Bond Case Briefs

Municipal Finance Law Since 1971

- NFMA Introduction to Municipal Bond Credit Analysis.
- Coming Up: NFMA Advanced Seminar on High Yield Bonds
- S&P Sustainability Insights: The Credit Materiality Of Physical Climate Risks Is Uneven Across Asset Classes
- S&P U.S. Mortgage Revenue Bond Program Medians: Credit Stability Reinforced By Strong Management During Program Expansion
- MSRB Board of Directors Holds First Quarterly Meeting of FY 2026.
- Report Ranks Every State's Debt, from California's \$497 billion to South Dakota's \$2 billion.
- And Finally, Ye Olde Taxable Munis is brought to us this week by <u>Colonial Williamsburg</u> <u>Foundation Enters Taxable Muni Market</u>, in which we learn that the dreaded destination of every middle-school field trip in the Mid-Atlantic region has, for the first time, entered the muni market. Given the commitment to period authenticity, why not join the fun? Set up shop next to the blacksmith and get to work. Entire deal team in colonial garb, including those silly triceratops hats. Parchment. Ink wells. Quills. (Maybe a witch burning, just for fun?) And forget about EMMA (Unless, that is, you're referring to Emma the blacksmith's daughter.) Town Crier. Hear ye! Hear ye! By order of His Majesty Allen Greenspan...

OPEN MEETINGS - CALIFORNIA

Berkeley People's Alliance v. City of Berkeley

Court of Appeal, First District, California. - September 30, 2025 - Cal.Rptr.3d - 2025 WL 2787867 - 2025 Daily Journal D.A.R. 9405

Citizens' group brought action against city council members alleging violations of the Brown Act's open meeting requirements.

The Superior Court, Alameda County, sustained members' demurrer without leave to amend. Group appealed.

The Court of Appeal held that city council's conduct did not fall within exception to Brown Act allowing them to order meeting room cleared and continue in session.

City council's conduct in recessing meeting and reconvening it in another room without members of the public who were attending the meeting did not comply with exception to Brown Act's open meeting requirements allowing members of a legislative body to order meeting room "cleared and continue in session" in event of disorderly conduct of the general public.

ZONING & PLANNING - CALIFORNIA

New Commune DTLA LLC v. City of Redondo Beach

Court of Appeal, Second District, California. - October 10, 2025 - Cal.Rptr.3d - 2025 WL 2886322

Developers brought action against charter city, challenging city's housing element and seeking writ of mandate and declaratory relief.

The Superior Court, Los Angeles County denied developers' petition and complaint. Developers appealed.

The Court of Appeal held that:

- City's residential overlay zone permitting construction of housing on sites otherwise zoned for commercial and industrial use was subject to mandatory minimum density requirements under Housing Element Law;
- Overlay zone failed to comply with statutory requirements;
- Presumption of validity for housing element was rebutted by failure of overlay zone;
- Substantial evidence supported city's identification of parking lot as site that could accommodate 486 lower income housing units; but
- Substantial evidence did not support city's determination that existing use of other parking lot would be discontinued or not impede development of 175 housing units.

STATUTE OF LIMITATIONS - GEORGIA

Villeda v. City of Morven

Court of Appeals of Georgia - October 14, 2025 - S.E.2d - 2025 WL 2910472

Personal-injury plaintiff brought action against city, alleging city was liable for his injuries.

The trial court granted city's motion to dismiss, holding that plaintiff did not comply with statutory requirements for service of an ante litem notice against city because the notice was addressed to city's former mayor rather than its current mayor. Plaintiff appealed.

The Court of Appeals held that service of ante litem notice to city's former mayor, instead of current mayor, was statutorily sufficient.

Personal-injury plaintiff's service of ante litem notice to city's former mayor, instead of current mayor, was sufficient under statute governing claims for money damages against municipal corporations on account of injuries to person or property; even if notice was addressed to post office box rather than street address, included name of former mayor, and referred to title of "mayor" rather than office of "mayor" on the envelope, and was signed for by a person other than the mayor, notice was addressed to formal office of mayor and delivered to the office where the mayor worked.

UTILITY FEES - GEORGIA

Homewood Associates, Inc. v. Unified Government of Athens-Clarke County Supreme Court of Georgia - October 15, 2025 - S.E.2d - 2025 WL 2919059

County government brought action against property owner in the Magistrate Court, Athens-Clarke County, to recover delinquent stormwater utility charges and property owner counterclaimed for declaratory judgment and injunctive relief.

After transfer to Superior Court, property owner and other owners of developed property in the county filed separate complaint for damages and declaratory and injunctive relief against county

government alleging that the stormwater utility charge violated their rights under the taxation uniformity provision of the state constitution and the Takings Clause of the Fifth Amendment.

On the parties' joint motion, the actions were consolidated. The Superior Court granted county government's motion for summary judgment and denied property owners' motion for partial summary judgment. Property owners appealed.

The Supreme Court held that:

- Supreme Court would decline to overrule its prior holding that county's stormwater utility charge was a fee rather than a tax, and
- Stormwater utility charge did not violate property owners' rights under the Fifth Amendment's Takings Clause.

Supreme Court would decline to overrule its prior holding that county's stormwater utility charge was a fee rather than a tax subject to state constitution's taxation uniformity provision, even if some members of Court had doubt as to the correctness of its analysis; prior holding, which involved the same stormwater utility charge and some of the same parties, implicated strong reliance interests, and holding was not so clearly wrong that considerations of correctness outweighed other stare decisis considerations.

ANNEXATION - GEORGIA

Pilato v. State

Supreme Court of Georgia - October 15, 2025 - S.E.2d - 2025 WL 2918741

City and residents whose property was annexed by city brought action against State, challenging law providing that when corporate limits of city are extended by annexation into the boundaries of county school district, the boundaries of city school district shall not be extended to be coextensive therewith, as violating state constitution's Single Subject Rule.

The Superior Court granted motion to intervene filed by county school district, denied motions to dismiss filed by district and State, granted plaintiffs' motion for declaratory judgment and permanent injunction, and denied plaintiffs' request for default judgment against State. State and district appealed and plaintiffs cross-appealed.

The Supreme Court held that plaintiffs failed to establish an actual controversy sufficient to reach merits of their claims for declaratory judgment.

City and residents whose property was annexed by city failed to establish an actual controversy sufficient to reach merits of their declaratory judgment claims, in action against State, challenging law providing that boundaries of city school district would not be extended to be coextensive with extended city limits, as violating state constitution's Single Subject Rule; plaintiffs asserted that decision of city school district declining to enroll residents' children, not any enforcement action of the State, resulted in the alleged infringement of rights about which they complained, and thus a decision as to whether challenged law was constitutional would not resolve the disputed rights they asserted as the basis for their action.

In re Appointment to Fill Vacancy in Office of County Commissioner

Supreme Court of Pennsylvania - October 20, 2025 - A.3d - 2025 WL 2952835

County commissioner filed petition challenging procedures set forth in county home rule charter for filling vacancy on county board of commissioners.

A three-judge panel of the Court of Common Pleas denied petition, and commissioner appealed. The Commonwealth Court affirmed. Commissioner's petition for review was granted in part.

The Supreme Court held that:

- Procedure set forth in county home rule charter for filling vacancy on county board of commissioners did not conflict with Supreme Court rule, and
- Charter did not impermissibly intrude on Supreme Court's powers to regulate procedure and supervise judiciary.

Procedure set forth in county home rule charter for filling vacancy on county board of commissioners did not conflict with Supreme Court rule setting forth procedures for court of common pleas to follow when filling vacancy in elected office pursuant to statutory duty, and thus rule—as law of state-wide application—did not override charter, even though charter required court to choose from three candidates identified by executive committee of appropriate political party, and rule required court to receive applications from "any interested candidates"; both required appointment of member of same political party as vacating commissioner, and rule did not purport to be exclusive, but instead reflected desire to be sufficiently flexible to accommodate many different triggering statutes.

Procedure set forth in county home rule charter for filling vacancy on county board of commissioners did not impermissibly intrude on Supreme Court's powers to regulate procedure and supervise judiciary, even if charter conflicted with Supreme Court rule setting forth procedures for court of common pleas to follow when filling vacancy in elected office pursuant to statutory duty; state constitution provided that procedure for filling vacancies in elected county offices was, at its core, legislative, not judicial, function.

The States' Perilous Addiction to Money From Washington.

Federal funding is a bigger share of state budgets than ever. It comes with too many strings and strictures that choke off efficiency and innovation, and it threatens democratic self-governance.

In 1998, Louisiana's legislature added a sovereignty clause to the state's constitution that promises its citizens "the sole and exclusive right of governing themselves as a free and sovereign state." The constitutions of New Hampshire and Montana, among others, have long contained the same phrasing. Mississippi's constitution similarly asserts that "the people of this state have the inherent, sole, and exclusive right to regulate the internal government and police thereof." Rhode Island's constitution boasts a localist variant, confirming "to the people of every city and town in this state the right of self-government in all local matters."

Such claims of autonomy notwithstanding, each of these states depends on federal agencies for over 40 percent of its annual revenue. Louisiana, so freshly drawn to the sovereignty clause, leads the pack at a whopping 52 percent dependency on federal funds. According to the latest Census Bureau

data, Louisiana, along with 22 other states, is more reliant on federal dollars now than during the height of COVID-19 lockdowns.

Continue reading.

governing.com

OPINION | October 24, 2025 • Tony Woodlief

S&P Sustainability Insights: The Credit Materiality Of Physical Climate Risks Is Uneven Across Asset Classes

Key Takeaways

- Since April 1, 2020, less than 1% of our rating actions globally have stemmed from physical climate risks, indicating that such risks have not widely altered the creditworthiness of rated entities.
- That said, some sectors are more vulnerable to such credit risks based on the fixed location of economic bases or assets such as governments and infrastructure (utilities and transportation).
- Furthermore, in a scenario where extreme weather events become more frequent or severe, limitations on insurance coverage arise, authorities reduce capacity to finance disaster recovery, and rebuilding costs rise, physical climate risks could become more uniformly material to credit ratings.
- We believe that, in general, forward planning and adaptation to climate change could preserve economic bases in the long term, although emerging markets will likely remain the most exposed due to difficulty in funding and preparing for the impacts of physical climate risks.

Continue reading.

Free Registration Required.

23-Oct-2025 | 14:03 EDT

Fitch: Not-for-Profit Hospital Liquidity Strength Limits Market Bubble Risk

Fitch Ratings-Chicago/Austin/New York-23 October 2025: A sharp equity market correction would cause a drop in liquidity for Fitch-rated U.S. not-for-profit (NFP) hospitals as investment income comprises a growing share of hospitals' liquidity positions and revenue, Fitch Ratings says. Nevertheless, we believe credit effects would be limited, as hospitals in our rated portfolio maintain substantial unrestricted liquidity despite significant operating pressures over the past few years.

To evaluate this risk, Fitch assesses a hospital's financial resilience to economic/market cycles using its Portfolio Analysis Model (PAM). The model applies stresses tailored to the size and allocation of a hospital's investment portfolio to estimate stressed portfolio value changes over five years. A decline in value primarily reduces liquidity and increases leverage metrics.

Based on the PAM result, Fitch evaluates available liquid resources, operating cash flow capacity to

bridge a market downturn, and the ability to adjust capital spending. Ratings should generally be able to withstand the PAM stress case, which reflects normal cyclical changes in valuations. Ratings can become pressured if actual declines are materially worse or more prolonged than the stress case, or if PAM-level declines coincide with already thin liquidity, softer operating cash flow and/or outsized capital programs.

Continue reading.

Fitch U.S. Public Finance: 2025 Rating Actions to 24 October

This is the U.S. Public Finance Rating Action Report 2025 Year to Date (1 January to 24 October).

Access Report

Sun 26 Oct, 2025 - 11:25 PM ET

U.S. Public Finance Default and Distress Analysis: Fitch Special Report

Distress and default rates in Fitch Ratings' U.S. Public Finance (USPF) portfolio have been consistently lower than other rated sectors over the past two decades. The cumulative distress rate of 1% over the past two decades was the lowest among major market sectors rated by Fitch.

Access Report

Mon 20 Oct, 2025 - 5:47 PM ET

S&P U.S. Mortgage Revenue Bond Program Medians: Credit Stability Reinforced By Strong Management During Program Expansion

Key Takeaways

- S&P Global Ratings' median rating for all U.S. housing finance agency (HFA) mortgage revenue bond (MRB) programs in 2024 is 'AA+' with a stable outlook.
- The median minimum asset-to-liability (A/L) parity for all MRB programs was stable at 122% (compared with 123% in 2023) while median credit losses declined.
- Credit quality for single-family and multifamily MRB programs generally remained stable with slightly weaker characteristics driven by increased new loan originations.
- HFAs continue to face strong product demand, exhibited by record high issuance in 2024, reaching approximately \$47 billion, with year-to-date June 30, 2025, numbers indicating continued growth at \$24 billion. While we anticipate sustained issuance will reduce net parity after losses (NPAL) for MRB programs, we expect minimal impact on credit given current overcollateralization levels and strong program management.

Continue reading.

Free Registration Required.

23-Oct-2025 | 11:20 EDT

Report Ranks Every State's Debt, from California's \$497 billion to South Dakota's \$2 billion.

Study finds state governments have a total of \$2.7 trillion in debt, with 26 states exceeding \$20 billion in debt each and 10 states over \$70 billion.

State governments had \$2.7 trillion in debt at the end of 2023, a new Reason Foundation analysis finds. This state debt is equivalent to approximately \$8,000 per person nationally.

With \$497 billion in liabilities, California had the largest state government debt as of the end of the 2023 fiscal year, the most recent year for which complete data are available.

Four other state governments had more than \$200 billion in state debt: New York (\$233 billion), Illinois (\$223 billion), Texas (\$217 billion), and New Jersey (\$213 billion). Massachusetts had \$120 billion in state liabilities, followed by Connecticut, Washington, Pennsylvania and Florida.

Meanwhile, 10 states—South Dakota, Idaho, Nebraska, Montana, New Hampshire, Utah, Vermont, Rhode Island, Wyoming, and Maine—each had less than \$10 billion in debt at the end of 2023, according to Reason Foundation's State and Local Government Finance Report.

Continue reading.

reason.org

Mariana Trujillo

Managing Director

Jordan Campbell

Managing Director

October 23, 2025

World's Largest Retirement Community Taps Muni Market to Help Build More Homes.

The largest retirement community in the world is expanding even further with a nearly \$130 million high-yield debt deal.

The Villages, a 57,000-acre Floridian megaplex, already part of the fastest-growing metropolitan area in the US and on Thursday plans to tap municipal-bond investors to help finance a new development with more than 2,800 new homes.

The expansion is part of broader two-decade plan to capitalize on the aging American population and the appeal of a resort-like community among the Baby Boomer generation. The Villages — which has

been the subject of documentaries with titles like "The Bubble" and "Some Kind of Heaven" — expects to see the number of its residents boom by 60% to roughly 260,000 people by 2045.

Continue reading.

Bloomberg Markets

By Erin Hudson and Anna J Kaiser

October 22, 2025

Colonial Williamsburg Foundation Enters Taxable Muni Market.

Takeaways by Bloomberg AI

- Colonial Williamsburg is selling \$330 million of taxable bonds through a local agency.
- The bonds have been assigned an A+ rating by S&P Global Ratings, which says the foundation is poised to sustain growing attendance and fundraising progress.
- The foundation will use roughly \$310 million of the debt for refinancing purposes and \$20 million for capital improvements, including restoring existing Colonial-era structures and gardens.

Colonial Williamsburg, which describes itself as the world's largest living history museum, is coming to the municipal-bond market for its first public bond sale.

The Colonial Williamsburg Foundation, a nonprofit, maintains a 301-acre historical campus where visitors experience what life was like during the American Revolution. The foundation is selling \$330 million of taxable bonds through a local agency on Tuesday.

Continue reading.

Bloomberg Markets

By Aashna Shah

October 21, 2025

MSRB Board of Directors Holds First Quarterly Meeting of FY 2026.

Washington, D.C. - The Board of Directors of the Municipal Securities Rulemaking Board (MSRB) met on October 22-23, 2025, holding the first quarterly meeting of fiscal year 2026. MSRB reviewed certain retrospective rule review and rule modernization initiatives, discussed the modernization of the Electronic Municipal Market Access (EMMA®) website, among other topics, and celebrated 50 years of advancing its congressional mandate.

"Over the next fiscal year, I look forward to collaborating with MSRB Board members from across our industry, and the nation, who will continue to bring their deep market expertise and experience to our priorities and stakeholder engagement efforts," Board Chair Natasha A. Holiday said. "As a Board, we remain focused and deeply committed to the priorities that matter most to the market,

and I am confident that together with our stakeholders, MSRB can make America's communities stronger and more vibrant, one bond at a time."

Market Regulation

The Board approved filing a rule amendment with the SEC and received an update on upcoming market regulation activities, including MSRB's retrospective rule review. Specifically, the Board:

- Rule G-27: Discussed the approach to further phases of the dealer supervision retrospective rule review beyond the upcoming Request for Comment approved at the last Board meeting. The dealer supervision review is designed to explore avenues for providing additional flexibility for dealers to meet their supervisory obligations in a manner consistent with modern workplace practices without favoring any particular business model.
- Rule G-28: Approved the filing of an amendment with the SEC to harmonize MSRB requirements for dealer personnel engaging in municipal securities activities away from their own firm with FINRA's similar rule.
- Rule G-32: Discussed progress on addressing underwriter feedback on the submission process for primary offering data and documents through Form G-32, including upcoming near-term actions intended to clarify submission requirements and timeframes as well as consideration of potential longer-term approaches to simplifying the submission process and form content.
- Received updates on other areas of retrospective review and rulebook modernization designed to
 ensure that regulation of dealer and municipal advisor activities continue to provide fulsome
 protection to investors and issuers without hindering marketplace innovation and technological
 advancements.

Market Transparency and Market Structure

- Received an update on the modernization of EMMA and related market transparency systems.
- Received an update on upcoming municipal market research and recent municipal market activity, including record annual trade count and the growth of Alternative Trading Systems (ATSs), Separately Managed Accounts (SMAs) and exchange-traded funds (ETFs).

Prior to the Board meeting, MSRB celebrated 50 years of serving its congressional mandate by bringing the municipal securities industry together for an evening that recognized the power of municipal bonds in shaping and strengthening America's communities. Alongside fellow regulators and industry leaders, MSRB welcomed remarks from SEC Chairman Paul Atkins and Congressional Municipal Finance Caucus co-chairs Rep. Terri Sewell (D-AL) and Rep. Rudy Yakym (R-IN).

"MSRB was proud to recognize our 50th anniversary milestone together with the industry, fellow regulators and policymakers," MSRB CEO Mark Kim said. "Partnering with our stakeholders, we look forward to the next 50 years of advancing our mission to protect investors, issuers and the public interest, while fostering efficiency, competition and capital formation in the municipal securities market."

Date: October 23, 2025

Contact:

Aleis Stokes, Chief External Relations Officer 202-838-1500 astokes@msrb.org

NFMA Introduction to Municipal Bond Credit Analysis.

The NFMA is accepting registrations for the 2025 Introduction to Municipal Bond Credit Analysis to be held **November 13 & 14** in Philadelphia.

To view the program, click here.

To register, click here.

National Federation of Municipal Analysts

Coming Up: NFMA Advanced Seminar on High Yield Bonds

The NFMA will meet at the Vdara Hotel & Spa on **January 22 and 23, 2026** to discuss high yield securities.

Save the dates and watch for registration to open in early November.

Chicago Bears Leave Behind \$356 Million Stadium Debt as They Ditch City.

For Chicago, it was bad enough that the Bears are planning to abandon the town they've called home for more than a century.

But on top of that, the National Football League team's move will leave behind an unwanted legacy: \$356 million of debt left over from sprucing up Soldier Field, the 101-year-old stadium that the Bears' owners want to ditch for a new one in the suburbs about 30 miles away.

The debt for that rehab, which was finished in 2003, was supposed to be covered by a hotel-room tax placed on visitors. But since the pandemic dealt tourism a hit, the city has been forced to step in with its own revenue — creating a dynamic that's threatening to siphon off tens of millions of dollars as the payments spike until the last of the bonds come due in 2032, when the stadium's marquee tenant hopes to be long gone.

Continue reading.

Bloomberg CityLab

By Shruti Singh

October 23, 2025

Wealthy New Jersey Suburb Cuts Over 100 School Jobs on Shortfall.

Takeaways by Bloomberg AI

- Montclair Public Schools is cutting staff and considering a property tax hike to address a nearly \$20 million surprise budget hole.
- The district terminated or eliminated the position of 103 employees, with the cuts being driven by a mismatch in expenses and revenue, including escalating transportation costs and unbudgeted healthcare expenses.
- The district is holding a special election in December to ask residents to approve tax increases, including a one-time increase and a permanent tax hike, to cover deficits and potentially reinstate some positions.

Continue reading.

Bloomberg Markets

By Erin Hudson

October 24, 2025

Florida Governor Rejects House's Property Tax Reform Amendments.

While House Republicans filed measures to eliminate non-school property taxes, DeSantis argues that placing multiple measures on the ballot undermines any substantive reform.

A week after Republican members of the Florida House offered <u>seven proposed constitutional</u> <u>amendments</u> to address property tax reform on the 2026 ballot, Gov. Ron DeSantis has dismissed all of them, saying they reflect a lack of seriousness from the chamber.

"Placing more than one property tax measure on the ballot represents an attempt to kill anything on property taxes," DeSantis <u>said</u> in his first comments since the proposals were unveiled in a message on his X account on Wednesday night. "It's a political game, not a serious attempt to get it done for the people."

In dismissing the proposals so cavalierly, the governor indicated he is still willing to play hardball with House Republicans, with whom he feuded often during the regular 2025 legislative session earlier this year.

Continue reading.

governing.com

Oct. 24, 2025 • Mitch Perry, Florida Phoenix

Procurement AI Tech Provider Starbridge Raises \$42M.

The company gathers procurement data and signals from agencies and turns them into action for sellers of public-sector technology. The investment is just the latest bet on AI for local and state government.

Starbridge, a relative newcomer to government technology that uses AI for procurement, has raised

\$42 million.

Craft Ventures led the Series A funding round, which follows \$10 million in seed funding earlier this year.

The investment reflects <u>yet another bet</u>, amid speculation of a market bubble, that artificial intelligence will boost public-sector operations while providing profitable returns.

Continue reading

govtech.com

October 24, 2025 • News Staff

Payment Tech Firm Government Window Wins PE Backing.

The Georgia-based firm, looking to expand, has won a "strategic investment" from Riata Capital Group. The move comes as more public agencies beef up their payment offerings for taxes, permitting and other transactions.

<u>Government Window</u>, a Georgia-based company that sells payments software to local and state government, has received a "strategic investment" from <u>Riata Capital Group</u>, a Dallas-based private equity firm.

Terms were not disclosed.

The investment will go toward geographic expansion for Government Window, along with what a statement calls "the continued buildout of its leading payments software platform."

Continue reading.

govtech.com

October 20, 2025 • News Staff

Industry Looks Boldly Toward the Future as Low Income Housing Tax Credit Bond Financing Threshold Requirements are Halved

For years, housing advocates have sought tweaks to the Low Income Housing Tax Credit program that intend to bolster the number of affordable units produced each year.

Recently, those advocates succeeded in their efforts, as two essential changes were codified as part of the sprawling One Big Beautiful Bill Act (H.R. 1), signed into law early last month.

The first is important, and increases the annual amount of nine percent credits by 12 percent (indexed for inflation moving forward).

Continue reading.

taxcreditadvisor.com

By Abram Mamet

August 18, 2025

Pennsylvania's State System of Higher Education: Fitch New Issue Report

Fitch has upgraded PASSHE's Revenue Defensibility assessment to 'a' from 'bbb' due to stable enrollment and increased state support. The 'A+' IDR and bond ratings are supported by PASSHE's strong operating performance and effective management oversight.

Access Report

Mon 27 Oct, 2025 - 8:59 AM ET

Central Florida Tourism Oversight District: Fitch New Issue Report

The district's ratings were upgraded to 'A+' due to improved operating performance and strong revenue defensibility. Capital expenditure over the next three years is estimated at \$255 million, with significant investments in electric, chilled water, and wastewater systems.

Access Report

Mon 27 Oct, 2025 - 12:54 PM ET

TD Securities Unifies Municipal Business to Boost Efficiency.

TD Securities (TDS) has announced the integration of its Public Finance business, previously operating out of TD Securities (USA) LLC, into TD Financial Products.

"With all municipal business consolidated into one entity, we can now present a unified offering to our customers across all aspects of the municipal market, including public finance, voice trading, algorithmic trading, and structured products," said Matthew Schrager, Managing Director and Co-Head, Automated Trading, TDS.

"This integration will also enhance our capabilities within these areas through more seamless internal collaboration. For example, we can now apply the modeling that drives our algorithmic business to other aspects of the market, such as public finance or voice trading. For clients, this means stronger liquidity and an enhanced ability to meet their needs," he told Traders Magazine.

Continue reading.

tradersmagazine.com

By Anna Lyudvig

Catskills Casino \$561 Million Muni Deal Shelved Until 2026.

Takeaways by Bloomberg AI

- Genting Group's plan to sell hotel and non-casino assets at Resorts World Catskills has been put on hold until early January, delaying a \$561 million municipal bond sale.
- The transaction is being postponed because Genting Bhd has proposed buying out investors in its Genting Malaysia subsidiary and can't enter into other material transactions.
- Municipal bond investors are growing more cautious after deals like the Brightline high-speed rail project have run into trouble, and want more protection in deal structures.

Continue reading.

Bloomberg Markets

By Christopher Palmeri and Erin Hudson

October 22, 2025

Gravity Buying Cityspan To Build A Fully Integrated Fintech Platform for Governments.

Gravity, a leading disclosure and budgeting automation company for the public sector, has announced the acquisition of Cityspan, a provider of cloud-based grants management and performance measurement systems. The deal marks a major expansion in Gravity's mission to deliver an end-to-end financial management solution for governments, connecting budgeting, reporting, grants, and citizen engagement through a single unified platform.

