

Bond Case Briefs

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Texas' Property Tax Infrastructure Districts: Ongoing Growth Contributes To Credit Stability Despite Concerns Over Low Oil Prices.

We recently affirmed our ratings on 116 unlimited property tax infrastructure districts in Texas. The primary purpose of these districts is utility service or infrastructure provision; they are usually created at the request of real estate developers seeking to benefit from tax-exempt financing of infrastructure improvements to serve future development. The sector has seemingly demonstrated favorable credit quality over the past four years, and we expect continued credit stability for the foreseeable future despite concerns over the impact of currently low oil prices. The energy sector, which has historically been the state's predominant industry, helped to insulate Texas from the effects of the national economic downturn and has more recently contributed to its recent growth. However, we have seen recent growth and diversification in other sectors, including Houston's medical industry and Austin's technology sector.

The full S&P report is available for purchase [here](#).