RB, Westlake Chemical Corp., Series A-1, 6.50%, 11/01/35 | 3,650 | 4,155,233 |
| Parish of Saint John the Baptist Louisiana, RB, Marathon Oil Corp., Series A, 5.13%, 6/01/37 | 7,590 | 7,903,012 |
| | | 12,058,245 |
| Maine 0.5% | | |
| Maine State Turnpike Authority, RB, Series A, 5.00%, 7/01/42 | 1,615 | 1,823,674 |

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Schedule of Investments (continued)

BlackRock Municipal Income Trust II (BLE)
(Percentages shown are based on Net Assets)

| | Par (000) | Value |
|--|--------------|------------|
| Municipal Bonds | | |
| Maryland 1.2% | | |
| Maryland EDC, RB, Transportation Facilities Project, Series A, 5.75%, 6/01/35 | \$ 475 | \$ 511,053 |
| Maryland EDC, Refunding RB, CNX Marine Terminals, Inc., 5.75%, 9/01/25 | 1,000 | 1,061,560 |
| Maryland Health & Higher Educational Facilities Authority, Refunding RB, Charlestown Community, 6.25%, 1/01/41 | 2,400 | 2,692,560 |
| | | 4,265,173 |
| Massachusetts 0.3% | | |
| Massachusetts Health & Educational Facilities Authority, Refunding RB, Partners Healthcare, Series J1, 5.00%, 7/01/39 | 955 | 1,025,556 |
| Michigan 2.0% | | |
| City of Detroit Michigan, RB, Senior Lien, Series A, 5.25%, 7/01/41 | 3,355 | 3,452,496 |
| Kalamazoo Hospital Finance Authority, Refunding RB, Bronson Methodist Hospital, 5.50%, 5/15/36 | 1,500 | 1,637,040 |
| Michigan State Hospital Finance Authority, Refunding RB, Henry Ford Health System, Series A, 5.25%, 11/15/46 | 2,305 | 2,396,486 |
| | | 7,486,022 |
| Minnesota 2.2% | | |
| Tobacco Securitization Authority Minnesota, Refunding RB, Tobacco Settlement Revenue, Series B: 5.25%, 3/01/25 | 4,905 | 5,605,140 |
| 5.25%, 3/01/31 | 2,065 | 2,299,811 |
| | | 7,904,951 |
| Missouri 2.0% | | |
| 370/Missouri Bottom Road/Taussig Road Transportation Development District, RB, 7.20%, 5/01/33 | 6,000 | 6,046,260 |
| Missouri State Health & Educational Facilities Authority, RB, Senior Living Facilities, Lutheran Senior Home, 5.50%, 2/01/42 | 1,135 | 1,184,645 |
| | | 7,230,905 |
| Multi-State 3.9% | | |
| Centerline Equity Issuer Trust (d)(e): 5.75%, 5/15/15 | 1,000 | 1,089,930 |
| 6.00%, 5/15/15 | 5,000 | 5,480,950 |
| 6.00%, 5/15/19 | 3,500 | 4,111,310 |
| 6.30%, 5/15/19 | 3,000 | 3,573,510 |
| | | 14,255,700 |