Based in Tampa, Florida, Gravity has rapidly emerged as one of North America's fastest-growing technology providers in public finance. The acquisition of Cityspan adds robust grants lifecycle management tools to Gravity's product portfolio, strengthening its ability to serve federal, state, and local governments.

Cityspan's technology is widely used by major public agencies and supports the entire grants process, including applications, contracting, performance tracking, and outcome reporting. Its architecture will be fully integrated into the Gravity platform by mid-2026, complementing the company's growing suite of financial management tools that includes disclosure, budgeting, lease management, and debt management solutions.

For governments, the integration of Cityspan's capabilities into Gravity's technology stack means the ability to manage every part of the financial lifecycle through one comprehensive system. This unified experience enhances compliance, audit readiness, and transparency while freeing staff from repetitive administrative tasks. The combined offering will help public agencies connect financial decisions directly to outcomes, creating a clearer link between taxpayer resources and community impact.

Cityspan's grants and performance management tools will now operate alongside Gravity's recently launched AI-powered Disclosure Studio and Engagement Studio platforms. These next-generation products are designed to streamline complex financial processes, simplify public disclosures, and foster better communication between governments and citizens. Together, they advance Gravity's goal of transforming how governments handle financial data—moving from disconnected systems to an intelligent, integrated platform.

The acquisition also builds on Gravity's growing momentum in the civic technology space following its recent purchase of coUrbanize, a leading community engagement platform. With Cityspan's expertise and data-driven performance tools, Gravity is now positioned to lead a new era in government financial management, combining transparency, accountability, and operational efficiency.

KEY QUOTES:

"This acquisition represents a major step forward in our mission to provide governments with a comprehensive, connected financial management platform. Cityspan brings proven grants management technology that serves some of the nation's largest public agencies. By integrating their capabilities into our platform, we're enabling governments to manage the entire financial lifecycle – from grants and budgets to disclosures and community engagement – all in one place. We're excited to welcome the Cityspan team to Gravity and to continue investing in their success."

Tyler Davey, Chief Executive Officer, Gravity

"Data-driven transparency is transforming the way governments serve their communities. Integrating Cityspan's trusted grants and performance management technology with Gravity's innovative platform extends our shared commitment to open, accountable government. Together, we're empowering public agencies to turn data into impact, ensuring every program, budget, and report reflects the real needs of the communities they serve."

Mark Min, Chief Executive Officer, Cityspan

- <u>S&P Credit FAQ: How Global Ratings Assigns The Loss Coverage Score For U.S. Long-Term Municipal Pools</u>
- Municipal Bankruptcy: Avoiding and Using Chapter 9 in Times of Fiscal Stress Orrick
- Cyber Attack Ensnares \$4.3 Trillion Muni Market's Key Site.
- Barclays Sees Muni 'Space Bonds' Becoming \$25 Billion Market.
- <u>Alliance San Diego v. California Taxpayers Action Network</u> Court of Appeal holds that special fund doctrine applied to exempt city's bond resolutions related to voters' ballot measure for hotel tax increase to fund expansion of city's convention center, address homelessness, and repair streets from requirement under State Constitution and city charter of assent of two-thirds of voters for general obligation bonds; bonds related to measure would not be "general obligation bonds," since resolutions did not obligate city to make payments on bonds out of its general funds or any funds other than the special tax funds established by measure.
- And Finally, Lawyers Make For Terrible Songwriters is brought to us this week by <u>Reno Real Estate Development, LLC v. Scenic Nevada, Inc.</u>, in which the reference to Reno conjured up for Your Editor memories of the Johnny Cash classic, Folsom Prison Blues. In the song, Mr. Cash was imprisoned for the crime of shooting a man in Reno, NV. The motive provided by Mr. Cash was, 'Just to watch him die.' Bit callous, that. Not a good look at sentencing. So why is he serving time

in Folsom Prison, which is located in California? Perhaps the verses dealing with the jurisdictional issues were inadvertently omitted from the final version of the song. In related news, We regret to inform you that we are presently unable to procure the contractually-stipulated quantities of satisfaction using reasonable commercial efforts.

BOND VALIDATION - CALIFORNIA

Alliance San Diego v. California Taxpayers Action Network

Court of Appeal, Fourth District, Division 1, California - October 3, 2025 - Cal.Rptr.3d - 2025 WL 2813618

Taxpayer advocacy organizations filed petition for writ of mandate and a reverse validation complaint, seeking determination that city's resolution declaring that a voters' ballot measure for hotel tax increase to fund expansion of city's convention center, address homelessness, and repair streets had passed was invalid.

City then filed a validation action seeking determinations that its resolution and related bond resolutions were valid. After consolidation, the Superior Court, San Diego County, granted organizations' motion for judgment on the pleadings. City appealed. The Court of Appeal reversed and remanded. After a bench trial, the Superior Court entered judgment for city. Organizations appealed.

The Court of Appeal held that:

- Trial court had subject matter jurisdiction over city's validation action;
- Validation action was ripe for adjudication;
- Special fund doctrine applied to exempt bond resolutions from two-thirds vote requirement for general obligation bonds;
- Measure was a citizens' initiative that required only a simple majority vote to pass;
- City did not have substantial control over measure that would preclude measure from being a citizens' initiative;
- Statements in newspaper articles were not admissible under hearsay exception for admissions by a party-opponent; and
- Any error in exclusion of hearsay statements in newspaper articles was harmless.

Trial court had subject matter jurisdiction over city's validation action seeking determinations of the validity of its resolution declaring that a voters' measure imposing hotel tax increase to fund expansion of city's convention center, address homelessness, and repair streets had passed and the validity of related bond resolutions, even though there were no specific bonds ready to be issued pursuant to measure or additional resolutions authorizing issuance of bonds based on provisions of measure; resolutions expressly authorized and approved preliminary steps necessary for, and therefore were inextricably bound up with, the ultimate issuance of specific bonds.

City's validation action seeking determinations of the validity of its resolution declaring that a voters' ballot measure imposing hotel tax increase to fund expansion of city's convention center, address homelessness, and repair streets had passed and the validity of related bond resolutions presented a dispute that was sufficiently concrete to be ripe for adjudication, even though city had not authorized or approved issuance of any existing bonds, where city passed other resolutions expressly authorizing and approving issuance and sale of bonds pursuant to provisions of measure.

City would suffer a hardship from the withholding of jurisdiction, and thus the second prong of

ripeness doctrine was satisfied for city's validation action seeking determinations of the validity of its resolution declaring that a voters' ballot measure imposing hotel tax increase to fund expansion of city's convention center, address homelessness, and repair streets had passed and the validity of related bond resolutions; measure's programs and projects depended on bond revenues to be repaid by the special taxes imposed by measure, and if trial court did not adjudicate validation action, city might not have been able to proceed toward issuance of bonds for those programs and projects or their issuance at reasonable interest rates due to possibility of future litigation causing a chilling effect on third-party lenders.

Special fund doctrine applied to exempt city's bond resolutions related to voters' ballot measure for hotel tax increase to fund expansion of city's convention center, address homelessness, and repair streets from requirement under State Constitution and city charter of assent of two-thirds of voters for general obligation bonds; bonds related to measure would not be "general obligation bonds," since resolutions did not obligate city to make payments on bonds out of its general funds or any funds other than the special tax funds established by measure.

Special fund doctrine, as an exception to state constitutional provision requiring assent of two-thirds of voters for a municipality to incur any indebtedness or liability exceeding in any year the income and revenue provided for such year, is not limited to obligations only of a specific agency that would be benefited, as opposed to a special fund overseen by a local agency.

Mere fact of a city government official's involvement in a voter initiative imposing a special tax does not necessarily convert the voter initiative into a local government initiative that would need two-thirds supermajority vote to pass rather than a simple majority vote.

Hotel tax increase measure passed by voters to fund expansion of city's convention center, address homelessness, and repair streets was not a "city-sponsored ballot measure" but rather was a bona fide "citizens' initiative" that required only a simple majority vote to pass and not a two-thirds supermajority vote, where individual proponents of measure published a notice of intent to circulate an initiative petition, proponents filed notice with city clerk, and proponents subsequently submitted petitions signed by requisite number of city voters, and measure was thereafter placed on ballot for election and received 65.24 percent of the votes.

A local government entity or official's support of a citizens' initiative to adopt a special tax does not convert the citizens' initiative into a government-sponsored measure that would need two-thirds supermajority vote to pass rather than a simple majority vote.

City and nonprofit convention center corporation controlled by city did not have substantial control over a hotel tax increase measure passed by voters to fund expansion of convention center, address homelessness, and repair streets, and thus the measure qualified as a bona fide "citizens' initiative" that required only a simple majority vote to pass and not a two-thirds supermajority vote, even though one proponent of measure was both vice president of city's regional chamber of commerce that was primary sponsor of measure and a volunteer member of corporation's board, and another board member voted in favor of board resolution supporting measure; vice president did not openly cite her unpaid board membership as a proponent of measure, the voting board member was not involved in proposing measure, and corporation's only action was a resolution passed by board supporting measure.

Statements in newspaper articles purportedly showing involvement of board members of nonprofit convention center corporation controlled by city in sponsoring and/or supporting voters' ballot measure imposing hotel tax increase to fund expansion of city's convention center were not admissible under hearsay exception for admissions by a party-opponent, in city's validation action

seeking determinations of the validity of its resolution declaring that the measure had passed and the validity of related bond resolutions; neither member was a named party to the action, and their statements in articles were not authorized by a party to the action.

Statements that board members of nonprofit convention center corporation controlled by city made in newspaper articles were not admissible under hearsay exception for statements of a declarant's then existing mental or physical state, in city's validation action seeking determinations of the validity of its resolution declaring that a voters' ballot measure imposing hotel tax increase to fund expansion of city's convention center had passed and the validity of related bond resolutions, where proponent of statements did not show that members were unavailable to testify as witnesses or that the hearsay evidence was offered to prove or explain their conduct.

Statements that board members of nonprofit convention center corporation controlled by city made in newspaper articles were not admissible under hearsay exception for statements of a declarant's previously existing mental or physical state, in city's validation action seeking determinations of the validity of its resolution declaring that a voters' ballot measure imposing hotel tax increase to fund expansion of city's convention center had passed and the validity of related bond resolutions, where proponent of statements did not show that members were unavailable to testify as witnesses or that the hearsay evidence was offered to prove or explain their conduct.

Any error in trial court's exclusion of hearsay statements that board members of nonprofit convention center corporation controlled by city made in newspaper articles was harmless, in city's validation action seeking determinations of the validity of its resolution declaring that a voters' ballot measure imposing hotel tax increase to fund expansion of city's convention center had passed and the validity of related bond resolutions; there was no showing that it was reasonably probable that taxpayer advocacy organizations, as proponents of statements, would have received a more favorable result at trial had the error not occurred.

ZONING & PLANNING - CALIFORNIA

New Commune DTLA LLC v. City of Redondo Beach

Court of Appeal, Second District, California - October 10, 2025 - Cal.Rptr.3d - 2025 WL 2886322

Developers brought action against charter city, challenging city's housing element and seeking writ of mandate and declaratory relief.

The Superior Court denied developers' petition and complaint. Developers appealed.

The Court of Appeal held that:

- City's residential overlay zone permitting construction of housing on sites otherwise zoned for commercial and industrial use was subject to mandatory minimum density requirements under Housing Element Law;
- Overlay zone failed to comply with statutory requirements;
- Presumption of validity for housing element was rebutted by failure of overlay zone;
- Substantial evidence supported city's identification of parking lot as site that could accommodate 486 lower income housing units; but
- Substantial evidence did not support city's determination that existing use of other parking lot would be discontinued or not impede development of 175 housing units.

ZONING & PLANNING - NEVADA

Reno Real Estate Development, LLC v. Scenic Nevada, Inc.

Supreme Court of Nevada - October 16, 2025 - P.3d - 2025 WL 2936256 - 141 Nev. Adv. Op. 48

Scenic preservation organization petitioned for writ of mandamus and/or prohibition, challenging development agreement between city and developers for mixed-use entertainment area based on argument that area identification signs contemplated by agreement constituted billboards that violated city codes.

The District Court issued writ preventing city from issuing building permits for, and developers from erecting, two of three challenged signs. Parties filed cross-appeals.

The Supreme Court held that:

- Under city land use code, area identification signs existed independently from on-premises or offpremises advertising displays and thus did not need to meet the commercial interest requirement for advertising displays;
- City's classification of signs as "area identification signs" rather than advertising displays was not a manifest abuse of discretion;
- Organization did not have a beneficial interest in obtaining writ relief and thus did not have standing;
- Organization did not have standing on behalf of the public to challenge city's development agreement; and
- Organization's settlement agreement with city regarding billboards did not confer standing on organization to challenge development agreement.

OPEN MEETINGS - COLORADO

Sentinel Colorado v. Rodriguez

Supreme Court of Colorado - October 7, 2025 - P.3d - 2025 WL 2835119

Public-media corporation filed complaint against city records custodian seeking release of recording of city council executive session about censure charges against council member, alleging council committed Colorado Open Meetings Law (COML) violations at that executive session.

The District Court, upon reconsideration from initial order to release session recording, determined that COML violations were cured by a subsequent public city council meeting and ordered custodian not to release recording. Corporation appealed. The Court of Appeals reversed, but denied corporation's request for prevailing party attorney fees. Parties cross-petitioned for certiorari review, which petitions were granted.

The Supreme Court held that:

- As a matter of first impression, plain meaning of COML provision, along with legislative history, supported conclusion that corporations, including media organizations, are entitled to reasonable attorney fees when they are prevailing parties;
- City council did not waive attorney-client privilege by publishing special counsel's letter containing factual assertions; and

• Corporation was entitled to seek attorney fees related to litigation in Supreme Court and the court of appeals.

IMMUNITY - NEW YORK

Brown v. City of New York

Supreme Court, Appellate Division, Second Department, New York - October 8, 2025 - N.Y.S.3d - 2025 WL 2845341 - 2025 N.Y. Slip Op. 05493

Student, by his mother, brought action against city and other defendants to recover damages for injuries that student allegedly sustained when he attempted to do a cartwheel during gym class at school.

The Supreme Court, Kings County, granted defendants' motion for summary judgment dismissing the complaint. Student appealed.

The Supreme Court, Appellate Division, held that defendants were not liable for student's injuries.

IMMUNITY - OHIO

Durig v. Youngstown

Supreme Court of Ohio - October 16, 2025 - N.E.3d - 2025 WL 2933709 - 2023-Ohio-4719

Executor of motorcyclist's estate brought action against city and city employees, asserting claims for survivorship, wrongful death, and negligent, reckless, and/or wanton hiring, retention, training, or supervision that alleged motorcyclist sustained serious injuries from tree falling on him on city street, which led to his death.

The Court of Common Pleas denied executor's motion for partial summary judgment and denied city leave to amend its answer to assert political subdivision immunity defense. City appealed. The Court of Appeals affirmed. City appealed.

The Supreme Court held that:

- City's assertion of defense of failure to state a claim upon which relief can be granted in its answer did not preserve the defense of political-subdivision immunity, and
- Trial court's denial of city's motion for leave to amend its answer to assert defense of politicalsubdivision immunity was not an abuse of discretion.

Credit FAQ: How S&P Global Ratings Assigns The Loss Coverage Score For U.S. Long-Term Municipal Pools

S&P Global Ratings occasionally receives questions from market participants regarding how it assesses the loss coverage capability of U.S. long-term municipal pools such as state revolving funds, bond banks, and permanent school funds. Our approach to assigning a loss coverage score (LCS) is specified in the "U.S. Public Finance Long-Term Municipal Pools: Methodology And Assumptions," July 26, 2024, (see framework graphic). Here, we address some of the most frequently asked

questions.

Continue reading.

[Free registration required.]

14-Oct-2025 | 15:41 EDT

Wharton: Why ESG Scores Are Moving the \$4 Trillion Municipal Bond Market

Key Takeaways

- Investors are willing to pay more for municipal bonds with credible ESG scores, even when those bonds lack official "green" or "social" labels.
- The biggest price gains worth about \$870 million went to bonds that were ineligible for a formal ESG label but benefited from new ESG data that provided extra insight into risk.
- Most issuers still avoid labeling, held back by politics, demographics, and the fixed costs of verification, leaving potential savings untapped.

Investors in the \$4 trillion U.S. municipal bond market are paying more for bonds with credible environmental, social, and governance information, even when those bonds are not officially labeled as "green" or "social."

That is the key finding of a <u>new study</u> into the green bonds market, co-authored by Wharton finance professor Daniel Garrett, Penn PhD student Mahdi Shahrabi, and Oregon State University professor Brian Gibbons. It shows that municipal bonds with third-party ESG scores trade at higher prices, signaling cheaper borrowing costs for issuers. On average, yields — which move inversely to prices — dropped by 3 to 4 basis points when a bond received an ESG score, even if it had no formal label.

An ESG score is a third-party assessment of a bond's environmental, social, or governance features. A label, by contrast, is a formal designation — like "green bond" — from the issuer that requires meeting strict international criteria.

Continue reading.

Wharton

October 14, 2025

Municipal Bankruptcy: Avoiding and Using Chapter 9 in Times of Fiscal Stress - Orrick

This report is dedicated to the memory of John Knox, Co-author of the first edition and a wonderful person, partner and public finance attorney.

What should leaders of local governments know about municipal bankruptcy? The 3rd edition of this report offers a practical overview of both avoiding municipal bankruptcy and navigating through a chapter 9 case should a filing be necessary. The report emphasizes that underlying financial

problems – whether structural operating deficits or catastrophic losses – must be resolved regardless of bankruptcy filing status, and that while chapter 9 can greatly benefit a local government, it also comes with significant costs and long-term consequences.

Drawing on real-world municipal bankruptcy cases including Detroit, Stockton, Jefferson County, Vallejo and San Bernardino, the report provides actionable frameworks for financial crisis assessment, bankruptcy preparation procedures, and post-bankruptcy recovery strategies.

Read the full report.

The Orrick Public Finance Green Book Series

October.14.2025

Bloomberg Video: Cyber Attack Ensnares \$4.3T Muni Market's Key Site.

Concerns over cyber risks is growing in the municipal market as MuniOS got a ransomware attack that disrupted state and local borrowers' ability to post debt documents on this platform for several days, until it went back online Thursday morning. Bloomberg's reporter Erin Hudson discussed the story on "Bloomberg Markets" with Scarlet Fu.

Watch video.

Bloomberg Markets - Muni Moment

October 17th, 2025, 10:57 AM PDT

Cyber Attack Ensnares \$4.3 Trillion Muni Market's Key Site.

Takeaways by Bloomberg AI

- A ransomware attack is disrupting state and local borrowers' ability to post debt documents on the municipal-bond market's main distribution platform, MuniOS.
- The MuniOS website has been out of service for several days due to the cyber attack, causing issuers, investors, bankers and lawyers headaches and inconvenience.
- Some issuers are shifting to alternative platforms, such as BondLink, and the Municipal Securities Rulemaking Board has suggested using its EMMA website to post preliminary official statements and other market information.

A ransomware attack is disrupting state and local borrowers' ability to post debt documents on the \$4.3 trillion municipal-bond market's main distribution platform.

MuniOS, a website operated by Ann Arbor, Michigan-based tech company ImageMaster LLC, has been out of service for several days due to the cyber attack, according to people familiar with the matter who asked not to be named discussing the private matter.

Borrowers use the website to showcase their bond offering documents, and it's a popular service used by investors and analysts for information about transactions before they are sold. While market

participants said they hadn't seen or experienced any delays in deals, some issuers are shifting longheld practices by turning to alternative platforms such as BondLink due to the disruption.

Representatives for ImageMaster did not respond to requests for comment.

The municipal bond market is where US states, cities, transportation systems, airports, colleges and other borrowers raise debt to finance infrastructure projects. Local governments often post their offering documents publicly on websites like MuniOS to accessibly market the deals to both institutional and retail buyers.

Inconvenient Outage

The MuniOS outage is causing issuers, investors, bankers and lawyers headaches and inconvenience, but so far transactions have proceeded normally, according to multiple market participants who spoke on the condition of anonymity. The disruption has prompted some to directly send large-file PDFs between parties the old-fashioned way, while others have seen their days fill up with long phone calls from investors unable to access documents, they say.

The documents for a \$1.8 billion sale by the Texas Transportation Commission were posted to a different platform called McElwee & Quinn LLC, a financial printing services company, according to a spokesperson for the Texas Department of Transportation. Additionally, the agency provided physical copies of the document to address investor inquiries. The sale is proceeding as planned, the spokesperson said.

In ransomware attacks, hackers will lock up computer systems — sometimes stealing sensitive data — and hold them hostage in return for payment. Cybercriminals have pulled off several high-profile attacks in recent months, with corporations from the beverage maker Asahi Group Holdings Ltd. to the carmaker Jaguar Land Rover Automotive Plc being hit.

Concerns over cyber risks have been growing in the municipal market as well, with credit rating analysts raising it as a concern. In one high-profile situation last year, a Detroit suburb's bond sale was hacked and the proceeds were stolen.

The MuniOS website was launched in 1999 and is used by issuers to distribute and print their bond offering documents. Bloomberg reported in 2017 that the service had a market share of over 70%.

The Municipal Securities Rulemaking Board, the market's self-regulatory organization, sent out a notice on Tuesday that issuers can use its EMMA website to post preliminary official statements and other market information.

The notice did not mention the outage at MuniOS.com.

Bloomberg Technology

Erin Hudson and Amanda Albright

October 15, 2025

— With assistance from Elizabeth Rembert and Lynn Doan

Barclays Sees Muni 'Space Bonds' Becoming \$25 Billion Market.

Takeaways by Bloomberg AI

- Barclays Plc says the municipal-bond market is poised for new debt sales for space facilities after the enactment of the One Big Beautiful Bill Act.
- The legislation lets spaceports sell tax-exempt bonds, known as private-activity bonds, with no limit to issuance, according to Barclays strategists.
- Barclays predicts that outstanding debt for spaceport bonds could grow to between \$20 billion and \$25 billion by 2034, based on estimates from the Joint Committee on Taxation.

Barclays Plc says the municipal-bond market is poised for new debt sales for space facilities after the enactment of the Trump administration's One Big Beautiful Bill Act.

The legislation included a provision that would let spaceports sell tax-exempt bonds, known as private-activity bonds, similar to airports. In a report late last week, Barclays strategists led by Mikhail Foux said that there is no limit to issuance of spaceport bonds, unlike other types of private-activity bonds.

"This could become a relatively active municipal sub-sector, in our view," they wrote. "Several bond issues might be coming to the market in the not-so-distant future."

A spaceport is any facility located near a launch site or a reentry site. Eligible projects may be those that are used to operate flights, load cargo to or from the spacecraft, or manufacture and repair spacecraft, for example.

Barclays predicts that outstanding debt for spaceport bonds could grow to between \$20 billion and \$25 billion by 2034, based on estimates from the Joint Committee on Taxation.

The new financing tool "offers numerous benefits for private entities and corporations, as well as space agencies involved in space exploration and related activities," wrote Edwin Oswald and Kevin Roche, partners at Orrick, Herrington & Sutcliffe LLP, in an <u>August report</u>.

In Florida, the state's aerospace finance authority has identified \$2.9 billion of infrastructure needs for the Kennedy Space Center and Cape Canaveral Space Force Station.

Space authorities in Oklahoma, Texas, New Mexico and California are potential future issuers of the debt, the Barclays strategists wrote in the report.

Bloomberg Markets

By Aashna Shah

October 20, 2025

Municipal Bonds in Congressional Districts: University of Chicago

Tax-exempt municipal bonds are the primary financing tool that state and local governments use to build roads, schools, water supply systems, public and non-profit hospitals and other public infrastructure. Today there are more than \$3.5 trillion in active municipal bonds from more than

50,000 individual governments.

The goal of this research is to understand how tax-exempt municipal bonds impact communities. Using a first-of-its-kind dataset, we identify the types of state and local governments that use municipal bonds, and the types of infrastructure investments financed by those bonds, across US Congressional districts. This analysis allows us to explore previously-unknown patterns of municipal bond borrowing and investments both within and across regions. This analysis is based on data from ICE municipal bond reference and geospatial data.

Use the <u>drop-down menu below</u> to find a PDF-formatted report for each state and every Congressional district. Please contact Justin Marlowe (jmarlowe@uchicago.edu), Director of the Center for Municipal Finance, with questions or other feedback on this project.

The University of Chicago

Fitch U.S. Public Finance Default and Distress Analysis.

Distress and default rates in Fitch Ratings' U.S. Public Finance (USPF) portfolio have been consistently lower than other rated sectors over the past two decades. The cumulative distress rate of 1% over the past two decades was the lowest among major market sectors rated by Fitch.

Access Report

Mon 20 Oct, 2025 - 5:47 PM ET

Fitch U.S. Public Finance: 2025 Rating Actions to 17 October

This is the U.S. Public Finance Rating Action Report 2025 Year to Date (1 January to 17 October).

Access Report

Mon 20 Oct, 2025 - 10:36 AM ET

Fitch Ratings Publishes Global Government-Related Entities Data Comparator.

Fitch Ratings-Shanghai/New York-14 October 2025: Fitch Ratings has published the second edition of its 2025 Global Government-Related Entities (GREs) Data Comparator. This interactive Excel file lists 460 Fitch-rated public GREs across Corporates and Public Finance and allows users to filter by key rating drivers across the cohort.

Fitch defines GREs as entities with a significant relationship to a government, often reflected through ownership, control, or support. These entities typically perform public policy functions, benefit from government backing, or hold strategic importance to the government. This report details not only the final ratings for all Fitch-rated GREs, but also allows users to filter and compare

entities based on their Standalone Credit Profiles, rating anchors, notches from the anchor — top-down (negative values), bottom-up (positive values), or equalized with the parent (zero) — and the key risk factors Fitch uses to assign an overall support score.

