Bond Case Briefs

Municipal Finance Law Since 1971

Shifting the Burden: States Face Rising Pressure to Fund Disasters Alone - Baker Donelson

Recent statements from the current administration signal a deliberate shift of disaster responsibility to states, elevating the need for robust, state-led emergency financing and related state statutory authority. States must assess now whether they have the financial tools and governance structure to respond effectively if Federal Emergency Management Agency (FEMA) support is reduced or eliminated.

This alert shares concerns and possible solutions states should consider now in anticipation of a transition away from FEMA funding.

Executive Branch Signals Significant Reduction of FEMA's Role

Per our prior alert, as of April 2025, the administration had issued both an Executive Order directing "state and local preparedness" and an internal memorandum mandating short-term changes to FEMA's Public Assistance thresholds and hazard-mitigation programs effective by June 1 or before the start of the hurricane season.

Continue reading.

Baker Donelson

by Danielle M. Aymond & Wendy Huff Ellard

June 16, 2025

Too Essential to Fail: Lessons from County Fiscal Crises.

When a fiscal crisis strikes a local government, local communities suffer. Fiscal crises mean that there is no money for public safety, no money for pensioners, no money to keep residents' lights on, and no money for the basic services that make for modern life. Just ask the residents of Detroit or Puerto Rico, who lived through those very traumas.

Not all local governments, though, are equally prone to such fiscal crises. There is, in fact, one type of local government that is particularly good at avoiding fiscal crises: counties.

Often called the "forgotten level of government" because of how little scholarly attention they receive, counties have much to teach about fiscal crises. Counties almost never experience fiscal crises. And when they do, they have effectively handled the crises using both federal tools (bankruptcy) and state ones (fiscal intervention).

This Article draws out the lessons of counties for municipal finance. To do so, the Article begins by unpacking the municipal finance regulations that have provided counties with extraordinary fiscal safety. The Article then turns to case studies of the eleven counties that either filed for bankruptcy or had state fiscal interventions since the passage of the Bankruptcy Code in 1978. Those case studies show how counties' finances can (in rare cases) go wrong despite well-designed municipal finance regulations. The case studies also show how counties have successfully responded to those crises through bankruptcy and fiscal intervention.

Using that analysis, the Article concludes with lessons for municipal finance more broadly. That includes lessons for making municipal finance safer for all local governments, lessons for mitigating the risk of municipal finance going wrong, and lessons for handling fiscal crises so as to minimize the human misery that local fiscal crises threaten, and too often, bring.

Continue reading.

Yale Journal on Regulation

by Michael A. Francus

Volume 42 • Issue 2

Population Growth & Municipal Fiscal Outlook: Growing Cities = Higher Revenues + Healthier Reserves

Cities across the nation have unique stories about how they navigate fiscal challenges and population shifts in the post-pandemic era. While some cities are booming with revenue growth, others are seeing sharp declines in population and tax revenues.

As part of the annual City Fiscal Conditions research, the National League of Cities (NLC) collected budgetary data on 263 cities for fiscal years 2022, 2023 and 2024. For this article, we will limit our attention to the data collected for Fiscal Year 2023 since it was the most recent audited financial data at the time the data was collected.

We examine two key categories of cities: Growing Population Cities and Declining Population Cities. A city is classified as growing if its population increased between the 2010 and 2020 decennial censuses, and as declining if its population decreased over the same period. In addition, we will explore how general fund revenues, expenditures and tax structures vary across cities of different population sizes, using per capita data from Fiscal Year 2023.

Continue reading.

National League of Cities

By: Harshita Umesh Tanksali & Farhad Kaab Omeyr

June 18, 2025

S&P U.S. Charter Schools Sector Fiscal 2024 Medians: Per-Pupil Funding And

Enrollment Growth Soften Loss Of Federal Stimulus

Key Takeaways

- U.S. charter schools' median financial metrics remained healthy in fiscal 2024, with modest operating margin compression as expenses remained high and schools had less available Elementary and Secondary School Emergency Relief (ESSER) funding.
- Median state-derived revenue per student increased 11% in fiscal 2024, the largest annual growth rate in more than a decade for charter schools rated by S&P Global Ratings.
- Median enrollment continued to increase in fall 2023 (fiscal 2024), but growth was slower than last year's increase, partly due to nationwide declines in school-aged population growth and heightened competition.

Continue reading.

23 Jun, 2025 | 15:19

Fitch: U.S. CDSL Sector Resilient Amid Federal Cuts, but Risks Building

Fitch Ratings-San Francisco/New York-18 June 2025: Fitch Ratings in a new report maintains a 'neutral' outlook for the U.S. Community Development and Social Lending (CDSL) sector, despite growing risks from proposed federal spending cuts, higher construction costs, and slowing rent growth. Federal policy changes could disrupt affordable housing programs; however, strong equity buffers and prudent management continue to support sector stability.

Proposed cuts to the Department of Housing and Urban Development (HUD) and the U.S. Department of the Treasury's Community Development Financial Institutions (CDFI) Fund threaten key funding streams for affordable housing, public housing authorities (PHAs), and CDFIs. The president's FY26 budget request includes a 51% reduction in HUD's annual budget, consolidation of rental assistance, and elimination of major block grant programs. Staff reductions and processing delays at HUD could slow disbursements, affecting project timelines and creating operational pressures for issuers reliant on federal support.

Military housing projects are facing rising operating costs, though recent increases in Basic Allowance for Housing rates have provided temporary relief. State housing finance agencies remain resilient, supported by minimal reliance on direct federal funding, strong equity positions, and robust credit enhancements. Larger, established CDFIs are better positioned to manage funding volatility due to diversified funding sources and substantial equity bases.

Tariffs and immigration restrictions are increasing construction costs and exacerbating labor shortages, constraining affordable housing supply and delaying new developments. While proposed expansions to tax credits could help support new supply, ongoing expense growth and policy uncertainty will challenge sector participants.

Fitch believes CDSL issuers with strong reserves, diversified funding, and experienced management are best positioned to manage evolving risks. However, a significant deterioration in macroeconomic conditions, sharp rises in delinquencies, or severe federal spending cuts could weigh on sector credit quality and potentially lead to a revision of the outlook.

The new report can be viewed at www.fitchratings.com.

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[Tax Compliance for Debt Issuers: GFOA Webinar]

August 7, 2025 | 1 pm – 3 pm ET

Details:
Governments that issue debt must comply with numerous federal laws at the time of issuance and over the lifetime of the bonds. That includes various provisions in tax law.

This course will provide an overview of tax laws related to municipal bonds, and the responsibilities of issuers in this process. These include understanding the issue price of the bonds, calculating arbitrage and arbitrage rebate rules, yield restrictions of bond proceeds investments, private use limits, record retention guidelines, and the IRS's Tax Exempt Bond audit program.

The course will also provide tools on how issuers can best comply with these rules, and the types of conversations they should have with bond counsel about these matters.

Who Will Benefit: Finance directors, treasury department directors, debt department directors, finance staff

Learning Objectives:

- Be aware of the numerous federal tax laws and regulations imposed on tax exempt bonds.
- Know how to manage key tax issues such as arbitrage calculations and private use restrictions.
- Gain tools to have appropriate policies and procedures in place to ensure overall compliance with tax regulations and possible IRS audit inquiries.

Member Price: $95.00
Non-member Price: $200.00

Register

TD Bank Uses Automation to Trade More Bonds With Fewer People.

Takeaways

- Toronto-Dominion Bank has built a computer-driven trading team that has helped it rise up the US league tables in investment grade corporate bond transactions, leapfrogging bigger banks like JPMorgan Chase & Co. and Citigroup Inc.
- The bank has doubled its automation team in the last four years and poached automation experts from rivals, allowing it to shed employees from the ranks of old-school voice traders, with over 90% of transactions expected to be automated eventually.
- The push for automation is part of TD's ambitions to join the big leagues on Wall Street, particularly important for the bank as it tries to recover from a money-laundering scandal and grow its capital markets operations.

Continue reading.

Bloomberg Markets

By Chunzi Xu and Caleb Mutua

June 16, 2025

New GFOA Research: Rethinking Materiality in Government Accounting

This report suggests local governments are often overly cautious about what counts as "material," adding unnecessary cost and complexity to financial reporting. By shifting the focus to decision-useful accuracy rather than exhaustive precision, the profession can streamline reporting, save staff time, and maintain public trust.

Download

Hilltop's Tom Kozlik Says Airports and Colleges are Attractive Muni Plays.

Tom Kozlik, Hilltop Securities head of public policy and municipal strategies, joins 'The Exchange' to discuss opportunities in muni bonds.

Watch video.

cnbc.com

Fri, Jun 20 2025

TAX - NEW HAMPSHIRE

[Rand v. State]()

Supreme Court of New Hampshire June 10, 2025 - A.3d - 2025 N.H. 27 - 2025 WL 1634480

Property owners brought action against state, seeking permanent injunction requiring state to discontinue public education funding scheme, and alleging that state violated state constitution through practice of permitting property-wealthy towns to retain funds raised by Statewide Education Property Tax (SWEPT) beyond those necessary to pay for cost of adequacy of education and by setting negative local education tax rates in unincorporated places.

The Superior Court granted property owners' motion for partial summary judgment, denied state's and intervenor's cross-motions for summary judgment, and enjoined state from permitting communities to retain excess SWEPT funds or offset SWEPT rate via negative local tax rates. State and intervenor appealed.

The Supreme Court held that:

- Tax was administered in a manner that was equal in valuation and uniform in rate throughout state;
- Legislature did not intend to exempt unincorporated places from SWEPT;
- Department of revenue administration's (DRA) practice of setting negative local education tax rates in unincorporated places violated legislature's constitutional power and authority to impose proportional and reasonable tax; and
- Determination that state violated legislature's constitutional power and authority to impose proportional and reasonable tax warranted vacatur of trial court's injunction remedy.

By its plain language, statute imposing education tax on property across the state, directing how Statewide Education Property Tax (SWEPT) revenue was required to be spent, and requiring each municipality's selectmen or assessors to assess SWEPT revenue and pay it to the municipality for school districts' use, administered tax in a manner that was equal in valuation and uniform in rate throughout state, which, standing alone, did not implicate legislature's constitutional power and authority to impose proportional and reasonable tax, notwithstanding any theoretical indirect effects of scheme on municipalities; fact that scheme permitted a locality to spend SWEPT funds beyond what was needed to fund cost of providing opportunity for an adequate education in that locality had no effect on uniform SWEPT rate assessed to each taxpayer across the state.

Legislature did not intend to exempt unincorporated places from Statewide Education Property Tax (SWEPT) given that, to maintain harmony with statute providing for calculation of education grant funds that were issued to municipalities, and which contemplated unincorporated places being subject to SWEPT, unincorporated places were encompassed within term municipality found in statute imposing education tax on property, which required commissioner of department of revenue administration (DRA) to calculate the portion of education tax to be raised by a municipality, based on its tax base and to issue a warrant to selectmen or assessors of each municipality directing them to assess such sum and pay it to the municipality for school districts' use.

Department of revenue administration's (DRA) practice of setting negative local education tax rates in unincorporated places that nearly or completely offset Statewide Education Property Tax (SWEPT) rate in unincorporated places was administered in a manner that was not equal in valuation or uniform in rate throughout the state, and therefore violated legislature's constitutional power and authority to impose proportional and reasonable tax.

Determination that state violated legislature's constitutional power and authority to impose proportional and reasonable tax by administering Statewide Education Property Tax (SWEPT) in a manner that was not equal in valuation or uniform in rate throughout the state through department of revenue administration's (DRA) practice of setting negative local education tax rates in unincorporated places warranted vacatur of trial court's injunction remedy of enjoining the state from permitting communities to offset the equalized SWEPT rate via negative local tax rates.

TAX - GEORGIA

[Atlanta Restaurant Partners, LLC v. Clayton County]

Court of Appeals of Georgia - June 10, 2025 - S.E.2d - 2025 WL 1637362

Taxpayer that operated food concessions at airport brought action against county and city, among other parties, seeking refund of real property ad valorem taxes assessed and collected on airport concession agreement, alleging spaces were nontaxable usufructs.

School district filed motion to intervene, which the trial court granted. City issued a tax refund to taxpayer and city and taxpayer submitted a proposed consent order to trial court dismissing city from the action, which the trial court signed. The trial court later granted school district's motion for partial dismissal of taxpayer's claims. Following dismissal order, and prior to court-ordered mediation, county refunded the remaining tax amounts at issue to taxpayer. Taxpayer appealed grant of school district's motions.

The Court of Appeals held that:

- Taxes were illegally collected from taxpayer;
- Taxes were required to be refunded to taxpayer regardless if the taxes were remitted to school district;
- School district was not entitled to intervene as of right; and
- Trial court's error in granting school district's motion to intervene as of right warranted reversal of grant of motion for partial dismissal.

Airport retail spaces were usufructs and not subject to ad valorem real estate taxes, and thus ad valorem taxes that city and county had assessed and collected from taxpayer in connection with taxpayer's food and beverage concession operations at airport pursuant to airport concession agreement between taxpayer and city were illegally collected from taxpayer, for purposes of determining whether taxpayer was entitled to refund of such taxes paid by taxpayer.

Ad valorem real estate taxes that city and county illegally assessed and collected from taxpayer that operated food concessions at airport pursuant to airport concession agreement between taxpayer and city were required to be refunded to taxpayer from funds of county, municipality, county board of education, state, or any other entity to which the taxes were originally paid, regardless whether the taxes were remitted to school district; legislature did not carve out an exception for illegally collected taxes that a county remitted to a board of education.

School district did not have a property interest in real property ad valorem taxes, which were illegally assessed and collected by city and county on airport concession agreement, and which therefore were required to be returned to taxpayer, and therefore school district was not entitled to intervene as of right in taxpayer's action against city and county, among other parties, seeking refund of such taxes paid by taxpayer, so that trial court abused its discretion by allowing school district to intervene as a matter of right, even if school district had an interest in the amount of money it received from county for its budget.

Trial court's error in granting school district's motion to intervene as of right in action brought by taxpayer that operated food concessions at airport against city and county, among other parties, seeking refund of real property ad valorem taxes which city and county had illegally assessed and collected on airport concession agreement between city and taxpayer warranted reversal of trial court's grant of school district's motion for partial dismissal and remand to trial court.

Georgia State Road and Tollway Authority: Fitch New Issue Report

Georgia's 'AAA' rating reflects its strong fiscal management and diverse economy. The state anticipates a fully funded reserve and continued revenue growth despite tax cuts.

Access Report

Fri 20 Jun, 2025 – 1:26 PM ET

Metropolitan Water District of Southern California: Fitch New Issue Report

The bonds are expected to price the week of June 23. Fitch's Analytical Stress Test (FAST) reflects leverage of potentially below 5.0x in fiscal 2025.

Access Report

Wed 18 Jun, 2025 – 4:12 PM ET

What's Going on With Muni Bonds?

Nearing the mid-point of the year, it's been a relatively good period for most investment grade bonds. Not so much for municipal bonds.

The iShares Core US Aggregate Bond ETF (AGG) gained 2.85% while the iShares National Muni Bond ETF (MUB) lost 1.29% through June 17. That's a differential of 4.14 percentage points. Both numbers include dividends paid. But the biggest difference between the two funds is that the municipal bond fund is federally tax-exempt as the bonds are issued by states and municipalities, while the US Core Aggregate bond fund is taxable (though part is state tax-exempt for most states). Yet they are quite similar in other ways. Both are high quality, moderate duration, and low-cost bond funds with Morningstar showing the following as of June 11, 2025:

- AGG has an average credit rating of AA-, while MUB is rated at AA.
- AGG's effective duration is 5.81, while MUB's is 6.76.
- AGG's annual expense ratio is 0.03%, while MUB's is 0.05%.

Continue reading.

Yahoo Finance

by Allan Roth

Sun, June 22, 2025

[Easterly High-Yield Muni Fund Plunges Nearly 50% in Sales Dump.]

Easterly Funds' high-yield municipal-bond fund has dropped almost 50% since Friday as the portfolio unloaded illiquid securities from the riskiest part of the muni market, according to people familiar with the matter.

The Easterly RocMuni High Income Municipal Bond Fund net-asset value fell to $3.16 on Monday from $6.15 on Friday morning. Its assets have declined to about $67 million from about $245 million at the end of February.

"The fund was repositioned to improve liquidity and continues to seek investment opportunities," Nneka Etoniru, a spokesperson for Easterly, said in an emailed statement. Etoniru said the fund is not liquidating.

Continue reading.

Bloomberg Markets

By Martin Z Braun

June 17, 2025

Investing in High Yield Munis: Nuveen

View article.

Posted June 16, 2025 by Ben Carlson

Kutak Rock: Senate Finance Releases Tax Reform Legislation

On the Hill

Last night, the Senate Finance Committee released its long-awaited version of the tax portion of the "One Big Beautiful Bill," offering a counterpoint to the House version passed last month. Critically, like the House bill, the current draft of the Senate Finance text does not include any language limiting the tax-exemption for municipal bonds. While retaining much of the structural framework of the House bill, the draft introduces several material changes, particularly around revenue offsets and social spending reductions.

As released by the Senate Finance Committee, the current draft:

- Preserves the House changes to the 50% test for LIHTC deals, lowering the test to 25%, but makes

the change permanent instead of sunsetting in 2029.
- Provides a 12% allocation increase for 9% LIHTC transactions, instead of the 12.5% the House bill included, but makes the change permanent unlike the House version.
- Does not include the designation of Indian areas and rural areas as "Difficult Development Areas" and also excludes the 30% boost in basis that the House provided.
- Adds the permanent extension of the New Markets Tax Credit program.
- Permanently extends the increased individual AMT exemption amounts and reverts phase-out thresholds to 2018 levels ($500,000/individual; $1,000,000/joint), indexed to inflation thereafter.
- Builds on original Opportunity Zone framework, making the policy permanent with rolling, ten-year designations beginning January 1, 2027 while tightening the income requirements for designation as a "low-income community" and adding a new category for rural areas.
- Lowers the "endowment tax" increases on private colleges and universities as compared to the House version (topping out at 8% instead of 21%), while still maintaining a tiered structure.
- Reverts the SALT cap back to what current law permits ($10,000), with a placeholder indicating the topic is still being heavily negotiated.
- Raises the debt ceiling by $5 trillion, as compared to the $4 trillion increase the House proposed.

What This Means for Tax-Exempt Bond Issuers

Like the House version, the Senate bill leaves the tax exemption for interest on tax-exempt municipal bonds, including qualified private activity bonds, untouched. The Senate bill goes further than the House in making the changes to the 50% test for 4% LIHTC deals permanent, which could free up volume cap for issuers and provide an easier path to satisfying the good costs/bad costs analysis. In fact, by making the LIHTC changes permanent, the Senate is signaling strong support for financing tools that encourage investment in affordable housing, one of which is private activity bonds.

What's Next

With the release of the Finance portion of the bill, all ten committees of jurisdiction have now released their pieces of the legislation. Members and staff have been meeting on a daily or near-daily basis and holding multiple in-the-weeds briefings on the content and on the schedule during the last week. One of the key themes when comparing the House version to the Senate version is that the Senate clearly prioritized permanence. In several instances, the Senate legislation might slightly pare back a benefit but provide the benefit permanently instead of phasing it out, no doubt setting up an interesting discussion with their counterparts in the House as they negotiate behind the scenes.

While the situation is fluid, Senate leadership has indicated an aggressive timeline. Current reports indicate they are targeting a floor vote of their version of the "One Big Beautiful Bill" by the end of next week, with the ultimate goal of delivering legislation to the President before the July 4 recess. Majority Leader Thune has even threatened to keep the Senate in session if passage is not achieved before the July 4th holiday – perhaps providing some strong motivation for members to move quickly in their negotiations. If the Senate's changes are sufficiently narrow or pre-negotiated with the House, it is possible the House could vote on the Senate version and avoid a Conference Committee, expediating the enactment.

As always, we will continue to monitor legislative developments and provide timely updates as the process unfolds.

Publications – Client Alert | June 17, 2025

Easterly High-Yield Muni Fund Plunges Nearly 50% in Sales Dump.

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"The fund was repositioned to improve liquidity and continues to seek investment opportunities," Nneka Etoniru, a spokesperson for Easterly, said in an emailed statement. Etoniru said the fund is not liquidating.

Continue reading.

Bloomberg Markets

By Martin Z Braun

June 17, 2025

Fitch to Take Actions on Sacramento Municipal Utility District, CA Sub Rev Rfdg Bonds, 2023 Series C.

Fitch Ratings-New York-18 June 2025: On the effective date of June 26, 2025, Fitch Ratings will revise the basis of the long-term rating to 'AAA' from 'AA' for the Sacramento Municipal Utility District, CA's subordinated electric revenue refunding bonds 2023 series C. Fitch will also downgrade the bonds' short-term rating to 'F1' from 'F1+'. The Rating Outlook is Stable for the long-term rating.

The rating action is in connection with: (i) the substitution of the Standby Bond Purchase Agreement (SBPA) previously provided by TD Bank (AA-/F1+/Negative) with a substitute LOC to be issued by PNC Bank, National Association (A+/F1/Stable); and (ii) the mandatory tender of the bonds, which will occur on June 26, 2025.

KEY RATING DRIVERS

The long-term rating will now be determined using Fitch's dual-party pay criteria and will be based jointly on the underlying rating assigned to those bonds by Fitch (currently rated 'AA'), and the rating assigned by Fitch to the PNC Bank (A+), which will provide the substitute LOC as support for the bonds. The short-term 'F1' rating will be based solely on the substitute LOC. For information about the underlying credit rating see Fitch's press release dated May 23, 2025, available at 'www.fitchratings.com'.

Fitch's dual-party pay criteria consider the likelihood of the failure of both a rated obligor and a bank LOC provider. The methodology results in a long-term rating that is up to two notches higher than the stronger of the two credits if the following conditions are met: (1) both entities have a rating of ‘A’ or higher; (2) the transaction is structured such that payments from both the municipal issuer and the bank are in the flow of funds and both entities would have to fail to perform before the bonds defaulted; and (3) the interest rate modes to be covered by Fitch’s rating provide for either a mandatory purchase at the end of each interest rate period, or a purchase demand option. A one- or two-notch uplift will apply to the long-term rating depending on the frequency of the purchase demand option or the duration of the interest rate period which concludes with a mandatory tender.

The bonds provide holders with a tender option upon advance notice in the interest rate modes rated by Fitch. Fitch will apply a two-notch uplift, resulting in a long-term rating of ‘AAA’ for the bonds.

Pursuant to the substitute LOC, the bank is obligated to make regularly scheduled payments of principal of and interest on the bonds in addition to payments due upon maturity, and redemption, as well as purchase price for tendered bonds. The substitute LOC has a stated expiration date of June 23, 2028, unless extended or earlier terminated, and provides full and sufficient coverage of principal plus an amount equal to 52 days of interest at a maximum rate of 12% based on a year of 365 days and purchase price for tendered bonds, while in the weekly and daily rate modes. The remarketing agent for the bonds is PNC Capital Markets LLC.

RATING SENSITIVITIES

Factors That Could, Individually or Collectively, Lead to Negative Rating Action/Downgrade

The long-term rating is tied to the long-term rating assigned to the bonds and the long-term rating that Fitch maintains on the bank providing the substitute LOC. Changes to one or both of these ratings may affect the long-term rating assigned to the bonds. If either the underlying bond rating or the bank rating were downgraded to ‘A-‘ or lower, the dual-party pay criteria could no longer be applied, and the long-term rating assigned to the bonds would then be adjusted to the higher of the bank rating and the underlying bond rating.

The short-term rating is exclusively tied to the short-term rating that Fitch maintains on the bank providing the substitute LOC and will reflect all changes to that rating.

Factors That Could, Individually or Collectively, Lead to Positive Rating Action/Upgrade

The long-term rating is the highest long-term rating assigned by Fitch and cannot be upgraded.

The short-term rating is exclusively tied to the short-term rating that Fitch maintains on the bank providing the substitute LOC and will reflect all changes to that rating.

Muni Bonds Have a Buying Opportunity Amid Tax Exemption Concerns – Wells Fargo

Wells Fargo analysts are seeing a buying opportunity in municipal bonds.

Recent volatility in the municipal bond market presents a buying opportunity for investors, said Tony Miano, investment strategy analyst at Wells Fargo Investment Institute.

Discussions in Congress regarding potential changes to the tax-exempt status of municipal bonds have triggered significant market fluctuations over the past several months, with municipal yields spiking after comments from a Trump advisor in early April.

In early April, Trade Advisor Peter Navarro downplayed the market reaction to tariffs as “no big deal.” Following this commentary, municipal yields spiked and have remained elevated.

Despite the recent volatility, Wells Fargo’s team does not anticipate substantial risks to the tax-exempt status of municipal bonds, citing the narrow Republican majorities in both chambers of Congress that make controversial tax changes difficult to implement.

[Continue reading.]

[Kerrville, Texas, to Sell $76 Million of Bonds for Electricity Generation Facility.]

Kerrville, Texas, plans to sell about $76 million of municipal bonds for the construction of a natural gas-fired electricity generation facility.

The Kerrville Public Utility Board Public Facility plans to sell the Power Supply Revenue Bonds, Series 2025 A, due on April 15 from 2028 to 2047, according to documents posted Tuesday on MuniOS.

Interest is payable initially on Oct. 15, and on each Oct. 15 and April 15 thereafter.

The bonds are expected to be sold on June 25, with settlement scheduled on July 10.

Proceeds from the issuance will be used to finance the construction, equipping, furnishing, and placement in service of a new 122 megawatt Natural Gas-Fired Reciprocating Internal Combustion Engine Generation Plant to be owned by the board. Engine delivery is expected in August 2026.

The utility board serves about 25,000 customers throughout a 146 square mile area which includes Kerrville City, Center Point, Ingram, and surrounding areas in Kerr County.

The bonds will be special limited obligations of the utility board, secured and payable from a trust estate, which includes a first lien on pledged contract payments under a power sales agreement. As part of that agreement, the board will buy a portion of the output from the electricity generation facility in exchange for making the payments.

S&P Global Ratings has assigned a rating of A to the bonds.

BofA Securities is serving as the senior manager on the issuance.

