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State of Missouri: Fitch New Issue Report

The 'AA+' rating on the mega projects bonds primarily reflects the state's annual appropriation pledge, as evidenced by the financing agreement entered into between MHTC and the state. The 'AAA' ratings on the MHTC's outstanding first lien, second lien, and third lien state road bonds reflect the security structure's very strong resilience driven by improving debt service coverage (despite limited growth prospects) and MHTC's debt management policy limiting future leverage. Fitch Ratings expects resiliency to remain very high even as debt servicing costs increase in the short term. Policy actions taken by the state of Missouri to raise its statewide motor fuels tax, a key component of pledged revenues, ensure strong near-term coverage. Fitch's analysis on bonds of the first four liens focuses primarily on SRF revenues, which are not subject to annual legislative appropriation.

ACCESS REPORT

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