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| | Par (000) | Value |
|--|--------------|-------------------------|
| Municipal Bonds | | |
| Nebraska 1.5% | | |
| Central Plains Energy Project Nebraska, RB, Project #3: 5.25%, 9/01/37 | \$ 895 | \$ 945,827 |
| 5.00%, 9/01/42 | 1,570 | 1,604,022 |
| Lancaster County Hospital Authority No. 1, Refunding RB, Immanuel Obligation Group, 5.63%, 1/01/40 | 1,245 | 1,364,234 |
| Sarpy County Hospital Authority No. 1, Refunding RB, Immanuel Obligation Group, 5.63%, 1/01/40 | 1,635 | 1,760,715 5,674,798 |
| Nevada 0.7% | | |
| County of Clark Nevada, Refunding RB, Alexander Dawson School Nevada Project, 5.00%, 5/15/29 | 2,465 | 2,575,407 |
| New Jersey 6.7% | | |
| New Jersey EDA, RB, Continental Airlines Inc. Project, AMT, 7.20%, 11/15/30 (f) | 10,100 | 10,138,178 |
| New Jersey EDA, Refunding RB: Cigarette Tax, 5.00%, 6/15/24 | 455 | 508,062 |
| Cigarette Tax, 5.00%, 6/15/25 | 610 | 674,746 |
| Special Assessment Bonds, Kapkowski Road Landfill Project, 6.50%, 4/01/28 | 7,475 | 8,767,428 |
| New Jersey Transportation Trust Fund Authority, RB, Transportation System, 5.25%, 6/15/36 | 2,690 | 3,058,745 |
| Port Authority of New York & New Jersey, RB, JFK International Air Terminal, 6.00%, 12/01/42 | 1,375 | 1,525,906 24,673,065 |
| New York 3.2% | | |
| Albany Industrial Development Agency, RB, New Covenant Charter School Project, Series A, 7.00%, 5/01/35 (b)(c) | 985 | 226,560 |
| Metropolitan Transportation Authority, Refunding RB, Transportation, Series D, 5.25%, 11/15/40 | 1,325 | 1,478,024 |
| New York City Industrial Development Agency, RB, American Airlines Inc., JFK International Airport, AMT, 7.75%, 8/01/31 (b)(f) | 6,700 | 6,885,858 |
| New York Liberty Development Corp., Refunding RB, Second Priority, Bank of America Tower at One Bryant Park Project, 6.38%, 7/15/49 | 1,335 | 1,501,341 |
| Port Authority of New York & New Jersey, RB, JFK International Air Terminal, 6.00%, 12/01/36 | 1,410 | 1,580,765 11,672,548 |

Schedule of Investments (continued)

BlackRock Municipal Income Trust II (BLE)
(Percentages shown are based on Net Assets)

| | Par (000) | Value |
|--|--------------|--------------|
| Municipal Bonds | | |
| North Carolina 2.0% | | |
| Gaston County Industrial Facilities & Pollution Control Financing Authority North Carolina, RB, Exempt Facilities National Gypsum Co. Project, AMT, 5.75%, 8/01/35 | \$ 6,500 | \$ 5,708,820 |
| North Carolina Medical Care Commission, RB, Duke University Health System, Series A, 5.00%, 6/01/42 | 1,525 | 1,647,259 |
| | | 7,356,079 |
| Ohio 1.9% | | |
| County of Allen Ohio, Refunding RB, Catholic Healthcare, Series A, 5.25%, 6/01/38 | 3,405 | 3,710,974 |
| County of Montgomery Ohio, Refunding RB, Catholic Healthcare, Series A, 5.00%, 5/01/39 | 3,025 | 3,211,733 |
| | | 6,922,707 |
| Oregon 0.2% | | |
| City of Tigard Washington County Oregon, Refunding RB, Water System: 5.00%, 8/01/37 | 275 | 311,531 |
| 5.00%, 8/01/42 | 320 | 361,334 |
| | | 672,865 |
| Pennsylvania 1.0% | | |
| Allegheny County Hospital Development Authority, Refunding RB, Health System, West Penn, Series A, 5.38%, 11/15/40 | 1,495 | 1,241,343 |
| Pennsylvania Economic Development Financing Authority, RB, Aqua Pennsylvania Inc. Project, 5.00%, 11/15/40 | 2,065 | 2,272,388 |
| | | 3,513,731 |
| Puerto Rico 5.6% | | |
| Puerto Rico Commonwealth Aqueduct & Sewer Authority, RB, Senior Lien, Series A, 5.25%, 7/01/42 | 625 | 628,375 |
| Puerto Rico Sales Tax Financing Corp., RB: | | |
| CAB, Series A, 6.58%, 8/01/33 (a) | 13,600 | 4,320,040 |
| CAB, Series A, 6.61%, 8/01/34 (a) | 5,500 | 1,627,010 |
| CAB, Series A, 6.62%, 8/01/35 (a) | 14,055 | 3,876,369 |
| CAB, Series A, 6.64%, 8/01/36 (a) | 11,875 | 3,047,481 |
| First Sub-Series A, 6.50%, 8/01/44 | 6,100 | 7,191,473 |