Provided by Dow Jones Jun 18, 2025, 11:19:00 AM

By Zaeem Shoaib

Write to Zaeem Shoaib at zaeem.shoaib@wsj.com

(END) Dow Jones Newswires

June 18, 2025 13:19 ET (17:19 GMT)

As Active Bond ETF Demand Picks Up, Here Are 2 Options.

One of the prevailing trends in the ETF industry has been the proliferation of active funds. Based on results from Trackinsight's Global ETF Survey 2025. This has been further highlighted by the rise of active bond funds. That gives fixed income investors a pair of options to consider from Vanguard's ETF suite.

From a global perspective, fixed income ETFs have witnessed exponential growth. Fixed income ETF assets have already exceeded $2.6 trillion. That includes more than $1.9 trillion in assets amassed in the U.S.

Regarding passive versus active strategies in fixed income, passive funds still command the lion's share when it comes to preferred investment strategies. However, their piece of the proverbial pie is dwindling.

Continue reading.

etftrends.com

by Ben Hernandez

June 18, 2025

Stefanik Asks SEC to Investigate Harvard Bond Offering.

Takeaways

- Representative Elise Stefanik called on the SEC to investigate Harvard University's recent bond sale, alleging the school may have withheld material information from investors about its standoff with the federal government.
- Harvard sold $750 million of taxable bonds on April 9 and later issued a supplemental disclosure on April 15, revealing its rejection of the federal government's demands and listing risks related to an ongoing conflict with the Trump administration.
- Stefanik also asked the SEC to investigate the "risks associated" with Harvard's holdings in private equity, venture capital, and real estate.

Continue reading.

Bloomberg Markets

By Lydia Beyoud, Amanda Albright, and Nicola M White

June 17, 2025

NFMA June Newsletter.

The NFMA's Municipal Analysts Bulletin, Vol. 35, No. 2, has been published. In addition to the Letter from the Chair, and reports from committees and societies, there are photos from this year's conference in San Antonio.

Click here to download the June 2025 edition.

National Association of Municipal Analysts

Boston Transit Operator to Borrow $939 Million as Deficit Looms.

Takeaways

- The Massachusetts Bay Transportation Authority is borrowing $939 million in municipal bonds to fund transit upgrades, as it faces a projected deficit of nearly $500 million by fiscal 2028.
- The agency needs at least $2.5 billion annually to address a backlog of repairs, but recent proposals, including a deal to direct $535 million in revenue from the millionaire's tax, have brought some hope for the system's finances.
- Proceeds from the bond sale will fund modernization of Massachusetts' subway fleets, installation of new fare payment machines, and expansion of its commuter rail fleet with new bi-level cars.

Continue reading.

Bloomberg Markets

By Sri Taylor

June 18, 2025

- The Good, The Bad, and the Super Slow: Examining the Timeliness of Municipal Bond Audits for Audit Year 2023
- Forbes: Colleges Big And Small Issue Bonds Amid Political Chaos And Trump's Higher Ed Assault.
- Big Waves and High Tides Can Be Just as Insidious as Hurricanes.
- Chicken Fat-to-Fuel Project Is the Latest Green Muni Bond to Default.
- Israel's War Is Florida's New Investment.
- Can They Do That? Ohio Senators Propose Novel, if Questionable, Browns Stadium Funding Plan.
- And Finally, Thanks, But Just Sign Me Up For Dr. Gaye's Seminar (And Finally, a video capturing our current FDA's understanding of the practice of medicine.) is brought to us this week by *High Watch Recovery Center, Inc. v. Planning and Zoning Commission of Town of Kent*, in which we were introduced to the concept of "Horticultural Therapy" when a substance abuse treatment facility sued the Town of Kent over a greenhouse permit. Having engaged in no shortage of Horticultural Therapy ourselves, we were firmly onboard until informed that the plan involved the cultivation of some kind of plants we had not previously associated with psychoactive benefits. How the hell do you smoke a tomato?

FEES - CALIFORNIA

Gluck v. City and County of San Francisco

Court of Appeal, First District, California - May 30, 2025 - Cal.Rptr.3d - 2025 WL 1540871

Property owners brought class action against city and county challenging constitutionality of sewer charges, alleging that city's new sewer rate structure, specifically regarding stormwater, violated state constitution's voter approval requirement and proportionality requirement for property related fees.

The Superior Court sustained city's demurrer to complaint without leave to amend. Property owners appealed.

The Court of Appeal held that:

- A city's combined wastewater and stormwater system is a "sewer," and thus subject to exception to voter approval requirement;
- Court would deny property owners' request for judicial notice of legislative history materials on senate bill providing guidance on how term "sewer" should be interpreted;
- Leave to amend was not warranted following the trial court sustaining demurrer with regard to owners' claims for violation of voter approval requirement;
- Owners stated claim that sewer rates violated proportionality requirement; and
- Issue of whether sewer rate structure violated proportionality requirement could not be resolved at demurrer phase because of factual dispute.

ZONING & PLANNING - CONNECTICUT

High Watch Recovery Center, Inc. v. Planning and Zoning Commission of Town of Kent

Supreme Court of Connecticut - May 27, 2025 - A.3d - 352 Conn. 120 - 25 WL 1478736

Operator of residential treatment program for substance use disorders sought review of town planning and zoning commission's denial of operator's application for special permit to build therapeutic greenhouse in connection with its preexisting nonconforming use of property for agricultural therapy.

The Superior Court dismissed. Operator appealed. The Appellate Court reversed and remanded. Commission petitioned for certification to appeal, which was granted.

The Supreme Court held that:

- Substantial evidence supported determination that proposed use of greenhouse would impermissibly expand a nonconforming use;
- Commission's failure to cite impermissible intensification of a seasonal nonconforming use did not preclude affirmance of its decision;
- Preexisting nonconforming use of property for agricultural therapy was not a year-round use; and
- A seasonal limitation on outdoor agricultural therapy program was implicit in scope of preexisting nonconforming use.

POLITICAL SUBDIVISIONS - NEVADA

[Matter of Public Records Requests to Las Vegas Metropolitan Police Department]

Supreme Court of Nevada - May 29, 2025 - P.3d - 2025 WL 1535023 - 141 Nev. Adv. Op. 26

Metropolitan police department filed petition under Judicial Confirmation Law (JCL) seeking an advisory opinion about its disclosure obligations under Nevada Public Records Act (NPRA) after media outlets requested records about police investigation of an alleged sexual assault by professional athlete, and alleged victim filed answer and counterclaim seeking declaratory relief that certain documents that were subject of prior federal ruling were not privileged.

The District Court granted motion to dismiss petition for failure to state a claim, denied motion to amend petition to assert claim for declaratory relief, and dismissed counterclaim. Police department appealed, and alleged victim cross-appealed.

The Supreme Court held that:

- As matter of first impression, police department was not a “municipality” with a governing body that could seek advisory opinion under JCL;
- As matter of first impression, sheriff was not a “governing body” under JCL section on advisory opinions;
- As matter of first impression, Nevada Public Records Act (NPRA) does not allow a governmental entity to seek declaratory relief in response to records request;
- Trial court properly denied police department’s motion to amend petition;
- Alleged victim lacked standing to answer petition;
- Alleged victim was not a “party” who could file counterclaim for declaratory relief; and
- Issue preclusion barred counterclaim for declaratory relief.

IMMUNITY - TEXAS

[City of Houston v. Manning]

Supreme Court of Texas - May 23, 2025 - S.W.3d - 2025 WL 1478506 - 68 Tex. Sup. Ct. J. 995

Motorist brought action against city, asserting various claims including negligence and negligence per se and invoking the waiver of immunity in the Texas Tort Claims Act (TTCA) in connection with collision at intersection between motorist’s vehicle that was traveling westbound and fire truck that was traveling southbound.

The 127th Judicial District Court denied city’s summary judgment motion. City filed interlocutory appeal. The Houston Court of Appeals affirmed. City petitioned for review, which was granted.

The Supreme Court held that TTCA waived governmental immunity from suit for injuries caused by negligence per se alleged by motorist; disapproving Thoele v. Tex. Dep’t of Crim. Just., 2020 WL 7687864; Tex. Dep’t of Crim. Just. v. Parker, 2020 WL 5833869.

Texas Tort Claims Act (TTCA) waived governmental immunity from suit for injuries caused by negligence per se alleged by motorist against city in connection with claim that fire truck driver violated standards in statute providing that operator of an authorized emergency vehicle may proceed past a red or stop signal or stop sign after slowing as necessary for safe operation and in statute providing that operators are not relieved from duty to operate an authorized emergency vehicle with appropriate regard for safety of all persons, relating to collision that occurred when driver of fire truck that was traveling southbound above the posted speed limit when en route to an emergency call proceeded into intersection and struck vehicle driven by motorist who was traveling westbound on roadway; statutory standards of care used to measure negligence per se merely defined more precisely what conduct breached common-law standard of reasonable care, so that violating the statutory standards would have also been negligence under the common law; disapproving *Thoele v. Tex. Dep't of Crim. Just.*, 2020 WL 7687864; *Tex. Dep't of Crim. Just. v. Parker*, 2020 WL 5833869. Tex. Civ. Prac. & Rem. Code Ann. § 101.021(1); Tex. Transp. Code Ann. §§ 546.001(2), 546.005(1).

EMINENT DOMAIN - VIRGINIA

City of Virginia Beach v. Mathias

Court of Appeals of Virginia, Hampton - June 10, 2025 - S.E.2d - 2025 WL 1634117

City filed condemnation petition, seeking to acquire property for construction and alteration of public road. The Virginia Beach Circuit Court invalidated city's certificate of take and dismissed the petition without prejudice. City appealed.

The Court of Appeals held that, as matters of first impression:

- Statutory amendment to condemnation laws requiring a condemnor to conduct an examination of title, to provide a report of the examination of title, and provide owners a copy of all recorded instruments identified in the report applied to city's action;
- City's act in providing landowners with a title commitment that included some of the documents from the 60-year chain of title did not comply with statutory requirement that city provide 60-year history;
- City's act in providing landowners with a title commitment did not comply with statutory requirement that city provide a examination of title; and
- City was required to strictly comply with statutory requirements.

SIFMA US Municipal Bonds Statistics.

SIFMA Research tracks issuance, trading, and outstanding data for the U.S. municipal bond market. Issuance data is broken out by bond type, bid type, capital type, tax type, coupon type and callable status and includes average maturity. Trading volume data shows total and average daily volume and has customer bought/customer sold/dealer trade breakouts. Outstanding data includes holders' statistics. Data is downloadable by monthly, quarterly and annual statistics including trend analysis.

YTD statistics include:

- Issuance (as of May) $221.7 billion, +12.7% Y/Y
- Trading (as of May) $15.4 billion ADV, +20.9% Y/Y
- Outstanding (as of 1Q25) $4.2 trillion, +3.1% Y/Y

Download xls

June 12, 2025

[CUSIP Request Volumes for New Corporate and Municipal Securities Increase in May.]

NORWALK, Conn., June 12, 2025 (GLOBE NEWSWIRE) — CUSIP Global Services (CGS) today announced the release of its CUSIP Issuance Trends Report for May 2025. The report, which tracks the issuance of new security identifiers as an early indicator of debt and capital markets activity over the next quarter, found a monthly increase in request volume for new corporate and municipal identifiers.

North American corporate CUSIP requests totaled 7,835 in May, which is up 2.1% on a monthly basis. On an annualized basis, North American corporate requests were up 3.7% over May 2024 totals. The monthly increase was driven by an 8.2% rise in request volume for U.S. corporate debt identifiers, a 13.8% increase in requests for certificates of deposit (CDs) with maturities shorter than one year and a 5.7% increase in requests for CDs with maturities longer than one year.

The aggregate total of identifier requests for new municipal securities – including municipal bonds, long-term and short-term notes, and commercial paper – rose 24.6% versus April totals. On a year-over-year basis, overall municipal volumes were up 21.3% through the end of May. Texas led state-level municipal request volume with a total of 154 new CUSIP requests in May, followed by New York (113) and California (109).

“With the jury still out on the future of potential interest rate cuts in the U.S., issuers were coming to the market at a healthy clip in May,” said Gerard Faulkner, Director of Operations for CGS. “Perhaps most noteworthy is the monthly surge we’ve seen in request volume for new short-term CD identifiers, which suggests that at least some market participants are banking on high rates sticking around for a while longer.”

Requests for international equity CUSIPs rose 23.3% in May and international debt CUSIP requests rose 21.1%. On an annualized basis, international equity CUSIP requests were up 18.2% and international debt CUSIP requests were up 14.5%.

To view the full CUSIP Issuance Trends report for May, please click here.

S&P U.S. Public Finance Rating Activity Brief: May 2025

Key Takeaways

- There were more than 1,130 rating actions across USPF through May 31, 2025.
- Upgrades outpaced downgrades in the local governments, housing, and transportation sectors.
- Downgrades outpaced upgrades in the public power, education, health care, charter schools, and utilities sectors.
- Upgrades exceeded downgrades and unfavorable outlook revisions exceeded favorable outlook revisions year-to-date.

Continue reading.

9 Jun, 2025

[S&P Updated 2025 U.S. Transportation Infrastructure Activity Estimates: Eroding Port Volumes And More Tempered Growth Across Asset Classes]

Key Takeaways

- An evolving macroeconomic and trade environment is driving modifications to our Jan. 9, 2025 activity measures across the U.S. transportation infrastructure asset classes, with the largest impact on ports, reflecting the rippling effects of significantly higher tariffs. There is no change to our stable sector outlooks at this time.
- We believe trade disputes between the U.S. and its partners, resulting in a significant increase in the overall effective U.S. tariff rate, will erode port container volumes in the near term. We forecast U.S. port volumes, as measured by twenty-foot equivalent units (TEUs), will decrease about 4% in calendar 2025, revised from a 0.7% decline estimated in January, with the overall calendar-year impact somewhat mitigated by the surge in volume before the tariff announcements on April 2.
- Most U.S. large container ports have financial headroom to withstand trade volatility but a prolonged disruption or more gradual volume declines would pressure credit quality if not addressed by management.
- We expect weaker, but still positive, U.S. economic conditions will result in slower and more tempered growth for the airport sector, with limited effects on ridership recovery for transit operators and benign impacts on the toll road sector, aided by falling fuel prices.

Continue reading.

9 Jun, 2025

Forbes: Colleges Big And Small Issue Bonds Amid Political Chaos And Trump's Higher Ed Assault.

The threat of federal funding cutbacks turned 2024 into a record year for higher education bond issuance. 2025 is on track to beat it.

As the Trump administration wages its war on American colleges, schools are shoring up liquidity and taking on new debt while they wade through financial uncertainty. Debt issuance—tax-exempt and taxable—has increased this spring, says Jennifer Johnston, a senior vice president and director of municipal bonds research research at Franklin Templeton. "2024 was a record issuance year and we are currently going to outpace that if this trend keeps up," she says. "Last week we saw what was the second largest week of issuance, and it's all coming at a time, [summer], where issuance usually slows." According to data from investment firm Janney Montgomery Scott, 99 colleges and universities have issued $20.8 billion in public debt so far this year, up from $17 billion by 71 institutions at the same time last year.

The elite, name-brand schools—which have borne the brunt of Trump's attacks on higher education revenue, especially to research dollars—are beefing up their liquidity while they can, explains Jessica Wood, a senior director at ratings agency S&P Global. Despite its $50-plus billion endowment

Harvard, Trump's current favorite target, has issued bonds twice this year, totaling $1.18 billion. Other "wealthy" top schools, MIT, Northwestern, Princeton, Stanford and Yale have also issued new debt this spring. The group as a whole, which have endowments totaling $152 billion, or more than $2.1 million on average per student, have issued no less than $3.45 billion in both tax exempt and taxable municipal bonds. "We are seeing a lot of higher education institutions issuing taxable debt, which gives a borrower more flexibility in terms of what they're going to use the proceeds for," says Johnston. "We've seen a lot of the Ivies issuing debt for cash purposes to sock away for the future."

But smaller colleges are also entering the bond market, worried about market uncertainty and potential limitations on access to tax-exempt debt. While it wasn't included in the final version of the House of Representatives' "big, beautiful bill," there have been efforts by Congress to change the tax law to rid individual colleges of their tax-exempt status or make it harder for schools to access tax-exempt municipal bonds. Schools are also issuing debt they had planned for the fall in an effort to get ahead of any federal policy changes. "They're not pinched in terms of liquidity, but they're trying to keep options open," Wood says of the smaller schools. "So some capital projects that they might have funded from their own reserves, if they have a little bit of debt capacity right now, they're exploring that as an option."

Dozens of colleges sold or will sell bonds this month. Among them are Holy Family University in Philadelphia, which issued $13.7 million in tax-exempt bonds last week to finance capital projects, including the construction of a new welcome center and field house, and renovations to the nursing building. The Catholic University of America in Washington D.C. issued $111 million in bonds to refinance existing debt and pay for capital projects, including facilities upgrades. Suffolk University in Massachusetts issued $110 million in tax-exempt bonds, some of which will fund a $42.5 million total renovation of the humanities building. In Kansas, Washburn University issued $25.3 million in bonds for facilities upgrades and debt refinancing.

Despite the myriad political attacks, S&P remains confident in top schools. The outlook for small, tuition-dependent colleges is more tenuous. "We have a bifurcated outlook on the sector for the year," Wood says. "What it means is that we're negative for less selective, less flexible, lower rated institutions that tend to be more regional, but we remain stable for the higher end of institutions."

Forbes

By Emma Whitford

Jun 10, 2025,

[Big Waves and High Tides Can Be Just as Insidious as Hurricanes.]

Cities on every coast are facing hard, expensive decisions because of the seemingly more mundane effects of a warming planet.

A couple of days before Christmas last year, battered by heavy waves, the end of the half-mile-long Santa Cruz Municipal Wharf unexpectedly tumbled into Monterey Bay.

A tourist magnet claiming to be the longest fully wooden structure of its kind in the Western hemisphere, the wharf was open for business when the collapse happened, forcing visitors and workers to evacuate. Two engineers and a project manager at the wharf's terminus fell in the water but escaped serious injury. Some heavy construction equipment and a large public restroom weren't so lucky.

The collapse, triggered by waves that may have been up to 30 feet high, came just a year after another winter storm had damaged the same section of pier (a storm that came one year after another winter storm hit Monterey Bay). The construction equipment and workers were there to help with repairs. For much of the past decade, Santa Cruz had planned wharf upgrades that included a “landmark” building on the section that fell in the drink. Now even the idea of simply restoring the missing part of the wharf, a $14 million project, is up for debate.

Continue reading.

Bloomberg Opinion

By Mark Gongloff

Mark Gongloff is a Bloomberg Opinion editor and columnist covering climate change. He previously worked for Fortune.com, the Huffington Post and the Wall Street Journal.

June 13, 2025

Authorities Reverse One-Minute Fixed Income Reporting Requirements.

Requirements for trades to be reported within one minute have been reversed just months after their approval after concerns were raised around the negative implications, operational burdens and lack of material improvements that the shortened window would provide.

In September 2024 the SEC approved the Municipal Securities Rulemaking Board’s (MSRB) amendments to transaction reporting requirement Rule G-14, shortening the reporting timeframe to one minute for municipal securities transactions. On 6 March, following industry consultation, the MSRB stated that it would not set an effective date for the amendments to come into force.

Market participants raised concerns that the updated requirements may not be feasible on a near-term basis, citing operational upheaval and issues around how both partially manual and fully automated trades would be handled.

On the rescindment, Leslie Norwood, managing director, associate general counsel and head of municipal securities at the Securities Industry and Financial Markets Association (SIFMA), commented, “The fixed income markets – including the municipal securities market – remain predominantly over-the-counter, where elements of trading and post-execution processing rely on manual processes, or are subject to still developing and non-comprehensive automation.

“An across-the-board one-minute reporting requirement is not feasible due to the lack of full post-trade automation stemming from the importance of bilateral negotiation in many fixed income markets.”

Elements of the G-14 amendments will remain, including the focus of examination and enforcement on patterns of failures rather than isolated cases and the requirement that trades are reported “as soon as practicable”.

On the latter, a review of trade reporting data from 2022 to 2024 surmised that mandating as soon as practicable trade reporting may improve market pricing availability and overall average reporting times.

In its latest filing, the board said, “The MSRB believes that the 2024 Amendments, as modified by the proposed rule change, would serve to continue to enhance market transparency without the potential compliance burdens and costs associated with the one-minute reporting requirement and the use of a special condition indicator for trades with a manual component.”

Also removed from the regulation are intra-day exceptions for dealers with limited trading activity and trades with a manual component, and the need to differentiate trades with a manual component.

Norwood continued, “We are also pleased to see the MSRB remove the manual trade flag and the two exceptions which were part of the recent revisions to the rule.”

The MSRB’s decisions align it with the Financial Industry Regulatory Authority (FINRA), which filed documents with the SEC in February proposing that transaction reporting Rule 6730 maintain its 15-minute outer limit timeframe for TRACE-eligible trades.

Chris Killian, managing director for securitisation and corporate credit at SIFMA, stated, “this trade reporting framework appropriately balances the need for market transparency with the operational realities of the over-the-counter (OTC) fixed income markets.”

FINRA previously filed documents in 2024 stating that faster reporting would improve price formation, reduce costs and increase liquidity.

The authority has also proposed changes to Rule 6730 to allow members who are both broker-dealers and investment advisors to report allocations of aggregate orders in a single trade report. This will streamline reporting, it suggested, and improve transparency.

“We will review the aspect of the proposal regarding reporting of allocation trades and provide comments to FINRA, but as an initial matter, are pleased to see FINRA’s attention to this issue which has long burdened dual-registered firms,” Killian concluded.

fi-desk.com

[Can They Do That? Ohio Senators Propose Novel, if Questionable, Browns Stadium Funding Plan.]()

Ohio Republicans largely agree that shelling out $600 million to fund a new Cleveland Browns stadium is a good idea. They just disagree on how to pay for it. Gov. Mike DeWine proposed increasing the taxes on gambling and Ohio House lawmakers favored issuing state bonds.

State senators thought way outside the box.

Every state oversees unclaimed funds — think old security deposits, uncashed checks, or even bank accounts. The state acts as a custodian for that money, holding it until the rightful owner comes forward to claim it.

According to the Ohio Department of Commerce, state officials are sitting on $4.8 billion in unclaimed funds.

State senators are now eyeing that money for stadium funding.

Continue reading.

ohiocapitaljournal.com

By: Nick Evans – June 12, 2025

Israel’s War Is Florida’s New Investment.

Florida is poised to eliminate long-standing guardrails limiting local investment in increasingly risky Israel bonds that help finance the country’s war efforts.

lorida Gov. Ron DeSantis (R) is set to quietly ban any financial-risk standards when local governments use public money to invest in bonds funding Israel’s government – just months after a major credit rating agency warned the bonds were at risk of default and a potential “junk” rating.

By creating the special carveout and allowing unrestricted investments into a foreign country on the brink of regional war, Florida politicians now threaten to funnel an even greater share of local governments’ savings to the Netanyahu regime’s war efforts.

The legislation also introduces a new financial model enabling local governments around the country to invest virtually limitless sums in the Israeli war effort, despite the mounting financial risk of doing so.

Continue reading.

levernews.com

Jun 11, 2025

The Good, The Bad, and the Super Slow: Examining the Timeliness of Municipal Bond Audits for Audit Year 2023

An overview of municipal bond audit timeliness that analyzes trends in audit completion speeds and performance insights across issuers for the 2023 audit year.

COLORADO SPRINGS, CO, UNITED STATES, June 11, 2025 /EINPresswire.com/ — Merritt Research Services, an Investortools Company, in partnership with the University of Illinois Chicago’s Government Finance Research Center (GFRC), today published its annual Audit Time 2023 Report, “The Good, The Bad, and the Super Slow,” examining the speed and efficiency of municipal bond audit completion. Drawing on nearly 12,000 municipal bond audits sourced from the Merritt Research Services database found in CreditScope, this report reveals that the median audit time across all municipal bond sectors has increased by 10.6%, from 151 days in 2012 to 167 days in 2023, marking a slowdown of 16 days over the past decade.

Despite the peak accountant shortage in 2023, the study found a modest improvement in audit timeliness year-over-year: median audit times edged down slightly from 170 days in 2022 to 167 days in 2023. Revenue bond issuers continue to outperform their governmental counterparts, completing audits more rapidly on average. However, a cohort of issuers, those yet to file their 2023 audits as of May 5, 2025, exhibited persistently long delays, reflecting patterns of late reporting stretching back through 2021 and 2022.

The report spotlights extreme cases of delayed filings: both Illinois and Nevada remain over 700 days past their fiscal year-end without submitting their 2023 audits, establishing a new record for state-level lateness outside of territories. Such prolonged lags can hinder investor confidence and impede accurate credit evaluation in the municipal market.

“Timely audits are the backbone of transparency and fiscal stewardship in municipal finance,” says Richard A. Ciccarone, President Emeritus of Merritt Research Services. “Our analysis underscores both commendable best practices and areas where urgent improvement is needed to protect stakeholders and maintain market integrity. We’re proud to leverage CreditScope’s expansive database to shine a light on trends that drive better governance.”

To recognize and encourage timely transparency, Merritt has been tracking and reporting on the completion and signing times of municipal bond-related audits since 2007. Starting in 2022, Merritt has partnered with the GFRC to further this effort.

The full Audit Time 2023 Report is available here.

US Regulators Seek Rollback of 1-Minute Bond Trade Reporting.

(Bloomberg) — US financial regulators want to roll back measures introduced during the Biden administration that slashed some fixed-income trade reporting to just one minute, calling for the abandonment of a planned shift away from the 15-minute status quo for disclosing many bond transactions.

The Financial Industry Regulatory Authority and the Municipal Securities Rulemaking Board proposed going back to the longer time frame to address industry concerns that were raised after the 1-minute deadline was approved in 2024.

The Securities and Exchange Commission, which oversees the two self-regulatory organizations, had approved the rules to speed up trade reporting for corporate bonds, asset-backed securities and some mortgage-backed securities under former Chair Gary Gensler. The rule changes hadn’t gone into effect yet.

Big banks in particular disliked the measure, which was intended to bring greater bond pricing transparency for investors and reflect technological advances since the 15-minute deadline was introduced.

The Bond Dealers of America said in a statement the return to the status quo would allow financial institutions to “shorten trade reporting times organically without a regulatory mandate.”

