

# **Bond Case Briefs**

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## **California Schedules \$2.5 Billion Tax-Exempt Bond Offering.**

California is planning to sell \$2.5 billion of tax-exempt general obligation bonds later this month, the state's second largest offering this year.

Proceeds from the sale will be used to finance voter-approved projects, pay down outstanding commercial paper and refund outstanding general obligation bonds, according to ratings documents provided by Fitch Ratings, which scores the debt AA.

The bonds will price in a negotiated sale on Aug. 27. Bank of America Corp. and Barclays PLC. are joint senior managers.

New sales of tax-exempt bonds in California have been gobbled up by buyers looking to shield income from the state's high taxes and to lock in yields before anticipated rate cuts by the Federal Reserve later this year. California, home to more billionaires than any other state and hundreds of thousands of millionaires, levies a rate of at least 13.3% on its highest earners.

The desire for tax-advantaged investments means California bond deals can sell at yields lower than AAA-rated benchmark muni securities. The Trustees of the California State University sold \$671 million of tax-exempt bonds on Aug 5 with yields as much as 26 basis points below that benchmark, according to data compiled by Bloomberg.

California State Treasurer Fiona Ma is planning at least [another six municipal bond offerings](#) in 2024, including two in September intended to beef up services for veterans, according to a press release published by the treasurer's office.

### **Bloomberg Markets**

By Maxwell Adler

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