

Bond Case Briefs

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State of Georgia: Fitch New Issue Report

Revenue Framework: 'aaa': Georgia's revenues, primarily comprising income and sales taxes, will continue to reflect the breadth of the economy and its solid long-term growth potential. The state has complete control over its revenues, with an essentially unlimited legal ability to raise operating revenues as needed, despite constitutional limitations on the individual income tax rate. Expenditure Framework: 'aaa': Consistent with most states, expenditure growth in Georgia is likely to marginally exceed revenue growth over time. Carrying costs for long-term liabilities are low but slightly above average for a U.S. state. Georgia retains broad expense-cutting ability. Medicaid is a key expense driver, but Fitch expects the state will continue to successfully manage it to contain expense growth. Long-Term Liability Burden: 'aaa': Georgia's long-term liability burden is low, and overall debt management is conservative. The state regularly issues bonds for capital needs and principal amortization is rapid. Georgia fully funds its actuarially determined contributions (ADCs) for pensions supporting a modest net pension liability (NPL) burden.

ACCESS REPORT

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