The regulators noted in their proposals that although the vast majority of fixed-income trades were reported in less than one minute, bigger trades above $5 million and dealers who report a small number of trades per year often take longer to report.

Bloomberg Markets

by Lydia Beyoud

Wed, June 11, 2025

Chicken Fat-to-Fuel Project Is the Latest Green Muni Bond to Default.

- A Mississippi facility that raised $22 million in securities to convert poultry waste into biodiesel has defaulted on its bonds, marking at least the second green bond default in the muni market this month.
- The default is a sign of risk in bonds sold by local and state governments to finance private projects for energy and recycling plants carrying a green label, with one-third of 49 industrial development bonds defaulting in the last five years being marketed as green bonds.
- Almost 10% of roughly $10 billion bond green industrial development or solid waste bonds are in default, with the average 10-year annual default rate for municipal bonds rated by Moody's being 0.15% from 1970 through 2023.

A Mississippi facility that raised $22 million in securities to help convert poultry waste into biodiesel has defaulted. That marks at least the second green bond default to hit the muni market this month.

The tax-exempt bonds with an 8% coupon were sold by the Mississippi Business Finance Corp. in December 2022 on behalf of Alden Group Renewable Energy. UMB Bank, which is the trustee for bondholders, said the borrower failed to make a June 2 interest payment. Earlier this month, about $40 million of green municipal bonds issued to build a cow manure-to-natural gas facility on a Wisconsin farm also defaulted.

Bonds sold by local and state governments to finance private projects for energy and recycling plants carrying a green label are risky, according to Municipal Market Analytics. One-third of 49 industrial development bonds to disclose a first time payment default in the last five years were marketed as green bonds, said Matt Fabian, a partner at the research firm.

"The takeaway for investors is to be a bit more careful with bonds that resort to green labeling as they may be stretching to attract investors," Fabian said in an email. That could suggest weakness in their economic profile "or another risk not obvious on the surface."

Almost 10% of roughly $10 billion bond green industrial development or solid waste bonds are in default, according to data compiled by Bloomberg. From 1970 through 2023, the average 10-year annual default rate for municipal bonds rated by Moody's was 0.15%.

Alden's Mississippi renewable energy facility isn't the only one in trouble. In January, local television station KTUL reported that an Alden facility in Tulsa, Oklahoma was closing.

Alden Group is a unit of Spring, Texas-based Jefferson Enterprise Energy, LLC. Jefferson's founder and Chief Executive Officer Al Salazar died in October from cancer, according to a securities filing.

Neither Richard Thayer, Alden Group's president nor Michael Slade, a senior vice president at UMB, responded to a request for comment.

In a June 12 filing, UMB said it was working with Alden and majority bondholders on the situation.

AllianceBernstein Holding LP owned all of Alden Group's bonds for the Mississippi project as of April 30, according to data compiled by Bloomberg. Carly Symington, a spokeswoman for AllianceBernstein didn't respond to a request for comment.

Bloomberg Markets

By Martin Z Braun

June 13, 2025

Navigating the Chaos: Embracing Selectivity in Today's Municipal Bond Market.

Navigating Today's Investment Landscape Amid the Old & New Chaos

The investment environment remains chaotic. Volatility, uncertainty, and a flood of competing narratives have created a sense of and some actual dislocation across markets. While this affects all asset classes, the municipal bond market is undergoing particularly meaningful shifts—both in fundamentals and investor behavior.

Continue reading.

by Tom Kozlik, HilltopSecurities

June 11, 2025

Finding Opportunity in Today's Muni Bond Market.

The muni bond market includes over 50,000 issuers and a wide range of bond types such as school district bonds and revenue bonds linked to airports or housing authorities. This diversity offers investors many options to fit different risk and return profiles. Municipal bonds also provide federally tax-free income, which is especially valuable in today's environment with higher tax rates and interest rate fluctuations. Additionally, munis tend to be resilient when interest rates rise and offer strong diversification benefits to balance equity portfolios.

Strategies like the one behind the ALPS Intermediate Municipal Bond ETF (MNBD) highlight the potential benefits of thinking beyond mainstream muni market preferences, leveraging less crowded areas to generate strong risk-adjusted returns.

Spotlight on MNBD's Approach

Managed by Greg Steer and his team of experienced portfolio managers, MNDB uses a bottom-up, valuation-driven process focused on risk-adjusted returns rather than chasing popular bond segments. The strategy emphasizes finding attractively priced bonds that are not popular with most investors, balancing longer duration zero coupon bonds with floating rate notes to manage interest rate risk, selecting high-quality revenue bonds that offer reliable income and strong credit profiles and maintaining liquidity reserves to stay flexible in volatile markets.

Continue reading.

etftrends.com

by Zandile Chiwanza

June 11, 2025

NH Supreme Court Rules Wealthy Municipalities Can Keep Excess Education Property Tax.

Steven Rand and other property owners, represented by attorneys Andru Volinsky, John Tobin and Natalie Laflamme, brought suit, charging that retaining the excess SWEPT and setting negative tax rates, reduced the effective rate of the tax, contrary to the constitutional requirement that state taxes be uniform in rate throughout the state.Mastering Financial Literacy Strategies For Budgeting Investing And Borrowing In Business Finance Education

In November 2023, Superior Court Judge David Ruoff ruled for the plaintiffs, holding that retaining the excess funds lowered the effective rate of the tax, which serves to measure the legitimacy of a tax. Both the state and Coalition Communities, a confederation of affluent municipalities, appealed Ruoff's order.

The court held with the state and Coalition Communities that the retention of excess SWEPT represents "a paradigmatic legislative spending directive that, standing alone, does not implicate Part II, Article 5," the tax provision of the state Constitution. Applying SWEPT funds beyond what is required to meet the cost of an adequate education, they wrote, "has no effect on the uniform SWEPT rate assessed to each taxpayer across the state." Likewise, "there is no evidence in the record that these effective rates are actually paid by taxpayers."

Continue reading.

New Hampshire Business Review

by Michael Kitch

June 10, 2025

What Trump's New Tax Bill Could Mean for Municipal Bonds - YouTube

JPMorgan raised its forecast for municipal bond sales in 2025 to $560 billion as US lawmakers deliberate over President Trump's "big, beautiful" tax and spending bill in the Senate.

Goldman Sachs Asset Management co-head of municipal fixed income Sylvia Yeh weighs in on what policy changes to the US tax code could mean for municipal bond investors, as well as valuation catalysts in comparison to Treasury yields (^TYX, ^TNX, ^FVX).

Goldman Sachs manages several municipal bond ETFs (GMUB, GCAL, GMNY, GUMI).

Watch video.

Yahoo Finance

Jun 10, 2025

Iowa Finance Authority: Fitch New Issue Report

The ‘AAA’ rating reflects the Iowa Finance Authority’s ability to absorb hypothetical pool defaults in excess of Fitch Ratings’ ‘AAA’ stress scenario without interrupting bond payments. Fitch’s cash flow modeling demonstrates that the program can continue to pay bond debt service with a default tolerance rate of up to 100% in the first four, middle four, and last four-year periods.

Access Report

Thu 12 Jun, 2025 – 2:05 PM ET

San Antonio City Public Service (TX): Fitch New Issue Report

CPS Energy’s financial profile improved in FY 2024 with leverage declining to 6.0x and COFO improving to 2.1x. Planned capex has increased to $6.7 billion over the next five years, with 67% funded through debt.

Access Report

Mon 16 Jun, 2025 – 5:53 PM ET

JPMorgan Lifts 2025 Muni-Bond Sales Forecast to $560 Billion.

- JPMorgan Chase & Co. raised its forecast for 2025 municipal bond issuance by 14% to $560 billion, with $510 billion expected to be tax-exempt.
- States and local governments sold $20 billion of debt last week, the most since the end of 2017, driven by pandemic-era stimulus aid waning and inflation driving up project costs.
- JPMorgan strategists expect a slowdown in certain sectors, such as higher education, airport, and health care, assuming the GOP’s reconciliation bill continues to leave the tax-exemption off the list of budget cuts.

JPMorgan Chase & Co. raised its forecast for 2025 municipal bond issuance by 14% as state and local governments step up borrowing efforts.

The bank’s muni strategists led by Peter DeGroot lifted their full-year issuance prediction to $560 billion from $490 billion, according to a research report published Friday. Almost all of the sales, $510 billion, is expected to be tax-exempt — up from an earlier projection of $450 billion and about 30% higher than the trailing five-year average.

The revision comes “in advance of potential policy limiting the authorization to issue tax-exempts in certain sectors of the market, pent up need for capital, and the cumulative impact of inflation on funding needs across the market," the strategists wrote in the report. JPMorgan is the third-largest underwriter of muni bonds so far this year, according to data compiled by Bloomberg.

Continue reading.

Bloomberg Markets

By Arvelisse Bonilla Ramos

June 9, 2025

BlackRock Sees Muni Buying Opportunity Ahead of Strong Season.

BlackRock Inc. strategists say it's time to buy municipal bonds as supply is ample and prices are favorable ahead of the summer.

Munis have weathered a number of challenges including rising interest rates, tariff chaos, US deficit concerns, a hawkish Federal Reserve and the US losing its last top credit rating, according to strategists led by Patrick Haskell in a Tuesday note.

In May, state and local government debt outperformed Treasuries delivering a total return of .06%, compared with a loss of 1.03%, according to data compiled by Bloomberg.

Continue reading.

Bloomberg Markets

By Elizabeth Rembert

June 10, 2025

Penn Secures $500 Million in Lines of Credit After Trump Funding Risk.

The trustees of the University of Pennsylvania have landed lines of credit totaling $500 million as Ivy League schools continue to face federal funding pressures from the Trump administration.

The university entered into three separate agreements earlier this month, according to regulatory filings. The names of the banks as well as the interest rates were redacted in regulatory filings with the Municipal Securities Rulemaking Board. A spokesperson for the school did not respond to emails or a phone call requesting comment.

Penn, which is President Donald Trump's alma mater, has faced a $175 million funding freeze due to the participation of a transgender athlete on the school's women's swimming team in 2022. The school has also warned it would be hurt by changes in federal research funding, such as the proposed cut by the National Institutes of Health.

Continue reading.

Bloomberg Markets

By Amanda Albright and Elizabeth Rembert

June 12, 2025

[A Town's Single Largest Taxpayer Is Also Its Biggest Headache.]

An empty shell for years, the mall in Lanesborough, Mass., shows how difficult it is to redevelop malls in smaller towns.

In its heyday, the Berkshire Mall was the place to go in Lanesborough, Mass., drawing huge crowds of enthusiastic shoppers and producing plenty of tax dollars for the small town.

"There were times you could not find a parking place in this mall — inside, it was packed," said Timothy Sorrell, a town selectman and former police chief in rural Lanesborough, which has a population of about 3,000. For teenagers in particular, it was the place to hang out.

"It was to the point where if we had to throw a kid out of the mall, it was like we were taking away Christmas," Mr. Sorrell said. "They would actually cry. It was almost the end of the world for them."

Continue reading.

The New York Times

By Jim Zarroli

June 15, 2025

- MSRB Rescinds One-Minute Trade Reporting Standard, Responding to Industry Feedback and Concerns.
- Proposed Rule Change to Amend MSRB Rule G-14 RTRS Procedures.
- Orrick: Increasing Frequency of Incorrect IRS Notices to Tax-Exempt Bond Issuers Raises Concerns
- Tourism and Tax Revenues: An Overlooked Link to Municipal Bonds.
- Failed Muni Bond Draws FBI and Sparks 'Ponzi-Like Fraud' Claims.
- Examining Concentrations and Constraints for GASB 102: GFOA Webinar
- **And Finally**, Daniel Olvera: Skinny, White High School Legend is brought to us this week by *Village of Lincolnshire v. Olvera*, in which, "On May 6, 2021, Daniel Olvera was a 16-year-old sophomore at Stevenson High School in Lincolnshire, Illinois. Defendant's seventh-period class that day was driver's education. Defendant went for a practice drive with driving instructor Scott Peckler and a female student, who rode in the back of the vehicle." Ok. Probably something like this. "At the conclusion of the driving lesson, Peckler spoke with the director of the driver's education program, telling her 'there's something going on here, I think you should check this out.'" After a search, school officials, "found a skinny, white, rolled cigarette in the folds of Olvera's wallet." While clearly contraindicated as a performance-enhancing driving aid, we can only presume that Daniel was quite well-behaved throughout the previous six periods, if perhaps a

bit unfocused.

CHARTER SCHOOLS - CALIFORNIA

Napa Valley Unified School Dist. v. State Bd. of Education

Court of Appeal, Third District, California - March 14, 2025 - 110 Cal.App.5th 609 - 331 Cal.Rptr.3d 763 - 2025 Daily Journal D.A.R. 3072

School district and school boards association filed separate complaints and petitions for writs of mandate against State Board of Education, challenging Board's decision finding that school district board of education and county board of education abused their discretion in denying charter school proponent's petition to establish charter middle school.

The Superior Court granted petitions and issued peremptory writ of mandate commanding Board to set aside its decision. Charter school proponent appealed grant of both petitions, and appeals were consolidated.

The Court of Appeal held that:

- Evidence was insufficient to support finding that district board's process was unfair on basis that it was not in accord with statute prohibiting denial of petition unless board made written factual findings;
- Evidence was insufficient to support finding that district board's process was unfair on basis that board members prejudged charter school petition;
- Evidence was insufficient to support finding that district board's process was unfair on basis that board members did not consider evidence rebutting report by district board's, evidence presented at public hearing, or public comments favoring approval of petition;
- Evidence was insufficient to support finding that district board's process was unfair on basis that it "discredited" petition because lead petitioners were parents, and not experienced school administrators;
- Evidence was insufficient to support finding that county board's denial was ineffective on basis that it failed to make written factual findings;
- Proponent perfected submission of its petition no earlier than date it sent email to school district superintendent, thus, county board's denial of petition was timely; and
- Evidence was sufficient to support county board's factual finding that charter school was demonstrably unlikely to serve interests of community, as statutory grounds for denying petition.

PUBLIC UTILITIES - COLORADO

American Heritage Railways, Inc. v. Colorado Public Utilities Commission

Supreme Court of Colorado - May 27, 2025 - P.3d - 2025 WL 1499006 - 2025 CO 27

Railroad appealed decision of the Public Utilities Commission (PUC) which adopted ALJ's determination that PUC had jurisdiction over county's petition for declaratory ruling and that railroad's changes to train station's parking lot had to comply with county's land use code.

The District Court affirmed. Railroad appealed.

The Supreme Court held that:

- PUC had jurisdiction to interpret land use statute;
- County had standing to bring action;
- Railroad had adequate notice that ALJ would consider the issue of whether changes to station constituted extensions, betterments, or additions to buildings, structures, or plant or other equipment; and
- Enlargement of station parking lot was an extension, betterment, or addition to a building, structure, or plant or other equipment.

WATER LAW - COLORADO

Application for Water Rights of Town of Firestone v. BCL Colorado LP

Supreme Court of Colorado - May 27, 2025 - P.3d - 2025 WL 1499979 - 2025 CO 33

Town filed a water rights application and augmentation plan in connection with planned water system expansion, and wastewater service provider opposed the application.

Following a bench trial, the Water Court entered an order partially granting and partially denying provider's motion for involuntary dismissal, and dismissed without prejudice three of five claims for groundwater well fields from town's application and revised its augmentation plan accordingly. Town appealed.

The Supreme Court held that:

- Town was not entitled to use water court's retained jurisdiction to improperly delay its burden of demonstrating non-injury to senior water rights holders until after its conditional groundwater rights had been approved;
- Water court was within its discretion to allow provider to contest the issue of non-injury despite pretrial stipulation that the proposed depletion patterns were adequate to prevent injury; and
- Sufficient evidence supported water court's finding that town failed to meet its burden of demonstrating non-injury as to some of the proposed well sites.

MUNICIPAL ORDINANCE - ILLINOIS

Village of Lincolnshire v. Olvera

Supreme Court of Illinois - May 22, 2025 - N.E.3d - 2025 IL 130775 - 2025 WL 1461453

In prosecution by village, defendant was convicted following a bench trial in the Circuit Court, of driving under the influence (DUI) of cannabis, which conviction turned on issue of whether defendant could safely drive during driver's education lesson in high school.

Defendant appealed. The Appellate Court affirmed. Defendant petitioned for leave to appeal.

The Supreme Court held that:

- Although Vehicle Code provides that a municipality must have written permission from the state's attorney to prosecute a violation of the Code, Code does not impose an affirmative duty on a municipality to provide evidence of its written permission in the record of such a prosecution, and
- Evidence was sufficient to support DUI conviction.

CHARTER SCHOOLS - MISSOURI

Board of Education of City of Saint Louis v. Missouri Charter Public School Commission

Missouri Court of Appeals, Eastern District - April 22, 2025 - S.W.3d - 2025 WL 1161476

City board of education filed petition for declaratory judgment and injunctive relief against Missouri Charter Public School Commission and Missouri State Board of Education, challenging establishment of a charter school within its school district.

The Circuit Court issued judgment dismissing city board's petition for lack of standing. City board appealed.

The Court of Appeals held that city board had legally protectable interests that were sufficient to confer standing to bring underlying action for declaratory judgment and injunctive relief.

City board of education had legally protectable interests that were sufficient to confer standing to bring action for declaratory judgment and injunctive relief against Missouri Charter Public School Commission and State Board of Education, challenging establishment of a charter school within its district; city board had legally protectable interests, conferred by statute governing proposed charter requirements, in receiving a copy of any charter school application within its school district, in filing objections to any such application, and in Commission following its official policies and procedures when Commission was sponsor of charter, and city board was directly and adversely affected by alleged failures of Commission and State Board to follow procedures outlined in that statute.

PUBLIC RECORDS - NEW HAMPSHIRE

Ortolano v. City of Nashua

Supreme Court of New Hampshire - May 29, 2025 - A.3d - 2025 N.H. 23 - 2025 WL 1521653

Records requestor brought action against city and private for-profit corporation formed by city-owned non-profit corporation to aid city in federal tax credit process for construction of performing arts center, seeking to compel production of records under Right-to-Know Law.

The Superior Court granted defendants' motions to dismiss and denied requestor's motion to amend her complaint. Requestor appealed.

The Supreme Court held that:

- Requestor failed to allege sufficient facts to establish an independent claim against city;
- Plain language of the Right-to-Know Law did not control whether for-profit corporation was exempt from Right-to-Know Law;
- Trial court was required to conduct a "government function" analysis to determine whether for-profit corporation was required to comply with Right-to-Know Law request for documents; and
- Records requestor was not entitled to amend her complaint to add allegations that did not cure any defect.

IMMUNITY - OHIO

Castner v. Jefferson County

Court of Appeals of Ohio, Seventh District, Jefferson County - April 11, 2025 - N.E.3d - 2025 WL 1096937 - 2025-Ohio-1309

Resident who was injured after stepping on unsecured meter-well cover on his neighbor's property following county repair to water line brought negligence action against county and three employees.

The Court of Common Pleas granted summary judgment to defendants, finding that county was immune from suit because water and sewer district was not performing proprietary function in making repair. Resident appealed.

As matter of first impression, the Court of Appeals held that maintenance of water supply system not operated by municipal corporation was not proprietary function.

Maintenance of water supply system operated by county regional water and sewer district was not proprietary function, and, thus, county was immune from suit in negligence action brought by injured resident following repair of water line; while statutory list of proprietary functions was non-exhaustive, specific reference to "municipal corporation water systems" evinced intent to exclude water supply systems operated by other entities, interpreting statute as providing that operation of water supply system was proprietary function regardless of operator would render modifier "municipal corporation" as surplusage, and there was no support for resident's claim that there was no reason to treat municipal corporation water supply systems differently than regional water and sewer districts.

NASBO Overview of FY26 Proposed Budget Summaries.

View the Budget Summaries.

S&P U.S. State Ratings And Outlooks: Current List

View the current list.

5 Jun, 2025 | 15:28 United States of America

S&P: History Of U.S. State Ratings.

View the S&P history.

5 Jun, 2025

[S&P Updated 2025 U.S. Transportation Infrastructure Activity Estimates: Eroding Port Volumes And More Tempered Growth Across Asset Classes]

Key Takeaways

- An evolving macroeconomic and trade environment is driving modifications to our Jan. 9, 2025 activity measures across the U.S. transportation infrastructure asset classes, with the largest impact on ports, reflecting the rippling effects of significantly higher tariffs. There is no change to our stable sector outlooks at this time.
- We believe trade disputes between the U.S. and its partners, resulting in a significant increase in the overall effective U.S. tariff rate, will erode port container volumes in the near term. We forecast U.S. port volumes, as measured by twenty-foot equivalent units (TEUs), will decrease about 4% in calendar 2025, revised from a 0.7% decline estimated in January, with the overall calendar-year impact somewhat mitigated by the surge in volume before the tariff announcements on April 2.
- Most U.S. large container ports have financial headroom to withstand trade volatility but a prolonged disruption or more gradual volume declines would pressure credit quality if not addressed by management.
- We expect weaker, but still positive, U.S. economic conditions will result in slower and more tempered growth for the airport sector, with limited effects on ridership recovery for transit operators and benign impacts on the toll road sector, aided by falling fuel prices.

Continue reading.

9 Jun, 2025 | 18:53

S&P: Federal Disaster Relief Funding Proposals Could Elevate Credit Risks For U.S. Governments

Key Takeaways

- The Federal Emergency Management Agency (FEMA) plays a critical role in disaster response, historically providing a reliable funding source in supporting recovery and rebuilding efforts after an event.
- States and local U.S. governments could bear a higher share of the funding responsibility for recovery should federally proposed changes to the parameters for disaster declarations come to fruition.
- S&P Global Ratings believes that, beyond the human toll on communities following an event, a higher threshold to qualify for FEMA assistance could lead to lasting financial and credit pressure for states and local governments, particularly if they are unable to adapt to policy or financial shifts in a timely manner.

What Is Happening And How Could It Affect Credit?

The federal government is reconsidering FEMA’s role in disaster preparedness, response, and recovery activities, a financial and operational responsibility it currently shares with state and local governments. FEMA is the primary federal agency tasked with coordinating response and recovery efforts, but is considering shifting the natural disaster recovery costs to states and local governments. These potential modifications come on the heels of the announcement earlier this year of the elimination of the Building Resilient Infrastructure and Communities (BRIC) program and the cancellation of applications from 2020-2023, returning any grant funds not yet distributed to the disaster relief fund or the Treasury.

Continue reading. **[Free registration required.]**

4 Jun, 2025

Fitch Revises U.S. Water and Sewer Sector Outlook to Deteriorating Amid Rising Costs.

Fitch Ratings-Austin-05 June 2025: Fitch Ratings has revised its outlook for the U.S. water and sewer sector to deteriorating from neutral. This change is largely due to a higher effective tariff rate (ETR) affecting the sector and rising inflationary pressures.

Although many tariffs are on hold, the ETR remains significantly higher than a year ago. The U.S. water and sewer sector is capital intensive and often relies on materials and equipment from international suppliers, which is driving up costs. While some utilities are proceeding with projects and adjusting rates, others are pausing bids and adopting a “wait-and-see” approach.

“Through 2024 and into 2025, most utilities adapted to the ‘new normal’ operating environment with higher costs for supplies, personnel, and contractors compared to pre-pandemic levels,” said Audra Dickinson, Senior Director, U.S. Public Finance. “In addition to renewed inflationary pressure, the sector faces a higher ETR and greater uncertainty around federal policy, creating more challenging business conditions. Fitch will continue to evaluate each utility’s response and the potential impact on credit quality.”

Despite the sector’s deteriorating outlook, most Fitch-rated water and sewer utilities have Stable Rating Outlooks. Disciplined rate actions have supported cost recovery, but financial metrics and ratings could face pressure if policy changes drive tariffs and the ETR to unprecedented levels.

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Additional information is available on www.fitchratings.com

Fitch U.S. Water and Sewer Mid-Year Outlook 2025.

Fitch Ratings has revised its water and sewer sector outlook to deteriorating due to higher tariffs and inflationary pressures. The federal administration's proposed fiscal 2026 budget includes a drastic cut to SRF funding, adding to the sector's uncertainty.

Access Report

Thu 05 Jun, 2025 – 9:17 AM ET

Default Ahead for California? Unlikely, Says New Report From Payden & Rygel's California Municipal Social Impact Fund Team

LOS ANGELES, June 09, 2025 (GLOBE NEWSWIRE) — Recent concerns over California's fiscal health—driven by declining initial public offering (IPO) volume, reduced federal funding risk, and rising costs—have prompted questions about the state's financial stability. However, after a thorough analysis, Payden & Rygel's market-leading municipal bond team believes the risk of a bond default or severe credit deterioration remains low.

"While we understand investors' concerns about the California economy, its capacity to generate adequate revenue to match spending levels and the potential impact on the state's municipal debt, we believe that although the revenue picture is softening, the outlook remains relatively stable over the next 1-2 years with potential credit rating deterioration limited to just one notch over that timeframe in a worst case scenario. Near term ratings will hinge on the final FY 26 budget that we expect Sacramento to pass by June 15th, otherwise lawmakers don't get paid," say the report's authors, the Payden & Rygel's California Municipal Social Impact Fund team.

"We are also closely monitoring the evolution of entitlement spending reduction proposals at the federal level but ultimately expect Medicaid cuts to be less pervasive than currently feared," they added.

Continue reading.

Payden & Rygel

Mon, June 9, 2025

Los Angeles County, California: Fitch New Issue Report

Los Angeles County's 'AAA' IDR reflects strong financial resilience with reserves above 15% of spending. The county plans to use reserves and JOBs to finance a $4 billion legal settlement starting January 2026.

Access Report

Fri 06 Jun, 2025 – 2:00 PM ET

TAX - OHIO

State ex rel. New Carlisle v. Clark County Board of Elections

Supreme Court of Ohio - March 11, 2025 - 178 Ohio St.3d 289 - 258 N.E.3d 361 - 2025-Ohio-814

Relator, a city, filed mandamus action against county board of elections and its director, seeking an order requiring board to place city's proposed income tax levy on primary and special election ballot.