The matrix of assessment scores used by Fitch to assign a support score, following an assessment of a parent's responsibility and incentive to support, together with the notching guideline are also included at the end of the report for reference. Fitch's support point system and notching guideline are outlined in the report for reference. All data is as of the end of the third guarter (Sept. 30, 2025).

The GRE Comparator can be viewed at www.fitchratings.com.

S&P: U.S. CDFIs Still Steady Amid Funding And Economic Uncertainty

Key Takeaways

- The rated universe of U.S. community development financial institutions (CDFIs) is stable, despite an uptick in debt in fiscal 2024 that created modest pressure on capital adequacy ratios.
- Strong management teams are instrumental in our views of creditworthiness, with robust portfolio management, deliberate underwriting and monitoring strategies, and demonstrated resilience amid funding and economic uncertainty.
- CDFIs remain primarily capitalized through lending relationships with banks motivated by the Community Reinvestment Act (CRA), with limited reliance on direct federal funding, and we expect capital market activity to remain an alternative.

Continue reading.

16-Oct-2025 | 09:28 EDT

S&P U.S. Higher Education Rating Actions, Third-Quarter 2025

View the S&P Rating Actions.

15-Oct-2025 | 15:50 EDT

<u>S&P U.S. Not-For-Profit Health Care Outstanding Ratings And Outlooks As Of Sept. 30, 2025.</u>

View the S&P Ratings and Outlooks.

17-Oct-2025 | 16:02 EDT

S&P U.S. Charter Schools Rating Actions, Third-Quarter 2025

View the Rating Actions.

14-Oct-2025 | 17:38 EDT

Fitch Ratings Publishes Exposure Draft of Affordable Housing Project Rating Criteria.

Fitch Ratings-New York/Chicago/San Francisco-15 October 2025: Fitch Ratings has published an exposure draft detailing proposed revisions to its rating criteria for Affordable Housing Projects (AHPs).

"The proposed revisions will broaden the scope of the criteria to include additional property segments, subsectors and additional forms of underlying collateral in response to recent trends and market developments," said Fitch Senior Director Karen Fitzgerald.

The updated criteria will consolidate the existing "U.S. Affordable Housing Rating Criteria" (published March 2022) and "U.S. Military Housing Rating Criteria" (published June 2022) into a combined, sector-specific criteria report, which will cover affordable, mixed-income, military, workforce, senior, student and other types of affordable housing.

Highlights of the proposed AHP criteria include:

- -Expansion of the scope of the criteria to encompass additional property segments (e.g., mixed-income housing), subsectors (e.g., federally enhanced multifamily mortgage loans) and additional forms of underlying collateral (e.g., residual cash flows and discrete income streams), and to add new analytical guidance related to the expanded scope.
- -Enhancement of the current guidance for assessing various risks and attributes that are common across sectors (e.g., refinance risk) by incorporating existing analytical frameworks or by referencing other relevant Fitch criteria that can be used to analyze these features.
- -Expansion of the existing guidance for assessing the risks and attributes of AHP transactions.
- -Consolidation of the key rating driver (KRD) tables for affordable housing and military housing projects, providing 'aa' through 'b' attribute guidance for all KRDs across housing types.
- "These revisions reflect Fitch's ongoing commitment to analytical rigor, transparency, and market relevance in the affordable housing and military housing sectors." Fitzgerald added.

Fitch anticipates proposed criteria updates will have no rating impact on current ratings. In addition to the exposure draft, Fitch has also published an Exposure Draft Frequently Asked Questions (FAQs) on the proposed Affordable Housing Project Rating Criteria.

- Exposure Draft: Affordable Housing Project Rating Criteria
- Proposed Affordable Housing Project Rating Criteria (Exposure Draft Frequently Asked Questions)

Fitch is actively soliciting market feedback on the proposed criteria. Send comments to criteria.feedback@fitchratings.com by Nov. 21, 2025. Fitch's "Exposure Draft: Affordable Housing

Project Rating Criteria" and the FAQs are available at www.fitchratings.com or by clicking the links above.

<u>S&P U.S. Transportation Infrastructure Transit Update: Operators And Stakeholders Confront "What's Fare?"</u>

Key Takeaways

- We view the U.S. mass transit sector as stable, though a few operators with a historical reliance on fare revenue and ongoing operating deficits are facing credit pressures.
- Transit operators that have sought and received additional dedicated tax revenues, primarily from sales taxes, have been able to maintain or improve financial metrics despite ongoing lower ridership.
- S&P Global Ratings anticipates that most transit operators will continue to adapt by adjusting service levels, re-evaluating fixed costs (including capital investments), and collaborating with stakeholders to strengthen recurring revenue sources to reach structural balance.

Continue reading.

13-Oct-2025 | 14:36 EDT

U.S. Mass Transit Ratings And Outlooks: Current List And Recent Rating Actions

Read the ratings and outlooks.

13-Oct-2025 | 14:38 EDT

As Stadium Boom Resumes, 'Private Funding' Often Comes With Public Strings.

Cities eager to tout privately financed sports stadiums are still spending big through tax breaks, land deals and public financing that shift costs back to taxpayers.

When the deep-pocketed Denver Broncos ownership group announced its plans for a new football stadium in September, city and state leaders applauded its pledge to privately finance both the stadium and a new mixed-use district surrounding it.

But the Broncos' announcement contained some notable fine print. The multibillion-dollar stadium complex won't be entirely funded by the team's owners, which include members of Walmart's Walton family.

"The project will include city and state support for public improvements," the announcement noted.

Continue reading.

smartcitiesdive.com

By Vicky Uhland

Published Oct. 20, 2025

Development at the Ballot Box: Colorado Communities Push for Greater Control

In 2025, Colorado municipalities continue to see significant activity in ballot initiatives related to housing and land use, with many measures scheduled for the November election. While the last few legislative sessions have seen a rising tension between state and local control of land use, these ballot measures signal another changing horizon—voters working to pull back zoning authority from their elected city leaders. From halting zoning changes to expanding development fees to requiring voter approval for larger projects, these proposals could significantly affect project timelines, feasibility and strategies for developers statewide.

Ballot measures addressing zoning and land use have grown steadily since 2020, peaking in 2023 with 11 initiatives statewide and still going strong in 2025 with several citizen-led measures on the ballot. Similarly, ballot questions targeting short-term rentals surged in 2022 (with 24 initiatives), declined in 2023–2024, and show renewed momentum in 2025, with the new focus being lodging tax or fee proposals being referred to voters by local governments.

Continue reading.

Brownstein Hyatt Farber Schreck LLP - Caitlin Quander, Angela J. Hygh and Rami Jordan

October 8 2025

S&P: Can Washington School Districts Turn The Tide Against Rising Costs And Credit Pressure As Pandemic-Era Funding Ends?

As one-time, pandemic-era stimulus funding rolls off the books, S&P Global Ratings believes Washington school districts face increased rating pressure from rising operating costs, declining enrollment that negatively affects operating revenue, and thinner operating reserves compared to their national peers. If these trends continue without plans to offset them, we expect Washington school districts will exhibit increased rating volatility during the next two years.

Key Takeaways

- Washington school district funding is based on full-time-equivalent enrollment, meaning declining enrollment often translates into increased revenue volatility.
- Operating expenditures have outpaced revenue growth, forcing districts to choose between short-term fiscal stability and service cuts.
- The state recently raised its per-pupil revenue cap for voter-approved local levies, potentially providing relief for districts whose levies were limited under the previous rules.
- Unlike their national peers that used the infusion of one-time stimulus aid to build stronger

financial cushions, available reserves for Washington school districts have remained relatively flat, a notable deviation from the national credit trend.

• Given their lower reserves, we view these districts as having less operating flexibility as they face dual budget stressors in the form of rising costs and potentially increased revenue volatility.

Continue reading.

16-Oct-2025 | 11:43 EDT

LA Preps \$1 Billion Bond for Convention Center Ahead of Olympics.

Takeaways by Bloomberg AI

- Los Angeles is planning to borrow nearly \$1 billion to revamp its convention center ahead of the 2028 Summer Olympics, which risks straining the city's already tight budget.
- The project will add an estimated 190,000 square feet of exhibit space and build a new rooftop ballroom, with a majority of the construction expected to be finished by Spring 2028.
- The city's Controller Kenneth Mejia has argued against the project, citing its risks to the budget and uncertainties on its timeline, and warning that it could require an additional \$116 million from the general fund starting in 2029.

Continue reading.

Bloomberg Markets

By Maxwell Adler

October 15, 2025

Holland & Knight: California Gov. Gavin Newsom Signs SB 79, Unlocking Higher Residential Density Near Transit

Highlights

- Signed into law by California Gov. Gavin Newsom on Oct. 10, 2025, Senate Bill (SB) 79 overrides local zoning limitations to allow greater heights and densities for residential development near transit stops.
- The legislation allows dense residential development along established transit corridors, primarily in the Bay Area, Sacramento County and Southern California urban counties.
- Although SB 79 does not itself create a new California Environmental Quality Act (CEQA)-exempt approval pathway, it does create new opportunities to be paired with SB 35 at a lower level of affordability and can also be paired with other streamlining laws such as SB 330, the Housing Accountability Act, and the State Density Bonus Law.

Continue reading.

Holland & Knight LLP - Daniel R. Golub, Chelsea Maclean, William E. Sterling and Franklin B. Muñoz

California State Public Works Board: Fitch New Issue Report

The state of California's 'AA' Issuer Default Rating (IDR) incorporates its large and diverse economy, which supports strong, albeit cyclical, revenue growth prospects, a solid ability to manage expenses through the economic cycle and moderately low long-term liabilities. Strong fiscal management, institutionalized across administrations and demonstrated through the buildup of the budgetary stabilization account (BSA) and elimination of past budgetary borrowing, allows the state to better withstand economic and revenue cyclicality while maintaining adequate fundamental financial flexibility. The state's ability to actively eliminate budgetary liabilities in the next budget cycle and begin to rebuild its dedicated operating reserves following recent draws will be an important rating consideration going forward.

Access Report

Thu 16 Oct, 2025 - 11:35 AM ET

New Jersey Transportation Trust Fund Authority: Fitch New Issue Report

The 'A' rating for the New Jersey Transportation Trust Fund Authority's (NJTTFA) transportation program bonds is one notch below New Jersey's 'A+' Issuer Default Rating (IDR). The rating is based on annual contractual payments made to the authority by the state treasurer, subject to annual appropriation.

Access Report

Fri 17 Oct, 2025 - 2:16 PM ET

New York City Transitional Finance Authority: Fitch New Issue Report

Fitch rates NYC Transitional Finance Authority's \$1.5B Fiscal 2026 Series B Bonds 'AAA'; Outlook Stable. Fiscal 2025 pledged revenue grew by 12.7% yoy, covering annual debt service by 7.6x.

Access Report

Mon 20 Oct, 2025 - 12:04 PM ET

NY MTA to Sell \$230 Million of Debt Amid Tolling Plan Legal Fight.

Takeaways by Bloomberg AI

• New York City's transit network is seeking to raise \$230 million in short-term debt to finance

needed infrastructure for its congestion toll plan.

- The proceeds will be used to refund prior short-term debt that matures before the end of this year and was used to pay for tolling gantries and infrastructure.
- The MTA expects to repay the short-term securities with congestion pricing revenue or long-term debt backed by those funds, according to borrowing documents.

Continue reading.

Bloomberg CityLab

By Michelle Kaske

October 20, 2025

Nuveen's Junk Muni Fund Slashes 99% of Its Chicago Schools Debt.

Takeaways by Bloomberg AI

- Nuveen has sold major holdings of Chicago's cash-strapped school district bonds, trading out of debt positions it has held for close to a decade.
- The asset manager's flagship high-yield fund sold nearly \$315 million of its Chicago Board of Education municipal bonds in September, according to data compiled by Bloomberg.
- The trades come as Chicago's school district is struggling financially, with a \$734 million deficit and pressure to make a pension payment to the city, and has tapped credit lines, including drawing down \$400 million from agreements with PNC Bank and Bank of America Corp.

Continue reading.

Bloomberg Markets

By Shruti Singh

October 17, 2025

MSRB Announces Discussion Topics for Quarterly Board Meeting.

Washington, DC - The Board of Directors of the Municipal Securities Rulemaking Board (MSRB) will meet on October 22-23, 2025, to hold the first quarterly meeting of fiscal year 2026.

Highlights of the Board discussion will include:

Market Regulation

The Board will discuss regulatory matters and receive updates on several ongoing initiatives, including:

- MSRB's rule harmonization initiative with FINRA Forward rulemaking.
- Rule G-28: Transactions with employees and partners of other municipal securities professionals.

- Rule G-32: Regarding disclosures in connection with primary offerings.
- Updates on other areas of retrospective rule review, including dealer supervision.

Market Transparency and Structure

The Board will also receive an update on recently published and upcoming research, a recap of recent market activity and a briefing on information technology initiatives, including the development of a modernized Electronic Municipal Market Access (EMMA) website.

Date: October 16, 2025

Contact: Aleis Stokes, Chief External Relations Officer 202-838-1500 astokes@msrb.org

- MSRB Issuer and Investor Notification: Posting and Accessing Preliminary Official Statements on EMMA
- States and Localities Count Dollars, Eye Options as Shutdown Continues.
- 'This Shutdown Feels Different.' States Might Not Get Repaid When Government Reopens.
- Reminder and Early Registration Discount Deadline for GFOA's Annual Governmental GAAP Update Encore.
- Bunch of Novogradac tax credit seminars and such in the Events section.
- National Hockey League Players Association v. City of Pittsburgh Supreme Court of Pennsylvania holds that city facility tax, which imposed a 3% tax on income derived by nonresidents' use of city's publicly funded stadiums and arenas, while imposing 1% tax on income derived by residents' use of such facilities, violated the Uniformity Clause, even if total tax burden on residents, who were subject to 2% school district tax, and nonresidents, who were not subject to the school district tax was equal.
- <u>Campus Crest at Tuscaloosa LLC v. City of Tuscaloosa</u> Supreme Court of Alabama holds that complaint by taxpayers, who alleged that they were out-of-state owners, operators, or lessees of multifamily housing developments that city had designated as student-oriented housing developments (SOHDs), contained sufficient factual averments that, if developed, could show that city had no rational basis for city ordinance that imposed enhanced business-license fees on SOHDs with more than 200 bedrooms, and thus taxpayers stated a claim for a judgment declaring that ordinance violated equal protection.
- And Finally, Light (We Hope) Blasphemy Alert is brought to us this week by <u>Department of Transportation v. 5.85 Acres of Land and Certain Easements Rights</u>, in which the Georgia DOT respectfully (we hope) offered John Sauls \$37k in exchange for 5.85 acres of his property. Mr. Sauls respectfully (we hope) declined this offer. So the DOT condemned him to death. That's not how eminent domain actions work, you say? Oh. Ok. Condemned the land. Went to trial and the jury came back with an award of \$1.5 million. We ran the numbers and \$1.5 million is more. Math checks out. This all makes sense once we were informed that the property was used for (inter alia) "church Easter egg hunts." In which case, the jury acted with very understandable prudence. You feeling up for being condemned by BOTH our newly risen Lord and Savior AND the Easter Bunny? (emphasis addeed) A formidable pair if ever there was one.

STUDENT HOUSING - ALABAMA

Campus Crest at Tuscaloosa LLC v. City of Tuscaloosa

Supreme Court of Alabama - October 3, 2025 - So.3d - 2025 WL 2810889

Taxpayers, who alleged that they were out-of-state owners, operators, or lessees of multifamily housing developments that city had designated as student-oriented housing developments (SOHDs), brought action against city, seeking declaratory judgment that city ordinance imposing enhanced business-license fees on SOHDs with more than 200 bedrooms was invalid and further seeking a refund of taxes collected under ordinance.

The Circuit Court entered judgment dismissing action for failure to state a claim. Taxpayers appealed.

The Supreme Court held that:

- Complaint contained sufficient factual averments that, if developed, could show that city had no
 rational basis for ordinance, and thus taxpayers stated a claim for a judgment declaring that
 ordinance violated equal protection;
- Taxpayers had standing to seek a judgment declaring that ordinance was void for vagueness on due-process grounds;
- Taxpayers stated claim that ordinance was void for vagueness on due-process grounds;
- Taxpayers stated claim that violated dormant Commerce Clause; but
- Ordinance was not effectively a zoning ordinance, and thus city was not required to adhere strictly to statutory notice and hearing requirements for zoning ordinances before adopting ordinance.

REFERENDUM(B) - CALIFORNIA

Move Eden Housing v. City of Livermore

Court of Appeal, First District, California. - October 7, 2025 - Cal.Rptr.3d - 2025 WL 2837353

Advocacy organization filed petition for writ of mandate seeking to compel city and city clerk to process referendum petition for purpose of proposed referendum on city's resolution authorizing development project that included construction of public park.

The Superior Court, Alameda County, denied petition. Organization appealed. The Court of Appeal reversed and directed trial court to issue peremptory writ of mandate. After trial court issued writ of mandate on remand, city repealed resolution and issued new resolution for same development, but without park project. Organization moved for order compelling compliance with writ of mandate. The Superior Court granted motion. City appealed.

The Court of Appeal held that:

- City "entirely repealed" resolution that adopted development agreement, within meaning of referendum statute;
- City's adoption of second resolution approving development agreement without park provision did not violate stay provision of referendum statute; and
- As a matter of apparent first impression, in determining whether a subsequent enactment is essentially the same as the original enactment within meaning of stay provision of referendum

statute, the relevant comparison is with the legislative act or acts in the original enactment that made the enactment subject to the referendum power.

MUNICIPAL GOVERNANCE - CALIFORNIA

People ex rel. Alameda County Taxpayers' Association, Inc. v. Brown

Court of Appeal, First District, Division 4, California - September 30, 2025 - Cal.Rptr.3d - 2025 WL 2787891

Taxpayer advocacy organization and residents brought quo warranto action against county supervisor appointed by county board of supervisors to fill vacancy, seeking judgment removing supervisor from office for allegedly failing to satisfy prior and continuous residency requirements.

The Superior Court ruled that prior residency requirement did not apply to vacancy appointments, and the Superior Court found continuous residency issue moot after supervisor's term ended and entered judgment in favor of supervisor. Organization and residents appealed and supervisor filed motion to dismiss appeal as moot.

The Court of Appeal held that:

- Court of Appeal would not take judicial notice of newspaper editorial, newsletter, or statute;
- Public interest exception to mootness doctrine applied;
- County administrative code's one-year prior residency requirement did not apply to a supervisor appointed to fill a vacancy;
- Remand was warranted for trial court to address whether supervisor satisfied requirement under county charter and county administrative code to reside in district during his term; and
- Trial court was not required to consider substance of motion by organization and residents for judgment on the pleadings.

EMINENT DOMAIN - GEORGIA

Department of Transportation v. 5.85 Acres of Land and Certain Easements Rights

Court of Appeals of Georgia - October 2, 2025 - S.E.2d - 2025 WL 2801669

Property owner appealed condemnation of 5.85 acres of property by Department of Transportation (DOT), which planned to use the condemned property to construct a bypass around the city and offered owner \$37,200 as just and adequate compensation.

Following a jury verdict in owner's favor, awarding damages in the amount of \$1,500,000, the Superior Court denied DOT's motion for new trial. DOT appealed.

The Court of Appeals held that jury's award to owner of \$1,500,000 was so excessive as to justify inference of gross mistake or undue bias.

Jury's award to property owner of \$1,500,000 was so excessive as to justify inference of gross mistake or undue bias, in proceeding, pursuant to takings clauses of federal and state constitutions, regarding condemnation of 5.85 acres of property by Department of Transportation (DOT) to construct bypass around city; considering possibility that jury applied cost of \$124,565 per acre, the

highest comparable sale amount used by an expert, 5.85 acres taken would only equal \$728,705.25, expert who testified about setback did not assign a value to it, nor was she certain about size of setback, highest estimated value as to consequential damages was \$445,600, leaving \$325,694.75 unaccounted for, and any upward deviation for consequential damages in that amount was unsupported by evidence.

MUNICIPAL ORDINANCE - GEORGIA

Bailey v. McIntosh County

Supreme Court of Georgia - September 30, 2025 - S.E.2d - 2025 WL 2790676

County brought action against probate court judge for declaratory judgment and writ of prohibition to stop referendum on repeal of zoning which purportedly increased allowable maximum dwelling size in historic district on Sapelo Island.

The Superior Court concluded that county's exercise of its zoning powers was not subject to referendum process, granted county's petition, and issued writ of prohibition against probate judge, but also enjoined enforcement of ordinance pending appeal. County residents and probate judge appealed, and county appealed injunction.

The Supreme Court held that:

- Absence of ordinance in appellate record did not preclude Supreme Court from considering legal question of whether ordinance was subject to referendum procedures in Home Rule Provision of state constitution;
- Ordinance was subject to referendum under Home Rule Provision;
- Probate judge had authority under Home Rule Provision to consider referendum petition and set special election for referendum; and
- Supreme Court could not take judicial notice of ordinance and its predecessor not in appellate record and thus could not consider county's arguments for reversal of injunction.

Home Rule Provision, not the Zoning Provision, of state constitution provided express grant of legislative power enabling county to exercise its zoning power by ordinance, and, thus, county ordinance which purportedly increased allowable maximum dwelling size in historic district on Sapelo Island was subject to referendum under Home Rule Provision; Home Rule Provision did not prohibit county from exercising zoning power, and treating zoning ordinance as subject to Home Rule power did not diminish extent of zoning power granted to counties under the Zoning Provision or render that provision mere surplusage since power granted by Home Rule Provision encompassed more than enacting zoning ordinances, and power granted by Zoning Provision was broader than merely power to enact zoning ordinances.

States and Localities Count Dollars, Eye Options as Shutdown Continues.

State and local governments are considering how they can help federal workers and how long they can afford to continue social safety net programs and infrastructure projects.

In Brief:

- States are considering whether they can provide unemployment benefits to federal workers who are still employed but not getting paid.
- West Virginia allocated emergency money to keep its national parks open, and Colorado added new funding to support a nutrition program for infants, young children and parents who are pregnant or breastfeeding. But the funds will only last so long.
- Some experts and government officials worry about getting less information about disease outbreaks and limited support in case of natural disasters during the shutdown.

As the federal shutdown hits 10 days, state and local governments are looking for ways to support their federal workers who are going without pay. They're also counting their dollars to see how long they can maintain safety net programs.

Lawmakers in Congress could reach an agreement before consequences become too severe. But the Trump administration and Congress have shown a willingness to endure shutdowns. The last federal shutdown took place under President Donald Trump's first term and broke records when it lasted 35 days. Trump's first term saw three shutdowns.

Continue reading.

governing.com

October 10, 2025 • Jule Pattison-Gordon

'This Shutdown Feels Different.' States Might Not Get Repaid When Government Reopens.

Going without federal reimbursement for shutdown costs could force states to cut their own budget priorities.

States are doing what they generally do during a federal government shutdown: continuing to operate programs serving some of the neediest people.

That means schools are still serving federally subsidized meals and states are distributing funding for the federal food stamp program. For now.

If the shutdown drags on and federal dollars run out, states can only keep programs going for so long. States may choose to pay for some services themselves so residents keep their benefits.

But this time, state leaders have new worries about getting reimbursed for federal costs once the federal spending impasse is resolved. That's traditionally been the practice following a shutdown, but the Trump administration's record of pulling funding and targeting Democratic-led states has some officials worried about what comes after the shutdown.

Continue reading.

stateline.org

By: Kevin Hardy

October 9, 2025

Fitch: CDFI Equity Strong, Losses Low Amid Funding Shifts

Fitch Ratings-Chicago/San Francisco/New York-09 October 2025: Fitch Ratings has published its third annual Community Development Financial Institution (CDFI) Peer Credit Analysis, covering five years of audited data for 40 CDFI loan funds over fiscal 2020-2024. The report finds resilient credit profiles, with low delinquencies and losses, stable profitability and rising equity supporting financial strength.

As interest rates remain elevated and potential cutbacks and lags impact federal funding, Fitch expects shifts in funding mix and higher cost of funds. Fitch believes sector fundamentals and prudent risk management will continue to anchor credit strength.

CDFI balance sheets expanded over the past five years, with loans and equity rising faster than debt, keeping leverage in check. Equity growth has outpaced debt for many peers, lowering debt-to-equity ratios and supporting capital flexibility. Demand for affordable housing and community development loans remains strong amid tighter bank lending standards and weak affordability. Equity cushions will help support new funding sources, which are likely to lift costs of funds.

CDFI asset quality compares favorably with banks. Non-performing loans remain modest and net charge-offs low, reflecting active servicing, early interventions and loss mitigation. A prolonged federal funding disruption could delay or constrain certain grant disbursements or program approvals, pressuring near-term liquidity and timing of originations for some CDFIs. However, Karen Fitzgerald, Fitch Senior Director, U.S. Public Finance, notes that, "Sector liquidity, equity-to-assets ratios well above banks and conservative balance sheet management provide cushions against temporary funding volatility."

Fitch's latest CDFI Peer Credit Analysis is available at www.fitchratings.com.

<u>S&P U.S. Transportation Infrastructure Transit Update: Operators And Stakeholders Confront "What's Fare?"</u>

Key Takeaways

- We view the U.S. mass transit sector as stable, though a few operators with a historical reliance on fare revenue and ongoing operating deficits are facing credit pressures.
- Transit operators that have sought and received additional dedicated tax revenues, primarily from sales taxes, have been able to maintain or improve financial metrics despite ongoing lower ridership.
- S&P Global Ratings anticipates that most transit operators will continue to adapt by adjusting service levels, re-evaluating fixed costs (including capital investments), and collaborating with stakeholders to strengthen recurring revenue sources to reach structural balance.

The U.S. mass transit sector outlook remains stable, underpinned by supportive dedicated tax revenue growth — often exceeding drops in fare revenue — combined with operators' proactive adjustments to service levels and expenses that have helped restore fiscal balance in operating funds. This stabilizing credit trend is largely attributable to robust tax support and a historical trend of political support, demonstrated through both revenue growth and ongoing financial commitments from regional stakeholders. However, economic headwinds and the potential of waning political

support could pressure ratings in the near term. For more information on S&P Global Ratings' U.S. economic outlook, see "Economic Outlook U.S. Q4 2025: Below-Trend Growth Persists Amid A Swirl Of Policy Shifts," Sept. 23, 2025.

