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- [Jorolan v. Eads](#) - In citizen challenge to validity of issuance of general obligation bonds approved by county voters, Court of Appeals holds that challengers did not allege a concrete injury, specific and particular to challengers that could be redressed with a favorable decision by the court and that challengers lacked standing because they did not allege some injury distinct from that sustained by the public at large.
- [Baylor County Special Utility District v. City of Seymour](#) - Court of Appeals holds that contract between city and special utility district wherein city would issue bonds for construction of water treatment plant and district would purchase all water required for its own use and distribution of treated water to customers was a "requirements contract" for which there was waiver of district's governmental immunity.
- And Finally, Tragedy Is When I Cut My Finger. Comedy Is When You Fall Into An Open Sewer And Die (Mel Brooks) is brought to us this week by [Fuentes v. 158 Management, LLC](#), in which Mariana Fuentes was "just standing on the sidewalk when it collapsed beneath her." The entire sidewalk. Collapsed beneath her. We imagine that this came as a bit of a surprise. Ms. Fuentes found herself in a "cellar vault below." (Would have strange had she fallen into a cellar vault above. Damn you, Newton.). The court was silent as to the contents of the cellar vault, but the only upside we can imagine is wine cellar. She's gonna need a drink. Or two.

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## ZONING & PLANNING - VIRGINIA

### [Morgan v. Board of Supervisors of Hanover County](#)

**Court of Appeals of Virginia - March 4, 2025 - S.E.2d - 2025 WL 676542**

Homeowners near proposed grocery distribution center brought action against county board of supervisors and grocery store seeking declaratory judgment and injunctive relief, alleging that board violated state law when it approved grocery store's rezoning request.

The Hanover Circuit Court sustained demurrers and dismissed homeowners' amended complaint with prejudice. Homeowners appealed. The Supreme Court reversed and remanded. On remand, homeowners filed a second amended complaint. The Circuit Court, Hanover County, sustained demurrers as to four counts, overruled demurrers as to remaining counts, and entered voluntary nonsuit of those claims. Homeowners appealed.

The Court of Appeals held that:

- Board was not precluded from filing demurrers to homeowners' second amended complaint on the basis that the claims did not state a cause of action and failed to state a claim upon which relief could be granted;
- Board's in-person public hearing on rezoning request constituted an "operation of government," and thus was not prohibited by Governor's executive orders declaring a state of emergency due to COVID-19 pandemic;
- Board did not deprive homeowners of their right to adequate notice of hearing on rezoning request so that persons affected could appear and present their views;
- Board did not violate Virginia Freedom of Information Act (VFOIA) by limiting number of people who could be in room for hearing on rezoning request; and
- Proffered amendments to rezoning application made on day of hearing were more restrictive than proffers previously submitted, and thus were permitted under county ordinance.

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## **PUBLIC RECORDS - ARIZONA**

### **[Sierra Club v. Salt River Project Agricultural Improvement and Power District](#) Court of Appeals of Arizona, Division 2 - January 3, 2025 - 139 Arizona Cases Digest 29 - 563 P.3d 151**

Non-profit environmental organization filed statutory special action complaint under Public Records Law after agricultural improvement and power district denied, in part, its public records request, seeking order to show cause compelling production of certain documents.

The Superior Court, Maricopa County, dismissed the complaint, denied the order to show cause, and entered final judgment in favor of the district, but also determined that the district was a "public body" under the Public Records Law. Non-profit organization appealed, and the district cross-appealed.

The Court of Appeals held that:

- District was "public body" within meaning of Public Records Law;
- Superior court could consider whether requested records were confidential under statute making certain information held by public power entities confidential when the information relates to competitive activity and disclosure could give material advantage to another entity first, before conducting analysis under the Public Records Law;
- Statute making certain information held by public power entities confidential does not create a presumption of confidentiality;
- Statute making certain information held by public power entities confidential does not require showing of resultant competitive disadvantage or injury from disclosure;
- Superior court's abuse of discretion in misapplying statute governing confidentiality of certain information held by public power entities required remand for court to make findings regarding whether records were shielded from disclosure;
- Award of attorney fees to non-profit organization as sanction against district was not warranted; and
- Non-profit organization was entitled to award of costs on appeal against district.

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## **NEGLIGENCE - NEW YORK**

## **Fuentes v. 158 Management, LLC**

**Supreme Court, Appellate Division, First Department, New York - February 20, 2025 - N.Y.S.3d - 2025 WL 554490 - 2025 N.Y. Slip Op. 01044**

Pedestrian, who allegedly sustained injuries when sidewalk collapsed, brought action against owner of building abutting sidewalk, city, city department of transportation, and city department of buildings to recover damages for injuries that she allegedly sustained when sidewalk collapsed and she fell to cellar vault below.

The Supreme Court, New York County, denied building owner's motion for summary judgment and cross-claims against it, granted pedestrian's motion for summary judgment on liability as against building owner, and granted city defendants' motion for summary judgment dismissing building owner's cross-claims. Building owner appealed.

The Supreme Court, Appellate Division, held that:

- Doctrine of res ipsa loquitur applied in pedestrian's action against building owner; and
- Building owner could not prevail on its cross-claims against city defendants.

Doctrine of res ipsa loquitur applied in pedestrian's action against owner of building abutting sidewalk that collapsed and caused pedestrian to fall to cellar vault below sidewalk; sidewalk collapse, which caused pedestrian's injuries, was not the type of event that ordinarily occurred in the absence of negligence, cellar vault was in exclusive control of owner and could only be accessed through basement door in the building, and pedestrian did not contribute to the accident, given that she was just standing on the sidewalk when it collapsed underneath her.

There was no evidence that any conduct by the city, city department of transportation, or city department of buildings caused or created the alleged defective condition of sidewalk, which collapsed and caused pedestrian to fall to cellar vault below, or that it made special use of the sidewalk, and thus, owner of building abutting sidewalk could not prevail on its cross-claims against city defendants, alleging that they were liable for pedestrian's injuries pursuant to city administrative code governing property owner's duty to maintain sidewalks.