The Supreme Court held that:

- City lacked adequate remedy in ordinary course of law absent writ of mandamus ordering board to place city's proposed levy on ballot;
- Provision governing the levying of municipal income tax in excess of one percent only required municipality to timely file with board its resolution directing board to conduct election on specified date, as well as "copy of the ordinance" the city's electors would be voting on; and
- Board of elections "clearly disregarded applicable law" by improperly requiring city to pass ordinance before submitting it to voters and, thus, city was entitled to writ of mandamus ordering board to place proposed levy on ballot.

City lacked "adequate remedy" in ordinary course of law absent writ of mandamus ordering county board of elections to place city's proposed income tax levy on primary and special election ballot, where election was less than two months away at time of decision.

Statutory provision governing the levying of municipal income tax in excess of one percent does not require municipality to file with board a "copy of the ordinance" that city had already enacted and wanted to present to municipality's electors for passage but, rather, only requires municipality to timely file with board its resolution directing board to conduct election on specified date, as well as "copy of the ordinance" the city's electors would be voting on.

Statutory provision governing the levying of municipal income tax in excess of one percent required municipality to timely file with board its resolution directing board to conduct election on specified date, as well as "copy of the ordinance" the city's electors would be voting on, despite contention that it was possible for both city council and city's voters to "pass" the ordinance; under provision, ordinance to levy excess municipal income tax could not be effective unless it was first approved by voters.

Statutory provision governing the levying of municipal income tax in excess of one percent required municipality to timely file with board its resolution directing board to conduct election on specified date, as well as "copy of the ordinance" the city's electors would be voting on, despite contention that provision called for "a copy of the ordinance," not a copy of the "proposed ordinance," to be filed with board; ordinance the municipality had to submit to board with resolution under provision was necessarily a "proposed ordinance," because ordinance could not be passed without voter approval, such that absence of word "proposed" to describe ordinance referred to in provision was immaterial.

County board of elections "clearly disregarded applicable law," when it refused to place city's proposed income tax levy on primary and special election ballot, by improperly requiring city to pass ordinance before submitting it to voters and, thus, city was entitled to writ of mandamus ordering board to place levy on ballot; governing statutory provision only required city to timely file with board a resolution directing board to conduct election on specified date, as well as copy of ordinance the city's electors would be voting on.

TAX - PENNSYLVANIA

[CCP Berks, LLC v. Berks County Board of Assessment Appeals]()

Commonwealth Court of Pennsylvania - April 1, 2025 - A.3d - 2025 WL 969825

Property owner appealed decisions by county board of assessment appeals affirming valuation of five parcels of real property for property tax purposes, and school district intervened.

After owner sold property to purchaser, who joined appeals and then resold property to third party, the Court of Common Pleas consolidated appeals, and denied school district's motion to strike discontinuance filed by owner and purchaser. School district appealed.

The Commonwealth Court held that:

- District was not required to file own tax assessment appeal in same proceeding as owner and purchaser's appeal in order to challenge discontinuance;
- Trial court could consider prejudice to district caused by discontinuance using rule of civil procedure as guidance; and
- Allowing unilateral discontinuance would deprive district of statutory appeal right.

School district, which intervened in its capacity as taxing district, was not required to file its own appeal in the same proceeding as former property owners' appeal in order to move to strike owners' praecipes to discontinue appeal challenging prior years' tax assessments; the school district retained an interest notwithstanding the filing of the discontinuance by former property owners, and school district was entitled to protect that interest by proceeding to a hearing, regardless of whether former owners continued to participate.

MSRB Rescinds One-Minute Trade Reporting Standard, Responding to Industry Feedback and Concerns.

Washington, D.C. – The Municipal Securities Rulemaking Board (MSRB) today announced that the Board approved filing amendments to Rule G-14 to rescind previously approved, but not yet effective, rule provisions so that the existing 15-minute trade reporting standard would be retained. This follows the March 6, 2025, announcement by MSRB that it would not set an effective date for the rule amendments that the SEC approved in September 2024 in order to make substantive changes to the transaction reporting requirements.

"MSRB's decision to rescind the one-minute trade reporting deadline under Rule G-14, and to revert to the existing 15-minute standard, comes after months of dialogue and engagement with market participants," MSRB President and CEO Mark Kim said. "Updated data on reporting timeframes since the initial trade data analysis from the 2022 filing, together with certain implementation issues raised by stakeholders, suggested that the recently approved amendments were not necessary to improve market transparency."

The Board's action also follows FINRA's notice in February 2025 to amend its own similar rule for trade reporting of Trade Reporting and Compliance Engine (TRACE)-eligible securities under FINRA

Rule 6730. MSRB's shared goal with FINRA has been to maintain regulatory consistency across the corporate and municipal bond markets in trade reporting.

Certain aspects of the amendments approved in September 2024 would be retained, including provisions requiring that trades be reported "as soon as practicable" and that dealers adopt policies and procedures in connection with this requirement. These changes were broadly supported by market participants commenting on the September 2024 amendments and would be consistent with the same requirements for trade reports to TRACE under existing FINRA rules.

In addition, Rule G-14 would retain language added in the September 2024 amendments designed to focus examination and enforcement efforts primarily on "patterns or practices" of trade reporting failures, rather than isolated cases of late reporting, as well as certain clarifying language designed to improve the understandability of existing reporting requirements.

"Streamlining our rules by rescinding unnecessary provisions makes good on MSRB's promise to modernize our rulebook and eliminate undue compliance burdens on the industry," MSRB Board Chair Bo Daniels said.

Date: June 09, 2025

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

Proposed Rule Change to Amend MSRB Rule G-14 RTRS Procedures.

Read the MSRB SEC filing.

Don't Pay It Back: How to Fix ARPA Reporting Before It's Too Late - NLC Webinar

Hundreds of municipalities risk losing their American Rescue Plan Act (ARPA) State and Local Fiscal Recovery Funds (SLFRF) due to noncompliance with federal reporting requirements.

Join the U.S. Department of the Treasury and the National League of Cities for a critical webinar on **Thursday, June 12 at 1 PM ET**.

This session is designed for local governments that have not yet submitted their annual Project and Expenditure Report.

Treasury officials will walk through how to complete the report, common reporting errors, and how to get back into compliance before the portal closes. There will be time dedicated to a live Q&A.

Click here to register.

Failed Muni Bond Draws FBI and Sparks 'Ponzi-Like Fraud' Claims.

When a $4 billion development project soured in a sleepy Connecticut town, the lawsuits followed.

Before the lawsuits started piling up in courtrooms across Connecticut, before his employer accused him of running a "massive Ponzi-like fraud," and before the FBI showed up, Robert Cappelletti looked well on his way to pulling off one of the greatest muni-bond coups of all time.

The plan Cappelletti had put together was so audacious it bordered on the fantastical. The housing agency he ran in Groton, a sleepy town of some 40,000 people along Connecticut's Thames River, would sell $750 million of bonds to jumpstart a $4 billion project to transform a bunch of run-down shopping plazas into a sprawling, up-scale development. There'd be a new train station, a hospital, almost 2,000 apartments and dozens of shops and restaurants.

It would have been the biggest local bond issue in the state's history and expanded the tiny Groton agency far beyond its role managing two apartment complexes.

And yet Cappelletti — a part-time employee with a mixed record running other housing agencies in the state — breezed through a series of crucial steps needed to complete the sale. He got approval from the five-person board that runs the agency; crafted a brief financial projections statement; scored an investment-grade bond rating; and started the process of lining up buyers for the debt.

Continue reading.

Bloomberg Markets

By Martin Z Braun and Maggie Eastland

June 7, 2025

Palm Beach Housing Crunch Spurs $236 Million Muni Deal for Dorms.

Student housing is so tight at Palm Beach Atlantic University that some applicants have chosen not to enroll. A $235.8 million high-yield bond deal is the school's bet to reverse that trend.

Palm Beach County will issue the muni bonds on behalf of an arm of Provident Resources Group, an organization that specializes in student housing. Proceeds of the debt will finance the construction of roughly 275 housing units with 990 beds at the Christian college in West Palm Beach, Florida. The deal includes $212.7 million in senior revenue bonds and $23.1 million in subordinate bonds. Both series will include securities with a 40-year tenor, reaching maturity in 2065, according to preliminary offering documents.

The debt is expected to price on June 4, and proceeds will fund student housing and a suite of campus amenities, including a dining hall, a health and recreational center with cardio and circuit floors, a weight room and a golf simulator. The project also includes a nine-story parking garage with 740 spaces for students, faculty and staff.

Continue reading.

Bloomberg Markets

By Arvelisse Bonilla Ramos

June 3, 2025

At Bankrupt NYC Private School, a Bold Expansion Plan Went Awry.

Manhattan Country School, founded in 1966, is on the brink of closing

In the hyper-competitive landscape of New York City's private schools, Manhattan Country School bore all the hallmarks of success.

It boasted a valuable campus on a leafy Upper West Side block and a farm in the Catskills where generations of students have learned how to milk cows, weave and plant squash and beans. It also had a dedicated community of families and alumni dating to the progressive institution's founding in 1966 at the peak of the civil rights era.

But behind the brick facade of its six-story main building on West 85th Street, where roughly 250 kids from kindergarten through eighth grade started the school year, MCS was in dire financial straits, strained in part by the same demographic forces plaguing small private schools and colleges nationwide.

Continue reading.

Bloomberg Markets

By Erin Hudson and Jonathan Randles

June 5, 2025

Chicago's Dire Finances Hold It Back in Competition Among Cities.

The obstacles to economic growth in the third-largest US city have rarely looked so numerous and intractable.

Chicago native Warren Baker started buying and converting apartment buildings into student housing in the city's Hyde Park neighborhood in 1985. His once-scrappy company went on to forge multi-million-dollar deals for shopping centers, car showrooms and high-rises across the third-largest US city.

Now, though, with surging property taxes and a stagnant population in his hometown, he sees more opportunity elsewhere: Many of Baker's recent projects — warehouses, factories and cold storage facilities — are near the desert boomtown of Phoenix.

Baker has drifted from a city where the obstacles to economic growth and competitiveness have rarely looked so numerous and intractable.

Continue reading.

Bloomberg Economics

By Shruti Singh

June 5, 2025

Chicago Boosts Bond Sale to $698 Million With High Yield at 5.6%

Chicago sold $698 million of general obligation bonds Wednesday with tax-exempt securities priced to yield as much as 5.6%.

Coupons on the bonds ranged from 5% to 6%, according to data compiled by Bloomberg.

"The coupons are attractive, the yields are attractive," said Dennis Derby, a portfolio manager for Allspring Global Investments, in an interview Wednesday before the pricing was final.

Proceeds will finance capital projects and refinance one or more lines of credit, according to bond offering documents.

The amount of the sale was increased from the approximately $505 million that was originally planned. The city also sold an $8 million tranche of taxable debt.

S&P Global Ratings rated the deal BBB with a stable outlook, while Fitch Ratings gave the bonds an A- rating. Ahead of the sale, Fitch revised its outlook on the city's debt to negative from stable, citing the budget deficit.

"Macroeconomic headwinds and federal policy uncertainty may widen the gap, resulting in additional dependence on nonrecurring solutions including draws on reserves," Fitch analysts led by Michael Rinaldi said in a report on May 29.

The deal includes some of the bonds that were authorized in a $830 million bond proposal for infrastructure costs that was greenlit by Chicago's City Council in February.

Bloomberg Markets

By Arvelisse Bonilla Ramos

June 4, 2025

A Discerning Fund Amid Growing ESG Bond Market.

Environmental, social, and governmental (ESG) investing is proving to be a prevailing trend. Amid a growing bond market, consider a specific ETF from Vanguard.

The equity market wasn't the only asset that got struck with volatility in April. Bonds were also hit, including tried-and-tested debt issues like municipal bonds. One corner of the bond market that exhibited resilience, however, was green bonds.

“Even as municipal bonds sagged in April amid greater supply and worries that trade wars would boost inflation, the green bond market held steady,” explained Morningstar.

Continue reading.

etftrends.com

by Ben Hernandez

June 6, 2025

The Investment Conversation: Taking the Measure of Municipal Bonds at Midyear - Lord Abbett Podcast

In this podcast, Lord Abbett Portfolio Manager Dan Solender examines the factors likely to drive municipal-bond market performance in the second half of 2025.

Listen to Podcast.

June 5, 2025

Orrick: Increasing Frequency of Incorrect IRS Notices to Tax-Exempt Bond Issuers Raises Concerns

In recent months, issuers of tax-exempt bonds have been facing an unexpected challenge: incorrect notices from the Internal Revenue Service (IRS) claiming that their Forms 8038 are being filed without the required signature. This issue, which has persisted for several months, appears to be escalating in frequency, causing confusion and concern among bond issuers and their legal advisors.

Issuers of tax-exempt bonds must file a version of Form 8038 with the IRS after every tax-exempt bond issue. The form is required to be filed to establish the tax-exempt status of the bonds. The erroneous notices suggest that the form was submitted without a signature, a critical error that could jeopardize the bond’s tax status and result in substantial fines for late filing.

These notices have caused additional confusion and frustration among issuers and their bond counsel, as they often refer to time periods that cannot be matched to any specific return. Moreover, many issuers have filed multiple Form 8038s around the time indicated on the notice, yet the IRS fails to specify which form the notice pertains to. Generally, issuers and bond counsel have been able to confirm that all filed forms submitted around that time period were indeed signed when submitted, indicating a systemic error on the part of the IRS.

Efforts to resolve the issue have proven challenging. Issuers and bond counsel have attempted to contact the IRS using the customer service number provided on the notices but have found little success resolving their issue. When multiple forms were filed in the same period, customer service agents have been largely unable to assist and are unable to identify the specific Form 8038 for which the notice was generated.

The increasing frequency of these erroneous notices has raised concerns about the IRS's processing systems and the potential impact on issuers' operations. For many, the notices have resulted in additional administrative burdens, requiring them to verify their submissions and, in some cases, resubmit forms to ensure compliance.

Orrick has been in communication with IRS personnel regarding these incorrect notices. During phone conversations, IRS representatives acknowledged awareness of the issue but indicated that there is currently no estimate for when it will be resolved and requested the patience of the bond community while its works towards a resolution.

In the meantime, issuers who receive an IRS notice stating that their Form 8038 or Form 8038-G was received without a signature should send the notice to their bond or tax counsel for assistance responding to the notice (or not).

May.27.2025

Orrick, Herrington & Sutcliffe LLP.

Philadelphia, Pennsylvania: Fitch New Issue Report

Philadelphia's financial resilience has improved, but deficits are projected from fiscal 2025 through 2029. Fiscal 2024 unrestricted general fund reserves totaled $1.27 billion, or 21.1% of spending.

Access Report

Thu 05 Jun, 2025 – 11:10 AM ET

El Paso County, Texas: Fitch New Issue Report

El Paso County's fiscal 2023 general fund performance showed a $13.4 million deficit due to a $23.4 million transfer out, primarily for capital projects. The fiscal 2025 adopted general fund budget of $467.1 million reflects a $9.5 million decrease from the fiscal 2024 budget, with a projected $24 million deficit due to higher border security expenditures.

Access Report

Thu 05 Jun, 2025 – 11:49 AM ET

Tourism and Tax Revenues: An Overlooked Link to Municipal Bonds.

International travel plays a key role in the stability of the municipal bond market. Explore how a slowdown in tourism can impact revenue bonds, local budgets, and investor sentiment.

As investors in the municipal bond space, we spend much of our time tracking rate movements, credit trends and fiscal policy. But one external force that could quietly reshape state and local government finances, and in turn, the municipal bond market, is a slowdown in international tourism to the United States. For many municipalities, foreign visitors represent a critical stream of tax revenue. When that revenue disappears or declines meaningfully, the impact can cascade from local budgets to bond markets, particularly for investors exposed to certain kinds of revenue-backed debt.

Why International Tourism Trends Matter for the Municipal Bond Market

International travelers aren't just sightseeing, they're spending. And that spending translates into real dollars for states and cities through sales taxes, hotel and occupancy taxes, and transportation-related levies. Places like Florida, New York, Nevada, and California depend heavily on this activity to fund essential services.

In Florida, for example, state sales tax collections topped $36 billion in fiscal year 2023, equal to more than 70% of the state's general revenue according to the Florida Department of Revenue. Similarly, hotel taxes are a core revenue source in cities like Las Vegas and New Orleans — revenue that declines in lockstep with falling occupancy rates. Add to this the transportation-related taxes from rental cars and ride-hailing services in tourist-heavy metros like San Francisco or Los Angeles, and you begin to see just how embedded tourism is in municipal fiscal health.

Continue reading.

vaneck.com

by Michael Cohick
Director of Product Management

June 02, 2025

An Easy Way to Get Muni Exposure as Issuance Rose in May.

According to Bond Buyer, municipal bond issuance grew in the month of May by 3.6% versus a year ago. It creates an opportunity for fixed income investors to get exposure if they haven't already via a fund like the Vanguard Tax-Exempt Bond ETF (VTEB A+).

VTEB provides an easy ingress for income seekers to add muni exposure without having to research the vast universe of muni bonds available. The fund provides all-encompassing exposure by tracking the Standard & Poor's National AMT-Free Municipal Bond Index. This index encompasses the investment-grade segment of the U.S. municipal bond market, giving investors only quality debt issues, which is important during times of market uncertainty like now.

Furthermore, VTEB is heavily diversified with the fund holding under just 9,800 bonds as of April 30. The 30-day SEC yield is at 3.91%. Of course, a prime feature of munis is their tax-free income. VTEB includes debt issues from state or local governments or agencies whose interests are exempt from U.S. federal income taxes, and the federal alternative minimum tax.

Continue reading.

etfdb.com

by Ben Hernandez

Jun 09, 2025

Tax Increment Financing: The Good, The Bad, and the Incremental - GFOA Webinar.

Details:

This brief introduction to tax increment financings (TIFs) will explore the analytical and financial management practices that a community can employ to ensure a TIF meets its financial and economic development objectives. Through presentation of case studies from Washington, DC and Baltimore, MD, speakers will discuss what makes a TIF successful, the perils of TIFs, and key concepts to consider when starting or improving a TIF program.

Learning Objectives:

- To gain an understanding of the benefits, risks and financial commitments associated with Tax Increment Financing.
- To be familiar with examples of the financial structuring and management of TIFs.
- To understand the basics of whether and how a TIF meets your community's objectives.

Member Price: $50.00
Non-member Price: $100.00

Click here to learn more and to register.

GFOA Utility Finance Forum Online Networking Event – Benchmarking & KPIs

July 23, 2025 | 3 p.m.-4 p.m. ET

Details:
Join other Utility Finance Forum members for our online networking event! Participants will have the opportunity to discuss multiple topics with other forum members in breakout rooms. Bring your questions and be ready to share your feedback with others!

This online networking event will be a follow-up to our June webinar covering the topics of Benchmarking & KPIs. Sign up for both and share your experience with fellow Utility Finance Forum members!

Member Price: Free
Non-member Price: Free

Click here to learn more and to register.

[Examining Concentrations and Constraints for GASB 102: GFOA Webinar]

July 24, 2025 | 1 p.m.-2 p.m. ET

Details:

Under Governmental Accounting Standards Board Statement No. 102, Certain Risk Disclosures, governments are now tasked with evaluating a variety of concentrations and constraints impacting their governments for possible disclosure. The existence of a concentration or constraint itself does not immediately trigger a disclosure. This webinar will cover the components to the analysis and also walk through the disclosure requirements set forth by GASB 102 and walk through sample disclosures.

Learning Objectives:

- Summarize the disclosure requirements from GASB 102.
- Identify examples of concentrations and constraints for evaluation.
- Apply insights from sample disclosures.

Member Price: $50.00
Non-member Price: $100.00

Click here to learn more and to register.

Indiana University Health: Fitch New Issue Report

Fitch Ratings has affirmed Indiana University Health's 'AA' rating, which reflects strong operating margins and a robust balance sheet. The organization plans significant capital investments, including a new hospital in Indianapolis, with expected margin recovery within three to four years.

Access Report

Fri 06 Jun, 2025 – 10:34 AM ET

Commonwealth of Massachusetts: Fitch New Issue Report

Massachusetts' 'AA+' Long-Term Issuer Default Rating reflects strong economic resources and budget controls. The fiscal 2025 budget increased spending by 9.8%, focusing on education and transportation initiatives.

Access Report

Fri 06 Jun, 2025 – 12:36 PM ET

State University of New York: Fitch New Issue Report

SUNY's 'AA-' IDR reflects its strong market position and consistent state support. The 'A+' rating on dormitory bonds is supported by solid occupancy and a healthy capital plan.

Access Report

Fri 06 Jun, 2025 – 11:24 AM ET

- SEC Charges Municipal Advisor with Failing to Register with the Commission.
- S&P: U.S. Public Finance Issuers' Inconsistent Cyber Security Faces State-Backed Threats
- WSJ: How Your Town Can Feel the Weight of the National Debt.
- How Climate Change May Be Reshaping the Landscape for Municipal Debt Issuances.
- NYC Bitcoin-Bond Idea Squashed by Lander as 'Irresponsible'
- *UMB Bank, N.A. Trustee v. Eagle Crest Apartments, LLC* – Following bond default, Indenture Trustee (UMB) obtained a default judgment against debtor in North Dakota. UMB registered the North Dakota judgment in Washington State under the Uniform Enforcement of Foreign Judgments Act and the Washington Court of Appeals upheld the transfer, holding that the transfer did not require prior notification to the Washington State Attorney General.
- And Finally, BCB Unleashed: Revenge of the Park Ranger is brought to us this week by City of *Portland v. Lesperance*, in which – when confronted by a park ranger regarding his unleashed dog – Marc Lesperance deployed a cunning legal stratagem, stating that, "He was very familiar with the rules and had no intention to follow them." Touché. That certainly seems to sum it up. Likewise, this publication is fully aware of the rules of competent legal reportage and yet (as you have no doubt noted) has no intention of following them.

LIABILITY - ARIZONA

Sanchez-Ravuelta v. Yavapai County, Town of Dewey-Humboldt State

Supreme Court of Arizona - May 19, 2025 - P.3d - 2025 WL 1427953

Adult and minor passengers, who were injured in multi-vehicle collision allegedly caused by intoxicated driver after he left bar, brought negligence action against state, town, and county, alleging that Department of Liquor Licenses and Control had statutory duty of care to take reasonable measures to prevent bar with liquor license from overserving customers, thereby creating hazardous conditions, and that Department breached such duty.

The Superior Court, Maricopa County, entered judgment that granted state's and county's motions to dismiss and town's motion for judgment on pleadings, dismissing all claims with prejudice, but then, after plaintiffs moved for new trial, entered second judgment, responding to minor plaintiffs' prior motion to dismiss their claims without prejudice, dismissing minor plaintiffs' claims against state and county without prejudice and all other claims with prejudice. After plaintiffs appealed both judgments, the Superior Court entered order vacating second judgment, granted in part and denied in part plaintiffs' motion for new trial, and issued third judgment, dismissing minor plaintiffs' claims without prejudice and adult plaintiffs' claims with prejudice. The Superior Court, Julian, J., thereafter entered fourth judgment, clarifying that it was entered as final judgment with no further matters pending. Plaintiffs appealed and town cross-appealed. The Court of Appeals affirmed in part, vacated in part, and remanded. Supreme Court granted further review.

The Supreme Court held that:

- Trial court's fourth judgment, rather than third judgment, was "final judgment" for purpose of determining timeliness of town's notice of cross-appeal;
- Plaintiffs complied with procedural rule governing notice of appeal filed during pendency of new trial motion and, thus, appellate jurisdiction was suspended and trial court retained jurisdiction to rule on new trial motion;
- Trial court judgment dismissing plaintiffs' claims did not, by failing to address their motion for new trial, deny such motion by operation of law;
- Permissive liquor statutes did not establish enforceable public policy duty of care on part of Department;
- Statute requiring director of Department to establish separate investigations unit whose sole responsibility was investigation of compliance with liquor laws did not create enforceable public policy duty;
- Statute providing that spirituous liquor license "shall" be issued by Department only after satisfactory showing of, among other things, capability, qualifications and reliability of applicant did not establish duty enforceable in plaintiffs' negligence case; and
- Statutes expressly regulating conduct of licensees in serving selling, or furnishing spirituous liquor to patrons did not regulate conduct of, or impose any penalty on, Department so as to establish public policy duty of care.

ZONING & PLANNING - IDAHO

[Idaho Association of Realtors, Inc. v. City of Lava Hot Springs]

Supreme Court of Idaho, Boise, January 2025 Term - May 21, 2025 - P.3d - 2025 WL 1450018

Property owners and real estate agent association brought action against city, seeking declaratory judgment that city's short-term rental ordinance, which only allowed non-owner or manager occupied vacation rentals in commercial zones, violated state law and exceeded city's statutory authority, and writ of prohibition precluding enforcement of ordinance.

The Sixth Judicial District Court granted city's motion for summary judgment. Property owners and association appealed.

The Supreme Court held that vacation rental ordinance violated the Short-term Rental and Vacation Rental Act.

City short-term vacation rental ordinance which prohibited vacation rentals in residential zones except for owner or manager-occupied bed and breakfasts, but allowed rentals in commercial zones subject to regulation, violated the Short-term Rental and Vacation Rental Act, which precluded the city from enacting any ordinance that has the express effect of prohibiting short-term rentals in the city.

MUNICIPALITIES - MAINE

[City of Portland v. Lesperance]

Supreme Judicial Court of Maine - May 20, 2025 - A.3d - 2025 WL 1439488 - 2025 ME 43

City park ranger issued summons and complaint to dog owner for violating city ordinances requiring dogs to be leashed in city and specific city park.

Following dispositional hearing, the Portland District Court issued judgment fining dog owner $500. Dog owner appealed.

The Supreme Judicial Court held that city park ranger that issued citation to dog owner was at least a “de facto” officer under the de facto officer doctrine.

City park ranger that issued citation to dog owner for violating city ordinances requiring dogs to be leashed in city park was at least a “de facto” officer under the de facto officer doctrine and, thus, any uncertainty regarding the extent of park ranger’s legal authority to enforce the ordinances was not a defense to the citation; issue as to whether a park ranger appointed as a constable under the city code was required to satisfy the training requirements of law enforcement officer to enforce a city ordinance was unresolved.

