

Bond Case Briefs

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New York City, New York: Fitch New Issue Report

Revenue Framework: 'aa': New York City has a highly diverse revenue base that is resilient to changes in economic conditions. Fitch expects revenue growth to range between the long-term inflation rate and U.S. GDP growth, with a return to at least pre-pandemic levels of personal and corporate income tax revenues and continued strength in residential real estate values offset by pressure on commercial growth in the medium term. The city has solid independent legal ability to adjust property tax rates and a variety of fees and charges to offset the modest revenue declines expected in a typical economic downturn. Rates for other important revenue sources (mainly income and sales taxes and state aid) are not within management's independent control. Expenditure Framework: 'a': Carrying costs are moderate, typically about 20% of governmental funds spending. Other than education-related employees, most labor contracts are subject to binding arbitration; however, the city has demonstrated adequate expenditure flexibility primarily through its control over employee headcount. Fitch expects long-term spending patterns to be above revenue growth when excluding policy actions.

ACCESS REPORT

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