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## **IMMUNITY - TEXAS**

### **Baylor County Special Utility District v. City of Seymour**

**Court of Appeals of Texas, Eastland - January 30, 2025 - S.W.3d - 2025 WL 336966**

City filed breach-of-contract suit against special utility district, alleging district began purchasing water from third party in violation of contract requiring district to purchase all water from city.

District filed plea to jurisdiction based on governmental immunity. The 50th District Court granted plea in part, dismissing city's claims for declaratory judgment, injunctive relief, and attorney's fees, but denied plea as to city's breach-of-contract claim. District appealed denial of its plea, and city cross-appealed grant of plea as to declaratory judgment, injunctive relief, and attorney's fees.

The Court of Appeals held that:

- District was entitled to governmental immunity;
- Contract between city and district was a "requirements contract" for which there was a waiver of district's governmental immunity;

- Alleged lost profits claimed by city for breach of contract by district were consequential damages for which there was no waiver of district's governmental immunity; and
- City was not entitled to award of attorney's fees under statute providing waiver of immunity for reasonable and necessary attorney's fees but only if contract was executed after a specific date.

Special utility district, whose predecessor-in-interest entered into contract with city wherein city would issue bonds for construction of water treatment plant and district's predecessor would buy all water required for its own use and distribution of treated water to customers, did not convert into different type of domestic entity or non-business code organization, but instead did so under statute providing that special utility district may be created under and subject to authority, conditions, and restrictions of, and is considered a conservation and reclamation district under state constitution, and thus district was entitled to governmental immunity, where district did not file certificate of conversion, but instead filed certificate of termination with the Secretary of State.

Contract between city and special utility district wherein city would issue bonds for construction of water treatment plant and district would purchase all water required for its own use and distribution of treated water to customers was a "requirements contract" for which there was waiver of district's governmental immunity; contract's purpose was to establish water treatment facility in close proximity to district's raw water source to be of sufficient capacity to treat not only water used by city for resale to its customers, but also to treat district's water to be used for resale to its customers, it expressly stated that district agreed to purchase all water it required during period of agreement, and directly permitted parties to alter amount or to expand facility based on parties' needs.

Alleged lost profits impliedly claimed by city for breach of contract by special utility district, whose predecessor-in-interest entered into contract with city wherein city would issue bonds for construction of water treatment plant and district would buy all water required for its own use and distribution of treated water to customers, were not for damages due and owed, and instead, were consequential damages for which there was no statutory waiver of district's governmental immunity; city sought damages it sustained being deprived of the benefit that it could have reasonably anticipated from full performance of the contract, and apparently sought profits it would have received had district continued to purchase treated water exclusively from city.

City and special utility district's contract wherein district would purchase from city all water required for its own use and distribution of treated water to customers was executed by district when it accepted its assignment of the contract by its predecessor-in-interest and operated in accordance of contract's terms, rather than when city and district's predecessor-in-interest entered into agreement, such that city was not entitled to award of attorney's fees under statute providing waiver of immunity for reasonable and necessary attorney's fees but only if contract was executed after a specific date; district's predecessor had no authority to execute contract on district's behalf, let alone do so more than 20 years prior to its existence, rather, only district could execute contract on its behalf.

## [Jorolan v. Eads](#)

**Court of Appeals of Texas, Fort Worth - February 26, 2025 - Not Reported in S.W. Rptr. - 2025 WL 628340**

In November 2022, voters approved a ballot measure authorizing the issuance of \$650 million in general obligation bonds by Denton County for constructing, improving, repairing, and maintaining roads, bridges, and highways within the county.

After the Denton County Clerk certified the results of the election favoring the measure, citizens (Appellants) timely filed an original petition asserting an election contest against Andy Eads who, as Denton County Judge, was the presiding officer of the final canvassing authority for the election.

Appellants alleged as the basis for their contest that the electronic voting system employed by the county for the election was not properly certified by the Secretary of State, arguing that the votes counted were illegal, the true outcome of the election was unascertainable, and the result is void as a matter of law.

The Court of Appeals held that:

- Appellants lacked standing to bring this contest, depriving the Court of subject matter jurisdiction.
- Appellants did not allege a concrete injury, specific and particular to Contestants that could be redressed with a favorable decision by this Court.
- Appellants lacked standing because they did not allege some injury distinct from that sustained by the public at large.

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## [Investors Rush to Buy Near-Junk College Bonds Even as Risks Grow.](#)

- **Investors 'treading carefully' as private colleges struggle  
Schools face demographic cliff, choking economic conditions**

Investors are snapping up bonds sold by colleges with near-junk credit ratings in a push for higher-yielding assets — even as concerns linger about the challenges facing small, private institutions.

When Emerson College in Boston sold \$88 million of debt in early January, the BBB+ rated deal received more than \$900 million in orders from 26 different investors. And BBB- debt sold by Houston Christian University last month has climbed in the secondary market, indicating strong demand. Bonds due in 2054 traded in late February at an average spread of 98 basis points above top-rated debt, much lower than the 148 basis points spread the bonds initially priced at earlier that month.

That demand comes as riskier municipal bonds have outperformed the broader state and local bond market this year, according to Bloomberg index data. But buyers say they have to pick and choose with hypervigilance given that the institutions are confronting a demographic cliff from a smaller pool of would-be students and choking economic conditions that have pushed many to the brink.

[Continue reading.](#)

### **Bloomberg Politics**

By Elizabeth Rembert

March 5, 2025

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## **[MSRB Board Authorizes Further Amendments to Rule G-14, Withdraws Pre-Trade Concept Release.](#)**

Washington, D.C. – The Municipal Securities Rulemaking Board (MSRB) today announced that at its previously scheduled meeting on March 6, 2025, the Board approved the filing of amendments to [MSRB Rule G-14](#) to make substantive changes to the transaction reporting requirements that the SEC approved last year, but which have not yet become effective.