Continue reading.

13-Oct-2025 | 14:36 EDT

MSRB Issuer and Investor Notification: Posting and Accessing Preliminary **Official Statements on EMMA**

Read the MSRB Notification.

Oct 14, 2025

What US Cities Can Learn From Vancouver's Transit Recovery.

Also today: Mapping a way out of the US housing affordability crisis, and the political transformation of California's billionaire mall king.

While transit agencies in cities from San Francisco to Philadelphia continue to struggle to match pre-Covid passenger counts, Vancouver's regional TransLink system has become a success story: Ridership has recovered to around 90% of 2019 levels, at a rate faster than almost any other major transit system in North America.

TransLink's CEO Kevin Quinn credits the success to several key strategies that make Canadians stand out from their US counterparts, including prioritizing frequent service and implementing landuse policies that promote dense development around transit stations. Population growth in nearby municipalities, fueled by immigration, also plays a role. In a conversation with contributor David Zipper, Quinn — a transplant from Maryland —reflects on the lessons Vancouver offers to other North American cities.

Continue reading.

Bloomberg CityLab

By Arvelisse Bonilla Ramos

October 9, 2025

TAX - PENNSYLVANIA

National Hockey League Players Association v. City of Pittsburgh Supreme Court of Pennsylvania - September 25, 2025 - A.3d - 2025 WL 2745552

Professional athletes and players' associations filed action against city, alleging its facility tax, which

imposed a 3% tax on income derived by nonresidents' use of city's publicly funded stadiums and arenas, while imposing 1% tax on income derived by residents' use of such facilities, and seeking injunction to prevent city from imposing and collecting tax.

The Court of Common Pleas held the tax violated the Uniformity Clause of the State Constitution and issued the requested injunction. City appealed, and the Commonwealth Court affirmed. City petitioned for allowance of appeal, which was granted.

The Supreme Court held that facilities tax violated the Uniformity Clause of the state constitution.

City facility tax, which imposed a 3% tax on income derived by nonresidents' use of city's publicly funded stadiums and arenas, while imposing 1% tax on income derived by residents' use of such facilities, violated the Uniformity Clause, even if total tax burden on residents, who were subject to 2% school district tax, and nonresidents, who were not subject to the school district tax was equal.

Munis Are Very Resilient to Government Shutdowns, says Nuveen's Dan Close.

Dan Close, Nuveen head of municipals, joins 'The Exchange' to discuss if municipal bonds can remain a safety play, if there are areas within municipals more attractive than others and much more.

Watch video.

cnbc.com

Fri, Oct 10 2025

The Municipal Bond "Moment" Persists - But Cracks Are Forming

The Moment is Still Here

Last week, we highlighted that municipal bonds were having a moment—and that remains true as we begin the first full week of October. Tax-exempt yields continue to hold near their mid-September levels, offering compelling relative value compared to the late-September lows. The Bloomberg Municipal Bond Index, a proxy for tax-exempt yields, closed at 3.64% on Friday, up 10 basis points from a recent low of 3.54% on Sept. 17, underscoring the attractive entry point currently available in the market at this "moment".

Continue reading.

advisorhub.com

by Tom Kozlik, HilltopSecurities

October 6, 2025

Strapped Chicago Schools Taps \$200 Million From Credit Line.

Takeaways by Bloomberg AI

- The Chicago Board of Education tapped \$200 million from its short-term revolving credit agreement with PNC Bank.
- The draw from the credit line is secured by proceeds from tax-anticipation notes that the district sells each year to maintain revenue while it waits for property tax payments.
- The district is facing fiscal pressures, including underfunded pensions and rising labor costs, as federal pandemic aid comes to an end.

The Chicago Board of Education tapped \$200 million from its short-term revolving credit agreement with PNC Bank.

The amount is part of a \$450 million deal with the bank dated Oct. 9, according to a <u>bond filing</u> on Friday. The draw from the credit line is secured by proceeds from tax-anticipation notes that the district sells each year to maintain revenue while it waits for property tax payments, its largest source of revenue.

Continue reading.

Bloomberg Markets

By Shruti Singh

October 10, 2025

Brightline West Floats \$2.5 Billion Debt Swap to Investors.

Takeaways by Bloomberg AI

- Brightline West is in talks with bondholders about exchanging \$2.5 billion of municipal debt for new securities before a November deadline to complete a financing plan for the project.
- The price tag for building the railroad has swelled to \$21.5 billion, a 35% increase compared with prior estimates, due to rising labor and material costs.
- Bond prices have declined to about 75 cents on the dollar from about 87 cents since the higher cost estimate and federal loan application were reported, driven by the upcoming deadline to arrange alternative capital structures.

The Fortress Investment Group-backed company building a high-speed passenger railroad between Southern California and Las Vegas is in talks with bondholders about exchanging \$2.5 billion of municipal debt for new securities before a November deadline to complete a financing plan for the project, according to people familiar with the matter.

Continue reading.

Bloomberg Markets

By Martin Z Braun

Chicago Mayor, Facing \$1.15B Deficit, to Unveil New Budget.

Next week Chicago Mayor Brandon Johnson will reveal a new city budget that accounts for a potential loss of federal funds. The city is already facing a \$1.15 billion deficit for 2026.

Bloomberg News Reporter Shruti Singh speaks with Scarlet Fu on "Bloomberg Markets" for today's Muni Moment.

Watch video.

Bloomberg MarketsTV Shows - Muni Moment

October 9th, 2025, 12:59 PM PDT

BlackRock's Haskell Expects Muni Performance to Accelerate.

The municipal-bond market just clocked its best month of returns since December 2023 — and one investing giant in the space says that momentum will continue through the end of 2025.

BlackRock Inc.'s Pat Haskell, who serves as head of municipals, said US state and local debt should do particularly well as this year's record surge of supply begins to dry up in November and December.

This year's heavy issuance has at times weighed on performance this year. Muni bonds have underperformed US Treasuries year-to-date, returning 2.9% while Treasuries have returned about 5.5%, according to Bloomberg indexes.

Continue reading.

Bloomberg Markets

By Erin Hudson

October 8, 2025

<u>Virginia Public School Authority: Fitch New Issue Report</u>

Virginia's 'AAA' Long-Term IDR reflects substantial fiscal resources and careful management. The 'AA+' rating on VPSA school financing bonds is based on budgetary appropriations by the Virginia general assembly.

Access Report

Wed 08 Oct, 2025 - 3:23 PM ET

Bloomington, Minnesota: Fitch New Issue Report

The 'AAA' rating incorporates the city's 'aaa' financial resilience assessment given a 'High Midrange' level of budgetary flexibility and Fitch's expectation that general fund unrestricted reserves will be maintained at or above 10% of spending and transfers out, with audited fiscal 2024 reserves equivalent to 50% of general fund spending.

Access Report

Wed 08 Oct, 2025 - 5:39 PM ET

Indiana Finance Authority: Fitch New Issue Report

The series 2025D bonds are expected to price via negotiation the week of Oct 13. Fitch rates Indiana Finance Authority's State Revolving Loan Fund Bonds 'AAA'; Outlook Stable.

Access Report

Thu 09 Oct, 2025 - 9:21 AM ET

Milwaukee Metropolitan Sewerage District: Fitch New Issue Report

The Milwaukee Metropolitan Sewerage District's 'AAA' bond rating reflects its very strong financial profile and revenue defensibility. Despite a \$10 million damage from extreme rainfall, the district's liquidity position mitigates material credit concerns.

Access Report

Thu 09 Oct, 2025 - 2:23 PM ET

Orange County Sanitation District (CA): Fitch New Issue Report

The Orange County Sanitation District has been rated 'AAA' with a stable outlook by Fitch Ratings. The district's leverage is projected to remain exceptionally low, with a peak of -0.1x over the next five years.

Access Report

Thu 09 Oct, 2025 - 3:16 PM ET

Texas Agency to Issue \$1.77 Billion in Bonds for Transportation.

The Texas Transportation Commission is seeking to raise \$1.77 billion through municipal bonds to fund state highway projects, while also refunding outstanding debt.

The General Obligation Mobility Fund and Refunding Bonds, Series 2025, will finance the construction, acquisition and expansion of state highway and public transportation projects, according to a preliminary statement published Thursday on MuniOs. The bonds are part of the state's Mobility Fund financing program.

The tax-exempt bonds mature between 2026 and 2044. Coupons and yields are yet to be set.

The bonds are backed by revenues deposited in the Mobility Fund on a first-lien basis. The Mobility Fund's dedicated revenues totaled \$528.8 million in fiscal 2024, derived primarily from driver license, vehicle inspection and certificate of title fees.

Pricing is preliminarily set for Oct. 21, with closing on Nov. 6.

The offering have been rated AAA by Fitch and Aaa by Moody's.

Loop Capital Markets and Jefferies are leading underwriters.

Provided by Dow Jones Oct 9, 2025, 12:50:00 PM

By Paulo Trevisani

Write to Paulo Trevisani at paulo.trevisani@wsj.com

(END) Dow Jones Newswires

October 09, 2025 15:50 ET (19:50 GMT)

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Fundamentals of EPC Contracts for Energy Projects.

November 4 - 12, 2025 | 12:00pm - 3:00pm Eastern

Engineering, procurement, and construction contracts (EPC contracts) are utilized for the development of power and energy projects. Energy projects involve significant risks that must be allocated between project owners and contractors. Failure to adequately plan for and manage potential mishaps during energy project construction can lead to costly litigation. Counsel must understand these risks and identify essential rights and responsibilities throughout project construction to effectively avoid and manage claims from engineering, procurement, and construction (EPC) contracts.

Walk through the essentials in building an appropriate contract for each project, from understanding the different contracting models and delivery systems to incorporating performance standards, limitations of liability, available remedies, and more. Investigate the various challenges that arise in energy project construction and effective methods to avoid and mitigate claims, contract disputes, and litigation. Also discuss what to do should a dispute arise, including the key mechanisms in

preparing, negotiating, and resolving claims.

Click here to learn more and to register.

American Public Power Association

There's No Good Way to Pay for Property Tax Repeal.

Key Findings

- Property taxes currently generate 70 percent of all local tax revenue, some or all of which would have to be replaced with other taxes under property tax repeal.
- Replacing the property tax with newly granted local taxing authority is exceedingly difficult, because local sales and income tax bases vary widely across jurisdictions; there may, for instance, be no feasible sales tax rate by which an agricultural county or bedroom community could replace its property tax revenue.
- Backfilling forgone local property tax revenue through new state taxes is difficult because it dramatically shifts overall tax burdens, undermines local accountability, and cannot easily adjust for changing population mixes.
- All revenue alternatives are less conducive to economic growth than the existing property tax regime, but some transfer regimes are sharply degrowth.
- Taxpayers should have the opportunity to evaluate plans for replacing property tax revenue, not just promises of repeal without trade-offs.

Continue reading.

Tax Foundation

By: Jared Walczak

October 7, 2025

Reminder and Early Registration Discount Deadline for GFOA's Annual Governmental GAAP Update Encore.

GFOA's Annual Governmental GAAP Update Encore is taking place on **December 17, 2025**.

Register by **November 14** to save with the early registration discount.

<u>Click here</u> to register.

Novogradac 2025 Housing Tax Credit Finance Conference.

Four Seasons Hotel Las Vegas | December 4, 2025 to December 5, 2025

Join industry leaders at the Novogradac 2025 Housing Tax Credit Finance Conference, Dec. 4–5 at the Four Seasons Las Vegas. This two-day event brings together professionals involved in the financing and development of affordable housing, including developers, investors, syndicators, and lenders. Attendees will gain timely insight into low-income housing tax credit (LIHTC) policy updates, innovative financing strategies and best practices in affordable housing development.

In addition to expert-led panels and discussions, the conference offers valuable networking opportunities with key players in the affordable housing industry. Don't miss your chance to connect, learn and stay ahead in the evolving world of housing tax credit finance.

Please contact events@novoco.com or 415-356-7970 if you have further questions or need assistance with registration.

Click here to learn more and to register.

Novogradac 2025 Fall New Markets Tax Credit Conference.

The Roosevelt New Orleans | October 23, 2025 to October 24, 2025

This annual event provides a platform for industry leaders, investors, developers and policymakers to explore what's ahead for the new markets tax credit (NMTC) incentive and how to leverage it for lasting community impact. Attendees will gain timely insights on regulatory updates, proven financing structures and current deal flow in the NMTC space. The conference provides practical advice and strategic insights for both experienced professionals and newcomers to enhance their next transaction.

Take advantage of dedicated networking breaks and an evening reception to connect with fellow professionals in the community development field. These informal settings offer opportunities to share strategies, discuss policy challenges and strengthen your advocacy toolkit-especially as the industry rallies around the push to extend and ultimately make the NMTC permanent.

Please contact events@novoco.com or 415-356-7970 if you have further questions or need assistance with registration.

Click here to learn more and to register.

Novogradac 2025 Fall Renewable Energy Tax Credits Conference.

Fairmont Washington D.C. | November 6, 2025 to November 7, 2025

Connect with professionals driving progress in renewable energy finance during our fall renewable energy tax credits conference. Attendees will gain timely insights into the evolving landscape of clean energy incentives, with discussion centered around policy developments, market trends and practical approaches to structuring deals.

Whether you're an investor, developer, consultant or advocate, this event offers a valuable opportunity to expand your network and stay informed on the latest in renewable energy tax credit financing. Take advantage of in-person conversations with key stakeholders and peers working to

advance clean energy projects nationwide.

Please contact events@novoco.com or 415-356-7970 if you have further questions or need assistance with registration.

<u>Click here</u> to learn more and to register.

Novogradac 2025 Opportunity Zones Summit.

Four Seasons Hotel Las Vegas | December 3, 2025 to December 3, 2025

Join us during this one-day summit to hear from qualified opportunity fund (QOF) managers, investors, developers, attorneys and Novogradac accountants with valuable marketplace knowledge, actionable strategies, and networking opportunities equipping you to navigate the evolving Opportunity Zones (OZ) landscape.

Whether you're an experienced investor seeking new opportunities or a community advocate striving for equitable development, this summit offers a unique opportunity to chart the course for future success with this powerful economic tool.

Please contact events@novoco.com or 415-356-7970 if you have further questions or need assistance with registration.

<u>Click here</u> to learn more and to register.

Novogradac 2026 New Markets Tax Credit Conference.

Hilton San Diego Bayfront | January 22, 2026 to January 23, 2026

The permanent extension of the new markets tax credit (NMTC) marks a new chapter for community development. Join Novogradac and industry leaders in San Diego to explore how permanence will reshape deal structures, enhance investor confidence and support the continued growth of long-term planning in underserved communities.

Network with developers, investors, community development entities (CDEs) and policymakers from across the nation as we chart the path forward in this new era of certainty for NMTC.

Please contact events@novoco.com or 415-356-7970 if you have further questions or need assistance with registration.

Click here to learn more and to register.

Novogradac 2026 Affordable Housing Developers Conference.

Conrad Fort Lauderdale Beach | January 15, 2026 to January 16, 2026

Industry leaders in affordable housing development are invited to engage in discussions on current strategies and opportunities within the affordable housing sector. The recent permanence of the low-income housing tax credit (LIHTC) provisions has enhanced planning predictability for developers, making this an opportune moment to examine financing models, compliance protocols and innovative methods for increasing housing supply.

Attendees will gain practical knowledge, hear updates on legislative and regulatory changes, and build connections with professionals from across the country who are shaping the future of affordable housing development.

Please contact events@novoco.com or 415-356-7970 if you have further questions or need assistance with registration.

Click here to learn more and to register.

MSRB Monthly Municipal Market Trading Summary Through Sept, 2025.

View the MSRB Summary.

Oct 6, 2025

MSRB Third Quarter 2025 Municipal Securities Market Summary.

View the MSRB Summary.

Oct 7, 2025

- Fitch: Prolonged US Government Shutdown Could Strain Public Finance Credits
- Fitch Ratings Reviews Exposure Draft Feedback for U.S. Public Finance Charter School Rating Criteria
- How to Prepare for ARPA SLFRF Closeout.
- Trump Funding Risks Put Muni Market Investors on Alert.
- <u>State Ex Rel. Springfield City School District Board of Education v. Hamilton</u> Supreme Court of Ohio holds that county auditor had no discretion under statutory process for levying and collecting general obligation bonds to refuse to place voter-approved property tax levy on tax list and duplicate for collection while voter-approved bonds issued by local school district board of education remained outstanding, based on her determination that levy duration had ended; auditor's duty to place bond levy on tax list and duplicate was ministerial.
- And Finally, You Mean, Like, The Charleston? is brought to us this week by <u>WBY, Inc. v. City of Chamblee, Georgia</u>, in which the US Court of Appeals upheld a municipal ordinance prohibiting the serving of alcohol in what we can only assume is some kind of dance hall. And we're a bit confused, as a nice pint of local farm-fresh cider seems completely consistent with an evening of square dancing in the barn. Is this some kind of Amish temperance thing? BCB will be on indefinite hiatus as we attempt to get to the bottom of this. We'll report back if anything comes

EMINENT DOMAIN - CALIFORNIA

Benedetti v. County of Marin

Court of Appeal, First District, Division 4, California - August 29, 2025 - Cal.Rptr.3d - 113 Cal.App.5th 1185 - 2025 WL 2490638 - 2025 Daily Journal D.A.R. 8513

Landowners filed petition for writ of mandate and complaint for declaratory relief against county, alleging that amended coastal program requirement that condition for constructing residential units in agriculturally-zoned lands in coastal zone, requiring landowners to record restrictive covenant in county's favor that would ensure owners of units would be engaged in agriculture, was facial unconstitutional condition and violated their due process rights.

The Superior Court, Marin County, denied petition and complaint. Landowners appealed.

The Court of Appeal held that:

- Challenge could proceed as facial Nollan/Dolan unconstitutional conditions claim;
- Restrictive covenant condition had the necessary nexus to government's land use interest;
- Restrictive covenant condition was proportional to each landowners' impact on land-use interest;
 and
- Landowners' due process rights were not violated.

WATER AND SEWER FEES - DISTRICT OF COLUMBIA

<u>Capitol Park IV Condominium Association, Inc. v. District of Columbia Water</u> <u>and Sewer Authority</u>

District of Columbia Court of Appeals - September 18, 2025 - A.3d - 2025 WL 2670811

Condominium association, which operated condominium complex that included over 200 individually owned townhomes that were not individually metered for water services, brought action against water and sewer authority, challenging method for calculating charges for stormwater runoff based on impervious surface area of property and seeking declaratory and injunctive relief.

On cross motions for summary judgment, the Superior Court granted authority's motion for summary judgment. Association appealed.

The Court of Appeals held that:

- Authority failed to provide sufficient explanation showing rational connection between how
 property was metered for water and that property's assessed charge for its impervious surface
 area pursuant to regulation, and thus, remand was required, but
- Entry of summary judgment in favor of condominium association was not warranted.

WBY, Inc. v. City of Chamblee, Georgia

United States Court of Appeals, Eleventh Circuit - September 23, 2025 - F.4th - 2025 WL 2699142

Owner of former strip club that served alcohol brought action for declaratory and injunctive relief as well as for damages against city, alleging city ordinances relating to the sale of alcohol at adult establishments with nude dancing violated owner's rights under the First Amendment and the Contract Clauses and the Equal Protection Clauses of the United States and Georgia Constitutions.

The United States District Court for the Northern District of Georgia granted in part city's motion to dismiss for lack of standing and granted summary judgment to city on owner's remaining claims. Owner appealed.

The Court of Appeals held that:

- Owner did not have Article III standing to seek equitable relief;
- Owner suffered past injury that was traceable to the ordinances in form of loss of the economic use of its property, as required to have Article III standing to bring action for damages;
- Owner did not have redressable claim, for Article III standing purposes, with respect to ordinance that banned sale of alcohol at establishments offering nude dancing;
- Owner had redressable claim, for Article III standing purposes, with respect to ordinances that required adult establishments at midnight and prohibited fully nude dancing;
- Strict, rather than intermediate scrutiny applied to owner's First Amendment free speech claims;
- Ordinances that required adult establishments close for business at midnight and that prohibited fully nude dancing did not violate club owner's First Amendment free speech rights;
- There was no valid contract between the club and city upon which to base Contracts Clause claims; and
- City did not violate club owner's equal protection rights.

BONDS - OHIO

State Ex Rel. Springfield City School District Board of Education v. Hamilton Supreme Court of Ohio - September 25, 2025 - N.E.3d - 2025 WL 2724420 - 2025-Ohi--4427

School district brought mandamus action seeking writ compelling county auditor to place voter-approved bond levy on tax list and duplicate for collection through 2031 to pay debt charges on bonds issued pursuant to the levy.

The Ohio Supreme Court denied auditor's motion for judgment on the pleadings, granted an alternative writ, and set schedule for presentation of evidence and filing of briefs on district's requested writ.

The Supreme Court held that:

- Auditor had no discretion to refuse to place voter-approved property tax levy on tax list and duplicate for collection while voter-approved bonds remained outstanding, but
- District had to pass legislation authorizing collection of taxes "in following year" to trigger auditor's duty for future years.

School district lacked an adequate remedy in ordinary course of law for county auditor's refusal to

place voter-approved property tax levy on tax list and duplicate for collection while voter-approved bonds issued by district board of education remained outstanding, as element for mandamus relief, even though it could pursue declaratory-judgment action in common pleas court, where such judgment would not provide full relief unless coupled with mandatory injunction compelling auditor to place bond levy on tax list and duplicate.

Fact that it was county treasurer, not the auditor, who had duty to collect property taxes did not prevent auditor from providing relief sought by school district, as element for mandamus relief, even though district asked for mandamus compelling auditor "to collect the bond levy" approved by voters, where district sought mandamus relief after auditor stated she would not place levy on tax list and duplicate for collection, and under statutory process for levying and collecting general obligation bonds, auditor's placement of bond levy on tax list and duplicate for collection was prerequisite to treasurer's duty to collect the property tax.

County auditor had no discretion under statutory process for levying and collecting general obligation bonds to refuse to place voter-approved property tax levy on tax list and duplicate for collection while voter-approved bonds issued by local school district board of education remained outstanding, based on her determination that levy duration had ended; auditor's duty to place bond levy on tax list and duplicate was ministerial.

County auditor did not have legal duty to include bond levy for voter-approved bond for improving school facilities on tax list and duplicate for collection until school district had passed legislation authorizing collection of taxes "in the following year," and thus, school district was not entitled to mandamus relief compelling auditor to place voter-approved property tax levy on tax list and duplicate for collection with respect to voter-approved multi-series bonds issued by local school district board of education to be repaid over maximum of 12 years for future years beyond levy's collection in 2026; governing statute triggered auditor's duty each year only after the taxing authority passed and filed the necessary legislation by November 30 for the following collection year.

EMINENT DOMAIN - TEXAS

Mesquite Asset Recovery Group, L.L.C. v. City of Mesquite, Texas United States Court of Appeals, Fifth Circuit - September 23, 2025 - F.4th - 2025 WL 2700591

Development groups brought action against city in state court, asserting takings claim under federal and Texas constitutions and seeking declaratory relief and attorneys' fees for breach of contract and other state-law violations, after city allegedly refused to extend time for performance under contract and terminated it.

Following removal, city filed motion to dismiss. United States District Court for the Northern District of Texas granted the motion. Groups appealed.

The Court of Appeals held that:

- Groups failed to state a takings claim, and
- Federal Declaratory Judgment Act claim was subject to dismissal, following remand of claim for breach of contract under Texas law to state court.

Fitch: Prolonged US Government Shutdown Could Strain Public Finance Credits

Fitch Ratings-New York/San Francisco-01 October 2025: A brief U.S. government shutdown is unlikely to affect most U.S. public finance (PF) credits, Fitch Ratings says. However, a prolonged shutdown could have negative credit ramifications for USPF issuers, especially those dependent on federal healthcare, housing, and higher education funding. Federal budgets directly support many functions carried out by states, local governments, and not-for-profit entities, and federal spending drives economic activity that underpins public finance credit quality.

Medicaid, which comprises roughly one-third of total state budgets, and Medicare are not funded through annual appropriations and therefore their funding is unaffected by a government shutdown. These programs account for over half of not-for-profit hospitals' payor mix.

The Federal Highway Administration's Highway Trust Fund (HTF), a dedicated funding source for federal highways and transit programs, is funded by gasoline and fuel taxes and is not subject to annual appropriations. HTF funds are expected to continue to flow to states to repay GARVEE bonds. GARVEE bonds also benefit from structural safeguards, and many issuers pre-pay debt service a year in advance.

Non-essential employees have been furloughed or required to work without pay, although the Government Employment Fair Treatment Act of 2019 requires deferred federal salaries be paid after a shutdown. It is unclear if certain federal employees will see permanent changes to their employment or pay status. If there are permanent staff reductions, localities with the highest proportion of federal employment are likely see lasting declines in tax revenues.

An extended federal government shutdown would exacerbate existing pressures on tax revenues and could create additional service demands in the District of Columbia (AA+/Stable). The federal continuing resolution passed in March 2025 allows advance appropriation of local funds for fiscal 2026 and 2027, enabling the District to continue operations during a shutdown.

The macroeconomic impact of a shutdown is limited in the near term. However, a protracted disruption, particularly if accompanied by significant funding withdrawals or workforce reductions, could slightly slow U.S. economic growth. Discretionary federal spending totalled \$1.8 trillion in 2024, or about 6.0% of GDP, according to the Congressional Budget Office. A little more than half of this was non-defense discretionary spending. Fitch's USPF ratings account for normal economic cycles, and states' fiscal 2026 budgets anticipate slower economic growth.

Most state and local government ratings assume sufficient flexibility to address federal funding reductions, primarily through their own spending cuts. This reflects their significant autonomy within the U.S. federal structure. Local governments also bear the risk of absorbing state cutbacks after federal reductions, but they typically have broad budget tools and reserves to manage unforeseen developments.