ENVIRONMENTAL LAW - NEW YORK

[Glen Oaks Village Owners, Inc. v. City of New York]

Court of Appeals of New York - May 22, 2025 - N.E.3d - 2025 WL 1458090 - 2025 N.Y. Slip Op. 03101

Group of building owners brought action against city, claiming local emissions law, intended to combat climate change and improve air quality and public health by imposing penalties for violating building emission limits, was preempted by state Climate Leadership and Community Protection Act (CLCPA), and otherwise violated the Due Process Clause.

The Supreme Court, New York County, granted city’s motion to dismiss. Owners appealed. The Supreme Court, Appellate Division, affirmed as modified. City moved for leave to appeal, which the Appellate Division granted and certified question.

The Court of Appeals held that:

- CLCPA did not preempt city’s local emissions law through field preemption, and
- CLCPA’s savings clause did not only apply to local laws other than greenhouse gas emissions reduction measures.

State legislature neither expressed nor implied any intent to preempt field of regulating greenhouse gas emission in passing state Climate Leadership and Community Protection Act (CLCPA), and thus CLCPA did not preempt city’s local emissions law through field preemption; although CLCPA represented wide-ranging, statewide effort to address climate change that was, to some degree, forward-looking and aspirational in nature, establishing ultimate goals of reduction of greenhouse gas emissions and leaving mechanism for implementation of those goals to further study and eventual regulation, it was not so broad and detailed in scope as to require determination that it had precluded all local regulation in the area, particularly where local law would have only furthered

State's policy interests.

Savings clause of state Climate Leadership and Community Protection Act (CLCPA), which addressed public's continuing obligation to comply with other applicable laws and regulations, whether federal, state, or local, in conjunction with section preserving existing authority of state entities to adopt and implement greenhouse gas emissions reduction measures, did not only apply to local laws other than greenhouse gas emissions reduction measures, as would support building owners' claim that the CLCPA preempted field of regulating greenhouse gas emissions with respect to city's local emissions law; given text of savings clause and CLCPA's structure and purpose, it was not reasonable to read savings clause as requiring compliance with federal emissions guidelines but not with local emissions requirements.

EMINENT DOMAIN - NORTH DAKOTA

Short v. Billings County

United States Court of Appeals, Eighth Circuit - May 28, 2025 - F.4th - 2025 WL 1511037

Landowners brought action in diversity against county and members of county board of commissioners, asserting claims including breach of contract, promissory estoppel, and claims for declaratory judgment, arising from county's use of quick take eminent domain process to condemn their land for construction of river bridge despite parties' settlement agreement stating county would not condemn any of the property.

The United States District Court for the District of North Dakota granted landowners' motion for preliminary injunction, and county appealed.

The Court of Appeals held that district court abused its discretion in preliminarily enjoining county and its agents from entering landowners' property.

County's power of eminent domain was hallmark of sovereignty that could not be contracted away, and thus district court abused its discretion in preliminarily enjoining county and its agents from entering landowners' property during pendency of federal eminent domain case and parallel state proceeding based on county's alleged breach of settlement agreement with owners in which it agreed not to pursue any legal action to condemn their property in connection with bridge project.

EMINENT DOMAIN - VIRGINIA

Norfolk Southern Railway Company v. State Corporation Commission

Supreme Court of Virginia - May 22, 2025 - S.E.2d - 2025 WL 1461804

Railroad appealed decision of the State Corporation Commission which rejected railroad's challenge to the constitutionality of a state statute permitting broadband providers to install fiber optic cables across the railroad's property.

The Supreme Court held that taking was not for a "public use," and thus the statute was unconstitutional as applied.

For-profit broadband service provider's installation of fiber optic cables across railroad's right of way, pursuant to statute permitting broadband service providers to install fiber optic cables across railroad property, was not for a “public use,” and thus the statute was unconstitutional as applied; taking was by a private company for a private use, even if the public benefited from the taking.

INDENTURE TRUSTEE - WASHINGTON

UMB Bank, N.A. Trustee v. Eagle Crest Apartments, LLC

Court of Appeals of Washington, Division 3 - May 15, 2025 - Not Reported in Pac. Rptr. - 2025 WL 1411267

In 2013, John Sessions formed Eagle Crest Apartments, LLC (the limited liability company) to finance, construct, and operate a 168-unit multifamily Eagle Crest Apartments and related facilities in Williston (“Eagle Crest Project”).

UMB Bank serves as the successor trustee for bonds issued by the City of Williston to finance the construction of the project.

In 2015, the limited liability company defaulted on its note securing repayment of the bonds. In 2019, UMB brought suit on the debt in North Dakota District Court, the Peace Garden State’s court of general jurisdiction. After securing summary judgment on its foreclosure claim, UMB credit bid its judgment and acquired title to the Eagle Crest Project. The bid did not satisfy the entire debt. Based on evidence from a UMB representative regarding the remaining debt, the court entered a deficiency judgment against the limited liability company for $20,129,475.97.

Sessions also incorporated a variety of entities in North Dakota and Washington, including Historic Flight Foundation (HFF), a Washington nonprofit corporation, that subsequently became a judgment debtor.

On April 8, 2022, and before the North Dakota Supreme Court affirmed the judgment against John Sessions and his entities, UMB registered the North Dakota judgment in Spokane County Superior Court under the Uniform Enforcement of Foreign Judgments Act, RCW 6.36.035.

On August 2, 2022, HFF and the other defendants agreed to the appointment of an ancillary receiver for HFF and several other entities in King County Superior Court. HFF never challenged the validity of the North Dakota judgment in the receivership proceeding.

On July 20, 2023, HFF filed a motion, under CR 60(b)(5), in Spokane County Superior Court to vacate the registration of the foreign judgment.

HFF contended that the North Dakota judgment was void because the Washington State Attorney General did not receive notice of the North Dakota lawsuit required under RCW 24.03A.944 and .946. In so arguing, HFF emphasized that the North Dakota Constitution provides that the state district courts possess general jurisdiction over all matters “except as otherwise provided by law.” In turn, North Dakota courts would look to Washington law to determine notice needed in a suit against a Washington nonprofit corporation. HFF argued that, due to the lack of notice to the Washington Attorney General, the North Dakota District Court lacked subject-matter jurisdiction over HFF.

On December 14, 2023, the Spokane County Superior Court denied HFF’s motion to vacate the North Dakota judgment registered in Washington State. The superior court reasoned that Washington courts must recognize the North Dakota judgment under the Full Faith and Credit clause of the United States Constitution. U.S. Const., Art IV, § 1. Whereas a party may collaterally attack a foreign judgment if the issuing state lacked subject matter jurisdiction or personal jurisdiction, the North Dakota District Court possessed both.

On appeal, HFF asked this court to reverse the superior court's denial of his motion to vacate the judgment registered in Washington State.

In response to HFF's appeal, UMB argues, among other contentions, that HFF waived any right to object to the jurisdiction of the North Dakota court because HFF never argued a lack of jurisdiction before the North Dakota courts.

UMB also contended that, even if the Washington notice statutes, on which HFF relies, demanded notice of the North Dakota suit on the Washington State Attorney General, the statutes are not jurisdictional. Washington courts disfavor collateral attacks based on allegations of defective notice. Furthermore, UMB asserted that the North Dakota court needed to only apply its state's law, not Washington law, when assessing the need to serve interested parties.

The Court of Appeals stated that, "We do not address these alternative arguments because we agree with UMB that RCW 24.03A.944 and .946 do not require notice of the North Dakota lawsuit be given the Attorney General even assuming the North Dakota court should have applied Washington law.

"The North Dakota suit was an action to collect a debt owed by the Washington nonprofit corporation, HFF. RCW 24.03A.944 demands no notice to the Attorney General when a creditor or a bond trustee sues a nonprofit corporation in Washington State or in any other state. RCW 24.03A.944 does not read that its provisions extend to a suit in a foreign jurisdiction."

PUBLIC UTILITIES - WEST VIRGINIA

Huntington Sanitary Board v. Public Service Commission of West Virginia

Supreme Court of Appeals of West Virginia - May 23, 2025 - S.E.2d - 2025 WL 1482207

City sanitary board sought review of Public Service Commission's designation of sanitary board as the most suitable capable proximate utility to acquire and resume operations of nearby subdivision sewer district.

The Supreme Court of Appeals held that:

- Commission had continuing jurisdiction over subdivision's sewer district;
- Commission adequately considered alternatives to acquisition of sewer district by sanitary board;
- Commission did not err in determining that sanitary board was the most suitable capable proximate utility to acquire sewer district; and
- Fact that requiring sanitary board to acquire sewer district would have required city's council to approve the capital investment, enact a bond ordinance, and exercise eminent domain did not preclude designation of sanitary board as most suitable capable proximate utility to acquire sewer district.

Fact that requiring city sanitary board to acquire failing sewer district for nearby subdivision would have required city's council to approve the capital investment, enact a bond ordinance, and exercise eminent domain to obtain sewer district's property did not preclude designation of sanitary board as most suitable capable proximate utility to acquire sewer district under Distressed and Failing Utilities Act; Commission considered those difficulties associated with the city's approval and participation in selecting sanitary board and directed that Commission staff would assist in navigating those difficulties.

S&P Report Card: U.S. Transportation GARVEEs Remain Stable Amid An Evolving Federal Policy Environment

Key Takeaways

- We believe U.S. federal agencies will continue to support highway and transit grant programs funded from the Highway Trust Fund (HTF) as required by current law and this will continue in subsequent surface transportation authorizations.
- Many grant anticipation revenue vehicle (GARVEE) issuers in our rated sector have contingency plans if, for any reason, federal funding is unavailable in the near term, and most have robust liquidity and coverage in the event of delays or rescissions.
- Highway and transit project cost inflation will likely be exacerbated by any tariffs on construction materials and wage growth, eroding the financial benefits of federal grants and overall infrastructure spending.
- Our analysis of key GARVEE sector financial metrics for fiscal 2024 shows continued stability across rated issuers, with a median maximum annual debt service (MADS) coverage of 10.0x that, combined with limited near-term debt plans, supports our stable outlook for the subsector.

Continue reading.

29 May, 2025

S&P U.S. Municipal Water And Sewer Utilities Rating Actions, First-Quarter 2025

Overview

S&P Global Ratings took 46 rating actions, made 13 outlook revisions, and placed 23 ratings on CreditWatch within the U.S. municipal water and sewer utilities sector in first quarter of 2025. We also affirmed 90 ratings with no outlook revisions.

View the S&P Rating Actions.

27 May, 2025 | 17:18 United States of America

S&P U.S. Brief: U.S. Supreme Court Split Decision On St. Isidore Supports Credit Stability For Charter Schools

On May 22, 2025, the U.S. Supreme Court issued a split decision effectively upholding a lower court ruling that blocked the establishment of a religious charter school in Oklahoma. In S&P Global Ratings’ opinion, the outcome supports credit stability for the charter school sector by maintaining the long-standing funding framework under existing charter school laws. However, the lack of a definitive ruling means the decision could allow the court to possibly reconsider the issue in a future case.

Continue reading.

27 May, 2025

S&P: U.S. Public Finance Issuers' Inconsistent Cyber Security Faces State-Backed Threats

Key Takeaways

- Sovereign-sponsored and politically motivated cyber attacks are targeting U.S. critical infrastructure, according to warnings by the U.S. Cybersecurity and Infrastructure Agency (CISA) and the FBI.
- Utilities' exposure to cyber risks are exacerbated by widespread failure to implement all federal cyber security standards. Smaller water systems appear particularly vulnerable, due to investment constraints, limited industry-level cooperation, and inconsistent application and quality of cyber risk oversight frameworks.
- Rated issuers in the transportation sector have a generally higher degree of cyber risk awareness, according to anecdotal evidence from meetings with management teams, though risk to fiscal health and operational services remains.

Foreign state-backed cyber attacks on U.S. infrastructure, including utilities and transport operators, continues to be a threat to both safety and critical services, according to warnings by U.S. security agencies including the Cybersecurity and Infrastructure Agency (CISA) and the FBI. At the same time, wide variations in the adoption and application of cyber security practices means many issuers, particularly among utilities, are failing to meet minimum federal standards aimed at preventing a breach by cyber criminals.

The targeting of U.S. public finance issuers, and the sector's cyber security preparations, were chief among the subjects discussed at S&P Global Ratings' recent U.S. Public Finance Credit Spotlight: The Changing Face Of Cyber Risk In U.S. Critical Infrastructure. The webinar also featured a fireside chat with Cyrus Bulsara, Chief Information Security Officer of Scripps Health.

Utilities' Varied Reponses
The potential for U.S. critical infrastructure providers to suffer disruption and damage by cyber criminals was highlighted by a May 2024 Environmental Protection Agency report, "Enforcement Alert: Drinking Water Systems to Address Cybersecurity Vulnerabilities," which noted that about 70% of utilities inspected by federal officials over the last year were found to be in violation of standards intended to prevent cyber breaches. The prospect of a cyber incident at a water and sewage system supplier could be exacerbated by the absence of standard cyber security and hygiene guidelines that apply to operators.

"Smaller water systems were found to be particularly vulnerable," said Jenny Poree, S&P Global Ratings analyst and sector leader U.S. Water & Sewer Utilities." Moreover, the closing of those vulnerabilities faces myriad challenges including competing demands for financial and management resources, limited cooperation and sharing of resources by entities that have sophisticated cyber security operations, and weak or inconsistent cyber security frameworks."

The webinar also discussed the potential impact of prospective changes to staffing levels at government agencies involved in cyber security and resilience, including CISA and the National

Security Agency (NSA), and the potential for funding cuts to organizations including the Multi-State Information Sharing and Analysis Center (MS-ISAC).

Transportation: Providing A Path To Follow
On a more positive note, the webinar heard that transportation sector issuers rated by S&P Global Ratings generally demonstrate a high degree of cyber risk awareness. “We discuss in our management meetings and receive assurances from operators that they continue to embed cyber security into overall risk mitigation strategies and that these are reported to their governing boards,” said Kurt Forsgren, S&P Global Ratings analyst and sector leader U.S. Transportation.

The webinar participants agreed that cyber criminality is evolving and often innovating, though incidents were often traceable to well-understood but difficult to manage vulnerabilities, including hacks that leverage social engineering and third-party vendors. And there was consensus that issuers’ best defense against cyber criminality remains pro-active cyber risk management, including the enforcement of plans and protocols that reinforce good cyber hygiene and the purchase of cyber insurance.

29 May, 2025

[WSJ: How Your Town Can Feel the Weight of the National Debt.]

Rising bond yields are lifting long-term interest rates for some local governments

Key Points

- House bill advancing increases deficits, unsettling debt market and pushing municipal borrowing costs higher.
- Treasury rates rose after House passed budget bill that would add nearly $3 trillion to national deficit.
- Federal policy has previously led to higher interest costs for local governments, such as after Trump’s tariffs.

City and state borrowing costs edged up this past week when House lawmakers advanced a bill that would increase deficits. With concerns about federal spending pressuring the bond market, here is what to know about how U.S. borrowing may affect your state or local government.

The details

Yields crept upward on some long-dated municipal bonds after expectations of increased federal borrowing unsettled the debt market. Some Chicago airport bonds maturing in 2053 traded at 5.15% this week, the highest level since President Trump’s tariff’s broadside in early April. Yields also increased on bonds that raised money for Texas toll roads and student housing at the University of Tennessee.

The context

While local governments get some federal dollars such as grants toward education and policing, they mainly rely on revenue from local sources such as property and sales taxes. The amount they pay to borrow, however, is affected by longer-term Treasury rates. Those rose after the House passed a budget bill that would increase projected federal budget deficits by nearly $3 trillion through 2034.

That is because the Treasury would likely sell bonds to fund all that spending and the flood of new debt might require them to offer higher rates to find enough buyers.

The big picture

It isn't the first time this year that federal policy has led to higher interest costs for local governments. Muni rates jumped after Trump first announced wide-ranging tariffs in early April, unsettling the market.

Muni fallout from an uptick in the national debt is more unusual. America's deficit spending rarely bothers investors much. And when federal dollars flow to highways or national parks, local economies often benefit. Plus the federal government helps cities and states secure lower rates from investors by not collecting income taxes on muni bond interest.

A few municipal borrowers are dependent on the federal government though, and they are hurting. For example, Moody's Ratings recently downgraded the credit of Washington, D.C., and the Smithsonian Institution.

The Wall Street Journal

By Heather Gillers

May 26, 2025

A Tipping Point for Public Cash Managers.

They must soon decide whether tariffs will push money market rates above or below market expectations — and place their bets. But shrinking tax receipts and federal cost shifting are likely to have a bigger budgetary impact.

Money market interest rates have held quite steady this year while the stock market, long-term bonds and financial futures have bobbed and weaved in response to turbulent tariff news and shifting views of recession risks. Public treasurers and cash managers have lost nothing so far by staying ultra-short in their portfolio maturities, but external, outsourced managers running public money against popular indexes in the one- to three-year range have outperformed most others. That's because notes maturing in 2026 and 2027 have produced capital gains on top of coupon income, resulting in total returns this past year of 6 percent versus 4-ish percent for those who stayed short.

But that's now just history. The challenge for public cash managers is what to do next.

Normally, interest rates on bonds and money market instruments give investors a higher yield for longer maturities to reflect liquidity preference, market segmentation and market risk on longer-term paper. The current yield curve for U.S. treasuries is showing a relatively rare configuration: a "swayback" formation in which yields for investments maturing between four and 30 months are successively lower but thereafter increase as maturities lengthen, as would normally be expected. Therein lies the challenge for today's governmental money managers.

Continue reading.

governing.com

OPINION | May 27, 2025 • Girard Miller

[How Climate Change May Be Reshaping the Landscape for Municipal Debt Issuances.]

In an era marked by intensifying wildfires, rising seas, and increasingly severe weather, climate change may be transforming how America looks and lives — and soon, how municipalities borrow to grapple with the evolving realities of a changing environment. Even though the science is clear about climate change and the costs are mounting, the evolution of the municipal bond markets seems slow across the nation. However, for investors in municipal debt, this disconnect raises a critical question: How long can climate risk go unpriced for their risk appetite?

In this article, we will take a closer look at the impact of climate change on municipal & state governments and the progress towards evolving municipal debt landscape thus far.

The Mounting Toll of Climate Change

Let's start with the facts. According to the National Centers for Environmental Information, the United States experienced 27 separate billion-dollar disasters in 2024, costing a total of $182.7 billion and resulting in hundreds of deaths. Compare that with the 1990s, when the country averaged fewer than six such disasters per year.

Continue reading.

dividend.com

by Jayden Sangha

May 27, 2025

[If Anything, Bond Markets are Returning to Normal.]

A lot of people are worried about the level of US interest rates. "I think we should be afraid of the bond market," billionaire investor Ray Dalio said last week. To other observers, the bond market is "barfing," "signaling a dire scenario for the economy," "shaking Wall Street," "sending a warning to Congress," "giving stock-market investors the yips," "worrying that something may be breaking beneath the surface" or just plain "breaking."

I don't see what all the fuss is about. There is nothing unusual about the current level of interest rates or their recent movement. If anything, this is a yawningly normal interest rate environment.

For perspective, the benchmark 10-year Treasury yield, at 4.5%, is more than a percentage point lower than its historical average of 5.6% since the 1950s (for finance wonks, a negative 0.3 sigma). Even if you remove the period from 1980 to 1985 in which the 10-year yield was persistently above 10%, that historical average declines only modestly to 5.1%, still well above the current yield.

Nor is the recent interest rate volatility all that unusual. Yes, the 10-year yield has bounced around a bunch since the White House's tariff announcement on April 2. But similar — and always temporary — spikes in volatility were common throughout the 1970s and 1980s and have occurred regularly during every decade since then, including the current one.

So, why all the griping about bond yields? One reason may be that people aren't used to a normal interest rate environment. The US only recently emerged from an unusually long period of low rates — the 10-year hasn't topped 5% since before the 2008 financial crisis, even though it was higher than that about half the time since the 1950s.

Also, there's always something to dislike about interest rates. When rates were at historic lows for more than a decade after the financial crisis, critics complained that cheap debt would encourage risk taking and overinvestment in sectors that rely heavily on borrowing, such as real estate and private equity. They were right. Low interest rates did encourage real estate investment, which, in the case of housing, drove up prices and constrained supply. Low rates also made private equity more lucrative, which allowed PE firms to raise trillions of dollars with which to gobble up broad swaths of the US economy.

A normal interest rate environment should help wring out those distortions. It should also encourage the federal government to reckon with its own excesses. Deficit spending made sense when money was cheap, particularly for investment or to bolster the economy during the Covid pandemic. Now that rates are higher and the economy is growing, policymakers should trim the deficits and shrink the US's historically high debt relative to gross domestic product.

If they don't, interest rates could rise to truly concerning levels. The Trump administration is taking two big gambles on rates. One is the budget bill making its way through Congress, which, in its current form, could add as much as $5 trillion in deficits over the next 10 years. The White House is betting that growth will more than offset additional deficits and bring down debt-to-GDP. A second gamble is that tariffs won't kick up inflation and thereby lift interest rates, either because the threat of higher levies will ultimately result in lower trade barriers or because companies will internalize the cost of tariffs rather than pass them on to consumers.

The bond market will be the judge. If the 10-year yield drifts above its historical average and approaches, say, 7% or 8%, which would still be well within a normal historical range (roughly 1 sigma), that will be a sure sign that the market has lost confidence in Congress's ability to manage the debt or the White House's ability to execute a tariff war without stoking inflation.

As things stand, though, interest rates need not interfere with sound fiscal policy. If the US can limit deficits to 3% of GDP, as Treasury Secretary Scott Bessent has pledged to do, debt-to-GDP should drop to 80% by 2050 from closer to 120% today. That assumes nominal GDP growth of 5% a year, comprised of the Federal Reserve's 2% inflation target and 3% real growth, or some combination of the two.

Interest on the debt as a percentage of the federal budget would also decline significantly, even if rates stay where they are. Assuming an average interest rate of 5% on federal debt, which is well higher than the most recent rate of closer to 3.3%, interest payments as a percentage of the budget would fall to 16% by 2050 from about 26% today. That assumes a total budget of 25% of GDP, roughly the size Congress is currently contemplating.

Still, if the current 10-year Treasury yield seems too high, consider that there are good economic reasons why it has averaged around 5% historically. The base of that rate is inflation, which, if things go according to the Fed's plan, will run somewhere in the range of 2% to 2.5% long term. The

Fed also aims for a short-term interest rate that is about 0.5 to 1 percentage point above the inflation rate, which closely matches the historical average yield on three-month Treasury bills. To lend for longer, investors usually demand a premium, which has averaged 1.6 percentage points for 10-year Treasuries relative to T-bills since the 1980s. The sum of those variables is a 10-year yield in the range of 4% to 5%, precisely where we are today.

The current 10-year yield, in other words, is a sign that the bond market is functioning normally. It may not stay that way given the gathering risks, notably credible estimates that deficits will continue to run well higher than 3% of GDP. But for now, there's no reason to fear the bond market.

advisorperspectives.com

by Nir Kaissar of Bloomberg News, 5/29/25

Long Munis Suffer on Tariff and Tax Fear as Short Bonds Gain.

(Bloomberg) — Muni investors seeking nearly instant gratification are being rewarded for their eagerness.

State and local debt is often seen as a buy-and-hold investment, but in 2025 bonds maturing in under a year are performing the best of all muni segments, according to data compiled by Bloomberg. The municipal short-term index has jumped 1.3% — the biggest year-to-date gain since at least 2012 — while most other Bloomberg municipal indexes have posted losses.

While yields for benchmark state and local debt maturing in 30 years have climbed almost 67 basis points this year, they've shrunk nearly 36 basis points for bonds due in three and six months.

Continue reading.

Bloomberg Markets

By Shruti Date Singh

Tue, May 27, 2025

NYC Bitcoin-Bond Idea Squashed by Lander as 'Irresponsible'

New York City Comptroller Brad Lander poured cold water on Mayor Eric Adams's proposal to issue municipal bonds backed by Bitcoin.

Lander, who shares responsibility for debt issuance with the Mayor's Office of Management and Budget, said the largest US city won't be issuing Bitcoin-backed bonds while he's in office. Lander, a Democrat, is also a candidate to succeed Adams in November's mayoral election. Adams is running as an independent.

"Cryptocurrencies are not sufficiently stable to finance our city's infrastructure, affordable housing, or schools," Lander said in a statement Thursday. "Proposing that New York City should open its capital planning to crypto could expose our city to new risks and erode bond buyers' trust in our city.”

Continue reading.

Bloomberg Crypto

By Teresa Xie and Martin Z Braun

May 30, 2025

Muni Market Braces for ‘Mega Calendar’ of Fresh Supply Next Week.

The municipal-bond market is gearing up for a surge of supply in the coming week, adding to the onslaught of issuance seen in 2025.

JPMorgan Chase & Co. strategists are calling for $17.7 billion of tax-exempt bond sales next week, which would be the third-largest amount on record. They dubbed it a “mega calendar.”

“It’s a big week,” said Christopher Lanouette, a Boston-based managing director and portfolio manager at CIBC Private Wealth Group LLC.

Continue reading.

Bloomberg Markets

By Amanda Albright

May 30, 2025

Long Munis Suffer on Tariff and Tax Fear as Short Bonds Gain.

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Continue reading.

Bloomberg Markets

By Shruti Singh

May 27, 2025

[Commonwealth of Virginia: Fitch New Issue Report]

Virginia maintains a 'AAA' rating due to strong fiscal management and economic stability. Fiscal 2024 revenues grew 5.5% to $29.5 billion. The state holds $4.7 billion in reserves, equaling 16% of general fund revenues.

Access Report

Thu 29 May, 2025 – 7:13 AM ET

Maryland Department of Transportation: Fitch New Issue Report

Fitch rates Maryland DOT's $200 million Consolidated Transportation Bonds 'AA+' with a Stable Rating Outlook. Pledged revenues grew 7.7% to $2.9 billion in fiscal 2024. MDOT's debt service coverage remains strong at 6.2x.

Access Report

Thu 29 May, 2025 – 12:12 PM ET

Chicago, Illinois: Fitch New Issue Report

Fitch Ratings revised Chicago's 'A-' IDR and GO bond rating outlook to Negative. The city faces a $1.1 billion budget gap for 2026. Reserves could drop below 15% of spending by 2025.

Access Report

Thu 29 May, 2025 – 5:34 PM ET

Stanford Health Care to Get $424.9 Million From Municipal Bond Sale.