The Board’s action follows MSRB’s earlier [announcement](#) of a delay in setting an effective date for those requirements, as well as the statement by FINRA that it intends to amend its own similar rule for trade reporting of Trade Reporting and Compliance Engine (TRACE)-eligible securities under FINRA Rule 6730. MSRB’s filing will maintain regulatory consistency across the corporate and municipal bond markets and will also respond to extensive and valuable input that MSRB has received from market participants, including the ability of regulated entities to comply with the rules and potential unintended consequences for the municipal securities market.

“As always, stakeholder engagement is an essential part of the regulatory process for the self-regulatory model, but the feedback loop does not stop once a rule is approved by the SEC,” MSRB CEO Mark Kim said. “We appreciate the willingness of market participants to share with us their perspectives as MSRB remains committed to ongoing dialogue and ensuring that further amendments to Rule G-14 are coordinated with FINRA, which is contemplating similar changes to its own trade reporting rule.”

MSRB will not establish an effective date for the amendments approved by the SEC last year in their current form. Instead, MSRB intends to file further amendments to Rule G-14 with the SEC, which are expected, at a minimum, to establish less significant reductions to current reporting timeframes for manual trades. Once filed, the new amendments will then be published for public comment in the Federal Register and will require SEC approval before becoming effective. Upon approval, MSRB will continue to coordinate with FINRA in establishing an effective date for the amendments.

In addition, the Board voted to withdraw its pre-trade concept release that was published in January to ensure stakeholders have adequate time and resources to focus on providing any additional comments or feedback regarding further amendments to Rule G-14.

Date: March 07, 2025

Contact:

Aleis Stokes, Chief External Relations Officer

202-838-1500

[astokes@msrb.org](mailto:astokes@msrb.org)

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## **[S&P: Offsetting Characteristics Reduce Wildfire Credit Vulnerabilities For Two California Power Utilities](#)**

**Key Takeaways**

- Two utilities that we rate have characteristics that we believe could stabilize their credit despite increasing risks posed by wildfires in the state of California
- Clean Power Alliance has an operational structure that we believe should shield it from direct liability
- Vernon Public Utilities Department's infrastructure is remote from any of the combustible vegetation that is typically implicated in utility-caused wildfires
- Both utilities also have access to high levels of unrestricted cash to help defray any future assessed liability

## **What We're Watching**

As of publication, the California Department of Forestry and Fire Protection reports that the Eaton and Palisades fires rank as the No. 2 and 3 most destructive California wildfires in recorded history, respectively. The agency estimates that the Palisades, Eaton, and Hughes fire have together caused 42 fatalities, burned more than 48,000 acres, and destroyed over 16,000 structures within Los Angeles County. As we continue to monitor the California not-for-profit public power utilities we rate that are exposed to increasingly frequent and severe wildfires, we have identified two utilities within, or proximate to, the areas affected by the Palisades and Eaton fires — Clean Power Alliance (CPA) and Vernon Public Utilities Department (VPU) — as having offsetting operational characteristics that we believe could stabilize their financial performance and credit quality. These characteristics differentiate CPA and VPU from other utilities in the region, such as Los Angeles Department of Water and Power, Glendale Water and Power, and Pasadena Water and Power, for which S&P Global Ratings lowered ratings or revised outlooks to negative in the wake of the fires. For more information, see "Credit Risks Associated With Wildfires Are Increasing For California Public Finance Entities," published Feb. 20, 2025 on RatingsDirect.

[Continue reading.](#)

3 Mar, 2025

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## **[Seattle Private School for Gifted Students to Borrow \\$35 Million.](#)**

A Seattle private school that has Amazon.com Inc. and Microsoft Corp. executives on its board is borrowing \$35 million from the municipal-bond market to pay for new facilities in a bid to boost enrollment.

The Evergreen School, which was founded in 1963 for "highly capable" children, will use the funds to construct a new 24,000-square-foot early childhood center on a new parcel across the street from its existing 4.5-acre campus. The new facility will house preschool, prekindergarten and kindergarten classes. The school dug into its reserves to acquire the additional land, according to an investor presentation.

"This project represents both the foundation and the future of our program," Evergreen's head of school Halsey Bell said in a statement. "The new early childhood center will give our youngest learners spaces that are purposely designed for their unique developmental needs."

[Continue reading.](#)

**Bloomberg Markets**

By Erin Hudson

March 5, 2025

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## **[Risk-Off Tone Helps Muni Market See Best February Since 2020.](#)**

- **Returns in February were about 1% as issuance soared**
- **Investors are seeking less risky assets amid uncertainty**

The muni market notched an unusually strong month in February — but the asset class is facing headwinds as new bond sales build.

The state- and local-government debt market gained about 1% last month, marking the best February for performance since 2020 and the second-largest gain for the period in the past decade, according to data compiled by Bloomberg. On average, over the last 10 years, the muni market has posted a monthly drop of 0.27% during the second month of the year.

Jeffery Timlin, managing partner at Sage Advisory Services, said February's returns were driven by the gain in US Treasuries last month. Uncertainty over the impacts of rapid federal policy changes has led investors to buy higher-quality assets, he said.

[Continue reading.](#)

### **Bloomberg Markets**

By Erin Hudson

March 3, 2025

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## **[The Muni Bond Boom: Why Active Management Is Key to Success](#)**

Thanks to a hefty amount of tax uncertainty, historically high yields and overall strong fiscal health, municipal bonds have continued to be a top draw for many investors across different tax brackets. Fund flows into muni ETFs have continued to rise, and more recently, the number of active ETF offerings in the space has jumped. More than half of all the active ETFs in the space have launched within the last two years.

And it turns out, that might be a great thing for investors.

According to asset manager AllianceBernstein, being active in the muni sector is better than simply following an index. Historically, outperformance has been on the active investor's side. And there are three reasons why.

[Continue reading.](#)

**dividend.com**

by Aaron Levitt

Mar 10, 2025

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## **[How Municipalities of All Sizes Are Building the Financial Stability of Residents: NLC Webinar](#)**

**Webinar | Mar 31st, 2025, 1:00 PM - 2:00 PM**

Join the National League of Cities (NLC) for an informative webinar highlighting NLC's upcoming report: A Decade of Municipal Financial Empowerment Strategies: Findings from a 2024 Field Scan.