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20,690,748

| | Par (000) | Value |
|---|--------------|--------------|
| Municipal Bonds | | |
| South Carolina 3.1% | | |
| South Carolina Jobs-EDA, Refunding RB, Palmetto Health Alliance, Series A, 6.25%, 8/01/31 | \$ 2,640 | \$ 2,787,629 |
| South Carolina State Ports Authority, RB, 5.25%, 7/01/40 | 3,595 | 3,983,763 |
| South Carolina State Public Service Authority, Refunding RB: Santee Cooper Project, Series C, 5.00%, 12/01/36 | 1,685 | 1,889,222 |
| Series D, 5.00%, 12/01/43 | 2,290 | 2,557,243 |
| | | 11,217,857 |
| Tennessee 3.5% | | |
| Knox County Health Educational & Housing Facilities Board Tennessee, Refunding RB, CAB, Series A (AGM), 5.77%, 1/01/21 (a) | 20,405 | 12,707,418 |
| Rutherford County Health & Educational Facilities Board, Refunding RB, Ascension Health, Series C, 5.00%, 11/15/47 | 230 | 250,603 |
| | | 12,958,021 |
| Texas 15.3% | | |
| Brazos River Authority, RB, TXU Electric, Series A, AMT, 8.25%, 10/01/30 | 2,400 | 359,328 |
| Central Texas Regional Mobility Authority, RB, Senior Lien, 6.25%, 1/01/46 | 2,350 | 2,629,392 |
| City of Dallas Texas, Refunding RB, 5.00%, 10/01/35 | 1,650 | 1,878,608 |
| City of Houston Texas, Refunding RB: Combined, First Lien, Series A (AGC), 6.00%, 11/15/35 | 9,145 | 11,053,379 |
| Senior Lien, Series A, 5.50%, 7/01/39 | 1,675 | 1,861,930 |
| Gulf Coast Waste Disposal Authority, Refunding RB, Series A, AMT, 6.10%, 8/01/24 | 5,000 | 5,032,350 |
| Harris County-Houston Sports Authority, Refunding RB, Third Lien, Series A-3 (NPFGC), 5.96%, 11/15/36 (a) | 25,375 | 5,566,767 |
| Lower Colorado River Authority, Refunding RB, Series A (NPFGC), 5.00%, 5/15/13 (g) | 5 | 5,227 |
| North Texas Tollway Authority, Refunding RB, Toll 2nd Tier, Series F, 6.13%, 1/01/31 | 6,790 | 7,478,913 |
| San Antonio Energy Acquisition Public Facility Corp., RB, Gas Supply, 5.50%, 8/01/24 | 3,600 | 4,078,800 |
| Tarrant County Cultural Education Facilities Finance Corp., RB, Scott & White Healthcare, 6.00%, 8/15/45 | 4,410 | 5,125,302 |

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Schedule of Investments (continued)

BlackRock Municipal Income Trust II (BLE)
(Percentages shown are based on Net Assets)