Stanford Health Care will receive about $424.9 million of proceeds from a municipal bond sale that will to finance healthcare facility projects and refund existing debt.

The bonds will be issued on Stanford's behalf by the California Health Facilities Financing Authority, according to documents posted Thursday on MuniOS.

Pricing is expected for as soon as June 3, and closing is scheduled for June 12.

The authority plans to issue $151.2 million of 2025 Series A bonds, $138.4 million of 2025 Series B-1 bonds and $135.3 million of 2025 Series B-2 bonds. Interest is payable starting on Aug. 15 and again on Feb. 15.

The bonds are limited obligations of the authority and will be backed by payments from Stanford

Health Care made under a loan agreement.

Proceeds from the issuance will be used to finance the costs of the acquisition, construction, expansion, remodelling, renovation and equipping of certain facilities of Stanford Health Care. Money from the sale will also be used to refund $50 million of debt borrowed under a commercial paper program, and pay for issuance costs.

Stanford Health Care operates Stanford Hospital, a teaching hospital, and the Stanford University clinics, where the medical faculty of the Stanford University School of Medicine provide clinical services.

The corporation had total operating revenue of $9 billion in the fiscal year 2024, and has planned capital improvements of about $3.5 billion through the fiscal year 2028, according to a roadshow presentation.

Moody's, S&P Global Ratings and Fitch Ratings have assigned the bonds ratings of Aa2, AA- and AA, respectively.

Morgan Stanley and Goldman Sachs & Co. are lead managers on the issuance.

Provided by Dow Jones May 30, 2025, 2:41:00 PM

By Zaeem Shoaib

Write to Zaeem Shoaib at zaeem.shoaib@wsj.com

(END) Dow Jones Newswires

May 30, 2025 17:41 ET (21:41 GMT)

SEC Charges Municipal Advisor with Failing to Register with the Commission.

May 30, 2025 – The Securities and Exchange Commission today announced settled charges against Canada-based Agentis Capital Advisors General Partnership, fka Agentis Capital Advisors, for failing to register as a municipal advisor.

The SEC's order finds that from December 2020 through February 2023, Agentis provided consulting services to six private sector entities engaged in public-private partnerships (also referred to as "P3s") in the United States, in connection with six municipal securities issuances. A portion of those services included advice on the structure, timing, and terms of the issuances, which constituted municipal advisory services. Through these issuances, Agentis' clients raised over $1.9 billion. Agentis was not registered as a municipal advisor when it provided these services.

The order finds that Agentis willfully violated the registration requirements of Section 15B(a)(1)(B) of the Securities Exchange Act of 1934. Without admitting or denying the order's findings, Agentis consented to a cease-and-desist order, a censure, and a civil penalty of $100,000.

The investigation was conducted by Cori Whitten, Warren Greth, and Joseph Chimienti, and supervised by Ivonia Slade and Rebecca Olsen, all of the Enforcement Division's Public Finance

Abuse Unit.

ADMINISTRATIVE PROCEEDING

File No. 3-22479

[Policy Ambitions, Market Reactions Keep the Municipal Bond Window Wide Open.]

- The current market dynamic—and the attractiveness of municipal yields—are being shaped by a mix of optimism and realism. Key drivers include tariff-related uncertainty, elevated supply in the primary market, heightened investor demand for stronger credit quality, growing concerns over federal fiscal strain, and the recent Moody's downgrade of U.S. sovereign debt.
- Municipal bond yields remain near the peak of generational highs, offering a rare opportunity to lock-in high-quality, tax-advantaged income amid policy uncertainty and market volatility
- In today's relatively higher rate environment, investors can look beyond yield alone and carefully consider structure. Combining defensive features, longer duration, extended call protection, and lower coupons can help reduce reinvestment risk, improve long-term returns, and strengthen a portfolio's resilience across different interest rate scenarios.

Continue reading.

advisorhub.com

by HilltopSecurities

May 29, 2025

[Father And Son Plead Guilty To Defrauding Sports Park Bondholders - U.S. Attorney's Office, Southern District of New York]

Jay Clayton, the United States Attorney for the Southern District of New York, announced today that RANDY MILLER and CHAD MILLER pled guilty to securities fraud and aggravated identity theft in connection with their scheme to defraud municipal bond investors. The defendants pled guilty before U.S. Magistrate Judge Robyn F. Tarnofsky and will be sentenced before U.S. District Judge Lewis A. Kaplan at a later date.

> "Randy and Chad Miller's fraudulent actions resulted in nearly total losses for investors," said U.S. Attorney Jay Clayton. "As today's guilty pleas make clear, this Office remains committed to protecting the integrity of the public finance system and holding accountable those who exploit investors' trust. This case demonstrates the strength of our partnership with the FBI, whose diligent investigation uncovered the defendants' fraud."

According to the allegations contained in the Indictment, the Superseding Information, public filings, and statements made in court:

RANDY MILLER and CHAD MILLER defrauded investors in municipal bonds used to fund the development of a major sports complex in Mesa, Arizona called Legacy Park. In connection with the initial $250 million bond offering in August 2020 and supplemental bond offering in June 2021, the defendants lied to potential investors about the interest sports organizations and other potential customers had in using or relocating to Legacy Park. The defendants and their associates forged and altered purported "binding" letters of intent and other documents from those potential customers to make it appear that the customers were committing to holding many events at Legacy Park, with a significant number of spectators, and agreeing to pay large fees – all far beyond what the organizations were considering, if they were considering Legacy Park at all. In some instances, RANDY MILLER and CHAD MILLER signed and directed others to sign customers' names without the customers' knowledge or permission. At other times, the defendants copied and directed others to copy the signatures of other customers onto the fabricated letters, again without the customers' knowledge or permission. As part of their scheme, the defendants forged documents on behalf of numerous persons and organizations, including an organization that promotes sports for disabled athletes.

RANDY MILLER and CHAD MILLER presented the fraudulent documents to prospective bond investors and incorporated them into their solicitation materials by claiming that Legacy Park would be 100% occupied at opening and would generate nearly $100 million in revenue in its first year of operations, more than enough to cover the bond payments.

After the Legacy Park bonds were sold to investors, RANDY MILLER and CHAD MILLER profited personally from the bond proceeds raised. Legacy Park opened in 2022 and failed shortly thereafter, defaulting on its bonds in October 2022 and filing for bankruptcy in May 2023. The project was later sold in bankruptcy for less than $26 million. Of those proceeds, less than $2.5 million went to repay the approximately $284 million owed to Legacy Park bondholders.

* * *

RANDY MILLER, 70, and CHAD MILLER, 41, both of Phoenix, Arizona, pled guilty to one count of securities offering fraud, which carries a maximum sentence of five years in prison, and one count of aggravated identity theft, which carries a mandatory consecutive sentence of two years in prison. As part of their guilty pleas, money judgments in the amounts of $7,289,134.89 and $4,798,980.19 were entered against RANDY MILLER and CHAD MILLER, respectively.

The maximum potential sentence in this case is prescribed by Congress and is provided here for informational purposes only, as any sentencing of the defendants will be determined by a judge.

Mr. Clayton praised the outstanding work of the Federal Bureau of Investigation. Mr. Clayton also thanked the U.S. Securities and Exchange Commission, which has filed a parallel civil action.

The case is being handled by the Office's Securities and Commodities Fraud Task Force. Assistant U.S. Attorneys Matthew R. Shahabian and Courtney L. Heavey are in charge of the prosecution.

us_v._randy_miller_and_chad_miller_superseding_information.pdf

Contact
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Updated May 28, 2025

Big Issues for Illinois Legislative Session's Final Week Include Public Transit, Pension Reform and Bears.

SPRINGFIELD — Illinois lawmakers head into the final days of their spring session this week looking for ways to close a substantial gap in the budget while at the same time shoring up ailing public transit operations and taking steps to fix inequities in the state's pension system.

The General Assembly also could move on Gov. JB Pritzker's legislative goals, such as further abortion protections and cryptocurrency regulation. Also still unresolved is whether the state will provide any help for the Chicago Bears' potential relocation to Arlington Heights.

As happens every spring, much of the most serious business in the four-month spring legislative session has been left to the final hours.

Continue reading.

yahoo.com

by Jeremy Gorner, Chicago Tribune

Mon, May 26, 2025

Harvard, MIT Lead Elite Colleges' $4 Billion Debt Spree After Trump Threat.

Elite American universities have taken on more than $4 billion in additional debt since March that will help protect their finances as the Trump administration takes aim at their budgets.

Harvard University, the face of the fight, has boosted its debt load 16% after a bond sale in April. The Massachusetts Institute of Technology just ramped up its liabilities 18% to $5.2 billion. Top-tier schools have sold taxable bonds, taken out private loans, and increased capacity for commercial paper, according to data compiled by Bloomberg.

Colleges are using a recession-style playbook to respond to the Trump administration's large-scale funding freezes and proposed research spending cuts. House Republicans also hiked the endowment tax in a bill that now moves to the Senate. And the fight is ramping up with the US ordering its embassies worldwide to stop scheduling interviews for student visas as it weighs stricter vetting of applicants' social-media profiles.

Continue reading.

Bloomberg Markets

By Amanda Albright and Elizabeth Rembert

May 28, 2025

Sports Park Promoters Plead Guilty to $280 Million Bond Fraud.

A father and son from Phoenix pleaded guilty to defrauding several of the nation's biggest investment firms about the business prospects of a failed Arizona sports complex that wound up costing municipal bondholders more than $280 million.

Randy Miller, 70, and his son Chad, 40, entered their pleas Wednesday to securities fraud and aggravated identity theft in Manhattan federal court. Victims of the scheme included Vanguard Group Inc., AllianceBernstein Holding LP, Macquarie Group's Delaware Funds and others firms that invested in bonds linked to their Legacy Park development in Mesa.

The Millers were charged last month with using fabricated letters of intent and fake pre-contracts to claim that various organizations were lined up to use the park. Bloomberg had reported that the pair claimed in bond prospectuses that they had deals with British soccer powerhouse Manchester United and a youth affiliate of US Major League Soccer's Real Salt Lake. Those teams and others later denied signing up with the pair.

Continue reading.

Bloomberg Industries

By Chris Dolmetsch

May 28, 2025

NJ's American Dream Mall Sees Value Drop by $800 Million.

The value of the American Dream mega mall and entertainment complex in New Jersey's Meadowlands plummeted by nearly 25% — a warning sign to municipal bondholders whose debt payments are tied to how much the property is worth.

The 3.5 million square-foot venue, which includes an amusement park, water park and ski slope, was assessed at $2.5 billion by the Borough of East Rutherford for the quarter ending June 30, according to a revised tax bill posted late Tuesday on the Municipal Securities Rulemaking Board's EMMA website. That's $800 million less than the mall's previous appraisal.

At the current assessed value, American Dream will be on the hook for roughly $36.5 million in what's known as payments in lieu of taxes, or PILOTs, to holders of $800 million of the debt — less than the $54.1 million in annual interest that they're owed. Half of that amount is due on June 1.

Continue reading.

Bloomberg Industries

By Martin Z Braun

May 28, 2025

A $5 Billion White Elephant Is Roaming New Jersey's Swamps.

The American Dream megamall and entertainment complex in the Meadowlands isn't coming close to living up to its name.

In the real estate industry, patience is not only a virtue but often a necessity. Consider New York's Rockefeller Center, built by John. D. Rockefeller Jr. during the Great Depression. Although always considered one of the crown jewels of America's property market in the 1930s, the family didn't see a profit from their investment until the 1970s.1

Then there's the $5 billion American Dream megamall and entertainment complex across the Hudson River from New York in the swamps of New Jersey's Meadowlands. Even though the development opened its doors in 2019, it's already destined to look more like a white elephant than a crown jewel.

The 3.5 million-square-foot project that former New Jersey Governor Chris Christie once called "the ugliest damn building" in the state includes an amusement park, water park, ice skating rink and ski slope alongside a hodgepodge of retailers ranging from Spanish fashion house Balenciaga to Build--Bear.

Continue reading.

Bloomberg Opinion

By Robert Burgess

Robert Burgess is the executive editor of Bloomberg Opinion. Previously, he was the global executive editor in charge of financial markets for Bloomberg News.

May 28, 2025

Emory Floats $1 Billion Bond Sale for Campus, Hospital Projects.

Emory University is considering borrowing more than $1 billion of municipal debt to finance projects for its campus and hospital system.

The bond sale for the Atlanta-based private institution is expected in mid-June and will be managed by an underwriting group led by RBC Capital Markets, according to a securities filing that outlined the potential borrowing plan. The tax-exempt debt, which would be issued through Georgia's Private Colleges and Universities Authority, would also refinance outstanding obligations.

Emory's deal would add to a wave of college borrowings as schools tap the capital markets for a stream of projects so far this year. Since the start of January, US colleges and universities have borrowed more than $17 billion of municipal debt, according to data compiled by Bloomberg. That's the fastest annual pace since at least 2014, with more deals to come. In the next several weeks, the University of New England is prepping a $60 million bond sale and Regent University in Virginia is expecting to sell $49.4 million of bonds, documents show.

Continue reading.

Bloomberg Markets

By Arvelisse Bonilla Ramos and Aashna Shah

May 29, 2025

- House-Passed Reconciliation Bill Provides Largest Housing Credit Expansion in Quarter Century.
- Private Credit Eyes Gap in US Infrastructure as Federal Funding Dips.
- Pristine Taxable Munis Seen Gaining After Moody's US Rating Cut.
- Important notice for Indiana practitioners from our friends at Barnes & Thornburg here.
- *In re Jackson Hospital & Clinic, Inc.* – Bankruptcy Court holds that it did not have have the authority – under the Bankruptcy Code – to extend the employment agreements of the law firms and consultants retained in connection with hospital debtor's bankruptcy to also represent an affiliated medical clinic in connection with a proposed restructuring; medical clinic was neither a debtor, nor a debtor in possession and, as such, the medical clinic board was not a party that the law firms and consultants could be employed to represent.
- And Finally, Guns Don't Kill People; Rhode Island Zoning Laws Kill People is brought to us this week by *Koziol Firearms, Inc. v. Marchand*, in which the Koziol brothers petitioned the city to allow it to expand its legal noncomforming auto repair shop to accommodate a firearms manufacturing business. Apparently, the plan was that, when the automotive transmission and repair business would close for the day, the firearms business would be open for "an hour or two a day, five days a week." The Supreme Court of Rhode Island stated, rather drily, that the "Operation of a business that would bring firearms to the neighborhood is counter to the establishment of a residential zone, for the purpose of promoting the public health, safety and general welfare." Regardless, please sign us up for the wielding of firearms manufactured part-time in an automotive transmission and repair shop. What could possibly go wrong? Fingers grow back, right? Right?

BANKRUPTCY - ALABAMA

In re Jackson Hospital & Clinic, Inc.

United States Bankruptcy Court, M.D. Alabama - May 15, 2025 - Slip Copy - 2025 WL 1419423

In connection with the bankruptcy of Jackson Hospital and Clinic ("Debtors"), Debtors filed an Emergency Motion to Amend Employment Applications of the law firms and consultants (the "Professionals") retained by Debtors in connection with the bankruptcy. (the "Motion"). UMB Bank, N.A. filed an objection to the Debtors' Emergency Motion to Amend Employment Applications (the "Objection").

The Professionals sought to amend their employment applications, such that the scope of their employment is expanded to include the potential representation of The Medical Clinic Board of the City of Montgomery, Alabama (the "Medical Clinic Board") in any necessary restructuring efforts.

As the Bankruptcy Court explained, "The Debtors operate their businesses on real property and with the use of certain essential equipment and other personal property owned by the Medical Clinic Board pursuant to, without limitation, that certain Series 2015 Supplemental and Restated Lease Agreement between The Medical Clinic Board of the City of Montgomery, Alabama and Jackson Hospital & Clinic, Inc. dated as of December 1, 2015 (the "Lease Agreement"). Under the Lease Agreement, the Debtors pay rent that equals the debt service obligations under the Health Care Facility Revenue Bonds, Jackson Hospital & Clinic Series 2015. The bonds were issued by the Medical Clinic Board under the Series 2015 Bond Trust Indenture between the Medical Clinic Board and Regions Bank, as trustee, dated December 1, 2015. Under this debt and lease structure and through other transactions with the Medical Clinic Board, the Debtors have been able to purchase, finance, and utilize real and personal property owned by the Medical Clinic Board in a manner that provides favorable tax attributes to the Debtors."

"The Medical Clinic Board does not have a bank account and does not engage in day-to-day business operations. In most respects, the Medical Clinic Board serves primarily as a pass-through entity for the benefit of the Debtors. However, contrary to the Debtors' assertions, the Medical Clinic Board does have its own independent board of directors and officers. It was through the Medical Clinic Board's board of directors, for example, that bonds were authorized and the Lease Agreement was executed."

The Bankruptcy Court denied the Emergency Motion to Amend Employment Applications.

The Bankruptcy Court noted that the Debtors sought an order from the Court authorizing the Professionals to represent the Medical Clinic Board when the Medical Clinic Board currently is not a debtor. In addition, the Medical Clinic Board was not a debtor in possession. As such, the Medical Clinic Board is not a party that the Professionals can be employed to represent. The Medical Clinic Board has no duties under the Bankruptcy Code for which the Professionals can offer assistance. The Court lacks authority to approve or disapprove the selection of attorneys for non-debtor parties.

Accordingly, the Court concluded that it was the duty of the Court to refrain from granting the Motion.

PREEMPTION - COLORADO

County Commissioners of Boulder County v. Suncor Energy USA, Inc.

Supreme Court of Colorado - May 12, 2025 - P.3d - 2025 WL 1363355 - 2025 CO 21

City and county brought state court action against oil and gas producers, alleging injuries to plaintiffs' property and to their citizens arising from defendants' role in exacerbating climate change, and asserting claims for public and private nuisance, trespass, civil conspiracy, and unjust enrichment. Action was removed.

The United States District Court for the District of Colorado remanded action, and then denied defendants' motion to stay remand order pending appeal. Defendants appealed. The Court of Appeals affirmed in part and reversed in part.

Plaintiffs sought writ of certiorari. The United States Supreme Court granted writ, vacated judgment, and remanded action. On remand, the Court of Appeals affirmed the District Court's order remanding the action to state court. On remand, the District Court denied defendants' motion to dismiss for failure to state a claim. Defendants petitioned for order to show cause, which the Supreme Court granted.

The Supreme Court held that:

- Supreme Court would exercise its discretion to hear defendants' appeal since the questions presented had important implications for Colorado and its citizens;
- Federal common law concerning air pollution had been displaced by the Clean Air Act (CAA) and did not preempt plaintiffs' state law tort claims;
- The Clean Air Act (CAA) did not preempt plaintiffs' state law tort claims;
- Federal common law regarding claims brought against pollution emitters, even if not abrogated by the Clean Air Act (CAA), did not apply to preempt plaintiffs' state law tort claims; and
- Federal government's foreign affairs power did not preempt plaintiffs' state law tort claims.

EMINENT DOMAIN - FEDERAL

Kotis Associates, LLC v. United States

United States Court of Federal Claims - April 23, 2025 - Fed.Cl. - 2025 WL 1197003

Owners of 13 parcels of land underlying and immediately adjacent to railroad corridor filed suit seeking just compensation in amount upwards of $44,744,774 plus interest for taking of owner's property allegedly effected by rails-to-trails conversion, authorized by Surface Transportation Board (STB) by issuing notice of interim trail use (NITU), of former railroad right-of-way (ROW) into new easement for trail use subject to preservation for future rail use, known as interim trail use and railbanking (ITUR) easement, owned and operated by city as trail sponsor and created under railbanking provision of National Trails System Act Amendments.

After government conceded liability, owners moved for partial summary judgment as to applicable interest rate, bench trial was held on valuation, and government moved to reopen trial record.

The Court of Federal Claims held that:

- Corridor description adopted by STB was dispositive that ITUR easement was up to 100 feet wide either side of centerline;
- Government was judicially estopped from arguing that STB adopted incorrect description of corridor;
- Scope of city's ITUR easement was not controlled by width of railroad's former ROW;
- City's ITUR easement was exclusive so owners did not have right to use corridor;
- Railroad would have abandoned corridor but for conversion to trail;
- Owners were not entitled to recover cost of building privacy wall;
- Just compensation would be awarded in amount of $42,641,740; and
- Interest would be calculated using Moody's Aaa Corporate Bond rate compounded annually.

ZONING & PLANNING - RHODE ISLAND

Koziol Firearms, Inc. v. Marchand

Supreme Court of Rhode Island - May 13, 2025 - A.3d - 2025 WL 1374672

Landowner appealed decision of city zoning board of review, which denied its application for a use variance application for a use variance to operate a firearms manufacturing and sales business.

After landowner's motion for leave to present additional evidence was denied, landowner filed amended complaint against city, including members of city zoning board of review and city council, seeking declaration that amendment to zoning ordinance was null and void due to procedural defects.

The Superior Court denied landowner's zoning appeal and dismissed landowner's claim for declaratory relief without prejudice. Landowner appealed.

The Supreme Court held that Court was unable to conduct any meaningful review of landowner's request for declaratory relief.

Supreme Court was unable to conduct any meaningful review of request for declaratory relief by landowner, which sought a declaration that amendment to city zoning ordinance was null and void due to procedural defects, and thus vacatur in part of trial court's judgment that dismissed landowner's claim for declaratory relief and remand for trial court to conduct a new hearing was warranted; fact-finding that trial justice must ordinarily undertake in the course of determining whether to grant declaratory relief did not occur, in fact, trial justice made it clear that it was his view that he was unable to conduct the requisite fact-finding based on the record before him, and Supreme Court had no meaningful factual findings or legal determinations upon which to base an analysis.

[S&P Global Tariff Tracker: Rating Actions As Of May 16, 2025.]

S&P Global Ratings believes there is a high degree of unpredictability around policy implementation by the U.S. administration and possible responses–specifically with regard to tariffs–and the potential effect on economies, supply chains, and credit conditions around the world. As a result, our baseline forecasts carry a significant amount of uncertainty. As situations evolve, we will gauge the macro and credit materiality of potential and actual policy shifts and reassess our guidance accordingly [see our research here: spglobal.com/ratings].)

This report does not constitute a rating action.

In response to investors' ongoing interest in tariff impacts on global trade and its corresponding credit effects on issuers we rate, S&P Global Ratings is publishing a biweekly update of rating actions we have taken globally on nonfinancial and financial corporate, sovereign, U.S. public finance, international public finance, and structured finance entities (see list of article titles below), as well as a summary table and supporting charts.

These are public ratings in which 2025 tariff pronouncements are a primary driver of the action. Rating actions may include upgrades, downgrades, outlook revisions, and CreditWatch placements as of May 16, 2025, unless stated otherwise.

Continue reading.

20 May, 2025

House-Passed Reconciliation Bill Provides Largest Housing Credit Expansion

[in Quarter Century.]

This morning, the House passed the 2025 reconciliation legislation, titled the "One Big Beautiful Bill Act," by a 215 – 214 vote, sending the bill to the Senate, which will consider it after it returns from the Memorial Day recess. The bill represents the largest increase in Housing Credit resources since Congress raised the caps on Housing Credits and Private Activity Bonds and indexed the caps for inflation 25 years ago. The bill would:

- Increase the Housing Credit volume cap for 9 percent properties by 12.5 percent for four years: calendar years 2026, 2027, 2028, and 2029;
- Lower the bond financing threshold to 25 percent for 4 percent Housing Credit properties placed in service after December 31, 2025, so long as the bonds financing the project have an issue date between December 31, 2025, and January 1, 2030; and
- Allow state Housing Credit agencies to provide a basis boost of up to 30 percent for properties located in rural and Native American areas placed in service after December 31, 2025, and before January 1, 2030.

Continue reading.

ncsha.org

Published on May 22, 2025 by Jennifer Schwartz

S&P: Tariff Uncertainty Could Weigh On U.S. Public Power Utilities

(**Editor's Note:** S&P Global Ratings believes there is a high degree of unpredictability around policy implementation by the U.S. administration and possible responses–specifically with regard to tariffs–and the potential effect on economies, supply chains, and credit conditions around the world. As a result, our baseline forecasts carry a significant amount of uncertainty. As situations evolve, we will gauge the macro and credit materiality of potential and actual policy shifts and reassess our guidance accordingly (see our research here: spglobal.com/ratings).)

Key Takeaways

- The U.S. power industry faces an acute supply backlog of critical grid components, such as foreign-manufactured transformers, and tariffs could increase the already elevated prices of the equipment and materials.
- S&P Global Ratings believes that whether credit quality will be negatively affected by tariffs will depend on their magnitude and duration and utilities' capacity to recover related costs from their customers.
- Our negative sector outlook does not mean that we contemplate lowering our ratings on a large swath of the public power utilities; rather, in the prevailing inflationary environment, public power utilities are more susceptible to weakening financial metrics and possible downgrades than they were historically.

Continue reading.

22 May, 2025

[S&P Cyber Brief: U.S. Infrastructure Faces Evolving Threats And Federal Policy Uncertainty]

Sovereign-sponsored and politically motivated cyber attacks on critical infrastructure in the U.S. have become more frequent, resulting in a heightened risk of infrastructure failures that could cause significant economic disruptions and loss of life.

U.S. infrastructure providers' preparedness for such attacks, which are often sophisticated compared to more common cyber criminality, is inconsistent due to differing federal regulations and ownership. At the same time, the level of continued federal support for government cyber security institutions is uncertain.

Continue reading.

20 May, 2025

Trump's Funding Threats Build a Case for Private High-Speed Rail.

While California High-Speed Rail's federal funding is in doubt, privately led Brightline West has been chugging along.

California has helped create much of the technology powering the 21st century. But travel between Los Angeles and San Francisco by train still feels trapped in the past.

Now, the state's plan to modernize that corridor — a long-promised high-speed rail line — is facing its most serious threat yet. President Donald Trump has called the project "stupid" and vowed to block $4 billion in federal funds, escalating a broader push by his administration to withdraw support from mass transit initiatives across the country. "This government is not going to pay," he said earlier this month.

The threat lands at a critical moment. After years and years of delays and cost overruns, California's high-speed rail project is approaching a point where additional funding is essential to keep construction moving. Without federal support, state officials warn that progress on the first segment from Bakersfield to Merced could stall — or stop entirely — potentially being the final nail in the coffin for the entire project.