NLC, in partnership with the University of Wisconsin-Madison, conducted a field scan of recent developments in financial empowerment strategies in cities, villages, and towns across the United States.

The webinar will reveal findings from the report and feature cities that have successful efforts in place, such as:

- programs to connect residents to public benefits
- strategies to help residents save
- supports for small businesses; and
- access to bank accounts and loans.

Attendees will get first-hand insights into how cities have grown their financial empowerment programming over the last decade, regional differences, and which types of programs are most common. This is an excellent opportunity for NLC members and local government leaders to assess their own efforts and come away with ideas to grow or strengthen programs to support the financial well-being of residents and communities.

Join us from 1 PM to 2 PM (ET) Monday, March 31, 2025, to learn more.

**[REGISTER](#)**

### **Speakers**

- J. Michael Collins, Professor, University of Wisconsin-Madison
- Heidi Goldberg, Director, Economic Opportunity and Financial Empowerment, NLC
- Patrick Hain, Program Director, Economic Opportunity and Financial Empowerment, NLC

*The Wells Fargo Foundation generously supports NLC's Wells Fargo Financial Empowerment Scan Project that produced the A Decade of Municipal Financial Empowerment Strategies: Findings from a 2024 Field Scan.*

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## **[Fitch: Potential Medicaid Cuts Could Threaten Not-for-Profit Hospital Margins](#)**

Fitch Ratings-Chicago/Austin/New York-04 March 2025: Major cuts to Medicaid would negatively affect U.S. not-for-profit (NFP) hospital operating margins and revenues, Fitch Ratings says. Slower

revenue growth or a revenue decline leading to sustained cash flow reduction could pressure ratings and potentially the sector outlook.

The House's recently passed budget proposal calls for \$1.5 trillion-\$3.0 trillion in spending cuts over the next decade. It includes a directive to the Energy and Commerce Committee to reduce spending by \$880 billion over the next 10 years. The Senate will likely propose changes to the House plan, which would require another vote on a final budget resolution before work on budget details can commence.

Although the House plan does not mention specific programs, Medicaid and Medicare are the largest under the Energy and Commerce Committee's purview. Achieving the budget cuts would be difficult without changing Medicaid eligibility or Medicaid funding. It is uncertain what Medicaid changes, if any, will be in the final budget bill and how they would affect funding and enrollment. Approximately one in five Americans are covered by Medicaid.

A decrease in Medicaid reimbursement and/or an increase in uninsured care would hinder hospitals' nascent financial recovery from weak sector-wide post-pandemic performance due to higher labor costs and elevated inflation. Median operating margins, which are lower than pre-pandemic levels, are improving along with revenue growth due to increased patient volumes. However, lower revenues and higher unreimbursed expenses from more self-pay patients could reverse recent improvements. This is particularly true for hospitals with a higher share of Medicaid patients, which inherently have thinner margins.

NFP hospitals have limited ability to cut services, given operating constraints such as the obligation to serve all needing medical care. They also cannot pass through costs, as reimbursement rates are contracted with public and private insurance providers for set timeframes. Government reimbursement through Medicare and Medicaid programs are generally set annually by the Centers for Medicare & Medicaid Services without negotiation.

Payor mix is an important component in our assessment of a hospital or healthcare system's revenue defensibility, a key driver of ratings under our Not-for-Profit Hospitals and Health Systems Ratings Criteria. Greater exposure to self-pay and Medicaid reimbursement reduces a hospital provider's capacity to recover its operating costs from other payor sources. Safety-net hospitals, with combined self-pay and Medicaid payers of more than 30% of gross revenues, have 'very weak' revenue defensibility. Providers with 25%-30% exposure have 'weak' revenue defensibility assessments.

The effects of any Medicaid cuts on NFP hospitals would depend somewhat on state Medicaid policies and other healthcare options. The Federal Medical Assistance Percentage (FMAP), the percentage of a state's Medicaid spending matched by the federal government, is generally tied to each state's wealth levels. A federal statute sets a FMAP floor of 50% for states with the highest per-capita income and a ceiling of 83%. The FMAP's significance depends on each state's total budget size and Medicaid spending, which vary based on factors like enrollee levels, composition, and reimbursement rates.

States may choose to allocate more of their own resources to Medicaid funding to mitigate the effects of federal cuts, or reduce benefits, eligibility, or provider payment rates. California, New York, Texas, Pennsylvania and Ohio, the states with the largest populations, receive the most federal Medicaid funding, according to KFF.

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## **[Texas Water Development Board: Fitch New Issue Report](#)**

The Texas Water Development Board (TWDB) has announced the issuance of \$372.125 million in State Revolving Fund (SRF) Revenue Bonds, New Series 2025, rated 'AAA' by Fitch Ratings with a stable outlook. The bonds are secured by repayments from clean and drinking water SRF obligors and pledged accounts. The financial structure is robust, with a high default tolerance, ensuring bond payments even under severe stress scenarios. The TWDB's SRF programs have strong credit quality, with 77% of the portfolio consisting of investment-grade borrowers. The programs benefit from overcollateralization and strong management practices. The combined pool has 353 obligors, with the top 10 representing 48% of the portfolio. Fitch's analysis shows the financial structure can withstand significant defaults without interrupting bond payments.

[Access Report](#)

Tue 04 Mar, 2025

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## **[USPF Credit Outlooks 2025: Fitch On-Demand Webinars](#)**

Discover the rationale and insights from Fitch's experts on what's behind their 2025 outlooks for U.S. Community Development and Social Lending (CDSL) and U.S. Municipal Transportation sectors.

[Watch CDSL](#)

[Watch Transportation](#)

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## **[New York City to Sell \\$242.8M of Municipal Bonds for Multi-Family Housing Projects.](#)**

The New York City Housing Development Corporation will sell \$242.8 million in sustainable development, multi-family housing revenue bonds to finance construction and mortgage loans for housing projects.