Many states and local governments currently benefit from high reserves and solid liquidity, reflected in Fitch's generally robust assessment for governments' financial resilience and high credit ratings. But reserve and liquidity levels may decline, particularly for governments with lower financial resilience assessments, if governments are unable to quickly adjust to slower economic growth and shifts in federal spending priorities. Weaker sovereign public finances and federal spending cuts

could diminish the reach and effectiveness of countercyclical actions, leaving USPF issuers vulnerable to a slowdown.

Revenue-supported entities are generally well-positioned to absorb the effects of reduced federal funding. However, an extended spending pause could negatively affect credits that rely on federal funding for certain programs, including those for housing, higher education, and public transit. Backfilling lost federal funds with own-source resources could affect operating performance over time.

The shutdown could also cause non-material operational disruptions at airports if non-essential Federal Aviation Administration and Transportation Security Administration workers are furloughed, although financial risk remains very low. Airport capital projects could be delayed if federal grant funding is held up.

Fitch Ratings Reviews Exposure Draft Feedback for U.S. Public Finance Charter School Rating Criteria

Fitch Ratings-New York/Chicago-01 October 2025: Fitch Ratings published an <u>exposure draft</u> for proposed revisions to its "U.S. Public Finance Charter School Rating Criteria" on Aug. 4, 2025. The comment period for feedback on the draft criteria ended on Sept. 30, 2025.

Fitch is reviewing feedback received on the draft criteria. The agency expects to address comments and publish the final criteria following the close of the comment period. Fitch will publish all written responses received by the end of the comment period, including the respondent's name, unless the response was clearly marked as confidential.

The exposure draft outlines proposed changes to Fitch's methodology for assigning Issuer Default Ratings (IDRs) and instrument ratings to U.S. charter schools. Charter schools offer K-12 education under authorized charters, providing curriculum choice and school-level operational flexibility while remaining accountable to performance and compliance standards. The criteria address demand and enrollment dynamics, financial resilience and liquidity, leverage and debt structure, governance effectiveness and charter renewal risk, and legal and security frameworks supporting operating continuity and bondholder protections.

Mission Creep: The Fed's Foray Into State and Local Debt

The Fed's scheme to offer credit to states and municipalities was fiscal policy in disguise, turning local mismanagement into a national problem.

ive years ago, The CARES Act <u>authorized</u> the Federal Reserve to create emergency lending facilities in the name of aiding the US economy during the COVID-19 economic downturn. In a 2021 appraisal of the Fed lending facilities, several AIER Sound Money Project (SMP) scholars <u>observed</u>:

Although some facilities likely helped to promote general liquidity, others were primarily

intended to allocate credit, which blurs the line between monetary and fiscal policy. These credit allocation facilities were unwarranted and unwise.

One such facility was the <u>Municipal Liquidity Facility</u> (MLF), which loaned money to state and local governments. In my recent AIER White Paper "<u>Enabling Bad Behavior</u>," I examined the two entities that took loans from the MLF: the State of Illinois and the New York Metropolitan Transportation Agency (MTA). I find that, while the MLF loans do not show any effect on the fiscal health of these entities during or after 2020, the MLF distorted the boundary between fiscal and monetary policy.

Continue reading.

thedailyeconomy.org

by Thomas Savidge

October 2, 2025

How to Prepare for ARPA SLFRF Closeout.

he U.S. Department of the Treasury has released <u>new guidance</u> (PDF) on how communities should prepare to close out their American Rescue Plan Act (ARPA) State and Local Fiscal Recovery Funds (SLFRF) awards.

Per statute, recipients must continue reporting on their SLFRF projects through 2027, even after funds are fully spent. However, Treasury has now introduced an early closeout option, a long-requested capability that NLC has consistently advocated for on behalf of municipalities nationwide.

As a reminder, **closeout is not the same as being administratively closed in the reporting portal.** Administrative closure occurs when a municipality misses a reporting deadline, and Treasury staff automatically lock the portal for that period. Past reporting portals cannot be reopened, but all reports are cumulative and continue forward.

Continue reading.

National League of Cities

by Dante Moreno

October 2, 2025

Would The US Government Want To Issue CAT Bonds At Scale To Finance Losses From Climate Change?

The alternative is taxation and greater deficits

Climate week just concluded in New York City. Instead of joining the chorus on how the US has withdrawn from the conversation, I thought I might write about something constructive. I have

always worried that climate losses will eventually be socialized via greater deficits and eventually via greater taxation. What might an alternative look like? A private sector funded financing vehicle that can transfer risk from victims to a more risk loving investor, in exchange for appropriate returns. That is, something like CAT bonds.

How do CAT bonds work?

For those who may not be familiar, CAT bonds are effectively insurance on tightly defined catastrophic climate events. The actual structure is a bit complicated. An SPV (special purpose vehicle) is formed by an insurance company. Investors pay let's say \$100 million to the SPV. This money will be used to pay out insured parties should the insurance company have to pay up if disaster strikes. Let's say the disaster is a 7.0 earthquake in a specific tightly defined region. The cash that comes in from investors is usually invested in US treasuries, which pay say 5% per annum.

The insurance company hands off the premiums it receives from selling coverage of \$100 million to the SPV. Let's say that the premium is 6.5% on \$100 million. The cumulative returns of 6.5% plus 5% on T-bills invested is passed on to investors every year till the disaster strikes. If disaster does not strike, the \$100 million is returned to CAT bond investors at the end of the pre-arranged term, say at the end of three years. If the earthquake of 7.0 or higher does strike, the insurance company pays off the \$100 million to insured parties.

Continue reading.

Forbes.com

By Shivaram Rajgopal, Contributor

I am the Kester and Brynes Professor at Columbia Business School and a Chazen Senior Scholar at the Jerome A. Chazen Institute for Global Business.

Sep 29, 2025, 07:13pm EDT

<u>Catastrophe Bond Investors Betting on Disasters are Helping Make Insurance Affordable.</u>

In many communities at high risk for natural disasters, a Wall Street financing tool that's gaining popularity, called a catastrophe bond, may make it easier for homeowners to get insurance. On Oak Island, North Carolina, homeowners who face annual hurricane risk are seeing the impacts firsthand.

The interest in catastrophe bonds comes as insured property losses increased from \$30 billion in 2015 to over \$110 billion in 2024, adjusted for inflation, the Insurance Information Institute found, while homeowner insurance premiums increased 40% faster than inflation between 2017 and 2022, according to the Consumer Federation of America. Many insurance companies have left high-risk markets altogether.

Catastrophe bonds are contingent on whether or not a disaster takes place. Insurance companies sponsor bonds that are then purchased by investors, typically institutional investors. If a natural disaster does not take place, investors get a return on their investment. But if a disaster meeting certain thresholds takes place, money goes to insurance companies to pay out customers' claims, and investors lose money. Catastrophe bonds are beneficial to insurers because they make large

amounts of capital available to pay insurance claims. The bonds are appealing to investors because disasters that lead to insurance payouts are rare.

Continue reading.

CBS News

By Seiji Yamashita, Ash-har Quraishi

September 30, 2025

S&P Rating Changes Of 25 Major U.S. Cities Since 2000.

Continue reading.

01-Oct-2025 | 17:14 EDT

Fitch: US Public Power Cost, Rate Management Key to Credit Amid Capex Surge

Fitch Ratings-New York-30 September 2025: U.S. public power and electric cooperative's capital spending surge will present capital planning and financial management challenges, echoing pressures last seen over a decade ago. Maintaining credit quality and ratings through this capex cycle will require effective cost management and disciplined rate setting, Fitch Ratings says.

Fitch estimates capital spending will nearly double over the next four years compared to the past four years, accelerating a trend that began in 2023. Utilities are ramping up investments to address growing demand and improve grid resiliency amid higher material and labor costs.

Public budgets, ongoing disclosures, and issuer projections indicate that spending will likely accelerate in 2025 and achieve record levels over the next three years. Aggregate and average annual spending will likely grow over 25% YoY over the next two years, peaking in 2026 at more than \$34.6 billion and \$291 million, respectively. Spending should moderate slightly to \$30.9 billion and \$260 million in 2028. Transmission investment will remain a significant component of capital plans. An even greater share of committed capital will be directed toward new generating capacity, particularly natural gas-fired capacity.

Continue reading.

Water Sector Applauds Introduction of Bipartisan Water System Resilience Bill.

Water sector groups are reacting favorably to the reintroduction of the Water Infrastructure Resilience and Sustainability Act. The bipartisan legislation would fund upgrades to drinking water, wastewater and stormwater infrastructure and make them more resilient against threats ranging from cyberattacks to extreme weather.

The bill was introduced in the House of Representatives last month by Rep. David Valadao (R-Calif.), Rep. Salud Carbajal (D-Calif.), Rep. Jeff Van Drew (R-N.J.), Rep. Troy Carter (D-La.) and Rep. Brian Mast (R-Fla.). The Water Infrastructure Resilience and Sustainability Act would reauthorize the following three water infrastructure resilience programs from Fiscal Year 2027 to Fiscal Year 2031 at current authorization levels:

Continue reading.

Water Finance & Management

by WFM Staff

October 6, 2025

5 Steps to Disaster-Proof Your City as FEMA Pulls Back.

FEMA is stretched thin, a GAO report warns. Its author offers advice for local leaders to respond strategically and build resilience now.

The Federal Emergency Management Agency has long been the insurance policy cities rely on when disaster strikes. But with its workforce shrinking and a new federal push to shift responsibility for disaster preparedness and recovery to state and local governments, that safety net is starting to fray, according to a U.S. Government Accountability Office report released earlier this month.

Local governments need to prepare now for the possibility of less support when the next hurricane, flood or wildfire hits, said the report's author, Chris Currie, a director with GAO's Homeland Security and Justice Team, in an interview.

When the 2025 hurricane season began on June 1, only 12% of FEMA's incident management workforce was available to respond to disasters because most staff members were already in the field supporting more than 91 major disasters and emergencies across the country, the report states.

Continue reading.

smartcitiesdive.com

by Robyn Griggs Lawrence

Sept. 30, 2025

Vanguard Fund Overtakes BlackRock as Muni Market's Biggest ETF.

Takeaways by Bloomberg AI

• The Vanguard Tax-Exempt Bond ETF has \$39.9 billion in assets after drawing in \$4.3 billion so far this year, surpassing the \$39.4 billion iShares National Muni Bond ETF.

- Investors have yanked \$884 million from the iShares National Muni Bond ETF this year, which hasn't had an annual outflow since 2013.
- Assets in muni ETFs have jumped to \$156.7 billion, up 12% this year, with Vanguard's fund at an advantage due to its lower fees and longer-dated bonds.

Competition is heating up in the rapidly growing arena of municipal-bond exchange-traded funds.

The Vanguard Tax-Exempt Bond ETF (ticker VTEB) now has \$39.9 billion in assets after drawing in \$4.3 billion so far this year, according to data compiled by Bloomberg. That has nudged it just past the \$39.4 billion iShares National Muni Bond ETF (ticker MUB), which was long the largest fund in the category.

Continue reading.

Bloomberg Markets

By Shruti Singh and Amanda Albright

October 3, 2025

Why Taxable Municipal Bonds Outshine Investment-Grade Corporates.

When it comes to building a fixed income portfolio, it's all about balancing risk and reward. In this case, it's the amount of yield you're getting in exchange for the amount of credit and duration risk. Finding the right combination is crucial to minimizing losses, maintaining stability, and achieving a sufficient yield. Sometimes, the market manages to hand investors a gift that allows them to reduce their risk while increasing their returns.

Today, that proposition exists in the world of taxable municipal bonds.

Investors often ignore taxable munis in favor of their tax-free sisters. That's a real shame, considering today, taxable munis could offer a better return potential than traditional corporate bonds. With them, they can find the holy grail of reducing credit risk while still offering a top yield.

Continue reading.

dividend.com

by Aaron Levitt

Oct 01, 2025

Trump Funding Risks Put Muni Market Investors on Alert.

Takeaways by Bloomberg AI

• The Trump administration has frozen or plans to redirect billions of dollars in funding for infrastructure and other projects in cities like New York City and Chicago, and states like

California.

- Municipal investors are watching for signs of erosion of credit quality and potential hits to specific states or cities, but the municipal market has held up so far.
- Investors expect a bifurcation of performance in municipals, with investment grade names benefiting from potential rate rallies, but lower-rated names facing challenges due to headline risk and uncertainty about federal funding.

The steady drum beat of federal funding threats totaling billions of dollars is renewing municipal investors' qualms about lower-rated state and local borrowers.

President Donald Trump's administration has frozen \$18 billion in infrastructure dollars for New York City and another \$2.1 billion for rail projects in Chicago, viewed as a bid to use the government shutdown to punish political opponents. His administration said in September it plans to redirect \$2.4 billion intended for transit in California to other projects. Earlier this year, his administration temporarily stalled billions in education funding intended for schools nationwide.

Continue reading.

Bloomberg Markets

By Shruti Singh

October 6, 2025

Citadel Securities Begins Processing Trades for Small Banks.

Takeaways by Bloomberg AI

- Citadel Securities has begun processing trades for small and mid-tier banks in a partnership to provide them better pricing on fixed-income securities, according to President Jim Esposito.
- The partnership aims to help banks compete with industry leaders such as JPMorgan Chase & Co. and Goldman Sachs Group Inc. by providing the liquidity needed to better service their clients.
- Citadel Securities is setting up a mid-tier liquidity ecosystem to service these mid-tier banks, with Esposito saying "it serves the end-user client well, and it is servicing and allowing mid-tier banks to be much much more competitive against larger players"

Citadel Securities has begun processing trades for small and mid-tier banks in a partnership aimed at providing them better pricing on fixed-income securities, according to President Jim Esposito.

"I think there are probably a hundred banks around the globe that want to service their end-user client in markets, jurisdictions, in places we're never going to touch," Esposito said in a Bloomberg TV interview from the sidelines of the firm's conference on Monday.

Continue reading.

Bloomberg Industries

By Katherine Doherty

October 6, 2025 at 12:00 PM PDT

After OBBBA, What's Next for Clean Energy Tax Credits? Here are Some Considerations - Novogradac

The only constant is change. It's inevitable.

Policy and legislation changes shaping the current energy landscape will require renewables to adapt. The increasing need for new generation after decades of relatively flat demand growth will also drive changes. The ability of renewable energy stakeholders to provide more timely and cost-effective solutions will keep clean power in the mix, albeit at a slower pace of uptake, at least in the immediate future.

At the same time, the climate will continue to be an existential issue and the United States needs steady jobs and resilient sources of clean energy. We will inevitably have the opportunity to change, reinvent or resurrect tax credits and other public incentives for renewable energy solutions. How should we use lessons learned from both the Inflation Reduction Act (IRA) of 2022 and the One Big Beautiful Bill Act experiences to inform future strategy?

We offer a few thoughts and considerations:

Consider Partnering with Other Energy Markets (e.g., Oil and Gas) to Protect the Concept of Public Support for Public Goods, Including Reliable Energy

An effective partnership with oil and gas players would enable renewables to be viewed as complementary to baseload technologies and an important part of economic and energy security. It would also undercut the argument that renewables are too mature to warrant continued support. If the fossil industry receives financial support, renewables should too. Given that many "big oil" players are already invested in renewable companies, this may be a real possibility.

Consider the Rate at Which Tax Credits are Still Effective But are More Manageable for Budget and Messaging

Tax credits had a much more robust impact in the context of a 35% corporate tax rate. With the current corporate rate at 21% and many corporations unwilling to go lower than an effective tax rate of 15%, the demand for tax credits is not unlimited.

Constrained access to tax investors may be more acutely felt in middle-market deals. The added value and volume of tax investing after the IRA was and is highly concentrated in storage systems, very large installations and manufacturing plants.

Further, the credit adders increase the difficulty of finding budget "pay-fors" at the federal level and may increase unwanted political attention. The domestic content adder seems redundant in the face of FEOC requirements, and it is unclear that any of the "community" adders had the desired impact on communities, in large part due to the time needed to develop sites to the federal requirement and limited bandwidth at the IRS to review applications.

We suggest a smaller credit is more sustainable in the long run. A flat rate of approximately 25% may be a good compromise. It is more in line with other community development credits and would reduce the 10-year outlay for budget discussions while still promoting renewable uptake.

Broaden the Focus for Incentives and Support to More Than Tax Credits

Federal tax credits are but one of the incentives needed to move the market. State-based and regional programs have had great success. Renewable portfolio standards, community solar access, net metering and storage incentive programs are good examples.

The ability to transmit and deliver power is critical to all generating sources. The grid desperately needs investment to address access and reliability. Regional system operators and the Federal Energy Regulatory Commission should be targets of collective lobbying to encourage progress.

The federal, state and local requirements for construction permitting, interconnection and environmental reviews should be streamlined. Recent changes to the National Environmental Policy Act rules may help. An expansion of the Public Utility Regulatory Policies Act rules around priority dispatch to encompass installations larger than 5 MW would give some comfort to investors that small and medium deals have sales options for their power into the future.

The renewable community should support state and public utility programs that allow for net metering, protect renewable dispatch, guarantee access to transmission and delivery, and give benefits to low-income households.

In addition, a simplification of the federal accounting treatment for partnership investments would ease a barrier to entry for investors and developers alike. The recent introduction of proportional amortization was intended to help, but arguably made the rules more complex.

Review Experience with Various Tax Investing Structures

The current policy allows a range of investments to monetize renewable credits. This flexibility has proven useful for projects of varying sizes and market segments, each with distinct financing needs. We think the range of options should remain.

The options vary in terms of timing, return and complexity. At one end of the spectrum are sale-leasebacks, wherein the investor buys the entire project for a defined period. Then there are partnerships where ownership is shared and benefits are allocated on a negotiated split and for a defined period of time. The proportional amortization (PAM) option for partnership accounting became possible due to Financial Accounting Standards Board changes. PAM essentially allows the investor to buy into the value of tax credits and depreciation, but not cash, and can be rigid to implement. Finally, the transfer option is a straightforward purchase of the credits only-no cash or depreciation. As you progress through these options, the Generally Accepted Accounting Principles accounting gets simpler and returns decline.

Market reactions over the past two years show that simplicity sells, especially at scale. Large investors looking to offset large tax positions trend almost exclusively to transfers, irrespective of lower returns. Investors looking for a more engaged option with higher returns may still invest in individual projects and portfolios of commercial and industrial and community solar through the sale-leaseback or partnership structures. The hybrid or T-flip structure allows for short-term equity (i.e., less than 10 years) to invest and then sell some or all the credits and depreciation. But the hybrid still ultimately relies on investors with tax appetite and may require a complex set of documents.

In summary: To achieve progress on practical, sustainable and effective public incentives for renewable energy, it's essential to find the right balance of messaging, simplicity, coverage and return potential within an "all-of-the-above" power market.

There are certainly additional strategies and actions worth considering. We encourage all stakeholders to look forward to the future development of the energy market.

Novogradac

Published by Karin Berry and Paul Holshouser on Thursday, October 2, 2025

Karin Berry is the managing director of NT Solar and Paul Holshouser is the director of solar transactions for NT Solar. NT Solar is a division of the National Trust Community Investment Corporation, a tax credit service provider for with corporate investors in renewable energy investment tax credit, historic tax credit, and new markets tax credit transactions.

The AI Revolution in Property Tax Assessment.

Accurately assessing property values is essential for ensuring that localities have the revenue to support public services like schools, roads, and law enforcement. However, traditional assessment methods face a litany of problems. Valuations can often be inconsistent and municipalities are typically understaffed and resource-constrained.

While there has been a lot of attention on generative AI systems like ChatGPT, predictive AI models trained on property characteristics, sales data, and market trends are increasingly being adopted to address the core challenges of traditional property tax assessment methods.

As home sale data and tax assessments have become easily accessible, researchers have found systematic regressivity in property tax assessment in the past decade. Lower-value properties are typically over-assessed, while higher-value homes are under-assessed. A 2022 report from the Philadelphia Fed, for example, found that "owners of inexpensive houses pay almost 50% higher effective tax rates than owners of expensive houses." Research on Atlanta's property taxes, enabled by modeling from Center for Municipal Finance at the University of Chicago, found that 69 percent of the lowest-value properties in Atlanta are over-assessed, while 32 percent of the highest-value homes are under-assessed.

Continue reading.

The American Enterprise Institute

By Will Rinehart

September 29, 2025

Why Longer Municipal Strategies Make Sense Now.

Municipal bonds have made their opening move. After months of being labeled "cheap," the tax-exempt market responded with a rally across the full curve. Yields dropped, ratios tightened, and early investors saw results. But if you missed the first wave, don't worry. There's still opportunity ahead, especially for those focused on what's next.

Munis may not grab headlines, but their quiet consistency and tax advantages could make them a smart choice for investors seeking stability and income, especially in today's market. This isn't a "get out" moment. It's a "stay and enjoy the yield" one. For many investors, it's a chance to rethink how munis fit into your portfolio and capitalize on the value that remains.

Going long still makes sense

Even after the rally, the municipal bond curve remains historically steep. Investors can still earn significantly more income by moving into longer maturities, especially in high-quality bonds.

Continue reading.

Fortune

by Paul Malloy

Sat, October 4, 2025

Bond Markets End Q3 on a High Note.

Falling yields lifted bond returns and rewarded patient investors.

At the close of 2025's third quarter, all major fixed-income Morningstar Categories showcased positive returns, but it wasn't a smooth-sailing ride.

In July, the 10-Year Treasury yield hovered between cycle highs of 4.35% and 4.45%, and credit spreads widened due to higher-than-expected inflation numbers and political uncertainty. However, as the quarter progressed, the market sentiment shifted from caution to renewed optimism. Treasury yields decreased across the curve, and in September, the Federal Reserve reduced its overnight borrowing rate for banks by 25 basis points, reinforcing expectations for further policy support. While yields fell, the Treasury yield curve steepened during the quarter, with short-term yields falling more than long-term rates, signaling investor caution about the long-term economic outlook. Meanwhile, credit-sensitive sectors staged a rebound, and almost all fixed-income sectors promptly gained back their July losses. The Morningstar US Core Bond Index, a proxy for the US-dollar-denominated investment-grade bond market, gained 2.04% during the quarter.

In what turned out to be a volatile quarter, investors who took reasonable duration and credit risk were rewarded in the end. A typical long-term bond Morningstar Category fund, which invests in long-dated investment-grade corporate and government debt and carries a duration of 11.2 years, gained 3.66% during the guarter.

Continue reading.

morningstar.com

by Saraja Samant

Oct 2, 2025

The Secret's Out - Municipal Bonds Are Having a Moment

Yields are Higher & Investment Dollars are Flowing into Municipal Funds

Municipal bonds are no longer flying under the radar. Their value is gaining widespread recognition as investors respond to a rare combination of attractive yields, strong credit fundamentals, and tax-efficiency. The recent surge in demand reflects a growing awareness that U.S. municipal bonds are well-suited to meet a range of investment goals—particularly in today's environment of economic and political uncertainty.

Continue reading.

advisorhub.com

by Tom Kozlik, HilltopSecurities

October 1, 2025

Municipal Bond Fund Outflows and the Resurgence of Long-Duration Strategies.

Overview

- 2025 municipal bond market saw \$3.3B Q2 outflows but shifted to \$5B inflows in long-duration munis as investors hedge macro risks.
- Fed easing and steepening yield curves boosted long-muni appeal, with high-grade bonds offering tax-equivalent yields rivaling corporates.
- Record 2024-2025 municipal issuance and active management needs highlight market dispersion, as strong states like Texas outperform weaker jurisdictions.
- High-yield muni funds like FEHIX (4.43%) outperformed benchmarks, but trade uncertainties and tax law changes pose ongoing challenges.
- Analysts advise selective credit analysis, favoring diversified municipalities with strong demographics over those with pension liabilities or population decline.

Continue reading.

ainvest.com

Written by Isaac Lane

Friday, Oct 3, 2025

Utah Infrastructure Agency: Fitch New Issue Report

The 'BBB-' rating reflects Utah Infrastructure Agency, UT's (UIA) high nonconsolidated leverage, which excludes non-recourse debt issued on behalf of certain municipalities in Utah, of 9.1x and 8.3x (unaudited) in FY 2024 and FY 2025, respectively. Fitch Ratings expects that implemented price increases will support higher funds available for debt service (FADS) and further deleveraging, with

nonconsolidated leverage, including the issuance of the series 2025 bonds, to trend below 8.0x after FY 2027 even in its stressed rating case scenario.

Access Report

Fri 03 Oct, 2025 - 3:49 PM ET

State of Ohio: Fitch New Issue Report

The 'AA+' rating on the bonds is backed by the State of Ohio's lease-appropriation pledge and is one notch below the state's 'AAA' Issuer Default Rating (IDR). This reflects the slightly higher degree of optionality associated with the payment of annual appropriation debt.

Access Report

Wed 01 Oct, 2025 - 4:47 PM ET

S&P Charter School Brief: Texas

View the S&P Brief.

02-Oct-2025 | 10:17 EDT

California-to-Vegas High-Speed Rail Costs Jump \$5.5 Billion.

Takeaways by Bloomberg AI

- The price tag for building a private high-speed passenger railroad from Southern California to Las Vegas has swelled by nearly 35% to \$21.5 billion.
- Brightline West is seeking a \$6 billion loan from the US Department of Transportation to help cover the increased cost, which will replace a \$6 billion bank facility in the company's original financing plan.
- The company plans to raise equity to cover most of the \$5.5 billion increase in construction costs, and may also line up a smaller bank facility to round out its financing plan.

The price tag for building a private high-speed passenger railroad from Southern California to Las Vegas has swelled by nearly 35%.

Brightline West's 218-mile (351 kilometer) railroad will now cost \$21.5 billion, according to the US Department of Transportation's website, which lists the company as a loan applicant. The initial projection was \$16 billion. The higher cost has led the Fortress Investment Group-backed company to seek a \$6 billion loan from the Trump administration, according to the site.

Continue reading.

Bloomberg CityLab

By Martin Z Braun

October 1, 2025

Why This JPMorgan Analyst Says Now Is the Time to Buy Municipal Bonds.

