

# **Bond Case Briefs**

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## **Municipal-Bond Market Inches Closer to \$5 Trillion With a Record Quarter.**

### **Takeaways**

- State and local governments have sold \$153 billion of new debt in the second quarter, a record pace, to fund projects.
- The surge in municipal-bond sales is driven by factors including increased construction costs, steady interest rates, and potential future federal policy changes.
- The influx of new debt has given investors the opportunity to be “choosier” and pick and choose the best bonds for their portfolios.

Municipal-bond bankers have been extra busy this year as state and local governments rush to borrow at a record pace to fund projects.

State and local governments have sold \$153 billion of new debt in the second quarter, already the biggest ever with just four trading days left in the period, according to data compiled by Bloomberg. That has lifted 2025 sales to more than \$271 billion, a 21% increase over last year’s volume.

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### **Bloomberg Markets**

By Danielle Moran and Shruti Singh

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