The securities will be offered to investors in two separate series, according to a preliminary official statement posted Monday on MuniOS. The corporation will sell \$135.1 million of 2025 Series A-1 Sustainable Development Bonds that will mature from 2030 through 2064. They will also sell \$124.7 million in 2025 Series A-1 Fixed Rate Term Bonds with maturities ranging from 2040 through 2064.

Retail orders can be placed on March 10, and institutional pricing is scheduled for March 11. The securities are expected to be available for delivery on March 21. All of the bonds are exempt from city, state and federal taxes.

Interest payments will start on Nov. 1, and then be made every six months thereafter.

A portion of proceeds will be used to help finance new construction mortgage loans for the development of the Innovative Urban Village, a mixed-use community in the East New York section of Brooklyn. The project will include affordable housing, retail and community facilities, according to

the project's website.

The corporation government agency that began operations in 1972. It was established to finance the creation and preservation of affordable multi-family housing for low-, moderate- and middle-income residents in New York City.

S&P Global Ratings and Moody's Ratings have assigned AA+ and Aa2 ratings to the bonds, respectively.

Loop Capital Markets is senior manager on deal. Barclays and RBC Capital Markets are co-senior managers.

## **The Wall Street Journal**

By Patrick Sheridan

March 4, 2025

*Write to Patrick Sheridan at [patrick.sheridan@wsj.com](mailto:patrick.sheridan@wsj.com)*

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### **[With Muni Bonds, the Getting Is Good.](#)**

**Amid a volatile stretch for equities, muni bonds and related ETFs could garner renewed attention as shelters from the risk asset storm.**

Just look at the ALPS Intermediate Municipal Bond ETF (MNBD B+), which is higher by almost 1% year to date. No, municipal bonds will not outperform stocks over the long haul. But munis or ETFs such as MNBD could be sound ideas for investors looking to balance equity-heavy portfolios while bringing volatility-reducing, income-generating assets into the fold.

And while munis aren't known for thrills, that trait could be alluring in the current market climate. That's particularly so when coupled with MNBD's status as an actively managed ETF. That could enable the fund's managers capitalize on credit and duration opportunities.

[Continue reading.](#)

**etfdb.com**

by Todd Shriber

Mar 07, 2025

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### **[BLX/Orrick 2025 Post-Issuance Compliance Workshop \(NEW!\)](#)**

**SAVE THE DATE**

BLX and Orrick will be hosting our Post-Issuance Compliance Workshop on **October 23-24, 2025**

This hybrid event will be held virtually and at the Conrad Hotel in Nashville.

More information coming soon. Check back for updates and registration information.

Make training a regular part of your organization's post-issuance compliance program and join us for this educational event.

For questions and information on the Workshop or the Post-Issuance Compliance Services provided by BLX, please contact:

Alan Bond  
[abond@blxgroup.com](mailto:abond@blxgroup.com)  
212.506.5275

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## **[New York City, New York: Fitch New Issue Report](#)**

Fitch Ratings has assigned an 'AA' rating with a Stable outlook to New York City's \$1.4 billion General Obligation (GO) bonds for fiscal 2025, citing the city's strong budget monitoring, financial resilience, and substantial reserves. The city's financial profile is bolstered by high revenue control and midrange expenditure control, despite challenges like high long-term liabilities and a declining population. Fitch recognizes New York City's significant economic role in the New York-Newark-Jersey City metropolitan area, contributing 9.3% of the national metropolitan GDP. The city's budget for fiscal 2025 is \$112 billion, with expected revenue growth driven by property and personal income taxes. However, future challenges include decelerating revenue growth, federal policy uncertainties, and state-imposed funding requirements. Fitch expects the city to maintain strong fiscal management, with reserves mitigating potential economic downturns.

[Access Report](#)

Mon 03 Mar, 2025

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## **[Vanguard Plans Two More Muni ETFs as Competition Heats Up.](#)**

- **Issuers' new muni ETF offerings set a record in 2024**
- **Vanguard, BlackRock have the two dominant funds in the class**

Vanguard Group Inc. is planning to launch two new municipal-bond exchange-traded fund offerings after tripling its lineup of products catering to state and local-government debt investors last year.

The Vanguard New York Tax-Exempt Bond ETF, which is expected to trade under the ticker MUNY, will focus on investment-grade New York debt. The fund will appeal to residents of the high-tax state of New York who are drawn to the tax-free interest paid by municipalities there. The investing giant also filed to register the Vanguard Long-Term Tax-Exempt Bond ETF, or VTEL, which will provide exposure to longer duration municipal bonds.

While muni-tied products make up just \$146 billion in assets, a sliver of the more than \$10 trillion US ETF market, issuers are competing to offer new products in a bid to draw in investors in an increasingly competitive space. Wall Street money managers launched over two dozen new muni ETFs in 2024, a record.

The Malvern, Pennsylvania-based company is vying for leadership in the space with BlackRock Inc. The \$36.5 billion Vanguard Tax-Exempt Bond ETF and BlackRock's \$40.6 billion iShares National Muni Bond ETF (MUB) dominate market share.

Currently, no other muni ETF products have more than \$10 billion in assets, but that hasn't stopped other issuers from throwing their hat in the ring. Nuveen launched two actively managed muni ETFs in January.

Still, the low-cost, easy-to trade products continue to draw investors. Muni ETFs have seen inflows in each of the past 12 months, including \$2.1 billion in February, Bloomberg Intelligence data show. The influx also comes as muni-bond yields stay relatively elevated, making the asset class more attractive compared to years of low interest rates.

Vanguard's two new passively-run funds are expected to have an expense ratio of 0.09%, or 90 cents per \$1,000 of average net assets.

"MUNY is specifically designed for tax-sensitive residents of New York while VTEL serves investors looking for exposure to longer duration municipal bonds, low fees, tax-efficiency, and trading flexibility," Vanguard spokesperson Jessica Schifalacqua said in an emailed statement.