| | Par (000) | Value |
|---|--------------|--------------|
| Municipal Bonds | | |
| Texas (concluded) | | |
| Texas Private Activity Bond Surface Transportation Corp., RB, Senior Lien: LBJ Infrastructure Group LLC, LBJ Freeway Managed Lanes Project, 7.00%, 6/30/40 | \$ 3,000 | \$ 3,568,320 |
| NTE Mobility Partners LLC, North Tarrant Express Managed Lanes Project, 6.88%, 12/31/39 | 3,000 | 3,514,290 |
| University of Texas System, Refunding RB, Financing System Bonds, Series B, 5.00%, 8/15/43 | 3,350 | 3,865,029 |
| | | 56,017,635 |
| Virginia 1.8% | | |
| City of Norfolk Virginia, Refunding RB, Series B (AMBAC), 5.50%, 2/01/31 (g) | 1,240 | 1,241,091 |
| Virginia Small Business Financing Authority, RB, Senior Lien, Elizabeth River Crossings Opco LLC Project, AMT: 5.25%, 1/01/32 | 1,755 | 1,824,586 |
| 6.00%, 1/01/37 | 2,000 | 2,196,700 |
| 5.50%, 1/01/42 | 1,255 | 1,315,315 |
| | | 6,577,692 |
| Washington 2.3% | | |
| Bellingham Washington, Water & Sewer Revenue, 5.00%, 8/01/36 | 5,050 | 5,715,539 |
| Washington Health Care Facilities Authority, RB, Swedish Health Services, Series A, 6.75%, 11/15/41 | 2,190 | 2,901,619 |
| | | 8,617,158 |
| Wisconsin 1.9% | | |
| Wisconsin Health & Educational Facilities Authority, RB: Ascension Health Senior Credit Group, 5.00%, 11/15/30 | 1,790 | 1,992,145 |
| Ascension Health Senior Credit Group, 5.00%, 11/15/33 | 910 | 1,000,763 |
| Aurora Health Care, 6.40%, 4/15/33 | 3,930 | 4,019,368 |
| | | 7,012,276 |
| Wyoming 1.5% | | |
| County of Sweetwater Wyoming, Refunding RB, Idaho Power Co. Project, 5.25%, 7/15/26 | 3,355 | 3,798,665 |
| Wyoming Municipal Power Agency, RB, Series A: 5.50%, 1/01/33 | 800 | 882,192 |

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| | | |
|-------------------------------------|-----|--------------------|
| 5.50%, 1/01/38 | 750 | 820,283 |
| | | 5,501,140 |
| Total Municipal Bonds 117.6% | | 431,362,777 |

| Municipal Bonds Transferred to Tender Option Bond (TOB) Trusts (h) | Par (000) | Value |
|---|--------------|--------------|
| Alabama 0.7% | | |
| Alabama Special Care Facilities Financing Authority-Birmingham, Refunding RB, Ascension Health Senior Credit, Series C-2, 5.00%, 11/15/36 | \$ 2,519 | \$ 2,649,189 |
| Arizona 0.8% | | |
| Salt River Project Agricultural Improvement & Power District, RB, Series A, 5.00%, 1/01/38 | 2,630 | 2,899,697 |
| California 8.8% | | |
| California Educational Facilities Authority, RB, University of Southern California, Series A, 5.25%, 10/01/39 | 2,850 | 3,302,894 |
| Los Angeles Community College District California, GO, Election of 2001, Series A (AGM), 5.00%, 8/01/32 | 2,530 | 2,807,010 |
| Los Angeles Department of Airports, Refunding RB, Senior, Los Angeles International Airport, Series A, 5.00%, 5/15/40 | 6,499 | 7,190,108 |
| San Diego Community College District California, GO, Election of 2002, 5.25%, 8/01/33 | 1,840 | 2,130,399 |
| San Francisco City & County Public Utilities Commission, RB, Series B, 5.00%, 11/01/39 | 10,335 | 11,525,385 |
| University of California, RB, Limited Project, Series B, 4.75%, 5/15/38 | 5,099 | 5,277,041 |
| | | 32,232,837 |
| Colorado 2.0% | | |
| Colorado Health Facilities Authority, RB (AGM), Catholic Health: Series C-3, 5.10%, 10/01/41 | 4,230 | 4,468,065 |
| Series C-7, 5.00%, 9/01/36 | 2,710 | 2,867,532 |
| | | 7,335,597 |
| Connecticut 3.2% | | |
| Connecticut State Health & Educational Facility Authority, RB, Yale University: Series T-1, 4.70%, 7/01/29 | 5,170 | 5,860,143 |
| Series X-3, 4.85%, 7/01/37 | 5,130 | 5,798,696 |
| | | 11,658,839 |
| Georgia 1.4% | | |
| Private Colleges & Universities Authority, Refunding RB, Emory University, Series C, 5.00%, 9/01/38 | 4,638 | 5,085,929 |
| Maryland 1.3% | | |
| Maryland Health & Higher Educational Facilities Authority, Refunding RB, Ascension Health, Seires B, 5.00%, 11/15/51 | 4,559 | 4,967,719 |