In this week's episode of WSJ's Take On the Week, co-hosts Gunjan Banerji and Telis Demos explore how the Federal Reserve's independence, a government shutdown and volatility around tariffs are driving gold to hit record highs. Then, does videogame maker Electronic Arts' \$55 billion buyout signal a long-awaited M&A boom? Plus, they discuss the "debasement trade" and how concerns over the U.S. dollar are also fueling a rally in bitcoin ETFs issued by firms like BlackRock.

Then after the break, Gunjan sits down with Neene Jenkins, head of municipal research at JPMorgan Asset Management, to dive into municipal bonds, which are used to fund infrastructure, highways, sewer systems and school districts. Is higher education issuing more debt because of federal challenges? Later, they discuss the sector's resilience to government shutdowns, and Jenkins answers a key question: How likely is a recession?

WATCH VIDEO.

THE WALL STREET JOURNAL

SUNDAY, OCTOBER 5, 2025

- MSRB Files Multi-Year Rate Card for Dealers and Municipal Advisors.
- PAB Use for Multifamily Housing Continues to Grow; Financed-By Test Change May Stretch Cap Novogradac
- <u>S&P Credit FAQ: The Changing U.S. Federal-State Relationship's Impact On State Credit Quality</u>
- New NLC Report Reveals Cities' Top Infrastructure Priorities: Water, Roads, and Mobility Projects Lead the Way
- <u>Google Public Sector Summit 2025</u> [Looks to be just an infomercial, but these guys should be able to at least afford good snacks & schwag.]
- And Finally, Maybe I'll Just Grab An Uber is brought to us this week by *Indianapolis Public Transportation Corporation v. Bush*, in which many uncanny parallels between Michael Fergerson and Your Editor can be found. These include (but are hardly limited to) a) "found intoxicated on a sidewalk" b) "confused and disoriented" c) "performed poorly on dexterity tests"; d) "typically would drink a pint and a half of vodka per day" and e) BAC of 0.261. Where we differ is that Your Editor has not (as of yet) been run over and killed by the very same bus he was attempting to board. (As of yet.) While a nice story and all, what we found astonishing is that Indiana has a statute prohibiting pedestrians from stepping in front of moving vehicles. (Indiana Code sections 9-21-17-5) It was necessary to put this in writing? Were Indianian roads at all times slick with (high octane) blood and viscera? And what about enforcement? Feels a bit unsporting to shovel folks into buckets only to then indict 'em. I need a drink...

PUBLIC EMPLOYMENT - ALABAMA

Personnel Board of Jefferson County v. City of Trussville

Supreme Court of Alabama - September 12, 2025 - So.3d - 2025 WL 2627723

County personnel board brought action against city, seeking declaration that act allowing certain municipalities to remove themselves from jurisdiction of their county's personnel board violated Alabama Constitution's provisions on special and local laws and that city's subsequent departure from board's jurisdiction pursuant to that act was void.

In response to motion by city, the Circuit Court dismissed action with prejudice. Board appealed.

The Supreme Court held that:

- Board was within group affected by act, as required for board to have standing to challenge act's
 constitutionality pursuant to test for standing as articulated in *Express Enterprise*, *Inc. v. Waites*,
 979 So.2d 754;
- Board's loss of jurisdiction constituted injury-in-fact under the traditional and default test for standing in public-law actions;
- Board's imminent loss of \$300,000 if city were allowed to depart from board's jurisdiction under act constituted injury-in-fact under the traditional and default test for standing in public-law actions;
- Board's injury-in-fact had direct causal link to act's passage;
- Board's injury-in-fact was redressable by a favorable court decision; and
- If it turned out to be true that city was the only municipality in the State that met act's requirements, then Legislature, before act's enactment, had to comply with Alabama Constitution's notice requirements for special and local laws.

IMMUNITY - ALABAMA

Ex Parte Riche

Supreme Court of Alabama - September 19, 2025 - So.3d - 2025 WL 2679931

Football game spectator who claimed that she had been injured in a trip and fall in walkway in stadium owned by city board of education brought action against stadium manager, in his official and individual capacities, and asserted claims of negligence, wantonness, premises liability, negligent and/or wanton undertaking, and "combining and concurring negligence."

The Circuit Court denied manager's motion for summary judgment. Manager petitioned for a writ of mandamus.

The Supreme Court held that:

- Manager, who was an employee of the board, had sovereign immunity from the claims insofar as they were asserted against him in his official capacity;
- Pursuant to statute providing for State-agent immunity to those exercising judgment in the discharge of duties in educating students, manager had State-agent immunity from the claims insofar as they were asserted against him in his individual capacity; and
- Manager's alleged failure to follow up regarding the sand that he had put in crack in stadium walkway and the orange cone that he had placed nearby did not defeat finding that he had State-

NEGLIGENCE - INDIANA

Indianapolis Public Transportation Corporation v. Bush

Supreme Court of Indiana - September 15, 2025 - N.E.3d - 2025 WL 2640911

Pedestrian's mother, on behalf of his estate, brought wrongful death action against city public transportation corporation, alleging that when pedestrian was trying to board bus, he fell into the road as the bus left a curbside stop, and was run over and died of his injuries.

Following jury trial, the Superior Court entered judgment for estate, and denied corporation's motion to correct error. Corporation appealed. The Court of Appeals reversed and remanded. Estate petitioned for transfer, which was granted.

The Supreme Court held that:

- As matter of first impression, appropriate standard of review on denial of motion to correct error, when the motion asserts a verdict is clearly erroneous as contrary to the evidence, is de novo;
- Video footage created issue for jury of whether pedestrian was contributorily negligent;
- Evidence of pedestrian's blood alcohol content (BAC) created issue for jury as to whether pedestrian's intoxication was a proximate cause of his injuries;
- Issue of whether pedestrian violated statute prohibiting pedestrians from suddenly leaving a curb and walking into path of vehicle that is so close as to constitute an immediate hazard was for the jury; and
- Issue of whether pedestrian violated statute prohibiting a person from being intoxicated when using public transportation and endangering their own life was for the jury.

REFERENDA - OHIO

State ex rel M/I Homes of Cincinnati, L.L.C. v. Clermont County Board of Elections

Supreme Court of Ohio - September 17, 2025 - N.E.3d - 2025 WL 2658638 - 2025-Ohi--4362

Real estate developer requested writ of prohibition to prohibit county board of elections from placing referendum on general-election ballot challenging township board of trustees' approval of developer's application to rezone parcels of property to planned-development district for purposes of residential development or, alternatively, writ of mandamus to compel board of elections to sustain developer's protest against referendum petition.

The Supreme Court held that:

- Average person reading brief summary would have understood that proposal to be voted on would affect zoning status of roughly 120 acres of property spanning three parcels of land;
- Referendum petition's brief summary accurately stating that affected acreage would be rezoned to "PD" and clarifying that acronym stood for "Planned Development District," complied with governing statute;
- Petition accurately stating zoning change associated with affected acreage and accurately stating

nature and number of homes proposed for development complied with governing statute;

- Board of elections did not abuse its discretion or clearly disregard applicable law when it denied protest that involved brief summary that did not mention every feature or condition of zoning amendment;
- Statement from county board of elections' employee, at hearing on developer's protest, that "[t]hese two [maps] were submitted" was sufficient to verify that second map was filed with board of trustees;
- Map used in obtaining signatures that covered up inset "vicinity" map, but nevertheless displaying larger and more detailed map of affected area—as compared to inset vicinity map—on left side of document, complied with governing statute; and
- Developer forfeited its argument in reply brief that maps attached to referendum petition were misleading because they were faded and blurry by failing to raise it in its merit brief.

EMINENT DOMAIN - TEXAS

DM Arbor Court, Limited v. City of Houston, Texas

United States Court of Appeals, Fifth Circuit - August 12, 2025 - 150 F.4th 418

Operator of affordable housing apartment complex for low-income residents brought action against city, alleging that city's refusal to grant permits to operator to repair units damaged in hurricane and subsequent flooding was a regulatory taking under the Fifth Amendment.

Following a bench trial, the United States District Court for the Southern District of Texas ruled against owners, concluding property still had economic life despite permit denial. Operator appealed.

The Court of Appeals held that permit denial effected a categorical taking.

City's denial of a repair permit under city's flood control ordinance for property that was located in flood zone left no viable way for operator of affordable housing apartment complex for low-income residents to redevelop property after property was flooded by hurricane, and thus permit denial effected a categorical taking of property, although operator was technically free to redevelop property so long as it complied with elevation requirement, and notwithstanding any speculation as to a sale of the property, or fact that operator's Housing Assistance Payment Contract (HAP Contract) from Department of Housing and Urban Development (HUD) had value, which was a separate and distinct property interest; evidence indicated that permit denial ended property's economic life given that there was currently no identifiable economically feasible redevelopment for property without permit, redevelopment was prohibitively expensive and economically unfeasible because it would have required elevation of property, holding property for investment purposes was not an economically beneficial use.

<u>S&P Credit FAQ: Understanding The Performance Of Public And Private Ratings</u>

Ratings are forward-looking opinions about creditworthiness of issuers and obligations. Beyond mere symbols, each rating reflects a multi-dimensional view of credit-indicating a common and transparent global benchmark for investors and market participants in their decision-making processes.

For an issuer, the rating represents our assessment of the obligor's capacity and willingness to meet their financial commitments as they come due. This rating is a relative ranking of creditworthiness. Higher ratings, such as those in the investment-grade spectrum ('BBB-' and above), reflect our expectation that these borrowers are more likely to be able to meet their obligations during stress events compared to lower-rated issuers.

Comparatively, speculative-grade ratings ('BB+' and below) carry a higher risk of borrowers failing to meet their obligations and are more at risk to adverse events. A failure to meet financial obligations is classified as a default. The relative likelihood of default is based upon the ratings scale, regardless if a rating is on public or private credit.

Continue reading.

24-Sep-2025 | 10:46 EDT

<u>S&P Credit FAQ: The Changing U.S. Federal-State Relationship's Impact On State Credit Quality</u>

S&P Global Ratings' ratings on U.S. states remain stable, following a few years of better-tha-expected economic conditions, revenues exceeding forecasts, and reserves built-up and maintained at or near all-time high levels. S&P Global Ratings Economics expect the U.S. economy to grow in 2026 and 2027 (GDP 1.8% each year) and unemployment to peak at 4.6% by mid-2026, typically viewed as relatively benign economic conditions. (For our latest economic forecast see "Economic Outlook U.S. O4 2025: Below-Trend Growth Persists Amid A Swirl Of Policy Shifts," Sept. 23, 2025.)

However, we anticipate rising pressures on state credit quality during the same period, partly from state-level policy changes, such as maintaining expanded Medicaid benefits following the pandemic or recently enacted tax rate reductions. Furthermore, financial pressure could result from the changing relationship that states have with the federal government.

Policy change at any level of government can lead to uncertainty, which often leads to greater difficulties in budgeting on both the revenue and expenditure sides of the ledger. As uncertainty persists, we have received questions from issuers and investors on how it could influence state budgets and states' overall financial health.

Continue reading.

24-Sep-2025 | 11:28 EDT

Fitch U.S. Public Finance: 2025 Rating Actions to 26 September

This is the U.S. Public Finance Rating Action Report 2025 Year to Date (1 January to 26 September).

Access Report

Mon 29 Sep, 2025 - 4:17 AM ET

Status and Trends of Unfunded Liabilities of State and Local Pension Funds.

This study analyzes the status of US public pension systems, covering over 90% of public pension assets across states, cities, and counties. At the close of FY 2023, total reported net pension liabilities were approximately \$1.65 trillion, with unfunded liabilities continuing to exceed the size of the US municipal bond market. To stabilize pension systems, state and local governments would need to contribute an additional \$96 billion annually.

Key Takeaways

- State and local governments report net pension liabilities of approximately \$1.65 trillion. The liabilities exceed the size of liabilities in the US municipal bond market.
- Total employer contributions have reached a historical high of \$199.2 billion, equivalent to 21.1% of employee payroll. Despite this increase, the amount still falls \$96 billion short what is necessary to stabilize the pension funding status.
- While the nationwide situation has marginally improved over the last ten years, the aggregate metrics obscure the degree of financial pressure that some states and cities face.

Continue reading.

The Hoover Institution

By: Oliver Giesecke

September 29, 2025

America's Office Slump Is Gutting City Budgets and Taxpayers Are Paying the Price.

Across major U.S. cities, the long tail of the pandemic continues to reshape commercial property values and the budgets that depend on them. Nowhere is this more visible than in the offices that once served as the backbone of urban tax bases. The sharp decline in valuations has left municipal finance directors juggling budget forecasts, property owners challenging assessments, and homeowners increasingly shouldering the difference.

In New York, office buildings have lost roughly \$29 billion in assessed value between 2021 and 2025, a plunge of around 16 percent when adjusted for inflation. That slide has translated into a \$1.16 billion shortfall in property tax receipts, with more than 90 percent of the hit coming from office properties. Vacancy levels remain about twice what they were before the pandemic. Even so, the impact on the city's \$112 billion budget has been muted. Property taxes now make up a smaller share of revenue while personal and business income taxes, which have grown more quickly than inflation, fill the gap. The trade-off is volatility: those revenue streams rise and fall faster with market cycles than stable property taxes. Budget officials acknowledge the shift leaves the city more exposed to downturns, though rating agencies point to the city's still-healthy reserves and the possibility of new levies under a future administration as cushions against deeper fiscal pain.

Washington, D.C. illustrates what happens when federal belt-tightening collides with a shaky office market. Local budget projections already anticipate office property tax receipts falling by nearly 10

percent in 2025 and another 12 percent in 2026. Officials warn that the rising tide of vacancies could weaken finances further as the city absorbs spending cuts triggered by federal tax reforms and other policy changes. To plug the gap, the Bowser administration is weighing sales tax hikes and new gambling levies. Economists at the city's Office of the Chief Financial Officer are blunt: real estate taxes will no longer be the primary driver of local revenue, meaning more reliance on sales and income taxes and, with it, more volatility. Programs will have to compete more directly for scarce dollars as the revenue mix shifts.

Continue reading.

propmodo.com

By Travis Barrington

Sep. 24, 2025

Half the States Don't Have Enough Money to Cover All Their Bills, Report Finds.

Some states aren't disclosing all their costs, masking whether budgets are truly balanced.

Half of American states do not have enough funds to pay their bills, according to a new analysis released Thursday.

The nonprofit Truth in Accounting, which advocates for more transparency in public finance, released its <u>Financial State of the States report</u>. It concluded that 25 states were unable to cover all their financial obligations at the end of fiscal year 2024, which for most states ended June 30.

While every state but Vermont mandates a balanced budget, the report says elected officials often exclude certain costs such as future pension obligations and deferred maintenance from their budget calculations.

Continue reading.

stateline.org

By: Kevin Hardy

September 25, 2025

Municipal Bonds: The State of States' Fiscal Health

Here, we answer investor questions about the fiscal standing of the states that are among the largest municipal bond issuers.

Key Takeaways

• Going into the fourth quarter of 2025, the overall fiscal health of U.S. states, key issuers of

municipal bonds, remains strong.

- That strength is evident in data from NASBO showing state reserve fund balances at their highest levels in nearly a decade, along with positive budget news from major issuers such as California, New York, Illinois, New Jersey, and Massachusetts.
- We will continue to monitor developments in state budgets for any early indicators of potential weakness, but for now, fiscal conditions remain supportive of the municipal bond market.

As investors consider the performance of the municipal bond market going into the fourth quarter of 2025, we believe there are many positive factors to note. Year to date through September 12, the Bloomberg Municipal Bond Index (muni index) returned 2.70%. Starting yields on municipal bonds remain attractive; the muni index yield at that date stood at 3.56%, representing a 6.0% taxequivalent yield. Longer-dated municipal bonds (maturities of 22 years or greater) yielded 4.6%, or about 7.8% on a tax-equivalent basis. (Tax-equivalent yields based on the top 40.8% tax rate.)

Clearly, the asset class retains its appeal for investors seeking tax-free income. Against that backdrop, however, we continue to receive questions about the overall fiscal health of U.S. states, the major issuers of general obligation municipal bonds. We are also asked about the state and local governments that are among the largest individual issuers within the asset class. Here, we will address these questions and offer some observations about their implications for investors.

Continue reading.

lordabbett.com

By Richard T. Gerbino, Roman Schuster, Brandon J. Crofton

September 24, 2025

Fitch: Staffing Rule Repeal Would Ease Pressure on U.S. Nursing Facilities

Fitch Ratings-New York/Austin-25 September 2025: A repeal of skilled nursing facilities (SNF) minimum staffing standards would reduce the risk of potential new cost pressures on U.S. life plan communities (LPCs) with SNFs, Fitch Ratings says.

The Centers for Medicare and Medicaid Services (CMS) have drafted an interim final rule that would repeal the 2024 rule establishing minimum skilled nursing staffing ratios, although details remain unclear. Congress postponed implementation of the 2024 rule until 2034 as part of the 2025 tax and spending bill.

LPCs with significant SNF services have limited ability to raise rates given their exposure to government payors. Government reimbursement rates, particularly Medicaid rates, have not kept pace with heightened expenses related to staffing SNFs.

Continue reading.

Fitch U.S. Water and Sewer - Peer Credit Analysis

Fitch Ratings' 2025 peer credit analysis report compares recent financial performance of retail and

wholesale water and sewer systems. The ratios highlighted include some of the financial calculations used to compare utility systems during Fitch's committee process and can assist market participants in making their own comparisons. Financial metrics represent only one key component of Fitch's utility credit analysis. To view Fitch's full water and sewer criteria, see "U.S. Water and Sewer Rating Criteria."

Access Report

Wed 24 Sep, 2025 - 10:39 AM ET

New NLC Report Reveals Cities' Top Infrastructure Priorities: Water, Roads, and Mobility Projects Lead the Way

Washington, D.C. — The National League of Cities (NLC) today released its 2025 Municipal Infrastructure Conditions Report, providing the most up-to-date look at how cities, towns and villages across the country are funding, prioritizing and managing critical infrastructure projects.

Drawing on survey data, the report highlights the infrastructure investments municipalities say are most vital to supporting public health, safety and economic growth.

Key Findings from the Report Include:

Water systems, roads and bridges rank as the top three infrastructure priorities for over 70% of municipalities.

- Cities are facing rising project costs, labor shortages and regulatory hurdles but are finding innovative ways to keep projects moving forward.
- Municipalities are leveraging a mix of grants, municipal bonds and federal programs like the Infrastructure Investment and Jobs Act (IIJA) to modernize aging systems.
- Nearly 88% of cities say infrastructure investments are essential for economic development, job creation and equitable community growth.

"Local leaders are on the frontlines of keeping water systems safe, roads and bridges functional and communities connected," said Clarence E. Anthony CEO & Executive Director of the National League of Cities. "The Municipal Infrastructure Report shows how cities, towns and villages of all sizes are innovating in the face of rising costs and complex permitting processes to deliver the infrastructure residents depend on for a thriving community."

The report also underscores how infrastructure investments are linked to broader community goals — from affordable housing development to climate resilience and economic inclusion.

Access the full report and learn more.

September 23, 2025

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The National League of Cities (NLC) is the voice of America's cities, towns and villages, representing more than 200 million people across the country. NLC works to strengthen local leadership, influence federal policy and drive innovative solutions. Stay connected with NLC on Facebook, X,

PWF's 3-Step Guide to Getting More American Capital into American Transport Infrastructure.

Transportation Secretary Sean Duffy joined the inaugural meeting of the Department of Transportation Advisory Board earlier this summer at the White House. Overall, the meeting was extraordinarily promising for American transportation P3s. Again and again, Secretary Duffy mentioned the need to find ways to leverage private investment and create projects that attract private capital, and he wants to reform things quickly. He told the Board that "the mission is speed. We've got to do this fast."

However, right out of the gate, the Secretary mentioned a more surprising concern: "In a number of our projects, what we see is opportunity for private capital. And often times...it's frustrating because it's a lot of foreign private capital. And it seems like there's some pretty good returns that they're making on American infrastructure. It'd be great if we were able to get American private capital into American infrastructure and see those returns go to American investors. I don't think we've done a very good job of that thus far."

Foreign investors – it seems they're a problem in every country. American voters want American firms and funds to develop American infrastructure. The same goes for every other country, or Texans for Texas and so on. Dismissing that sentiment as narrow parochialism, however, can lead one to neglect the very real political risk that it creates. People, and the politicians they elect, simply tend to see infrastructure as a more zero-sum transaction when foreign firms are investing.

Continue reading.

Public Works Financing

July 2025

Public Schools Lean on Reserves as Financial Pressure Grows.

America's public schools' financial health is deteriorating even as they are borrowing from debt markets at a frenzied pace. Bloomberg's Erin Hudson explains more with Bloomberg's Scarlet Fu on Bloomberg Markets.

Continue reading.

Bloomberg Markets - Muni MomentTV Shows

September 25th, 2025, 11:46 AM PDT

Change May Stretch Cap - Novogradac

The use of private activity bonds (PABs) to finance affordable multifamily housing continues to set records, making the pending decrease in the financed-by test a likely way to further maximize the resource.

The Council of Development Finance Agencies (CDFA) released the <u>CDFA Annual Volume Cap</u> Report last week, the first such report in three years. The report covers PAB issuance for calendar years 2021-2023.

Multifamily PAB issuance set a record of \$21.67 billion in 2023, continuing a nearly decadelong increase in such use. For comparison, only \$6.60 billion in PABs were reported for multifamily housing issuance in 2015, the last year before a steady increase in issuance. Even beginning in 2016-when multifamily PAB issuance jumped to \$14.00 billion-the compound annual growth rate (CAGR) from 2016 to 2023 for such PAB issuance was 6.44%. Over the same period, the CAGR for inflation was barely half that, at 3.36%.

Continue reading.

Novogradac

Published by Peter Lawrence on Wednesday, September 24, 2025 - 10:45AM

Brighter Future for U.S. Multifamily Development.

The Opportunity Zone (OZ) program, a national model to spur private investment of housing in underserved areas, has been extended by Congress beyond 2026, marking a significant opportunity for real estate professionals. This innovative initiative not only helps rebuild communities but is a win-win for residents, property developers, and investors. The program's success in transforming economically distressed areas has proven its value, making it crucial for industry leaders to continue supporting it.

Opportunity Zones originated through the Tax Cuts and Jobs Act of 2017, a market-driven mechanism to channel private capital into America's economically disadvantaged communities. The program designates particular census tracts where private investors can defer, reduce, and potentially eliminate capital gains taxes by deploying their investment capital to qualified housing projects. For investments held beyond the 10-year mark, appreciation becomes entirely tax-exempt, and depreciation is not recaptured at sale, creating a powerful incentive for "patient capital."

This tax framework departs from traditional community development approaches and allows urban revitalization without direct government subsidies. In less than a decade, OZs have reversed the downward trajectories in many targeted communities by allowing private stakeholders to do the heavy financial lifting.

Continue reading.

Urban Land

By Brad Vogelsmeier

FEMA Is Paralyzed. Disaster-Torn Communities Are Paying the Price - WSI

St. Louis's tornado was months ago, but it's still waiting for hundreds of millions in federal recovery funds to arrive. It's part of Trump's plan to shift responsibility to the states and shrink the agency.

ST. LOUIS—Minutes after a mile-wide tornado struck this city on an otherwise beautiful day this spring, Ali Rand heard her husband shout as he surveyed the devastation surrounding their tony neighborhood of historical homes. "Everything is gone," Rand, 38, remembers him saying.

The tornado, packing winds of 152 miles an hour, hit the city with blunt force, killing five people. In the weeks following the storm, Rand and other private citizens mobilized teams of residents whose neighborhoods had been destroyed to clean up debris, remove fallen trees and rebuild shattered homes.

Largely missing from the recovery efforts, according to Rand, city officials and other residents: the Federal Emergency Management Agency.

"I've never seen someone from FEMA out on the streets," Rand said.

That is by design.

Continue reading.

The Wall Street Journal

By Scott Patterson and Tarini Parti

Sept. 28, 2025 9:00 pm ET

S&P Second Party Opinion: NYC General Obligation Bonds, Fiscal 2026 Series E, Subseries E-2 Taxable Social Bonds S&P Global Ratings assesses NY

Read the S&P Second Party Opinion

Sep 29, 2025

MSRB Files Multi-Year Rate Card for Dealers and Municipal Advisors.

Washington, D.C. – The Municipal Securities Rulemaking Board (MSRB) today filed its rate card for dealers and municipal advisors with the Securities and Exchange Commission (SEC). The new Multi-Year Rate Card replaces MSRB's Annual Rate Card Model and provides the industry with greater

certainty and stability with respect to fees.

"Over the past 18 months we have listened to feedback from our stakeholders and worked to address their concerns regarding our budget, reserves and fees following the suspension of our proposed 2024 rate card," MSRB CEO Mark Kim said. "The new Multi-Year Rate Card provides greater transparency, stability and certainty in fees for regulated entities, resulting in a more predictable, rate-setting model for MSRB. We thank our stakeholders for their engagement and feedback throughout this process"

MSRB has published a page of frequently asked questions (FAQs) about the rate card, including its proposed fee rates. MSRB also encourages stakeholders to review the full filing submitted with the SEC and to submit comments during the SEC's comment period.

Read the FAOs.

Read the SEC Filing.

Date: September 30, 2025

Contact:

Aleis Stokes, Chief External Relations Officer 202-838-1500 astokes@msrb.org

Google Public Sector Summit 2025

October 28, 2025 - October 29, 2025 | Washington, D.C.

For government leaders and IT professionals, the Google Public Sector Summit 2025 is a must-attend event. Join us in defining the future of innovation, and see how Google Public Sector, partners, and peers are building the future of the public sector and using AI to drive that change. Learn about cutting-edge products such as the newly-launched Gemini for Government that harness the power of Google's AI-optimized and accredited commercial cloud with robust controls and security compliance protocols. Experience the power of the latest technologies through our hands-on labs and workshops. Set forward with a vision for where AI and Security can take you next.