## **Bloomberg Markets**

By Amanda Albright

March 6, 2025

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### **[Triborough Bridge & Tunnel Authority \(NY\): Fitch New Issue Report](#)**

Fitch Ratings has assigned an 'AA+' rating to the Triborough Bridge and Tunnel Authority's (TBTA) \$400 million Payroll Mobility Tax Bond Anticipation Notes (PMT BANs), Series 2025A, with a scheduled sale date of March 11, 2025. The rating reflects the solid growth prospects and resilience of the pledged revenue stream, primarily derived from payroll taxes and transportation fees within the Metropolitan Commuter Transportation District (MCTD). The senior lien bonds are supported by a 2.25x additional bonds test, ensuring ample coverage and limiting overleveraging. The rating is capped at the 'AA+' Issuer Default Rating of New York State, with the 'F1+' short-term rating based on the senior lien bonds' credit quality. The PMT receipts have shown significant growth, driven by a recent increase in the PMT rate, and are expected to continue exceeding national inflation rates. The bonds are insulated from the Metropolitan Transportation Authority's (MTA) operational risks due to statutory and structural protections.

[Access Report](#)

Thu 06 Mar, 2025

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### **[State of Illinois - Build Illinois Bonds: Fitch New Issue Report](#)**

Fitch Ratings has assigned an 'A+' rating to \$725 million of State of Illinois Build Illinois Bonds, with a Stable Outlook. These bonds are backed by state sales tax revenues, which are expected to grow

with inflation and provide robust debt service coverage. Despite the strong structural protections, the bond ratings are capped at two notches above Illinois' 'A-' IDR due to the lack of a constitutional or voter-approved pledge. The bonds are resilient to economic volatility, with high coverage levels and legal provisions that segregate pledged revenues from the state's general operations. The economic growth of Illinois, centered on the Chicago metropolitan area, lags the national average. Analysts involved in this rating are Eric Kim and Ashlee Gabrysch.

[Access Report](#)

Fri 07 Mar, 2025

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## **State of Ohio: Fitch New Issue Report**

The State of Ohio has received an 'AAA' Long-Term Issuer Default Rating (IDR) and General Obligation (GO) rating from Fitch Ratings, reflecting its strong financial resilience, superior budget management, and low long-term liability burden. Ohio's economy is diverse, with significant sectors in manufacturing, finance, healthcare, and real estate. The state has robust fiscal reserves, including a \$3.8 billion Budget Stabilization Fund (BSF), and maintains a low debt burden. Ohio's revenue framework is supported by broad-based taxes, but recent tax policy changes have reduced collections. The state's expenditure flexibility is high, with low carrying costs for debt and retiree obligations. Ohio's Medicaid program and education are primary cost drivers, with federal funding playing a significant role. The state has effectively managed budget gaps in economic downturns through expenditure cuts and reserves without drawing on the BSF. Ohio's fiscal 2024-2025 budget focuses on tax cuts, education, and transportation spending, with revenues lagging but expenditure savings closing the gap. The state anticipates no draws on operating reserves in the proposed 2026-2027 budget.

[Access Report](#)

Fri 07 Mar, 2025

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## **FINRA Fines Tradeweb Direct \$65,000 for Violating MSRB Rule.**

Tradeweb Direct has been censured and fined \$65,000 by the Financial Industry Regulatory Authority for violating a municipal securities rule by failing to include a required indicator when reporting nearly 146,000 municipal securities transactions.

In a letter signed Feb. 27 by its chief risk officer, Tradeweb accepted and consented to FINRA's findings without admitting or denying them. FINRA accepted the document on March 4.

New York-based Tradeweb operates an alternative trading system for trading fixed income securities and "executes orders in a riskless principal capacity on behalf of its institutional customers with other dealers," the letter said.

According to the letter, Tradeweb violated Municipal Securities Rulemaking Board Rule G-14, which details transaction reporting requirements for municipal securities.

From April 11, 2022 through Jan. 19, 2023, the firm violated Rule G-14 by failing to include the Non-Transaction-Based Compensation indicator ? or the NTBC indicator for short ? when reporting 145,898 municipal securities transactions to the MSRB's Real-Time Transaction Reporting System, according to the document.

"Rule G-14 RTRS Procedures (b)(iv) requires firms to report the applicable 'special condition indicators' for 'transactions affected by the special conditions described in the RTRS Users Manual in Section 4.3.2 of the Specifications for Real-Time Reporting of Municipal Securities Transactions,'" the letter said.

One special condition indicator Section 4.3.2 describes is the NTBC indicator, the letter said.

"This indicator is mandatory for customer trades that do not include a mark-up, mark-down, or commission," the letter said. "The NTBC indicator improves price transparency by distinguishing between transaction prices that include some form of transaction-based dealer compensation and those that do not."

Tradeweb's failure to report the special condition indicator stemmed from a technical error linked to the firm's transition to a new clearing firm in April 2022, the letter said.

"Tradeweb Direct is committed to timely and accurate reporting, and we are pleased to have this matter resolved," a Tradeweb spokesman said.

By Kathie O'Donnell

BY SourceMedia | MUNICIPAL | 03/06/25 10:11 AM EST

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## [\*\*WSJ: The SALT Deduction Cap Is Due to Expire. How Taxpayers Can Prepare for What's Next.\*\*](#)

### **Whether the deduction limit is raised, eliminated or extended, there are steps taxpayers can take to minimize their tax burden**

As Congress debates tax policy this year, the state and local tax-deduction cap is in the crosshairs.

The SALT deduction cap is set to expire at year's end, along with a host of other tax-policy changes enacted as part of the Tax Cuts and Jobs Act of 2017. Currently, households that itemize may deduct up to \$10,000 of property, sales or income taxes paid to state and local governments.

Before 2017, there was no limit to how much in state and local taxes taxpayers could deduct from their federally taxable income. This limit hit high-income people who live in states with high state and local tax rates, such as New York, California and Connecticut. To partially offset capping the state and local tax deduction, Congress doubled the standard deduction (currently \$29,200 for married filing jointly)—causing many people who previously itemized and took the SALT deduction to use the elevated standard deduction.