Continue reading.

Bloomberg Markets

By Brian Kahn and Eliyahu Kamisher

May 22, 2025

Private Credit Eyes Gap in US Infrastructure as Federal Funding Dips.

Private credit firms are seeing an opportunity to finance everything from public transit systems to local utilities as the federal government and banks pull back on funding.

US state and local infrastructure is in need of alternative funding sources as pandemic-era stimulus funds wane and the Trump administration seeks to cut costs. As inflation drives up construction costs and government balance sheets are pressured by higher expenses, there are fewer dollars to be allocated to projects.

That’s created an opening for private lenders to snatch up more of the infrastructure market, which would normally be dominated by public funding, according to Andy Prindle, the head of origination at lending firm Foundation Infrastructure Opportunities, a strategy within Foundation Credit.

Continue reading.

Bloomberg Markets

By Aashna Shah and Ellen Schneider

May 22, 2025

WSJ: Trump’s War Against Higher Education Hits the Sector’s Bonds

Analysis say the threat is contributing to an increase in the yields investors are demanding to finance higher education

The Trump administration’s moves against prominent colleges and universities have spread concerns that a wide swath of higher-education institutions could see their borrowing costs rise, while some investors could end up with a win.

President Trump and the Republican-controlled Congress have discussed increasing taxation on, limiting tax benefits for and curbing federal funds to colleges and universities. The rising hostility has municipal-bond investors worried that higher-education institutions could lose an exemption that allows the buyers of their bonds to avoid federal income taxes on their returns.

The threat is contributing to an increase in the yields investors are demanding to finance higher education, according to analysts and portfolio managers. That means costs of capital investments, such as the construction of a new dorm or cafeteria, could go up, likely increasing tuition expenses.

Continue reading.

The Wall Street Journal

By Paulo Trevisani

May 22, 2025

A Big Beautiful Podcast: Bloomberg Masters of the Muniverse

Eric Kazatsky and Karen Altamirano are joined by BI Tax Analyst Andrew Silverman and BI POlicy Analyst, Nathan Dean to discuss the Big Beautiful Bill that was passed by the house and sent to the Senate. Discussed are the impacts to the tax-exempt municipal market, federal spending and the bond market's signalling of displeasure at the current state of affairs.

Listen to the Podcast.

May 24, 2025

Pristine Taxable Munis Seen Gaining After Moody's US Rating Cut.

High-quality taxable municipal bonds are poised to get a boost as the downgrade of the US government by Moody's Ratings will leave investors looking elsewhere for pristine credits, according to Barclays Plc.

The US was stripped of its last top credit rating by Moody's last week on concern about the country's declining fiscal outlook. The federal budget deficit is running near $2 trillion a year, or more than 6% of gross domestic product. Most US states and cities are required to maintain a balanced spending plan.

Municipalities "are more fiscally constrained in their actions as they are often mandated to maintain balanced budgets, and the loss of the US triple-A rating might be a gain for AAA-rated municipalities, as demand for AAA bonds might increase going forward," strategists at Barclays wrote in a research note published Friday.

Continue reading.

Bloomberg Markets

By Danielle Moran

May 23, 2025

Trump's Tax Bill Adds to Bond Market's Woes.

After the tariff scare, Treasury yields are on the rise as investors focus on the worsening fiscal outlook.

Key Takeaways

- Treasury yields are rising amid mounting concerns about an unsustainable fiscal outlook and stubborn inflation.
- Higher yields are a sign that investors see more risk in investing in US debt and are demanding a higher premium to compensate for that risk.
- Strategists say yields could remain elevated if the fiscal picture doesn't change.
- Higher yields mean higher mortgage rates and could hurt stock valuations.

The bond market is looking jittery again, thanks to President Donald Trump's new tax bill. Handwringing over the United States' fiscal deficit is nothing new, but the legislation's advance in Washington this week has set investors on edge, sending yields to their highest levels in months. If passed, the bill would cut taxes without significantly slashing spending, and experts estimate that it would add more than $3 trillion to the deficit over the next decade.

[Continue reading.](#)

morningstar.com

by Sarah Hansen

May 22, 2025

[Impacts of Proposed SALT Cap Hike on Bond & Stock ETF Investments.](#)

The Republican-controlled U.S. House passed President Trump's tax and spending bill by a razor-thin margin of 215-214 votes, adding $3.8 trillion to the national debt. The bill is now headed for the Senate approval. The bill raised the SALT (State and Local Tax) deduction cap to $40,000 (from the current $10,000 limit).

The concession on SALT came after a group of blue-state Republicans, who described themselves as the "SALTY five," hoped for more generous provisions. The new deduction cap applies to those earning under $500,000.

However, the bill is facing fierce opposition from fiscal conservatives, especially around provisions on Medicaid reforms and green energy credits. Analysts warn the expanded bill can add more than $3 trillion to the deficit, which has rattled bond markets and contributed to a U.S. credit rating downgrade by Moody's

[Continue reading.](#)

nasdaq.com

Written by Sanghamitra Saha for Zacks

May 23, 2025

[With Muni Yields Attractive, Green Bonds May Appeal to More Than Just Sustainable Investors.](#)

The outlook for renewable energy, a focus for many green bonds, is bright, says Nuveen's Liberatore.

There's an unusual opportunity in the municipal bond market for sustainable and conventional investors alike today, according to Steve Liberatore, head of ESG/Impact for global fixed income at Nuveen. It lies in so-called green bonds, whose proceeds are targeted toward environmental themes, such as building solar generation, or bolstering the efficiency of power generation and transmission. Liberatore says that even as munis have sagged amid stepped-up bond issuance, green bonds and their relatively safe cash flows look attractive.

Green bonds have a market value of around $2.9 trillion globally. They’re issued by a variety of entities, including corporations—not just municipalities. But they’ve been overlooked, partly because of the disdain for environmental, social, and governance approaches and outflows from sustainable equity funds. The Trump administration has taken an antagonistic stance toward renewable energy and called the future of the Inflation Reduction Act into question. Yet Liberatore believes the outlook for renewable energy (a focus of many green bonds) remains bright.

Over the years, he says, “the rapid growth of the green bond market has come with an ever-increasing diversification of issuers and funded projects. As a result, there are attractive opportunities across the ratings spectrum and up and down the capital stack that could align with any investor’s risk/return parameters.”

Continue reading.

morningstar.com

by Leslie P. Norton

May 21, 2025

SEC Speaks 2025: Key Takeaways from Division of Enforcement Panels

Key Takeaways

1. The SEC’s Division of Enforcement intends to remain a “cop on the beat,” and will refocus on traditional core enforcement areas, such as insider trading, accounting and disclosure fraud, market manipulation, and breaches of fiduciary duties by investment advisers.
2. The SEC will prioritize matters that involve harm to retail investors and dangerous foreign actors, with a renewed emphasis on pursuing charges against individuals engaged in misconduct.
3. SEC enforcement leadership supports more transparency during the pre-charge “Wells” process and pledged to meet with defense counsel at least once (if requested) before charges are instituted.
4. Registered entities can expect the Division of Enforcement to be less focused on exam deficiencies that lack any indication of fraud or harm to investors.
5. The Division of Enforcement has replaced its “Crypto Assets and Cyber” unit with a “Cyber and Emerging Technologies” unit, which will have a particular focus on the misuse of technology and/or terminology (e.g., “artificial intelligence”) to generate excitement around investment products or otherwise commit fraud.

Summary and Highlights

At the SEC Speaks 2025 conference, held in Washington, D.C., from May 19-20, 2025, senior Securities and Exchange Commission (“SEC”) officials shared their observations on what the legal and business community can expect from the SEC’s Division of Enforcement (“Division”) in the years to come. Over the course of two panels1 dedicated to the Division, panelists discussed key enforcement trends and priorities, including the Division’s renewed emphasis on individual liability, harm to retail investors, and dangerous foreign actors. The panelists also affirmed the Division’s continued commitment to traditional enforcement priorities and cautioned the defense bar and the broader public to be skeptical of contrary dire predictions. In addition, the panelists explained some recent reorganization efforts and how these changes will facilitate the Division's work going forward. And the panelists provided the defense bar with guidance regarding effective legal advocacy, cooperation, and recommendations for dealing with the Division's staff during their investigations.

Continue reading.

Ropes & Gray LLP – R. Daniel O'Connor , James R. Drabick, Chimso Okoji and Noah P. Mathews

May 23 2025

Pella Regional Health Center, Iowa: Fitch New Issue Report

Pella Regional Health Center's 'BBB+' rating reflects its strong financial profile, including a robust balance sheet and modest leverage, with management's cost control efforts and CAH status contributing to healthy operating margins, despite recent challenges from inflation and labor costs, and projections indicate operating EBITDA margins of 7%-8% annually, supported by a $40.3 million bond issue for a new cancer center and medical office building expected to enhance market share by 2027.

Access Report.

Wed 21 May, 2025 – 2:28 PM ET

Fort Worth, Texas: Fitch New Issue Report

The 'AA' rating for Fort Worth's water and sewer revenue bonds reflects a very strong financial profile, with low leverage of 4.2x in fiscal 2024 expected to peak at 9.0x in 2028 due to increased capital spending, supported by annual rate adjustments and customer growth, ensuring adequate funds for debt service and capital improvements.

Continue reading.

Wed 21 May, 2025 – 5:06 PM ET

California Health Facilities Financing Authority: Fitch New Issue Report

El Camino Hospital's 'AA' bond rating reflects its strong operating profile, with a robust operating EBITDA margin of 17.5% in FY24, supported by a favorable payor mix and strategic management, and Fitch expects continued strong performance despite future capital plans.

Access Report.

Thu 22 May, 2025 – 2:25 PM ET

St. Petersburg, Florida: Fitch New Issue Report

The ‘AA’ utility revenue bond rating for St. Petersburg, Florida, reflects the system’s very strong financial profile and revenue defensibility, with leverage projected to increase to 8.0x by 2029 due to heightened capital spending, while annual rate increases and a robust capital improvement plan aim to support infrastructure resilience and service reliability.

Access Report.

Thu 22 May, 2025 – 3:31 PM ET

City of Phoenix (AZ): Fitch New Issue Report

The ‘AA+’ rating for Phoenix’s excise tax bonds reflects strong post-pandemic revenue growth and resilience, with the city’s financial reserves expected to remain stable despite a projected 4.5% decrease in general fund revenues in fiscal 2025 due to state legislative actions.

Access Report

Fri 23 May, 2025 – 2:10 PM ET

Oklahoma Water Resources Board (OK): Fitch New Issue Report

The Oklahoma Water Resources Board’s Series 2025 SRF bonds received an ‘AAA’ rating from Fitch, reflecting the program’s strong financial structure, which can withstand hypothetical defaults up to 58.0% with surplus release and 85.6% without, ensuring uninterrupted bond payments.

Access Report

Fri 23 May, 2025 – 3:40 PM ET

NASBO 2025 Introduction to State Budgeting Seminar.

August 13-15 | Indianapolis, Indiana

Registration will close on July 25.

At this time, registration is reserved for NASBO members only. If seats remain available closer to the meeting date, employees from other government entities will be able to register. For questions, contact Meagan Rhodes at mrhodes@nasbo.org.

Click here to learn more and to register.

[Barnes & Thornburg: Major Changes to Expenditure Rate of LIT in SEA 1 (2025)]

New law shifts control over the expenditure rate to counties, phases out existing rates and sets the stage for a uniform structure by 2028.

Indiana Governor Mike Braun signed Senate Enrolled Act 1 (SEA 1) into law last month, introducing a number of changes to the state's property tax and local income tax system. Most of these changes will take effect July 1, 2027, to enable the new rates to be effective January 1, 2028, subject to certain exceptions. Barnes & Thornburg LLP is closely reviewing the provisions of SEA 1 and will continue to provide additional guidance on how this new legislation affects our municipal clients. This alert summarizes the major changes to local income taxes (LIT) and provides a timeline of those changes:

Summary of Major Changes

Expiration of Existing Expenditure Rate: All expenditure LIT rates imposed in a county under IC 6-3.6-6 expire on December 31, 2027, unless the adopting body (the fiscal body of the county) adopts an ordinance to renew the expenditure tax rate beginning on January 1, 2028. The ordinance renewing the expenditure tax rate must be adopted by October 1, 2027. Entirely New Structure: The existing structure with component rates and additional revenue being allocated to public safety, economic development and certified shares is being replaced with an entirely new structure with a maximum expenditure rate of 2.9%. More details on the new structure are available below.

Continue reading.

Barnes & Thornburg LLP

May 19 2025

[SEC Enforcement Leadership Discusses New Priorities and Expectations.]

On May 20, 2025, as part of the annual "SEC Speaks" program, the leadership of the U.S. Securities and Exchange Commission's (SEC) Division of Enforcement publicly discussed the enforcement priorities under new Chairman Paul S. Atkins. A panel of SEC enforcement personnel, including Acting Director of Enforcement Samuel Waldon and others, shed light on the current focus of enforcement activity under the SEC's new leadership and what the Division of Enforcement expects from companies and individuals involved in SEC investigations.

Focus on Traditional Enforcement Areas and Investor Harm

A theme among the panelists was that, despite some media reports to the contrary, the Division of Enforcement will continue its work under new leadership to enforce the federal securities laws and protect investors. Specifically, the panel explained that the SEC will continue to focus on traditional areas of enforcement, including (1) insider trading, (2) accounting and disclosure fraud, (3) fraudulent securities offerings, and (4) breaches of fiduciary duty by investment advisers.

Additionally, within those broad categories, the panel noted that enforcement staff will focus their resources on matters involving harm to investors, especially retail investors. The panel also emphasized the importance of holding individuals – not just companies – accountable for violations.

Continue reading.

by Timothy Halloran

May 22, 2025

Bradley Arant Boult Cummings LLP

New York University to Get $2.13 Billion From Municipal Bond Sale.

New York University said it will use about $2.13 billion from the sale of taxable and tax-exempt bonds to refund existing debt and pay for capital projects.

NYU will receive the money from the Dormitory Authority of the State of New York, which will sell the bonds on the university's behalf, according to documents posted Wednesday on MuniOS.

The deal may close as soon as June 5, and the bonds are expected to be delivered later that month.

The authority plans to issue $1.21 billion of tax-exempt New York University Revenue Bonds Series 2025 A, and $920.7 million of federally taxable New York University Revenue Bonds Series 2025 B.

The bonds are backed by payments made by the university under a loan agreement with the authority.

Proceeds from the Series A bonds will be used for the Series 2025 project, refund all or a portion of the authority's outstanding NYU Revenue Bonds Series 2015 A and retire commercial paper notes, according to the roadshow document. Money from the Series B debt will finance or refinance part of the costs of the Series 2025 project and pay issuance costs.

Interest on the bonds is payable semiannually starting on Jan. 1.

NYU is one of the largest private institutions of higher education in the U.S. It has about 29,700 undergraduate and 27,500 graduate and professional students, and includes 20 schools, colleges, institutes and programs in several major locations in the greater New York City area. The school received more than 120,000 applications for admission for the 2025-2026 school year, up from 85,600 for the 2020-2021 year.

Moody's has assigned a rating of Aa2 and S&P Global Ratings has assigned a rating of AA- to the bonds.

Wells Fargo Securities is the lead manager on sales of the Series A debt, and RBC Capital Markets is lead on the Series B securities.

Provided by Dow Jones May 22, 2025, 3:57:00 PM

By Zaeem Shoaib

Write to Zaeem Shoaib at zaeem.shoaib@wsj.com

(END) Dow Jones Newswires

May 22, 2025 18:57 ET (22:57 GMT)

Chicago's O'Hare Airport Seeks Up to $4.3 Billion of Muni Debt.

Chicago Mayor Brandon Johnson will seek approval from aldermen to sell as much as $4.3 billion of debt for O'Hare International Airport, according to a filing posted on the city clerk's website.

If authorized, proceeds of the bonds will fund infrastructure projects at the facility, as well as refinance outstanding obligations, the ordinance that the mayor is scheduled to propose Wednesday said.

O'Hare is in the midst of a massive modernization plan that seeks to transform the aging hub into a global showcase. It includes a new terminal and the expansion of existing spaces. Last year, United Airlines Holdings Inc. and American Airlines Group Inc. have reached an agreement to press ahead with the development plans.

Continue reading.

Bloomberg CityLab

By Shruti Singh

May 20, 2025

Charlotte Taps Munis for $307 Million to Revamp Booming Airport.

Charlotte, North Carolina, is booming with new residents, rising air traffic and a swelling economy. Now, the city is turning to the municipal bond market to make sure its airport can keep up.

On Wednesday, the city plans to issue $307 million of airport revenue bonds to support a major expansion at the Charlotte Douglas International Airport, the only large hub facility in the Carolinas. The funds will help finance construction of the airport's Fourth Parallel Runway and a renovation of Concourse D.

The 10,000-foot runway is set to open in fall 2027 and is the only new airstrip currently under construction in the US, said Mike Hill, the airport's chief financial officer in an emailed statement. Work on Concourse D will upgrade 99,000 square feet of public space in the international terminal and is scheduled for completion late 2026, according to bond documents.

Continue reading.

Bloomberg Markets

By Aashna Shah

May 21, 2025

[Financial Accounting Foundation Board of Trustees Seeks Nominations for Governmental Accounting Standards Board (GASB) Member.]

Norwalk, CT, May 19, 2025 — The Financial Accounting Foundation (FAF) Board of Trustees today announced the search for a new member of the Governmental Accounting Standards Board (GASB). The seven-member, part-time Board will have an open seat beginning on July 1, 2026, when Jeff Previdi completes his second term on June 30, 2026.

The FAF is responsible for selecting the members of the GASB and its Advisory Council, the Governmental Accounting Standards Advisory Council (GASAC). The Board of Trustees is seeking a highly qualified individual with substantial experience as a user of financial statements to fill the upcoming vacancy.

Beyond this specific professional background, interested candidates must demonstrate a track record of professional conduct that is conducive to the standard-setting process. Important traits include a high level of intellect that is applied with integrity and discipline; the ability to work in a collegial, consensus driven environment; excellent communication skills; and a commitment to advocate for the public interest.

The GASB is comprised of members with experience as state and local government financial statement auditors and preparers, a governmental financial statement user, a public accounting auditor, and a governmental accounting academic. The background and perspective of a state and/or local government user of financial statements is important to the success of the GASB.

The appointment is a part-time role that requires approximately one-third the time commitment of a full-time position. The successful candidate will be appointed to an initial five-year term and may be eligible for reappointment to an additional term of up to five years. A full job description and list of requirements can be found on the FAF website.

To apply for consideration, interested individuals should submit a resume and cover letter and/or CV, along with contact information for five (5) professional references to the attention of Maureen Barry, Senior Consultant, MGT at GovHRjobs.com.

Applications for interested candidates must be submitted by the close of business on July 18, 2025.

- Public Finance Provisions in the House Tax Bill Impacting Municipal Market Participants: Greenberg Traurig
- Siebert Sees Muni Borrowers Asking More of Banks Amid Volatility.
- US States Likely to Defy US Downgrade to Keep Top Credit Ratings.
- Kutak Rock: Tax Reform Passes Ways and Means Test
- Novogradac 2025 Spring New Markets Tax Credit Conference.
- Novogradac 2025 Housing Tax Credit and Bonds Conference.
- L.A. Fires Expose Long-Standing Local and National Water Infrastructure Challenges: Brookings Podcast

- And Finally, IRL Bullying: Board To The Head Edition is brought to us this week by *Doe v. Western Dubuque Community School District*, in which an 8th-grade student was, "…participating in an industrial arts technology class when another student assaulted her over the head with a board. After the assault, Minor Doe was taken from the classroom to the principal's office and left unattended. She was semiconscious. She had blurred vision and a headache. After some time passed, a school nurse came to the principal's office. The nurse brought Minor Doe two ibuprofen tablets. Minor Doe returned to class approximately one hour after the assault." There are those who might suggest that this is a less than ideal medical intervention. Much, much more troubling is the fact that the parents sued the school district for loss of consortium. Either that cause of action is much, much more broad than we'd been led to believe or, uh, someone should probably call CPS. Hopefully they'll have Advil.

RAILS TO TRAILS - GEORGIA

City of Albany v. South Georgia Rails to Trails, Inc.

Court of Appeals of Georgia - May 6, 2025 - S.E.2d - 2025 WL 1302897

Owner of inactive railroad corridor brought breach-of-contract action against city, alleging city failed to construct multi-use trail on property within five years as required by agreement under which owner conveyed property to city in exchange for city developing it for public recreational purposes and installing utility lines.

The trial court denied city's motion to dismiss for failure to state a claim. City appealed.

The Court of Appeals held that agreement was not invalid, void, and enforceable because it allegedly violated statute government requirements for multiyear lease, purchase, or lease-purchase contracts between county or municipality.

IMMUNITY - IOWA

Doe v. Western Dubuque Community School District

Supreme Court of Iowa - May 9, 2025 - N.W.3d - 2025 WL 1349436

Minor student and her parents, individually and on behalf of their child, brought action under pseudonyms against school district and its officials and employees, asserting claims of negligence, breach of fiduciary duty, and loss of consortium after student was assaulted by another student during school.

The District Court granted defendants' motion to dismiss. Student and parents appealed.

The Supreme Court held that:

- Application of any heightened pleading standards of Iowa Municipal Tort Claims Act (IMTCA) to claims not subject to the IMTCA's qualified immunity defense was erroneous; overruling *Nahas v. Polk County*, 991 N.W.2d 770;
- IMTCA's heightened pleading standards were not applicable to the common law tort claims;
- Student's and parents' use of pseudonyms did not, by itself, preclude their action by depriving trial court of jurisdiction;
- Rule of electronic procedure, which provided that names of minor children were protected

information, did not require use of fictitious names for student's parents;
- As matter of first impression, parents were not allowed to use "Doe" pseudonyms for themselves and student;
- As matter of first impression, remedy for unwarranted use of "Doe" pseudonym was to afford student and parents opportunity to amend their pleadings to use parents' real names and student's initials; and
- Fiduciary relationship did not exist between the parties.

EMINENT DOMAIN - NEW YORK

Village of Kiryas Joel v. Mezrich Estates Condominiums

Supreme Court, Appellate Division, Second Department, New York - April 2, 2025 - 230 N.Y.S.3d 659 - 2025 N.Y. Slip Op. 01937

Village commenced condemnation proceeding against condominium complex to acquire property for project to widen roads.

The Supreme Court, Orange County, granted complex's motion to dismiss proceeding as time-barred under Eminent Domain Procedure Law. Village appealed.

The Supreme Court, Appellate Division, held that:

- Three-year statute of limitations period began to run when public hearing on proposed project was held, and
- Village was not entitled to extension of three-year statute of limitations.

PUBLIC UTILITIES - OHIO

In re Application of Harvey Solar I, L.L.C.

Supreme Court of Ohio - April 30, 2025 - N.E.3d - 2025 WL 1240101 - 2025-Ohio-1503

Citizen's group and nearby residents sought judicial review of Power Siting Board's decision approving construction certificate for commercial solar farm. Applicant intervened.

The Supreme Court held that:

- Board did not act unlawfully or unreasonably by issuing construction certificate that did not require applicant to block neighbors' views of project;
- Applicant satisfied its obligations with respect to potential flooding;
- Applicant satisfied its obligation to provide information regarding project's potential impact on wildlife;
- Board did not act unlawfully or unreasonably in evaluating information regarding noise level provided by applicant;
- Applicant did not violate rule governing information to be provided regarding compliance with water quality regulations;
- Board did not act unlawfully or unreasonably in determining that solar farm would serve public interest, convenience, and necessity; and
- Applicant satisfied its obligation to provide information regarding glare.

Power Siting Board did not act unlawfully or unreasonably by issuing construction certificate for proposed commercial solar farm that did not require applicant to block neighbors' views of project; applicant's preliminary landscape plan used vegetative screening to partially screen facility from its neighbors, Board ordered applicant to work with licensed landscape architect to prepare final landscaping plan before beginning construction, and Board's obligation under statute governing issuance of certificate was to determine that facility represented minimum adverse environmental impact, not to ensure elimination of all adverse impacts.

EMINENT DOMAIN - PENNSYLVANIA

Pignetti v. Department of Transportation

Supreme Court of Pennsylvania - April 25, 2025 - A.3d - 2025 WL 1196555

Pennsylvania Department of Transportation (PennDOT) filed declaration of taking for two noncontiguous parcels of land for interstate improvement project.

Property owners filed petition seeking appointment of a board of viewers to determine just compensation for the taking. The Court of Common Pleas granted property owners' petition. PennDOT appealed. The Commonwealth Court reversed. Allowance of appeal was granted.

The Supreme Court held that property owner's two noncontiguous parcels were "used together for a unified purpose," as required for parcels to be valued as one.

Property owner's two noncontiguous parcels were "used together for a unified purpose," as required for parcels to be valued as one for purpose of Pennsylvania Department of Transportation's (PennDOT) condemnation of parcels for interstate improvement project; owner used the two parcels, which were separated by a few as ten feet in places, for the unitary purpose of storing vehicles and equipment used in his electrical business.

EMINENT DOMAIN - TEXAS

Commons of Lake Houston, Ltd. v. City of Houston

Supreme Court of Texas - March 21, 2025 - S.W.3d - 2025 WL 876710 - 68 Tex. Sup. Ct. J. 539

Developer of master-planned community in floodplain brought inverse condemnation action against city, alleging that city's amendment of floodplain ordinance following historic hurricane, to require residences to be built at least two feet above the 500-year floodplain, was a regulatory taking under the State Constitution.

The County Civil Court at Law denied city's plea to the jurisdiction. City filed interlocutory appeal. The Houston Court of Appeals reversed. Developer petitioned for review.

The Supreme Court held that:

- Amendment of ordinance as exercise of police power did not preclude regulatory takings claim;
- Amendment of ordinance to ensure compliance with federal flood insurance program did not preclude regulatory takings claim;
- Regulatory takings claim was ripe for adjudication; and
- Developer had standing to assert a regulatory takings claim

City's amendment of floodplain ordinance to require residences to be built at least two feet above the 500-year floodplain, as an exercise of police power following historic hurricane with catastrophic flooding, did not preclude developer of master-planned community within 100- and 500-year floodplains from having a regulatory takings claim against city under the State Constitution; a regulation could cause a compensable taking even if it resulted from a valid exercise of the government's police power.