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Schedule of Investments (continued)

BlackRock Municipal Income Trust II (BLE)
(Percentages shown are based on Net Assets)

| | Par (000) | Value |
|--|--------------|--------------|
| Municipal Bonds Transferred to Tender Option Bond (TOB) Trusts (h) | | |
| Massachusetts 2.5% | | |
| Massachusetts School Building Authority, RB, Sales Tax Revenue, Senior, Series B, 5.00%, 10/15/41 | \$ 4,950 | \$ 5,619,190 |
| Massachusetts Water Resources Authority, Refunding RB, General, Series A, 5.00%, 8/01/41 | 3,150 | 3,519,968 |
| | | 9,139,158 |
| New Hampshire 0.7% | | |
| New Hampshire Health & Education Facilities Authority, Refunding RB, Dartmouth College, 5.25%, 6/01/39 | 2,219 | 2,573,424 |
| New York 13.4% | | |
| Hudson New York Yards Infrastructure Corp., Senior RB, Series A, 5.75%, 2/15/47 | 1,750 | 2,014,653 |
| New York City Municipal Water Finance Authority, RB, Second General Resolution, Series HH, 5.00%, 6/15/31 | 9,149 | 10,580,191 |
| New York City Municipal Water Finance Authority, Refunding RB, Series FF-2, 5.50%, 6/15/40 | 1,710 | 1,969,583 |
| New York City Transitional Finance Authority, RB, 5.00%, 2/01/42 | 2,679 | 3,020,597 |
| New York Liberty Development Corp., RB, Liberty Revenue Bonds, 1 World Trade Center Port Authority Construction, 5.25%, 12/15/43 | 11,670 | 13,273,341 |
| New York Liberty Development Corp., Refunding RB, Liberty Revenue Bonds, 4 World Trade Center Project, 5.75%, 11/15/51 | 7,040 | 8,097,619 |
| New York State Dormitory Authority, ERB, Series F, 5.00%, 3/15/35 | 9,284 | 10,066,831 |
| | | 49,022,815 |
| Texas 1.1% | | |
| Harris County Texas Metropolitan Transit Authority, RB, Sales & Use Tax Bonds, Series A, 5.00%, 11/01/41 | 3,720 | 4,154,756 |
| Utah 1.2% | | |
| City of Riverton Utah Hospital, RB, IHC Health Services Inc., 5.00%, 8/15/41 | 3,959 | 4,273,936 |
| Virginia 1.8% | | |
| University of Virginia, Refunding RB, General, 5.00%, 6/01/40 | 5,909 | 6,640,641 |
| Washington 3.5% | | |
| Central Puget Sound Regional Transit Authority, RB, Series A (AGM), 5.00%, 11/01/32 | 3,029 | 3,422,017 |

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| Municipal Bonds Transferred to Tender Option Bond (TOB) Trusts (h) | Par (000) | Value |
|--|--------------|----------------|
| Washington (concluded) | | |
| State of Washington, GO, Various Purpose, Series E, 5.00%, 2/01/34 | \$ 8,113 | \$ 9,303,523 |
| | | 12,725,540 |
| Total Municipal Bonds Transferred to Tender Option Bond (TOB) Trusts 42.4% | | 155,360,077 |
| Total Long-Term Investments (Cost \$542,398,263) 160.0% | | 586,722,854 |
| Short-Term Securities | | |
| | Shares | |
| FBI Institutional Tax-Exempt Fund, 0.03% (i)(j) | 11,192,913 | 11,192,913 |
| Total Short-Term Securities (Cost \$11,192,913) 3.1% | | 11,192,913 |
| Total Investments (Cost - \$553,591,176*) 163.1% | | 597,915,767 |
| Other Assets Less Liabilities 1.3% | | 4,747,435 |
| Liability for TOB Trust Certificates, Including Interest Expense and Fees Payable (23.1%) | | (84,676,149) |
| VMTP Shares, at Liquidation Value (41.3%) | | (151,300,000) |
| Net Assets Applicable to Common Shares 100.0% | | \$ 366,687,053 |