President Trump on the campaign trail called for restoring the tax break. And several lawmakers on both sides of the aisle, primarily from high-tax states where residents are affected by the deduction cap, have proposed modifications, including doubling the current cap, increasing it to \$20,000 for married filing jointly, or eliminating it.

It isn't clear how the SALT deduction cap will play out this year, but one of three scenarios will occur: it's modified, allowed to expire, or is made permanent. Whatever happens, here is how financial professionals say taxpayers can prepare.

## **1. The cap is modified**

A modified cap may be the likeliest outcome, financial pros say, but how much it is adjusted matters.

For taxpayers in the highest tax bracket—currently 37%—who itemize their deductions, the SALT cap of \$10,000 means a decrease of \$3,700 on a tax bill. Some lawmakers suggest doubling the deduction to \$20,000. That would decrease the taxpayer's bill by \$7,400, says Jason Katz, wealth adviser and certified public accountant at Bartlett Wealth Management in Cincinnati.

While not insignificant, a \$3,700 or \$7,400 tax break may not make much of a difference for high-income earners. If the cap is lifted to \$100,000 for single filers, which is one proposal, the tax cut is \$37,000, or \$33,300 more compared with current law, Katz says; the same proposal would increase the cap to \$200,000 for married couples filing jointly, doubling the tax cut to \$74,000. A higher cap could allow more people to itemize and make a bigger difference for high-income earners.

Once policy is made final, this may be the year that people who use tax preparers to file their annual taxes should schedule a fourth-quarter meeting to review how the new laws will affect them. If the policy is settled early enough, there are opportunities to maximize deductions by making moves such as postponing income or expenses for the following year, says Miklos Ringbauer, founder of MiklosCPA, in Southern California.

It's also a chance to do tax planning around major life events such as getting married, moving, or retiring now or in the next few years. Tax preparers can run scenarios that show different tax implications of these events and offer guidance to potentially reduce tax burdens.

## **2. The cap expires**

If the SALT cap expires, state and local income taxes would be fully deductible again on Internal Revenue Service form Schedule A, where taxpayers itemize deductions.

Kat Grier, wealth adviser and CPA at Merit Financial Advisors in Atlanta, says taxpayers should watch the policy effective date, since state, local and property taxes are deducted in the year paid, which may differ from the year when they were assessed.

If policy reverts to pre-2017 levels on Jan. 1, 2026, for example, taxpayers should defer paying as much of their state income taxes as possible until January, says Bill Smith, national director of tax technical services at CBIZ's national tax office, in Washington, D.C. Taxpayers who opt for this strategy should keep in mind that there may be a penalty for underpayment of the 2025 state estimated tax payments; however, if the cap is eliminated, the penalty may be offset by a larger federal deduction in 2026.

Grier added that, if possible, people who directly pay their property taxes to their municipality instead of their mortgage company should also defer until January to capture the deduction. If the law is made to be retroactive to December, deferring payments won't matter, she adds.

Grier warns that eliminating the SALT cap won't be all good news if the income threshold for the alternative minimum tax—which was designed to reduce a taxpayer's ability to avoid taxes by using deductions or other tax benefits—reverts to previous levels. The current AMT income threshold is about \$1.15 million for a married couple filing jointly, but pre-2017 the income threshold was

\$160,900. If the AMT income threshold reverts to previous levels, high-income taxpayers may see little benefit from SALT deductions.

### **3. The cap is made permanent**

For formally employed, high-income people paid through a W-2 tax form who take the standard deduction, there are a few strategic ways to get over the threshold to start itemizing, Grier says. A common tactic is for taxpayers to increase their charitable deductions so that the combined deductions of mortgage interest, and state income and real-estate taxes gets them over the minimum to itemize.

A less common strategy is to look at unreimbursed medical and dental expenses to get over the threshold. If those unreimbursed costs are greater than 7.5% of a taxpayer's adjusted gross income, these can be deducted for taxpayers who itemize.

Business owners who are treated as partnerships for federal tax purposes, or are S corporations, may be able to use a pass-through entity, known as a PTET, to get a tax deduction, says Ringbauer. More than 30 states allow these tax elections, and they have state-specific rules.

Pass-through entities, which began as a workaround to the SALT cap, allow businesses the option to pay the state income tax on behalf of the business's owners and it is applied against the business's income and it becomes a business deductible expense. The taxpayer then can recognize the tax payment/credit on a state personal income tax return, which bypasses the Schedule A tax payments/SALT limitation calculation. States usually credit the owner's share of the tax paid by the business, giving the owners a way to deduct their state income taxes without the SALT cap restriction.

This deduction is only on income related to the profits from the business itself, so if a married couple has both W-2 income and flow-through business income on their state tax return, they can deduct only the business income on their state returns, Grier says. Setting up a PTET is complex, so it is best done by a tax professional.

### **The Wall Street Journal**

By Debbie Carlson

March 4, 2025 10:00 am ET

Debbie Carlson is a writer in Chicago. She can be reached at [reports@wsj.com](mailto:reports@wsj.com).

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### **[FINRA Fines MarketAxess \\$90,000 for MSRB Rule Violations.](#)**

The Financial Industry Regulatory Authority has fined MarketAxess Corporation \$90,000 for Municipal Securities Rulemaking Board rule violations including the inaccurate reporting of trade times for more than 57,000 transactions, most of which were off by just one second.

MarketAxess (MKTX), which operates fixed income electronic trading platforms, submitted a letter to FINRA proposing a settlement of various alleged rule violations. In the letter, the firm accepted and consented to FINRA's findings without either admitting or denying them. MarketAxess' (MKTX) chief compliance officer signed the document on Feb. 18 and FINRA accepted it on Feb. 25.

According to the letter, MarketAxess (MKTX) violated MSRB Rule G-14, which details transaction reporting requirements for municipal securities.