Register

State of California: Fitch New Issue Report

California's fiscal 2026 budget aims to close the structural gap while maintaining spending priorities. Revenue growth is expected to slow, with fiscal 2025 revenues increasing 12.4% year over year to \$221.8 billion.

Access Report

Thu 25 Sep, 2025 - 2:44 PM ET

Los Angeles Department of Water & Power: Fitch New Issue Report

The bonds are expected to price on Oct 1, 2025 via negotiated sale. Fitch expects leverage to trend between 6.5x and 7.5x over the next five years.

Access Report

Fri 26 Sep, 2025 - 11:10 AM ET

Navigating Municipal Bond Opportunities in Q2 2025: Strategic Duration and Credit Selection in a Shifting Rate Environment

Overview

- Q2 2025 municipal bond market faces pivotal shifts due to Fed rate cut signals, credit divergences, and macroeconomic risks.
- Strategic duration management gains traction as long-dated munis offer tax-equivalent yields exceeding 5% for top tax bracket investors.
- Credit selection emphasizes geographic diversification, favoring fiscally strong states like Texas while avoiding underfunded pension jurisdictions.
- Macroeconomic tailwinds from potential TCJA expiration and yield curve steepening contrast with tariff risks requiring sector-specific risk adjustments.

Continue reading.

ainvest.com

Written by Cyrus Cole

Tuesday, Sep 23, 2025

Municipal Bond Data Firm Spline Data Launches Primary Market Analytics Platform.

Spline Data's third major data product produces machine-learning-derived new issue scales on demand

CHICAGO, Sept. 24, 2025 /PRNewswire/ — <u>Spline Data</u>, a leading provider of quantitative U.S. municipal bond pricing data and analytics, today announced the launch of its real-time primary market pricing tool designed to bring greater efficiency, accuracy, and customization to the bond issuance process.

Spline's latest analytics tool provides dealers, advisors, issuers, and asset managers with next-

generation modeling technology to generate predicted scales for hypothetical municipal bond deals across any range of call dates, coupons, and structures. Using traditional municipal trading intuition combined with scalable machine learning, Spline's new issue platform leverages swaths of otherwise ignored market data to generate meaningful insights, enable fine-tuned pricing power, and enhance negotiation capabilities.

Continue reading.

Bay Area Private School Borrows \$26 Million for Mansion Makeover.

Takeaways by Bloomberg AI

- A Bay Area private school is borrowing \$26 million in muni bonds to modernize the historic mansion that stands as the centerpiece of the campus.
- The school plans to use proceeds from the sale to help pay for the nearly \$50 million makeover of the mansion, which will include adding a modernized robotics workshop and physics lab.
- The debt carries an A rating from S&P Global Ratings and will supplement fundraising for the project, with the school having the option of repaying \$18 million of the bonds in 2030 with fundraising receipts.

A Bay Area private school is borrowing \$26 million in muni bonds to modernize the historic mansion that stands as the picturesque centerpiece of the campus.

Continue reading.

Bloomberg Wealth

By Erin Hudson

September 26, 2025

Bank of America Expects Muni-Bond Supply to Rebound in October.

The municipal-bond market's biggest underwriter expects an increase in debt sales in October after the asset class saw state and local government borrowing slow this month.

Bank of America Corp. strategists led by Yingchen Li and Ian Rogow are forecasting municipal issuance of \$58 billion in October, according to a research note published Friday.

Strategists at the firm, which is the top underwriter of state and local debt, are expecting the market to resume its busy pace of debt sales. Muni bond sales are on track to fall about 6% this month compared to the prior year, with issuance totaling \$44 billion so far, according to data compiled by Bloomberg. Some municipalities may have held off on borrowing in September in the hopes that the Federal Reserve would cut interest rates.

Continue reading.

Bloomberg Markets

- SEC Approves Amendments to MSRB Rule G-14 on Reporting of Transaction Prices.
- Pimco Debt Move in Texas Recycler Brings Credit Fights to Munis.
- GFOA'S 7th Annual MiniMuni Conference.
- Olympic and Georgia Partners, LLC v. County of Los Angeles Supreme Court of California holds that nightly "occupancy tax" city agreed to assign to original hotel developer as incentive to construct hotel represented revenue from use of hotel itself and, thus, tax payments were properly included when determining hotel's assessed value for tax purposes; one-time "key money" payment that hotel's management company paid to original hotel developer in exchange for right to manage hotel and brand it as a company-related property for a 50-year period represented revenue from use of hotel itself and, thus, tax payments were properly included in income stream analysis when determining hotel's assessed value for tax purposes.
- California Supreme Court Issues Significant Opinion Concerning the Assessment of Intangible Assets in Property Taxation: Greenberg Traurig
- And Finally, For Stormie Is An Angry God is brought to us this week by <u>Bray v. Watkins</u>, in which, "County Sheriff's Lieutenant Stormie Watkins was the supervisor on duty in the county's emergency 911 operations center." Stormie Watkins. We are not making that up. (But foreshadowing alert!) "At approximately 1:02 a. m., the National Weather Service issued a tornado storm warning for Bartow County, but [Stormie] Watkins did not activate the tornado warning system." Exactly what part of "1:02 a.m." qualifies as "approximate" and exactly what part of "tornado storm" is not a redundant redundancy? Anyhoo. "Several minutes later, a tornado caused a tree to fall on a bedroom of a rental house." Dad dies. Mom and daughter are injured. Mom sues Stormie. Given the facts presented, may we suggest instead focusing on: 1) Identifying the deities you have grievously offended; and b) Appeasing those same deities? Leave poor Stormie out of it; she can't help you now. Candles/Incense/Alter/RIP Rooster to start. Should you subsequently be stricken by plague/boils, time to deploy the goat.

GFOA'S 7th Annual MiniMuni Conference.

October 21, 22 & 23, 2025 | 1-4 p.m. ET

Details:

The 7th Annual MiniMuni Conference is GFOA's premier municipal bond education event for finance professionals who work in debt issuance and management. The conference allows attendees to spend virtual time delving deeply into the world of municipal finance in a short time frame (hence the title!). Attendees can expect to hear from advanced practitioners, leading experts, and regulators on a range of topics that impact municipal issuers today. Whether attendees are new to debt management or decades into their career, there are panels for everyone over the course of three days. Topics range from introducing the most popular tools for achieving savings to the best practices for enhancing issuer disclosure practices.

Learning Objectives:

- Apply best practices in preparation for entering the bond market for the first time, such as how to assemble the best deal team and disclosure considerations.
- Assess the impact of recently passed federal tax legislation and other executive actions on the municipal bond market and your own fiscal scenarios.
- Analyze the potential for emerging technologies and the thresholds of cybersecurity risks for governments issuing municipal securities.
- Gain a better understanding of the savings tools that are available to issuers, from regular taxable refundings to tender refundings.
- Hear from industry regulators on what is coming down the pipeline that will impact issuers and other members of a deal team.

Member Price: \$150.00 Non-Member Price: \$200.00

<u>Click here</u> to learn more and to register.

LIABILITY - ALABAMA

Ex Parte City of Birmingham

Supreme Court of Alabama - September 19, 2025 - So.3d - 2025 WL 2680098

Motorist who suffered injuries in collision on interstate highway brought action against city, asserting claims of negligence, wantonness/recklessness, and negligent/wanton hiring, training, supervision and/or retention, which claims stemmed from allegation that city failed to maintain working streetlights at the collision site.

After granting city's motion to dismiss the wantonness/recklessness claim, the Circuit Court denied city's motion for summary judgment. City petitioned for writ of mandamus, and motorist conceded in his answer to the petition that the claim for negligent hiring, training, supervision, and/or retention was due to be dismissed.

The Supreme Court held that, as is relevant to statute governing municipal liability for negligence, when a municipality chooses to provide for the public health, safety, and general welfare of its citizenry by voluntarily assuming the responsibility of maintaining the streetlights on an interstate highway, it does not impose upon itself a legal duty of care to an individual who is allegedly injured as the result of inoperable streetlights.

IMMUNITY - GEORGIA

Bray v. Watkins

Court of Appeals of Georgia - September 4, 2025 - S.E.2d - 2025 WL 2537329

As guardian of child, administratrix of estate of child's father, and in her individual capacity, child's mother sued county sheriff's lieutenant in both her official and individual capacities for damages, alleging that tornado caused tree to fall on bedroom of their home, which tree killed child's father and injured child and herself, and that lieutenant failed to activate a tornado warning system while working in county emergency center.

The Superior Court entered summary judgment for lieutenant and mother appealed. The Court of

Appeals affirmed. Mother petitioned for certiorari review. The Supreme Court granted mother's petition for certiorari, vacated, and remanded. On remand, the Court of Appeals adopted the Supreme Court's opinion as its own, vacated the trial court's order, and remanded for trial court to resolve the sovereign immunity issue in the first instance. After remand, mother filed motion requesting that trial court deny lieutenant's motion for summary judgment. The trial court granted lieutenant's motion for summary judgment and found that sovereign immunity applied, and mother appealed.

The Court of Appeals held that:

- Sovereign immunity applied and barred mother's claims against lieutenant in her official capacity, and
- Mother's claims against lieutenant, in her individual capacity, were barred by the public duty doctrine.

EMINENT DOMAIN - IDAHO

Hansen v. Boise School District #1

Supreme Court of Idaho, Boise, May 2025 Term - August 15, 2025 - P.3d - 2025 WL 2371200

Guardians of minor student, in their individual capacities, as guardians of student, and as class representatives, brought proposed class action against school district for inverse condemnation under state constitution and violation of Fifth Amendment's Takings Clause, under § 1983, alleging fees charged for second half of full-day kindergarten violated Idaho Constitution's free common schools provision and constituted a taking without due process.

The Fourth Judicial District Court granted district's motion to dismiss. Guardians appealed.

The Supreme Court held that:

- Student did not suffer particularized injury-in-fact necessary to have standing, and
- Statute providing that time for the commencement of the action would exclude period while plaintiff was still a minor did not apply to toll limitations period.

Minor student did not suffer a deprivation of property due to tuition charged for second half of full-day kindergarten, and thus did not suffer particularized injury-in-fact necessary to have standing to bring proposed class action against school district for violation of Takings Clause, under § 1983, alleging tuition violated Idaho Constitution's free common schools provision and constituted a taking without due process, where tuition payments were made solely by minor's guardians, using their funds and not any property belonging to minor.

Statute, providing that time for the commencement of the action would exclude the period during which plaintiff was still a minor, did not apply to toll limitations period for proposed class action brought by guardians of minor student against school district for violation of Takings Clause, under § 1983, alleging tuition charged for second half of full-day kindergarten violated Idaho Constitution's free common schools provision and constituted a taking without due process, where it was guardians, not student, who had standing to bring the takings claim.

PUBLIC UTILITIES - OHIO

In re Application of Dayton Power and Light Company

Supreme Court of Ohio - August 22, 2025 - N.E.3d - 2025 WL 2421810 - 2025-Ohio-2953

Office of Ohio Consumer's Counsel (OCC) filed appeal from Ohio Public Utility Commission's decision in three cases finding that electric utility's electric security plan resulted in excessive earnings in two years, and that utility could offset its excessive earnings by making future capital investments.

Utility filed cross-appeal, and the cases were consolidated.

The Supreme Court held that:

- Commission's determination that utility could offset its significantly excessive earnings in two years through future committed investments was unlawful;
- Commission's finding that utility could offset its significantly excessive earnings by offsetting its future committed investments based on utility's financial condition was not reasonable or supported by evidence;
- Commission's inclusion of utility's distribution-modernization rider in calculating whether utility's
 electric security plan resulted in utility having significantly excessive earnings in two years was
 appropriate;
- Commission's exclusion of rate-stabilization charge amounts from electric utility's earnings was appropriate, in calculating whether utility's electric security plan resulted in utility having significantly excessive earnings in two years; and
- An appellee may defend a lower tribunal's decision by asserting alternative grounds for affirmance than those adopted by the tribunal, without having to file a protective cross-appeal; abrogating *In re Application of Duke Energy Ohio, Inc.,* 50 Ohio St.3d 437, 82 N.E.3d 1148.

PUBLIC UTILITIES - PENNSYLVANIA

Transource Pennsylvania, LLC v. DeFrank

United States Court of Appeals, Third Circuit - September 5, 2025 - F.4th - 2025 WL 2554133

Electric utility brought action against Pennsylvania Public Utility Commission (PUC) seeking declaratory judgment that PUC's order denying utility's siting applications to build transmission lines, as part of project selected through a federal process aimed at identifying and relieving regional transmission congestion, was preempted under federal law and violated the dormant Commerce Clause.

The United States District Court for the Middle District of Pennsylvania granted utility's motion for summary judgment and denied PUC's cross-motion for summary judgment. PUC appealed.

The Court of Appeals held that:

- Issue preclusion did not apply to preclude litigation of preemption claim;
- PUC's order was preempted as posing obstacles to accomplishing federal objectives in regulating electricity industry; and
- Regional transmission organization (RTO) did not wield eminent-domain power under Pennsylvania

law.

Pennsylvania Public Utility Commission's (PUC) order denying electric utility's siting applications to build transmission lines, as part of project selected through a federal process aimed at identifying and relieving regional transmission congestion, posed obstacles to accomplishing federal objectives in regulating the electricity industry, and thus PUC's order was preempted by federal law; Federal Energy Regulatory Commission (FERC) determined that the benefit-cost methodology used by regional transmission organization (RTO) for selecting project was a just and reasonable means by which to measure whether an economic-based enhancement or expansion should be included in a regional transmission expansion plan, and PUC's rejection of that measure arose from PUC's disagreement with constructing project.

Pennsylvania Public Utility Commission's (PUC) order denying electric utility's siting applications to build transmission lines, as part of project selected through a federal process aimed at identifying and relieving regional transmission congestion, was preempted as posing an obstacle to accomplishing federal objectives in regulating the electricity industry, despite argument that PUC's independent determination of public need for project was necessary to prevent a wasteful and counterproductive project due to decrease in congestion in years since project was approved; task of reevaluating need based on changing congestion patterns belonged with RTO and not with PUC since the need determination fell in the first instance to RTO.

Regional transmission organization (RTO) that was responsible for maintaining the bulk electricity transmission system of a 13-state region did not wield eminent-domain power of a public utility under Pennsylvania law when RTO identified areas of transmission congestion and proposed transmission-line construction project as solution to reduce congestion; RTO was not a public utility, and any utility was required to prevail in a condemnation action at the court of common pleas before private property could be condemned.

Even after the Pennsylvania Public Utility Commission (PUC) authorizes an electric utility to exercise the power of eminent domain, a condemnation is far from final; rather, the utility must still prevail in a condemnation action at the court of common pleas.

IMMUNITY - VIRGINIA

Lytle v. City of Suffolk

Court of Appeals of Virginia, Williamsburg - September 16, 2025 - S.E.2d - 2025 WL 2649524

Motorist brought action against city for declaratory judgment and injunctive relief, alleging that he received speeding ticket in the mail for a fine detected by a photo speed camera, and that city failed to issue a proper summons, failed to follow the appropriate procedures for initiating a traffic case, failed to follow procedures for filing an affidavit for non-liability, committed fraud, and was guilty of maladministration of government.

City filed plea in bar, asserting sovereign immunity, and a demurrer. The Suffolk Circuit Court sustained plea in bar. Motorist appealed.

The Court of Appeals held that:

• City's use of third-party private vendor for administration of photo-speed-monitoring system did not indicate that implementation of system was proprietary function solely for city's benefit, and

thus, did not preclude city from raising sovereign-immunity defense;

- City's use of photo-speed-monitoring system involved governmental function, and thus, city was entitled to sovereign immunity;
- Motorist, waived on appeal his argument that under Dillon's Rule there was exception to sovereign immunity by which a plaintiff could seek declaratory judgment against a municipality; and
- Motorist had recourse to challenge process involved in assessing his violation.

S&P U.S. Local Government Pension Funding Improved In Fiscal 2024, Helping To Buoy Credit Ratings

Key Takeaways

- The aggregate median funded ratio for U.S. local government (LG) pensions increased to 80% in fiscal 2024 from 78% in fiscal 2022; municipalities saw a bigger jump than counties and school districts.
- Pension costs for municipalities and school districts typically have a greater impact on the issuer credit rating, but counties generally have lower pension costs and their ratings are less directly affected.
- Recent market returns have helped shore up funded ratios, but LGs have also generally increased contributions in fiscal 2024, thereby improving funding discipline, and have made effective changes to their benefit structure, supporting long-term financial sustainability.

Why This Matters

For many years, pensions have been a drag on credit quality for some U.S. LGs. Over the last two years, however, we have observed improvement in pension costs and funded levels for U.S. LGs (municipalities, counties, and school districts), as detailed in the graphic below. Overall, median pension costs as a percentage of governmental revenues decreased to 4.5% from 4.7% from fiscal 2022 to fiscal 2024, while the funded ratio improved to 80% from 78%.

Continue reading.

16-Sep-2025 | 11:09 EDT

Fitch Ratings Updates Its Rating Definitions.

Fitch Ratings-Barcelona/Milan/New York-19 September 2025: Fitch Ratings has updated its Rating Definitions, which outline how Fitch defines the ratings it assigns. The main changes include:

- Clarifications to make the fundamental principles underpinning the use of rating Outlooks and Watches more explicit.
- Clarifying edits and simplifications to the obligation rating scale section to evolve the document structure and to make the distinction between probability of default only scales and scales that incorporate recovery considerations clearer.
- Minor editorial changes to improve accuracy, structure and document flow.

Fitch's full Rating Definitions are available here. For Fitch's coverage on rating definitions, please

Fitch: How Rating Signals Are Applied

Read the Fitch report.

Fri 19 Sep, 2025

Fitch U.S. Higher Education Data Comparator: 2025

Fitch Ratings' U.S. Higher Education Data Comparator provides ratings and key statistics for all Fitch-rated Public and Private Colleges and Universities. This tool enables clients to compare indicators across different system types, regions, rating categories, and years. The current edition offers a snapshot of the financial status of Fitch-rated Higher Education entities as of September 10, 2025.

Access Report

Tue 23 Sep, 2025 - 10:10 AM ET

S&P U.S. Not-For-Profit Health Care Rating Actions, August 2025

In August 2025, S&P Global Ratings maintained 23 ratings, took four positive ratings actions, and took two negative rating actions in the U.S. not-for-profit health care sector. In addition, we revised the outlooks on five issuers favorably, and one issuer unfavorably, without changing the ratings.

Included in the month's four positive rating actions was University of North Carolina Rex Healthcare, related to its integration with University of North Carolina Healthcare's obligated group. Also included in the month's activity were ratings assigned to 12 new debt issuances for currently rated organizations, all of which were affirmed except for one favorable outlook revision and one downgrade.

The 12 rating actions and outlook revisions consisted of the following:

- Upgrades to one stand-alone hospital, one system, one long-term care provider, and one human service provider.
- Downgrades to one stand-alone hospital and one system.
- Four favorable outlooks on systems, with three outlooks revised to stable from negative and one revised positive from stable, as well one favorable outlook revision on a stand-alone hospital to positive from stable, with all but one rating in the 'A' category.
- One outlook revised to negative from stable to a 'BBB' rated stand-alone hospital.

Continue reading.

18-Sep-2025 | 12:08 EDT

TAX - CALIFORNIA

Olympic and Georgia Partners, LLC v. County of Los Angeles

Supreme Court of California - August 28, 2025 - P.3d - 2025 WL 2473858 - 2025 Daily Journal D.A.R. 8392

Taxpayer, which was a hotel owner, sought review of property-tax assessment, which stemmed from dispute as to whether calculation of hotel's value should have excluded the subsidy that city paid to hotel owner, the one-time payment of "key money," which effectively was the equivalent of a price discount, that hotel owner received from companies that it hired to manage the hotel, and intangible "hotel enterprise" assets of goodwill, the workforce, and restaurant operations.

After a bench trial, the Superior Court, Los Angeles County, determined that the county's assessment appeals board was right to include the subsidy and the "key money" payment in its valuation, and remanded the issue of the "hotel enterprise" assets. Taxpayer and county appealed. The Court of Appeal affirmed in part, reversed in part, and remanded. Parties again appealed.

The Supreme Court held that:

- Nightly "occupancy tax" city agreed to assign to original hotel developer as incentive to construct
 hotel represented revenue from use of hotel itself and, thus, tax payments were properly included
 when determining hotel's assessed value for tax purposes;
- One-time "key money" payment that hotel's management company paid to original hotel developer in exchange for right to manage hotel and brand it as a company-related property for a 50-year period represented revenue from use of hotel itself and, thus, tax payments were properly included in income stream analysis when determining hotel's assessed value for tax purposes; and
- County assessor's failure to adequately address hotel owner's evidence as to valuation of "enterprise assets" derived from its management agreement with hotel management company required remand to county's assessment appeals board for further proceedings regarding valuation of those "enterprise assets."

Nightly "occupancy tax" city agreed to assign to original hotel developer as incentive to construct hotel represented revenue from use of hotel itself, rather than revenue attributable to intangible assets resulting from hotel's enterprise activity, and, thus, tax payments were properly included when determining hotel's assessed value for tax purposes; hotel was developed pursuant to government-facilitated contractual rights, under parties' occupancy tax agreement, that enabled property to generate more revenue than it otherwise would have, rights were integral to economic viability of project and provided means by which properties were put to beneficial use, and tax payments were related not just to development of hotel but to its continued operation in way that was beneficial to city.

Nightly "occupancy tax" city agreed to assign to original hotel developer as incentive to construct hotel represented revenue from use of hotel itself, rather than revenue attributable to intangible assets resulting from hotel's enterprise activity, and, thus, tax payments were properly included when determining hotel's assessed value for tax purposes, despite contention that parties' occupancy tax agreement could not be meaningfully distinguished from nonmarket lease that was matter of owner's enterprise activity, and excludible from hotel's assessed value; there was distinction between owner negotiating lease on existing property, which was essentially a form of enterprise activity, and government-facilitated agreement that allowed property to generate elevated level of revenue as means of financing otherwise uneconomical, publicly beneficial project.

Nightly "occupancy tax" city agreed to assign to original hotel developer as incentive to construct hotel represented revenue from use of hotel itself, rather than revenue attributable to intangible assets resulting from hotel's enterprise activity, and, thus, tax payments were properly included when determining hotel's assessed value for tax purposes, despite contention that tax should not be treated as income because underlying hotel development agreement made clear it could be transferred independent of hotel and did not run with land; assessor's duty in valuing hotel under income method was to calculate total earnings that could be derived from use of property, and whether hotel owner could theoretically choose to transfer some portion of those earnings to another entity did not alter the fact that the earnings were generated from use of property itself.

Nightly "occupancy tax" city agreed to assign to original hotel developer as incentive to construct hotel represented revenue from use of hotel itself, rather than revenue attributable to intangible assets resulting from hotel's enterprise activity, and, thus, tax payments were properly included when determining hotel's assessed value for tax purposes, despite contention that parties' occupancy tax agreement was intended to finance of portion of construction costs of hotel; purpose of agreement did not dictate whether revenue generated from agreement could be considering in assessing value of hotel, and whether parties could have structured agreement differently did not alter fact that agreement they did make enabled property to be put to beneficial use as hotel, by allowing owner to generate additional revenue each time a customer rented a room.

One-time "key money" payment that hotel's management company paid to original hotel developer in exchange for right to manage hotel and brand it as a company-related property for a 50-year period represented revenue from use of hotel itself, rather than revenue attributable to intangible assets resulting from hotel's enterprise activity, and, thus, tax payments were properly included in income stream analysis when determining hotel's assessed value for tax purposes; money paid by company to developer was closer in nature to a commercial lease between a landlord and tenant, as it was offered to secure tangible rights in property that company then used to conduct commercial activities that generated income of their own, and brand property with its corporate logo.

One-time "key money" payment that hotel's management company paid to original hotel developer in exchange for right to manage hotel and brand it as a company-related property for a 50-year period represented revenue from use of hotel itself, rather than revenue attributable to intangible assets resulting from hotel's enterprise activity, and, thus, tax payments were properly included in income stream analysis when determining hotel's assessed value for tax purposes, despite contention that prospective buyer would never increase hotel's purchase price to reflect payment that future operations would never produce; payment represented fair market rate an owner of type of hotel would expect to receive in exchange for right to occupy and manage the property, and whatever restrictions parties might have entered into regarding payment were not material to determining hotel's unencumbered fair market value.

County assessor's failure to adequately address hotel owner's evidence as to valuation of "enterprise assets" derived from its management agreement with hotel management company, including customer goodwill, value of hotel's food and beverage operations and an assembled, stable workforce, required remand to county's assessment appeals board for further proceedings regarding valuation of those "enterprise assets"; while particular method of valuation identified in academic article might be appropriate to account for such intangible "enterprise assets" provided under agreement, since owner identified and valued nontaxable "enterprise assets," assessor had to provide evidence the value of those assets did not exceed the management fees.

US Cities Issue Bonds With Notable Climate Exposure This Week.

What's going on here?

Several US school districts and local governments raised funds with new municipal bonds this week, but fresh data from ICE Climate Data flagged many of these as having some of the nation's highest climate risks.

What does this mean?

Municipal bonds from Ocean, New Jersey; Falmouth, Massachusetts; and a handful of school districts in California, Louisiana, and Florida were all tagged with climate risk scores topping 3.9 out of 5. ICE's scoring system marks anything over 3.0 as severe, meaning these places face significant threats from flooding, wildfires, or hurricanes. Ocean, NJ is the poster child, landing a perfect 5.0 flood risk on its \$59 million bond sale. Falmouth, MA and Sulphur Springs, CA also stand out, with wildfire and general risk scores running high. Even large issues like Pinellas County, FL's \$150 million bond aren't immune with a 3.9 risk reading. These scores blend a range of climate hazards and are catching more eyes among investors—who increasingly want to price in real-world risks to local infrastructure and finances.

Why should I care?

For markets: Climate risk is redefining what investors look for.