* As of May 31, 2012, gross unrealized appreciation and gross unrealized depreciation based on cost for federal income tax purposes were as follows:

| | |
|-------------------------------|----------------|
| Tax cost | \$ 468,008,437 |
| Gross unrealized appreciation | \$ 50,189,738 |
| Gross unrealized depreciation | (4,922,480) |
| Net unrealized appreciation | \$ 45,267,258 |

- (a) Represents a zero-coupon bond. Rate shown reflects the current yield as of report date.
- (b) Issuer filed for bankruptcy and/or is in default of principal and/or interest payments.
- (c) Non-income producing security.
- (d) Security represents a beneficial interest in a trust. The collateral deposited into the trust is federally tax-exempt revenue bonds issued by various state or local governments, or their respective agencies or authorities. The security is subject to remarketing prior to its stated maturity.
- (e) Security exempt from registration pursuant to Rule 144A under the Securities Act of 1933, as amended. These securities may be resold in transactions exempt from registration to qualified institutional investors.
- (f) Variable rate security. Rate shown is as of report date.
- (g) US government securities, held in escrow, are used to pay interest on this security, as well as to retire the bond in full at the date indicated, typically at a premium to par.

Schedule of Investments (continued)

BlackRock Municipal Income Trust II (BLE)

- (h) Securities represent bonds transferred to a TOB in exchange for which the Trust acquired residual interest certificates. These securities serve as collateral in a financing transaction.
- (i) Investments in companies considered to be an affiliate of the Trust during the period, for purposes of Section 2(a)(3) of the Investment Company Act of 1940, as amended, were as follows:

| Affiliate | Shares Held at August 31, 2011 | Net Activity | Shares Held at May 31, 2012 | Income |
|---|---|-----------------|--------------------------------------|----------|
| FFI Institutional Tax-Exempt Fund | 11,840,465 | (647,552) | 11,192,913 | \$ 1,712 |

- (j) Represents the current yield as of report date.

Portfolio Abbreviations

To simplify the listings of portfolio holdings in the Schedule of Investments, the names and descriptions of many of the securities have been abbreviated according to the following list:

| | |
|-------|---|
| AGC | Assured Guaranty Corp. |
| AGM | Assured Guaranty Municipal Corp. |
| AMBAC | American Municipal Bond Assurance Corp. |
| AMT | Alternative Minimum Tax (subject to) |
| CAB | Capital Appreciation Bonds |
| EDA | Economic Development Authority |
| EDC | Economic Development Corp. |
| ERB | Education Revenue Bonds |
| GO | General Obligation Bonds |
| HFA | Housing Finance Agency |
| NPFGC | National Public Finance Guarantee Corp. |
| RB | Revenue Bonds |
| SAN | State Aid Notes |

Financial futures contracts sold as of May 31, 2012 were as follows:

| Contracts | Issue | Exchange | Expiration | Notional Value | Unrealized Depreciation |
|-----------|--------------------------------|------------------------------|-------------------|-------------------|----------------------------|
| 105 | 10-Year US Treasury Note | Chicago Board of Trade | September 2012 | \$ 14,063,438 | \$ (123,246) |

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Fair Value Measurements - Various inputs are used in determining the fair value of investments and derivative financial instruments. These inputs are categorized into a disclosure hierarchy consisting of three broad levels for financial reporting purposes as follows:

Level 1 unadjusted price quotations in active markets/exchanges for identical assets and liabilities

Level 2 other observable inputs (including, but not limited to: quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, prepayment speeds, loss severities, credit risks and default rates) or other market-corroborated inputs)