From April 2016, when the firm first started reporting municipal transactions to the MSRB's Real-time Transaction Reporting System, to May 2023, MarketAxess (MKTX) reported 57,340 transactions to the RTRS with an inaccurate time of trade "due to the firm's incorrect interpretation of time of trade," the letter said.

"For a majority of these transactions, the execution time was inaccurate by one second," the letter said.

MarketAxess (MKTX) also violated Rule G-14 by reporting 123 of those transactions to the RTRS more than 15 minutes after the time of trade, the letter said.

"Rule G-14 RTRS Procedures (a)(ii) states that transactions effected during the RTRS business day shall be reported within 15 minutes of the time of trade except in certain enumerated situations," the letter said.

In addition, MarketAxess (MKTX) from April 2016 to January 2022 violated MSRB Rule G-27 by failing to set up and maintain a supervisory system, including written supervisory procedures, reasonably designed to ensure compliance with MSRB RTRS reporting obligations, the letter said.

Specifically, MarketAxess' (MKTX) supervisory system, including its written supervisory procedures, didn't include reasonable reviews to make sure that accurate execution times were reported to the RTRS, the letter said.

Beginning in January 2022, the firm's written supervisory procedures required that MarketAxess (MKTX) perform automated surveillance of RTRS reporting, including timestamps, and undertake a manual review of any surveillance alerts, the letter said.

The \$90,000 penalty pertaining to the violations of MSRB Rules G-14 and G-27 was part of a total monetary sanction of \$180,000 consented to by MarketAxess (MKTX), the letter showed. The firm also made inaccurate and untimely reports to FINRA's Trade Reporting and Compliance Engine, and MarketAxess' (MKTX) supervisory system wasn't reasonably designed to comply with TRACE reporting obligations, the letter said.

An attorney representing the firm declined to comment.

By Kathie O'Donnell

BY SourceMedia | MUNICIPAL | 02/27/25 10:32 AM EST

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## [\*\*AASHTO Supports Municipal Bonds, Raising PAB Cap.\*\*](#)

The American Association of State Highway and Transportation Officials recently joined with the American Road and Transportation Builders Association in support of efforts to protect and preserve tax-exempt municipal bonds, as well as hike the volume cap on Private Activity Bonds or PABs - used by state departments of transportation to finance Public-Private Partnership or P3 projects.

AASHTO noted that PABs are a special class of tax-exempt bond that benefits private or non-

governmental borrowers - bonds that can be issued by states, local governments, or housing authorities.

In a [joint letter](#) with ARTBA sent to Congressional leadership, AASHTO said the cap on PABs for qualified highway or surface freight transfer facilities should increase from the current \$30 billion to \$45 billion.

“PABs are a key financing tool to support private sector participation and investment in critical transportation infrastructure projects nationwide,” AASHTO and ARTBA noted in their letter. “P3s can help leverage federal and state funding by attracting private equity and debt, while encouraging efficiency and innovation in project design and delivery.”

The two organizations noted that providing private sector infrastructure developers and operators with access to tax exempt debt lowers the cost of capital for these large and expensive projects, enhancing their investment prospects.

PABs “remain a vital tool for infrastructure financing that supports every aspect of daily life and are critical in building and maintaining a strong economy for every citizen and business in the country,” AASHTO and ARTBA noted.

March 7, 2025

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## **[Vanguard Plans Two More Muni ETFs as Competition Heats Up.](#)**

- **Issuers’ new muni ETF offerings set a record in 2024**
- **Vanguard, BlackRock have the two dominant funds in the class**

Vanguard Group Inc. is planning to launch two new municipal-bond exchange-traded fund offerings after tripling its lineup of products catering to state and local-government debt investors last year.

The Vanguard New York Tax-Exempt Bond ETF, which is expected to trade under the ticker MUNY, will focus on investment-grade New York debt. The fund will appeal to residents of the high-tax state of New York who are drawn to the tax-free interest paid by municipalities there. The investing giant also filed to register the Vanguard Long-Term Tax-Exempt Bond ETF, or VTEL, which will provide exposure to longer duration municipal bonds.

While muni-tied products make up just \$146 billion in assets, a sliver of the more than \$10 trillion US ETF market, issuers are competing to offer new products in a bid to draw in investors in an increasingly competitive space. Wall Street money managers launched over two dozen new muni ETFs in 2024, a record.

[Continue reading.](#)

### **Bloomberg Markets**

By Amanda Albright

March 6, 2025

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## **SEC Moves to Dismiss Case Against Hedge Fund Silver Point Capital.**

The US Securities and Exchange Commission has moved to dismiss a lawsuit accusing hedge fund Silver Point Capital of failing to enact policies to bar a consultant from sharing confidential information with the firm's trading arm.

The agreement is outlined in a filing Thursday in federal court in Connecticut. It's subject to the SEC commissioners' approval.

The credit-focused hedge fund said it was pleased to reach a resolution. The SEC declined to comment.

"There was absolutely no basis in the evidence or the law for the claims asserted by the SEC, and the SEC should never have filed this action in December 2024," the firm said in a statement.

The SEC sued Silver Point, claiming that the company failed to set up policies to prevent a consultant from sharing confidential information about bonds issued by Puerto Rico.

The consultant, a now-deceased attorney, sat on a creditors committee tied to restructuring Puerto Rico's municipal bonds on behalf of Silver Point. His position meant he had access to non-public information that could help the firm's trading arm profit, the SEC alleged in a complaint.

But the firm said a four-year investigation and a review of roughly 350,000 documents showed no evidence that the attorney actually shared insider information or that Silver Point engaged in improper trades.

"We have refused to settle a matter in which there was neither any wrongdoing nor any deficiency in our information barrier policies or our compliance program," the company said at the time. "Silver Point has, at all times, behaved legally and ethically."

The case is Securities and Exchange Commission v. Silver Point Capital L.P., 24-cv-02018, US District Court, District of Connecticut.

### **Bloomberg Markets**

By Nicola M White

March 6, 2025

— With assistance from Peter Blumberg