Climate data is quickly becoming a critical part of municipal bond investing. With ICE spotlighting high-risk areas, investors aren't just assessing creditworthiness—they're focusing on the physical risks that could drive up costs or disrupt communities. As climate disasters become more common, borrowers in high-risk regions may end up paying higher interest—or facing tighter funding terms—to attract buyers comfortable with the added uncertainty.

The bigger picture: Climate resilience is moving up the policy agenda.

Steep climate risk scores are putting American towns and schools on notice: long-term costs from disasters can quickly snowball into major budget strains. The growing focus on these risks is likely to shift how municipalities plan, borrow, and invest—pushing climate resilience and infrastructure upgrades higher up both local and federal agendas, and reshaping priorities from emergency funding to long-range city planning.

finimize.com

Pew: To Finance Coastal Resilience, States Turn to Innovative Policies and Partnerships

Pay-for-success initiatives, public-private collaboration, and environmental markets can deliver numerous benefits

Coastal wetlands—including tidal marshes, forested swamps, mangroves, and seagrasses—are among humankind's most powerful natural allies. These ecosystems not only absorb and store large

amounts of carbon but also protect communities from flooding and wildfires, provide habitat for commercially and recreationally important species, and filter pollutants and excess nutrients from the water. Yet these habitats are disappearing at alarming rates because of sea-level rise, erosion, and development. Further, communities seeking to protect and restore coastal wetlands have struggled to secure the funding needed to meet the scale of the challenge.

To help address these issues, the Blue Carbon Network—a Pew-hosted group that connects state agencies, practitioners, academic researchers, and nongovernmental organizations working on coastal conservation and climate initiatives—coordinated a webinar that highlighted innovative state-led programs and initiatives to finance coastal resilience projects. Experts from Maryland, Louisiana, and Duke University shared information about a variety of successful approaches. One example is emerging environmental markets, which assign monetary values to environmental benefits—such as cleaner air and water, or carbon emission reductions—that then can be bought, sold, or traded to encourage protection and underwrite conservation projects.

Continue reading.

The Pew Charitable Trusts

Authors: Jazmin Dagostino

September 17, 2025

Brookings: Rethinking Our Assumptions and Financing Tools for Community Resilience in the Face of Growing Climate Loss and Risk

- The U.S. has made real progress raising public awareness of the need for climate adaptation and developing planning and engineering strategies to address increasing risk and extreme weather. But when it comes to how we pay for resilience—including infrastructure that reduces loss, protects insurability of property, and preserves affordability—we need a new wave of locally focused financial innovation to match the scale and urgency of the challenge.
- Our system of public finance, still dominated by the "tax-and-bond" model at the local level, is essential but insufficient. Meanwhile, the prevailing federal grant approach, which often frames resilience capital as free money awarded after disaster strikes, has created unrealistic expectations and discouraged proactive, locally driven investment.
- This report explains that it is critical to reorient public finance toward principles of shared risk, shared value (especially from avoided loss and other resilience "dividends"), and new pricing. Pioneering examples in a range of states and localities prove the approach can work and scale.

Read the report.

The Brookings Institution

Matt Posner and Xavier de Souza Briggs

September 15, 2025

<u>California Supreme Court Issues Significant Opinion Concerning the</u> <u>Assessment of Intangible Assets in Property Taxation: Greenberg Traurig</u>

On August 28, 2025, the California Supreme Court issued a significant, yet divided, opinion concerning the treatment of intangible assets in property taxation: *Olympic & Georgia Partners, LLC v. County of Los Angeles* (2025) – P.3d –, 2025 WL 2473858. Justice Groban authored the majority opinion. The divided Court also issued two separate dissents, authored by Justice Liu and Justice Kruger, respectively.

The case concerned the property tax assessment of the JW Marriott and Ritz Carlton Hotel in downtown Los Angeles. Three assets were in dispute. First, a subsidy that the City of Los Angeles paid to the hotel owner to incentivize construction, valued at approximately \$80 million and referred to in the case as the "occupancy tax payment." Second, a one-time payment of \$36 million that the hotel manager paid to the owner to secure the right to manage the hotel, referred to in the hotel industry and in the case as "key money." Third, a collection of business assets that included the hotel's flag and franchise, food and beverage operations, and assembled workforce, collectively valued at \$34 million and referred to in the case as the "hotel enterprise assets."

The City of Los Angeles had decided decades ago that it needed a headquarters hotel adjacent to its unprofitable convention center to support conventions, revitalize downtown Los Angeles, and draw tourists and businesses to the City. The City concluded that a hotel in this specific location would be publicly beneficial but privately uneconomic: that it would yield extensive municipal benefits, but that no private developer would go it alone because the cost would outweigh the private payoff. So, the City solicited a developer, Plaintiff Olympic and Georgia Partners, LLC (Olympic), to develop the hotel, and it incentivized the business enterprise by investing the amount paid in transient occupancy taxes to the City by hotel guests in a unique arrangement. This public private partnership was the first of its kind in the City and realized the City's goals with success.

Continue reading.

Greenberg Traurig - Colin W. Fraser, Bradley R. Marsh and Cris K. O'Neall

September 19 2025

SEC Approves Amendments to MSRB Rule G-14 on Reporting of Transaction Prices.

Read the MSRB Notice.

Sept. 17, 2025

San Francisco (City & County) (CA): Fitch New Issue Report

San Francisco's fiscal 2024 ended with an \$84 million operating deficit on \$2.56 billion of spending, resulting in a fund balance of about 38% of spending. The city's 'AAA' rating reflects strong financial resilience, but the outlook remains negative due to reliance on nonrecurring revenues to close budget gaps.

Mon 22 Sep, 2025 - 11:11 AM ET

Texas Transportation Commission: Fitch New Issue Report

Texas' 'AAA' rating reflects its strong economy and fiscal flexibility. The 2026-2027 budget forecasts \$176.4 billion in revenue, with significant investments in education and infrastructure.

Access Report

Mon 22 Sep, 2025 - 1:10 PM ET

San Diego, California: Fitch New Issue Report

San Diego's fiscal 2026 budget is balanced, including \$2.2 billion in revenue and \$115 million in cost savings. Projected budget gaps starting in fiscal 2027 will require ongoing active budget management.

Access Report

Mon 22 Sep, 2025 - 2:34 PM ET

Chicago Lends Pension Cash to Stop Asset Sale From Tax Delay.

Takeaways by Bloomberg AI

- Chicago is lending cash to its underfunded pensions to avoid asset sales due to delayed property tax collections caused by a computer issue.
- The city has sent \$28 million to the Firemen's Annuity & Benefit Fund of Chicago and is monitoring the monthly cash needs of all four pensions.
- The delay in property tax collections is due to a glitch in Cook County's new computer system, which has delayed hundreds of millions of dollars in property tax earmarked for the pension funds.

Chicago is stepping in to lend cash to its underfunded pensions so they have enough money to avoid asset sales to cover retirement checks as they wait for property taxes to come in after a computer issue delayed collections.

The city's decision helps lessen the risk that its four pensions would need to sell assets from their portfolios, which include stocks, bonds, real estate and private equity, to raise cash after a glitch in setting up a new county computer system is delaying hundreds of millions of dollars in property tax earmarked for the funds.

Continue reading.

Bloomberg Politics

By Shruti Singh

September 16, 2025

The Profound Implications of Opportunity Zones 2.0.

Updates enacted by Congress will make this successful program for low-income communities even more attractive to investors, particularly for housing. But there are plenty of ways to take advantage of the current program.

The "opportunity zones" (OZs) program has entered a defining moment. As part of the July 4th tax package, Congress transformed what was once considered a temporary experiment into a permanent fixture of the federal tax code. OZs are no longer a niche policy tool or a partisan flashpoint — they're an institutionalized asset class with a proven track record of catalyzing long-term capital into low-income communities to spur economic development and job growth.

For communities, policymakers and investors alike, the implications are profound. The next 18 months represent a generational window: Investors who move now can take advantage of a broader map, favorable asset pricing and the clarity of established rules. Meanwhile, OZ 2.0 sets the stage for deeper transparency, broader geographical reach and stronger incentives for community-aligned investing, particularly when it comes to housing.

Since their inception in 2017, opportunity zones have contributed to the creation of more than 300,000 housing units in designated communities — making OZs one of the most significant drivers of housing production over the past decade. Perhaps most importantly, OZ investments have been long-term by design, unlocking capital that stays in communities for 10 years or more. This extended timeline enables deeper, more sustained transformation, from revitalized housing to broadband infrastructure to community-centered businesses.

Continue reading.

governing.com

OPINION | September 17, 2025 • Steve Glickman

Bonds Are Getting Pricey. Munis Still Look Cheap and Could Rally.

In many corners of the bond market, it can be difficult for investors to find attractive yields. In contrast, municipal bonds still look like a bargain.

The Federal Reserve's decision earlier this week to cut short-term interest rates poses a threat to income investors. It likely means smaller payouts from CDs, money-market funds, and other yield instruments.

For investors in long-term instruments such as bond mutual funds, the blow is less severe. Long-term interest rates don't move in lockstep with the short-term federal-funds rate, and when rates do

come down, investors can count on rising bond prices to cushion the blow. (Bond prices move in the opposite direction to rates.)

Continue reading.

msn.com

Story by Ian Salisbury

TAXPAYER STANDING - MINNESOTA

Huizenga v. Independent School District No. 11

United States Court of Appeals, Eighth Circuit - August 11, 2025 - F.4th - 2025 WL 2302432

Taxpayers brought § 1983 action against school district and teachers' union, alleging that political advocacy by teachers while on paid leave, under provision of collective-bargaining agreement (CBA) allowing paid leave for the conduct of union business, violated taxpayers' free-speech rights under the First Amendment and the Minnesota Constitution, and violated the Minnesota Public Employee Labor Relations Act.

The United States District Court for the District of Minnesota dismissed claims for lack of Article III standing and declined to exercise supplemental jurisdiction over state-law claims. Taxpayers appealed. The United States Court of Appeals for the Eighth Circuit vacated and remanded. On remand, the United States District Court for the District of Minnesota granted defendants' summary judgment motion, and denied taxpayers' cross-motion for summary judgment as moot. Taxpayers appealed.

The Court of Appeals held that:

- Two taxpayers belonged to a particular taxpayer base of district residents with a special interest in the funds allocated to the school district;
- Taxpayer who had left the taxpayer base by moving outside of school district after filing complaint could not show a likelihood of future injury necessary to establish municipal taxpayer standing;
- Union leave policy caused a direct expenditure of school district funds, giving school district residents a direct interest as taxpayers;
- Taxpayers had municipal taxpayer standing; and
- Taxpayers satisfied the "fairly traceable" element for municipal taxpayer standing.

Municipal taxpayers of school district belonged to a particular taxpayer base of district residents with a special interest in the funds allocated to the school district, as would support finding that taxpayers had municipal taxpayer standing to bring § 1983 action against school district and teachers' union, alleging that political advocacy by teachers while on paid leave, under provision of collective-bargaining agreement (CBA) allowing paid leave for the conduct of union business, violated taxpayers' free-speech rights under the First Amendment, among other claims.

Teachers' union leave policy caused a direct expenditure of school district funds, giving residents a direct interest as taxpayers, so that residents met the injury-in-fact requirement for Article III municipal taxpayer standing to bring § 1983 action against school district and teachers' union, alleging that political advocacy by teachers while on paid leave, under provision of collective-bargaining agreement (CBA) allowing paid leave for the conduct of union business, violated

taxpayers' free-speech rights under the First Amendment, among other claims.

Taxpayers had a direct pecuniary injury sufficient to establish municipal taxpayer standing to bring § 1983 action against school district and teachers' union, alleging First Amendment violation, among other claims, because their taxes directly supported the activities complained of relating to union leave agreement, pursuant to which school district made non-ordinary expenditures when it paid substitute teachers while full-time teachers took paid union leave to engage in political and campaign advocacy, thereby forcing municipal taxpayers to subsidize union's political speech in violation of taxpayers' First Amendment rights, even though union reimbursed cost of substitute teachers.

Taxpayers satisfied the "fairly traceable" element for municipal taxpayer standing to bring § 1983 action against school district and teachers' union, alleging that political advocacy by teachers while on paid leave, under provision of collective-bargaining agreement (CBA) allowing paid leave for conduct of union business, violated taxpayers' free-speech rights under the First Amendment, among other claims, by establishing that teachers' salaries were paid from the school district's General Fund, notwithstanding fact that General Fund intermingled state, federal, and local funds.

Chicago Bond Penalty Widens as Mayor Weighs How to Close Deficit.

Takeaways by Bloomberg AI

- Investors are demanding higher premiums to buy Chicago muni bonds as Mayor Brandon Johnson tries to close a deficit that tops \$1 billion for the year ahead.
- Spreads on several tax-exempt Chicago bonds have widened recently, with the spread above benchmark muni securities jumping to 1.54 percentage points on Thursday.
- Chicago faces "a serious budget crisis" and tough choices between cuts and ways to raise revenue, according to a financial task force commissioned by the mayor.

Continue reading.

Bloomberg Markets

By Shruti Singh

September 19, 2025

Modernizing Delivery: Why It's Time for the SEC to Make E-Delivery the Default - SIFMA

As investors overwhelmingly embrace digital communications, the SEC should update its decadesold delivery framework to make electronic delivery the default—improving security, reducing costs, and meeting investor needs in the 21st century.

Nearly thirty years ago, the SEC first issued guidance on electronic delivery of required investor communications. These include such things as monthly statements, confirmations and prospectuses. At the time, less than half of U.S. households owned a computer, and only a small fraction

subscribed to online services, using dial up as the way to connect to the internet. Fast forward to today: 95% of households own a computer or smart device, 90% have broadband, and almost everyone uses mobile and online platforms for banking, bill paying, shopping, and even government services.

Yet under current SEC rules, paper documents remain the default for required investor communications. This framework is outdated and more costly and less efficient and invites more risk. It also creates unnecessary costs, inefficiencies, and barriers to innovation—while most investors have already signaled a clear preference for electronic delivery.

Why Electronic Delivery Should Be the Default

In a recent letter to the SEC, SIFMA and SIFMA AMG urged the SEC to take action to update the rules to make electronic delivery the default method for customer communications. With appropriate safeguards and the investor's ability to opt out at any time, electronic delivery would:

- Enhance the investor experience by providing more timely, secure, and user-friendly access to information.
- **Strengthen investor protection** by reducing the risk of lost or stolen mail and enabling use of encryption, multifactor authentication, and other safeguards.
- Lower costs by eliminating printing and postage costs that are ultimately borne by investors.
- **Promote environmental responsibility** by reducing paper waste from millions of unnecessary mailings.

Investors Are Already Online

The evidence is clear: investors overwhelmingly want digital delivery. A 2022 SIFMA survey found that nearly 80% of customers already receive financial documents electronically—across all age groups, including seniors. Just as over 90% of Americans file their taxes electronically, most now expect financial disclosures to be delivered the same way.

A Modernized Framework

In the letter to the SEC, SIFMA recommends:

- Allowing firms to treat electronic delivery as the default method of delivery for clients with an active electronic delivery address on file after an ample notification and transition period. Current and future clients could always switch to paper delivery on demand.
- Exempt "in writing" delivery requirements from duplicative provisions of the E-Sign Act.
- Provide greater flexibility for institutional investors, who overwhelmingly prefer self-service access to documents rather than duplicative notices.

Other federal agencies — including the Department of Labor, Social Security Administration, and the Centers for Medicare and Medicaid Services—have already embraced electronic delivery. This is all the more why we believe the SEC should update its rule set.

Moving Forward

Electronic delivery is not only main the way people communicate today – it is the safer, smarter, and more efficient path forward. Markets are moving faster, with securities settlement moving to one day in 2024 pursuant to an SEC rule and industry led initiative. That move in and of itself made mail delivery of confirms outdated. And as the SEC considers the treatment of tokenization and digital assets under the securities laws, e-delivery is an important first step in establishing a regulatory

framework that is friendly to those products.

Modernizing the SEC's delivery framework would align regulatory requirements with investor preferences, technology, and best practices across industries.

We believe the time is right to bring investor communications into the 21st century.

This article neither contains legal advice nor establishes an attorney-client relationship in any form. The opinions expressed herein are attributable to the author(s) alone, and they do not reflect the views, positions or opinions of Willkie Farr & Gallagher LLP or other attorneys at the firm.

Date: September 18, 2025

By: Melissa MacGregor, Brian Baltz, and James Anderson.

Municipal-Bond Funds Draw Wave of Cash on Bets of Fed Rate Cuts.

Takeaways by Bloomberg AI

- Investors poured the most cash into municipal-bond funds earlier this month since at least 2007, according to CreditSights Inc.
- Muni mutual funds drew an estimated \$2.4 billion for the week ending Sept. 10, a 137-week high, while exchange-traded funds notched a \$2 billion inflow.
- Munis have returned 2.6% in September, outpacing both US investment-grade bonds and Treasuries, after having lagged both asset classes most months this year.

Investors poured the most cash into municipal-bond funds earlier this month since at least 2007, according to CreditSights Inc.

That's as they chased a rally in state and local government debt — driven by expectations that the Federal Reserve will resume cutting interest rates — and rebalanced portfolios as stock prices rose to records.

Continue reading.

Bloomberg Markets

By Martin Z Braun

September 22, 2025

Strategic Asset Allocation in High-Tax Coastal States: Leveraging SALT Cap Reforms for Real Estate and Municipal Bond Gains.

Overview

- The 2025 OBBBA Act raises the SALT deduction cap to \$40,000, boosting affordability for high-tax coastal states like NY, CA, and FL.

- Tax savings from the expanded cap incentivize luxury real estate demand and municipal bond investments, with muni yields rising to 7.3% for high-income investors.
- 2024 municipal bond issuance hit \$507.7B as investors capitalize on tax-exempt gains, while real estate markets in constrained coastal areas see surging demand.
- Strategic allocations combine real estate in high-tax suburbs with long-duration muni bonds, though risks persist as the cap reverts to \$10,000 by 2030.

Continue reading.

ainvest.com

by Harrison Brooks

Friday, Sep 19, 2025 2:04 am ET

Preparing Municipal Bonds to Support Infrastructure for Natural Disasters: NLC Webinar

Oct 13th, 2025, 2:00 PM - 3:00 PM | Webinar

Natural disasters like wildfires, floods, and hurricanes can devastate communities and the infrastructure projects they relay on. For cities, towns and villages this creates additional risks when these projects are financed using municipal bonds as the debt remains no matter if infrastructure is delayed or destroyed.

Join the National League of Cities in speaking with city and thought leaders for a discussion on how to prepare bond funded projects against natural disasters. We'll review findings from recent events and learn more from municipalities on their strategies in preparing their bond funded projects for unforeseen challenges.

Register Now

A Hidden Gem: High Yield Municipals - BlackRock

Key takeaways

- 1. For investors in certain tax brackets, high yield municipal bonds, or munis for short, may generate a higher tax-equivalent yield (TEY) than other high yielding sectors, such as high yield corporate bonds.
- 2. High yield muni bonds have historically had less credit risk than corporate high yield bonds, proven by lower default and higher recovery rates.
- 3. The complex and fragmented nature of the high yield muni market gives actively managed strategies the opportunity to identify and capitalize on inefficiencies.
- 4. The iShares High Yield Muni Active ETF (HIMU) seeks to uncover attractive opportunities in the high yield muni bond market, delivering them through the accessible and efficient ETF wrapper.

The high yield muni market is a long-existing, yet often overlooked, segment of fixed income markets. It is typically made up of small issuers, fragmented across industries, is often only mentioned when something goes wrong (e.g., Puerto Rico), and ultimately can be difficult for investors to build portfolios on their own. The reality, though, is investors have often missed out on what has proven to be a market with higher after-tax yields1, and lower default rates than high yield corporates.2 Notably, investors can now implement a thoughtfully constructed portfolio, managed by an experienced team who is well versed in the nuances of this market, all through the efficiency of the ETF wrapper, using the iShares High Yield Muni Active ETF (HIMU).

Continue reading.

blackrock.com

Sep 16, 2025 | By Patrick Haskell Ryan McDonald, CFA

<u>Pimco Debt Move in Texas Recycler Brings Credit Fights to Munis.</u>

Takeaways by Bloomberg AI

- Stephen McMullin, who manages less than \$10 million for Fulcrum Point Capital, is objecting to maneuvering around the bankruptcy of Aleon Metals LLC, a Texas recycling company that borrowed money in the municipal bond market.
- McMullin says that the largest bondholders, including Pacific Investment Management Co., Invesco and Capital Research, negotiated behind the scenes to get better terms than small investors, who weren't invited to take part.
- The agreement could set a precedent that might put small investors at a disadvantage, according to Lisa Washburn, a managing director at Municipal Market Analytics, who says that it suggests that well-resourced investors can pay for a better recovery.

A small investor is pushing back against bigger asset managers bringing the sharp-elbowed tactics of the corporate bond world to the normally placid confines of municipal finance.

Stephen McMullin, who manages less than \$10 million for Fulcrum Point Capital, took to court this week to object to some of the maneuvering that has gone on around the bankruptcy of Aleon Metals LLC, a Texas recycling company that borrowed money in the municipal bond market.

Continue reading.

Bloomberg Markets

By Eliza Ronalds-Hannon and Martin Z Braun

September 18, 2025

Long Dated Munis Turn Around, Enjoy Best Month Since 2023.

Takeaways by Bloomberg AI

- The long end of the municipal debt market has bounced back from a difficult start to 2025 as investors expect rate cuts from the Federal Reserve.
- Long-dated state and local government bonds have risen nearly 4% since the beginning of September, putting them on track for the best month since November 2023.
- Investors are taking note of the relative value in the long end of the market, with \$1.4 billion of inflows into long-term municipal bond funds for the week ending Sept. 10.

Continue reading.

Bloomberg Markets

By Elizabeth Rembert and Amanda Albright

September 15, 2025

Why Debt Restraints are Reshaping Fiscal Landscapes Across Wisconsin.

Wisconsin municipalities are holding the line on borrowing, even as rising property values expand their capacity to take on more debt.

Data from the Wisconsin Policy Forum's 2025 MuniTool shows that general obligation (G.O.) debt across all cities and villages grew just 2.9% in 2023, the smallest annual increase in the past decade.

That modest rise pushed total G.O. debt statewide to \$8.8 billion, but most individual municipalities did not contribute to the increase. In fact, only 33.7% of cities and villages reported taking on more debt last year, while the majority held steady or reduced their liabilities. The trend reflects what researchers describe as cautious fiscal management despite rising construction costs, infrastructure demands, and inflation-driven budget pressure.

Compounding the trend is a decline in Wisconsin's overall municipal debt burden relative to state-imposed limits. The state restricts how much debt a municipality can carry by tying the cap to a percentage of total equalized property value. In 2023, municipalities were using just 32.2% of their total allowable debt, down from 35.2% in 2022. A decade ago, that figure was above 40%.

Continue reading.

milwaukeeindependent.com

Posted by Insights | Sep 15, 2025

Municipal Bond Market Volatility and Project Delays in Economically Disadvantaged Regions: Navigating Risk and Reward in High-Yield Muni Deals.

Summary

- U.S. municipal bond markets show rising volatility in economically disadvantaged regions due to project delays, demographic shifts, and fiscal mismanagement.

- High-yield muni deals face execution risks as delayed infrastructure projects strain budgets and erode investor confidence through regulatory hurdles and operational complexities.
- Demographic challenges like declining populations and weak tax bases amplify default risks, forcing investors to balance elevated returns against potential downgrades.
- Effective risk assessment requires granular due diligence on project timelines, demographic analysis, and leveraging industry expertise from platforms like the Municipal Forum of New York.
- Institutional initiatives such as training programs aim to strengthen fiscal transparency and governance, indirectly mitigating systemic risks in high-yield municipal bond markets.

Continue reading.

ainvest.com

by Oliver Blake

Monday, Sep 15, 2025

- SEC's Sanchez: Unregistered Muni Advisor Activity by Lawyers is a Concern
- American Public Power Association Legal & Regulatory Conference, 2025
- Modernizing Delivery Requirements Under the Federal Securities Laws: SIFMA Comment Letter
- Municipal Bond Fund Collapse Exposes Dangers of Junk Debt.
- Miami-Dade's Crypto-Driven Debt Strategy: Can \$FUSD Deliver Stability and Growth?
- OBBBA Makes OZ Incentive Permanent, With Some Significant Changes: Novogradac
- And Finally, The Nuclear Apocalypse Destroyed All Life on Earth; Plus It Left a Sticky Film on Our Kitchen Counters is brought to us this week by *Penncrest School District v. Cagle*, in which a visitor to a local public school posted photos on Facebook and opined as follows: "This is on display at Maplewood High School. Besides the point of being totally evil, this is not what we need to be teaching kids." We're a bit vague as to the subject matter of this objectionable display. Pineapple on pizza? The issue here is that once you've deployed "totally evil," there's really no point in following up with your particularized objections. Anti-climax and all that. Other than that, Mrs. Lincoln, how was the play? (Yes, we're aware that we deploy this little joke on a regular basis. We care not, as is never gets old. Did we ever see actual reviews of Our American Cousin, or had more pressing concerns suddenly arisen? Can't recall.)

IMMUNITY - ALABAMA

Ex parte City of Montgomery

Supreme Court of Alabama - August 29, 2025 - So.3d - 2025 WL 2487401

Police officer employed by municipality brought action against municipality and other defendants, asserting claims for breach of contract, bad faith, fraudulent misrepresentation, failure to settle, violation of the Alabama Legal Services Liability Act, negligence, wantonness, conspiracy, and failure to procure insurance, based on allegations that municipality voluntarily acted as officer's insurer but refused to satisfy judgment obtained against officer in underlying negligence action brought by motorcyclist injured in collision with officer.

The Circuit Court denied municipality's motions to dismiss. Municipality petitioned for writ of mandamus.

The Supreme Court held that:

- Municipality waived statutory immunity defense that it might have asserted against some of police officer's claims;
- Municipality was not entitled at pleading stage to statutory immunity from police officer's fraudulent-misrepresentation claim; and
- Trial court's denial of municipality's motion to dismiss police officer's claim alleging violation of Alabama Legal Services Liability Act was not reviewable on municipality's petition for mandamus.

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