Level 3 unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available (including the Trust's own assumptions used in determining the fair value of investments and derivative financial instruments)

Changes in valuation techniques may result in transfers into or out of an assigned level within the disclosure hierarchy. In accordance with the Trust's policy, transfers between different levels of the fair value disclosure hierarchy are deemed to have occurred as of the beginning of the reporting period. The categorization of a value determined for investments and derivative financial instruments is based on the pricing transparency of the investment and derivative financial instruments and is not necessarily an indication of the risks associated with investing in those securities. For information about the Trust's policy regarding valuation of investments and derivative financial instruments and other significant accounting policies, please refer to the Trust's most recent financial statements as contained in its semi-annual report.

The following tables summarize the inputs used as of May 31, 2012 in determining the fair valuation of the Trust's investments and derivative financial instruments:

| Valuation Inputs | Level 1 | Level 2 | Level 3 | Total |
|------------------------------------|----------------------|-----------------------|---------|-----------------------|
| Assets: | | | | |
| Investments: | | | | |
| Long-Term Investments ¹ | | \$ 586,722,854 | | \$ 586,722,854 |
| Short-Term Securities | \$ 11,192,913 | | | 11,192,913 |
| Total | \$ 11,192,913 | \$ 586,722,854 | | \$ 597,915,767 |

¹ See above Schedule of Investments for values in each state or political subdivision.

| Valuation Inputs | Level 1 | Level 2 | Level 3 | Total |
|---|--------------|---------|---------|--------------|
| Derivative Financial Instruments ² | | | | |
| Interest rate contracts | \$ (123,246) | | | \$ (123,246) |

² Derivative financial instruments are financial futures contracts, which are valued at the unrealized appreciation/depreciation on the instrument.

Schedule of Investments (concluded)

BlackRock Municipal Income Trust II (BLE)

Certain of the Trust's assets and liabilities are held at carrying amount, which approximates fair value for financial reporting purposes. As of May 31, 2012, such assets and liabilities are categorized within the disclosure hierarchy as follows:

| Valuation Inputs | Level 1 | Level 2 | Level 3 | Total |
|--|------------|------------------|---------|------------------|
| Assets: | | | | |
| Cash pledged as collateral for financial futures contracts | \$ 278,000 | | | \$ 278,000 |
| Liabilities: | | | | |
| TOB trust certificates | | \$ (84,640,072) | | (84,640,072) |
| VMTP shares | | (151,300,000) | | (151,300,000) |
| Total | \$ 278,000 | \$ (235,940,072) | | \$ (235,662,072) |

There were no transfers between levels during the period ended May 31, 2012.

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Item 2 – Controls and Procedures

- 2(a) – The registrant’s principal executive and principal financial officers, or persons performing similar functions, have concluded that the registrant’s disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940, as amended (the “1940 Act”)) are effective as of a date within 90 days of the filing of this report based on the evaluation of these controls and procedures required by Rule 30a-3(b) under the 1940 Act and Rule 13a-15(b) under the Securities Exchange Act of 1934, as amended.
- 2(b) – There were no changes in the registrant’s internal control over financial reporting (as defined in Rule 30a-3(d) under the 1940 Act) that occurred during the registrant’s last fiscal quarter that have materially affected, or are reasonably likely to materially affect, the registrant’s internal control over financial reporting.

Item 3 – Exhibits

Certifications – Attached hereto

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

BlackRock Municipal Income Trust II

By: /s/ John M. Perlowski
John M. Perlowski
Chief Executive Officer (principal executive officer) of
BlackRock Municipal Income Trust II

Date: July 25, 2012

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By: /s/ John M. Perlowski
John M. Perlowski
Chief Executive Officer (principal executive officer) of
BlackRock Municipal Income Trust II

Date: July 25, 2012

By: /s/ Neal J. Andrews
Neal J. Andrews
Chief Financial Officer (principal financial officer) of
BlackRock Municipal Income Trust II

Date: July 25, 2012