[CUSIP Request Volumes for New Municipal Securities Increase in April.]

NORWALK, Conn., May 16, 2025 (GLOBE NEWSWIRE) — CUSIP Global Services (CGS) today announced the release of its CUSIP Issuance Trends Report for April 2025. The report, which tracks the issuance of new security identifiers as an early indicator of debt and capital markets activity over the next quarter, found a monthly increase in request volume for new municipal identifiers, while monthly request volume for new corporate debt and equity identifiers slowed.

North American corporate CUSIP requests totaled 7,676 in April, which is down 9.1% on a monthly basis. On an annualized basis, North American corporate requests were up 2.4% over April 2024 totals. The monthly decrease was driven by a 13.3% decline in request volume for U.S. corporate equity identifiers and a 29.8% decrease in request volume for U.S. corporate debt identifiers.

The aggregate total of identifier requests for new municipal securities – including municipal bonds, long-term and short-term notes, and commercial paper – rose 24.0% versus March totals. On a year-over-year basis, overall municipal volumes were up 21.5% through the end of April. California led state-level municipal request volume with a total of 133 new CUSIP requests in April, followed by Texas (132) and New York (83).

"While corporate debt and equity requests were down sharply in April due to tariff-induced market volatility, strong derivatives volume drove higher overall municipal issuance despite many municipal bond offerings being postponed during the month," said Gerard Faulkner, Director of Operations for CGS. "We'll be watching issuance volume in the coming months to see whether there may be pent up demand for new corporate issuance waiting on the sidelines."

Requests for international equity CUSIPs fell 18.9% in April and international debt CUSIP requests fell 28.5%. On an annualized basis, international equity CUSIP requests were up 12.8% and international debt CUSIP requests were up 21.0%.

To view the full CUSIP Issuance Trends report for April, please [click here].

[Untouched Muni Tax Perk Eases Urge to Flood the Market.]

Municipal bond investors likely felt relief this week when a draft tax bill didn't erase the all-important tax exemption, but that respite may cool this year's market for state and local governments seeking cash.

Most muni bonds pay interest that's exempt from federal taxes, a perk that entices investors without raising an issuer's borrowing costs. Public finance groups had feared the removal of the exemption would be looked at as a way to help fund President Donald Trump's tax cuts, but with the pressure off for now, Barclays municipal strategist Mikhail Foux said municipalities may push back plans for bond sales.

“They’re not under the gun to come to the market and issue deals,” Foux said in an interview. “Now they have time to wait for lower interest rates and bet that the Fed will be cutting later this year and into the next year.”

Tom Kozlik, head of public policy and municipal strategy at Hilltop Securities, had estimated that muni issuance in 2025 would jump 50% from the prior year to $745 billion, largely driven by sellers rushing to close deals before the exemption was culled by lawmakers.

Reaching that number would have required about $62 billion in average monthly sales. If the tax exemption continues to avoid Congressional scrutiny, Kozlik sees muni issuance coming down to around $40 billion per month. In April, muni sales jumped above $51 billion.

But he warned that Monday’s tax proposal was the start of a long process, and that pressure on the tax exemption could arise in future conversations about how to reduce the nation’s deficit.

“From a big picture, municipals aren’t safe,” Kozlik said. “This is a very dynamic environment.”

Bloomberg Markets

By Elizabeth Rembert

May 16, 2025

Siebert Sees Muni Borrowers Asking More of Banks Amid Volatility.

State and local borrowers are asking more of Wall Street banks when they select underwriters for municipal-bond deals, according to Gary Hall, the head of infrastructure and public finance at Siebert Williams Shank & Co.

Issuers in the $4 trillion muni market are increasingly querying banks during the underwriter selection process about their willingness to use their balance sheet to support transactions, Hall said in an interview on the sidelines of a Bond Buyer public finance conference in Atlanta. This comes as investors, including banks and insurance companies, are being more selective in what they buy, he said.

“Issuers are asking that question more in RFPs, ‘Are you willing to use your balance sheet?’ and ‘How are you willing to use your balance sheet?’” Hall said, referencing the request for proposals that governments send out for underwriters. “That’s one of the reasons to make a concerted effort to make sure we had sufficient resources to be that player in the marketplace.”

This comes amid uncertainty across markets. Last month, municipal-bonds suffered their worst day in decades as investors sold off holdings amid the volatility caused by President Donald Trump’s tariff plans. Several deals were postponed amid the rising yields and market volatility. After last month’s swings, supply is picking up and investors are coming back.

Hall, who has over 25 years of experience in munis, said during a panel at the conference that he’s seeing a consistent rise in unsold balances on muni transactions, adding that the trend keeps him up at night. Siebert is finding the need to tap its own balance sheet more, he said.

His firm received an undisclosed investment from Apollo in 2022 that was expected to “significantly increase” its underwriting capacity. The commitment aimed to draw larger deal flow. Last year, Siebert was ranked as the 11th-largest underwriter of long-term muni debt having managed $16.6 billion of deals, according to data compiled by Bloomberg. That’s up three slots from 2021 when the bank managed $8.2 billion.

“We’re doing larger deals now, that requires sometimes us stepping up in order to do these deals and that’s something that now is more the norm than it used to be,” Hall said.

Bloomberg Markets

By Aashna Shah

May 19, 2025

US States Likely to Defy US Downgrade to Keep Top Credit Ratings.

US states from Florida to North Carolina and Texas would likely hold onto top-notch credit scores from Moody’s Ratings, mostly because they’re in better fiscal shape than the federal government itself.

More than a dozen states have pristine triple-A ratings from Moody’s, according to Bloomberg-compiled data, ranking them higher than the US government, which was stripped of its last top credit rating on Friday. That’s in part thanks to requirements for all but one, including the District of Columbia, to balance their operating budget in some form, according to a 2021 report by the National Association of State Budget Officers.

Analysts at JPMorgan Chase & Co. also suggested in a note on Friday that states should be relatively immune. They cited a Moody’s report from 2023, when the ratings firm changed its outlook on the US government to negative, that few public finance issuers were directly affected by that revision.

Continue reading.

Bloomberg Markets

By Amanda Albright and Scott Carpenter

May 18, 2025

NASBO Budget Blog: States’ Revenue Forecasts Mostly Revised Down Over Recent Months

As states work to finalize their budgets for fiscal 2026, many have published revised revenue forecasts, with most having revised estimates downward. A number of revenue forecasts discussed heightened economic uncertainty partly brought upon by changes at the federal level, while stating a cautious approach is warranted. Specifically, revenue forecasts noted the impact of potential changes in federal spending, federal tax provisions, trade policy including tariffs, federal workforce levels, immigration, geopolitical events, and consumer confidence in explaining the revisions. The lowered revenue forecasts come at a time when states already have been experiencing tighter budgets due to slower revenue growth, increasing expenditure demands, and the winddown of federal COVID aid. In this environment, new money is limited, and some states are projecting budget gaps in the out-years as expenditure growth – particularly in Medicaid – is expected to outpace revenues.

Listed below are highlights from recent state revenue forecasts detailing changes in projections as well as explanations of the revenue revisions. For more information, please visit NASBO’s website for links to updated state revenue forecasts.

Continue reading.

National Association of State Budget Officers

By Brian Sigritz

Fitch United States Quarterly Credit Snapshot: 2Q25

View the Fitch Credit Snapshot.

Wed 14 May, 2025

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

In April 2025, S&P Global Ratings maintained 27 ratings and took four positive rating actions on U.S. not-for-profit health care providers. In addition, we revised two outlooks favorably.

There were no downgrades or unfavorable outlook revisions in April.

We also assigned ratings to 14 new debt issuances for nine systems, four stand-alone hospitals, and one long-term-care facility.

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

Continue reading.

13 May, 2025

NLC: Utilizing Clean Energy Finance Programs in Your Community

The Inflation Reduction Act (IRA) continues to provide new opportunities for local leaders to advance clean energy projects in their communities.

These clean energy programs, grants and tax credits have been a target for repeal by some

Members of Congress (PDF). However, cities, towns and villages can utilize them to deploy solar energy projects, purchase electric vehicles or install electric vehicle charging infrastructure, retrofit homes to reduce energy costs and more.

Two provisions in IRA for municipalities to access are the Elective Pay tax credits and the Greenhouse Gas Reduction Fund. These programs can support the work of cities, towns and villages in meeting their climate action goals and reducing energy costs for residents by bringing new financial support to critical projects.

As litigation on the Greenhouse Gas Reduction Fund continues and Congress scrutinizes clean energy programs as possible funding offsets for legislation to extend the 2017 tax package, projects are underway in communities.

Continue reading.

National League of Cities

By: Carolyn Berndt

May 13, 2025

Nossaman: America’s Infrastructure Improves to a C Grade on the ASCE’s 2025 Report Card

America’s Infrastructure Improves to a C Grade on the ASCE’s 2025 Report CardFounded in 1852, the American Society of Civil Engineers (ASCE) is the country’s oldest and largest civil engineering organization. Since 1998, the ASCE has issued a quadrennial assessment of the U.S.’s infrastructure networks known as the Report Card for America’s Infrastructure. The Report Card uses an A to F grading system and examines the country’s current infrastructure conditions and needs, assigning grades and making recommendations on how to improve those grades … Continue

By Adeyemi Ojudun on 05.16.2025

Nossaman LLP

Maximizing Water Utility Investment: TCO and ROI

For water utilities, wise investments hinge on understanding the full financial picture. Total Cost of Ownership (TCO) is a strategic framework that goes beyond upfront costs, revealing the true value of water system investments over their lifetime, typically 20 years for advanced metering infrastructure (AMI). Kamstrup’s TCO analysis empowers utilities to optimize budgets, boost efficiency, and justify upgrades to stakeholders.

TCO encompasses hardware, installation, software, maintenance, and savings from reduced losses. Unlike Return on Investment (ROI), which is speculative, Kamstrup’s TCO uses predictable, verifiable data for transparency. Key levers include hardware investment, ongoing software costs, and meter reliability, with Kamstrup’s 0.25% annual failure rate saving millions compared to competitors’ 2.3%

TCO shines in evaluating RFPs, gaining finance team approval, and persuading boards by translating tech into trusted financial terms. Kamstrup’s customizable TCO calculator uses utility-specific inputs like water revenue and losses to deliver actionable outputs. For example, a 75,000-connection utility could save 87.2% with Kamstrup’s RF solution versus cellular, avoiding costly lid replacements.

Continue reading.

Water Finance & Management

by WFM Staff

May 1, 2025

Highway Shakedown: How Local Road Users are Subsidizing State Highway Investments

Executive summary

The axiom that “the user pays” is one of the central ideas to how the United States invests in its publicly owned roads. For decades, federal and state governments have charged road users—most notably through gasoline taxes—and then reinvested those revenues back into the transportation system. Policymakers then have the responsibility to match spending to physical need and relative contribution, particularly when state and local governments own different but interdependent portions of the national network. Such accountable spending is even more important for localities that don’t directly control the gas tax revenues.

Based on an assessment of national driving and spending patterns, it’s clear that local governments are not getting a fair deal. While locally owned roads host 34% of all vehicle miles traveled in the United States—generating a significant sum of tax revenue—states spend only 16% of their total disbursements on local roads, whether those are spent directly or by sub-awarding money to local governments. Meanwhile, congressionally approved formulas overly prioritize state discretion around which federal gas tax revenues will reach locally owned road networks.

It’s little surprise, then, that physical conditions on local roadways are significantly worse than state roadways. For example, 49% of locally owned principal arterial mileage—America’s major roadways—are in poor condition, compared to 7% of mileage on similar state-owned roads.

These funding disparities break the user-pay promise, but they can be addressed. Congress should adopt programming to directly allocate funds to localities and their regional partners. By our estimation, local governments can lay claim to $10 billion in annual federal funding simply as their portion of annual roadway distributions from the Highway Trust Fund. Such funding amounts could have profound effects on addressing America’s backlog of roadway maintenance and make every driving trip more reliable.

Continue reading.

The Brookings Institution

by Adie Tomer and Ben Swedberg

April 24, 2025

[Brookings: The Regional Transportation Block Grant]

Principles for a new federal surface transportation program

Summary

Since the completion of the Interstate Highway System, congressional lawmakers have routinely revisited surface transportation programs to better reflect the country's contemporary investment needs. A long-standing gap is investment at the local and regional level. Those transportation networks keep the economy moving every day, and their roadways and industries contribute significant direct funding to federal transportation accounts. However, even with enormous demand for both routine maintenance and transformative projects within their jurisdictions, current federal programs fail to deliver adequate funding to the local and regional level.

A new Regional Transportation Block Grant program (RTBG) is ideally suited to address these deficiencies and modernize the federal commitment to regional prosperity. A new formula program can reduce administrative costs, promote faster project delivery, improve accountability, and simply deliver more projects in regions of all sizes. Using current tax contributions as a baseline, we recommend a $10 billion annual program that includes the following characteristics:

- Metropolitan planning organizations (MPOs) should be the direct recipients, whose boards would then suballocate funds to municipalities. State officials would distribute money to municipalities outside MPO boundaries.
- The RTBG can use the same project eligibility and matching rate rules as the Surface Transportation Block Grant program.
- Congress should modernize accountability requirements, permit spending on multisectoral planning, and expand asset management practices with states and regions.

Continue reading.

The Brookings Institution

by Adie Tomer and Ben Swedberg

May 8, 2025

Kutak Rock: Tax Reform Passes Ways and Means Test

On the Hill

Around 8:00 a.m. (ET) this morning, the House Ways and Means Committee voted to approve its tax reform legislation. While there were spirited discussions on several issues during the almost 17-hour session, the tax-exempt status of bonds did not come up. All proposed amendments were rejected in favor of maintaining the language as initially released on Monday.

The legislation as just passed by Ways and Means:

- Provides a 12.5% allocation increase for 9% LIHTC transactions for 2026-2029
- Lowers the bond financing requirement from 50% to 25% for 4% LIHTC deals for 2026-2029
- Designates Indian areas and rural areas as “Difficult Development Areas” and adds 30% boost in basis for 2026-2029
- Permanently extends increased individual alternative minimum tax exemption amounts and phase-out thresholds
- Permits the full expensing for domestic manufacturing structures during year placed in service
- Renews, extends and modifies eligibility for another round of Opportunity Zones
- Allows the Treasury Secretary to suspend the tax-exempt status of any organization that the Department of Treasury determines has provided more than a minor amount of support to a listed terrorist organization

What This Means for Tax-Exempt Bond Issuers

Continue reading.

Kutak Rock LLP

May 14, 2025

Joe Gotelli Discusses Advantages of Active Municipal Bond Strategies.

With advisor enthusiasm mounting towards fixed income strategies, many portfolios are looking to build municipal bond exposure. Joe Gotelli, vice president and senior portfolio manager for American Century Investments®, recently sat down with VettaFi to break down the advantages of municipal bonds, American Century’s fund library, and more.

A Muni Opportunity

Nicholas Wodeshick: Broadly speaking, all this uncertainty from the U.S. equity market is causing many investors and advisors to pivot to more fixed income allocations. What do you think munis offer at this moment that could be more attractive than other fixed income strategies?

Joseph Gotelli: The uncertainty that we saw in the month of April created a dislocation in the tax-exempt market in particular. Concerns around either federal funding cuts, the budget that’s going to be necessary to extend the Tax Cuts and Jobs Act, or even the longer-term implications of tariffs really incited a lot of this volatility. The muni market was already more or less on edge coming into the end of March, where seasonal headwinds of less demand paired with supply that had been front-loaded into the year really had brought us to a point where, not only from an absolute level, but from a relative basis, the muni market was looking pretty attractive for retail investors in the United States.

Continue reading.

etftrends.com

by Nick Wodeshick

May 14, 2025

[Such Attractive Yields in High-Grade Munis Are Rare and May Not Last Long.]

According to this munis expert, the last time munis were this cheap was a brief period in 2023. If you kicked yourself for missing out then, you have a second chance now.

Municipal bond investors may have a rare and compelling opportunity to lock in high yields.

High-grade municipal bond yields, particularly at the long end of the curve, are near their highest levels in over a decade, according to the Bloomberg Municipal Bond Index through May 8.

And the ratio of the tax-equivalent yield on 30-year AAA-rated munis vs U.S. Treasuries is currently sitting just above 90%, according to Bloomberg's Evaluated Pricing Service as of May 8.

Continue reading.

kiplinger.com

By Paul Malloy

published 16 May 2025

Financial Analyst Sees a Bright Present for Municipal Bond Investors.

High-tax-bracket investors have an excellent opportunity to secure low-volatility, high-quality returns at yield levels rarely seen in over a decade.

For over a decade, fixed-income investors navigated a barren yield environment shaped by an era of relentless monetary intervention.

The Federal Reserve's prolonged near-zero interest rate policy and aggressive bond-buying programs — designed to resuscitate economic growth — effectively suppressed yields, leaving investors starved for cash flows.

However, the bond market landscape has changed significantly, giving investors new opportunities to generate meaningful income. We see this clearly in the municipal bond market.

Continue reading.

kiplinger.com

By Peter Aloisi, CFA® Charterholder

Novogradac 2025 Spring New Markets Tax Credit Conference.

June 5, 2025 to June 6, 2025 Fairmont Washington D.C.

Click here to learn more and to register.

Novogradac 2025 Housing Tax Credit and Bonds Conference.

September 25, 2025 to September 26, 2025 Grand Hyatt Nashville

Click here to learn more and to register.

Public Finance Provisions in the House Tax Bill Impacting Municipal Market Participants: Greenberg Traurig

The House Committee on Ways and Means advanced a tax bill on May 14, 2025, as part of the budget reconciliation legislation aimed at enacting the Trump administration's fiscal priorities. Notably, the proposed legislation does not eliminate or limit the exclusion of interest from gross income for federal income tax purposes for any class of municipal bonds. Among the proposed changes to current tax law, the bill includes provisions impacting the municipal market and its participants that would:

1. enhance the low-income housing tax credit,
2. increase the rate of, and the range of institutions subject to, the endowment tax added in 2017,
3. make technical amendments to the small issue manufacturing bond provisions, and
4. curtail the continued availability of clean energy credits for new projects.

Low-Income Housing

The bill proposes several changes to the low-income housing tax credit program, including:

- Temporarily lowering the tax-exempt bond-financing requirement for projects using the "4%" low-income housing tax credit to 25% of the project's aggregate basis, down from the current 50%. This lower threshold would apply to buildings placed in service after Dec. 31, 2025, where at least 5% of the financing is sourced from bonds issued between Dec. 31, 2025, and Jan. 1, 2030.
- Increasing the ceiling on housing tax credits allocable by states by 12.5% for calendar years 2026 through 2029.
- Raising the eligible basis for buildings placed in service between Dec. 31, 2025, and Jan. 1, 2030, by up to 30% for projects in rural and Indian areas, as defined under section 4(11) of the Native American Housing Assistance Self Determination Act of 1996.

Endowment Tax

The proposed legislation includes changes to the excise tax imposed on private colleges, universities, and foundations:

- Increasing the excise tax rate for private colleges and universities with endowments of more than $750,000 per eligible student from the current flat rate of 1.4% to an annual rate ranging between 7% and 21%, depending on the institution's student-to-endowment value ratio.

- Narrowing the definition of eligible students to those meeting the student eligibility requirements under section 484(a)(5) of the 7 Higher Education Act of 1965, generally limited to U.S. citizens and permanent residents.
- Including income derived from student loan interest and royalties from federally subsidized research in the calculation of net investment income subject to the excise tax.
- Exempting certain religiously affiliated colleges and universities from the endowment tax.
- Raising the excise tax rate on private foundations' net investment income from the current flat rate of 1.39% to an annual rate of up to 10% for private foundations with assets of at least $5 billion.

Small Issue Bonds

The bill proposes technical changes to Section 144 of the Internal Revenue Code to reflect updates made to the capitalization of certain startup costs.

Clean Energy Tax Credits

The bill aims to accelerate the phase-out and termination of various clean energy tax credit programs:

- Gradually phasing out the 48E Investment Tax Credit and 45Y Production Tax Credit starting in 2029, with full elimination by 2032.
- Repealing the transferability of credits for projects commencing construction after Dec. 31, 2027, and clean fuel production starting after the same date.
- Terminating tax credits for electric vehicles and chargers sold or placed in service after Dec. 31, 2025, with limited exceptions.

Next Steps

The reconciliation bill, including these tax provisions, will be consolidated by the House Budget Committee and subsequently reviewed by the Rules Committee before consideration on the House floor. Once passed, the bill will require approval by both chambers of Congress, with differences resolved before enactment. The legislative process may bring changes to these tax provisions.

Greenberg Traurig – Solomon Cadle, Vanessa Albert Lowry and Louis Couture

May 14 2025

Why Munis Still Make Sense: Compelling Yields in a Changing Landscape

> Despite policy uncertainty, municipal bonds continue to offer compelling yields and experience strong investor demand, making them an attractive tax-advantaged income option in today's market.

Back in March, we wrote that the tax-exemption status of municipal bonds faced growing uncertainty as policymakers weighed major tax changes. While risks loomed, the case for munis remained grounded in one thing: compelling yields.

As of early May, the theme is unchanged—but the backdrop has evolved.

Continue reading.

vaneck.com

by Jim Colby
Senior Municipal Strategist

May 14, 2025

Leander Independent School District, Texas: Fitch New Issue Report

Leander Independent School District's 'AA+' rating reflects its strong financial resilience, with unrestricted general fund reserves at 42% of spending and a robust demographic and economic profile, though it faces elevated long-term liabilities due to enrollment growth pressures.

Access Report

Fri 16 May, 2025 – 2:37 PM ET

Colorado Water Resources & Power Development Authority: Fitch New Issue Report

The Colorado Water Resources & Power Development Authority's State Revolving Fund programs have been rated 'AAA' by Fitch, reflecting their robust financial structure, which can withstand hypothetical defaults up to 100%, and their diverse pool of 283 obligors, with the top 10 comprising 31% of the portfolio, ensuring strong debt service coverage and a Stable Outlook.

Access Report

Wed 14 May, 2025 – 2:25 PM ET

Lakeland (FL): Fitch New Issue Report

Lakeland, Florida's upgrade to 'AA+' reflects improved economic and demographic indicators, a robust reserve position with $71.3 million in the general fund (44.6% of spending) and $230 million in the public improvement endowment fund, and strong long-term liability metrics, with the city's fiscal 2024 general fund budget totaling $175 million and a 7% net operating surplus.

Access Report

Tue 13 May, 2025 – 5:17 PM ET

[New York State Dormitory Authority (NY): Fitch New Issue Report]

Fitch Ratings has assigned an 'AA-' rating with a stable outlook to the Dormitory Authority of the State of New York's $1.1 billion School Districts Revenue Bonds, highlighting strong state support for education and increased state school aid, which will total over $37 billion in the 2026 school year, up from $35.7 billion in 2025, while noting that the state's fiscal year 2025 ended with total tax receipts of $117.5 billion, $6.7 billion better than forecasted.

Access Report

Tue 13 May, 2025

Fort Worth (TX): Fitch New Issue Report

Fitch Ratings has assigned an 'AA' rating to Fort Worth, TX's multipurpose arena venue project bonds and an 'AA-' rating to the convention center venue project bonds, reflecting expectations of pledged revenue growth exceeding U.S. GDP, solid resilience in maximum annual debt service coverage, and a significant cash balance in reserves, while noting the vulnerability of hotel occupancy taxes to economic fluctuations and the city's financial resilience assessment of 'aaa' based on budgetary flexibility and strong population growth.

Access Report

Tue 13 May, 2025

L.A. Fires Expose Long-Standing Local and National Water Infrastructure Challenges: Brookings Podcast

- While the visible destruction to homes, businesses, and livelihoods has understandably garnered most of the attention, the Los Angeles fires are also a reminder of the struggles to recognize and reinvest in the country's water infrastructure.
- Nationally, more than $744 billion is needed to address all the drinking water and wastewater improvements needed over the next two decades, from fixing leaking pipes to upgrading treatment plants.
- Climate resilience districts can bring together local governments and other service providers into one unit at a greater scale to fight a range of climate hazards.

Listen to Podcast

The Brookings Institution

by Gregory Pierce, Joseph W. Kane, and Robert Puentes

May 7, 2025

Chicago Taps Loop Capital Founder to Fix $1 Billion Hole.

Loop Capital founder Jim Reynolds will co-lead a working group established by Chicago Mayor Brandon Johnson to find ways for the city to close its deficits that are projected to top $1 billion in each of the next two years.

Reynolds, who began his muni career as a short-term bond trader in 1981 and founded Chicago-based Loop in 1997, will serve as co-chair of the group with Chicago Urban League Chief Executive Officer Karen Freeman-Wilson, the former mayor of Gary, Indiana. Johnson, who confirmed the appointments in an interview at City Hall, said the group will meet for the first time on Saturday. Reynolds didn't respond to requests for comment on Monday, and Freeman-Wilson directed queries to the mayor's office.

The group, expected to include civic, labor, business and elected leaders, will convene to help the nation's third-largest city address its massive fiscal challenges. Chicago's budget shortfalls are growing, its pension debt has ballooned to about $37 billion, and spending is outpacing revenue.

Continue reading.

Bloomberg CityLab

By Shruti Singh

May 12, 2025

SALT Cap Hike Risks Denting Muni Appeal in New York, California.

A long-awaited House bill could dull the allure of municipal bonds in some states by tripling the federal deduction limit to $30,000, even as the legislation looks to keep the securities tax exempt.

Filers are currently limited to deducting no more than $10,000 of their state and local taxes (SALT) on their federal tax forms. That has helped buoy demand for tax-exempt debt sold in higher-tax states such as California, New York and New Jersey. Lifting the cap to $30,000 would make such debt less appealing to investors, potentially weighing on prices for bonds sold in those states, wrote Abby Urtz, head of product strategies and economics at FHN Financial, in a report Tuesday.

"Any increase in the SALT cap would be positive for credit quality in high tax areas but negative for spreads in these places as it would create less incentive to shelter income from taxes," Urtz wrote.

States and cities sell tax-exempt bonds to pay for infrastructure upgrades on roads and bridges, school buildings, water and sewer systems, hospitals and mass transit. When investor demand for the debt declines, yields on the securities rise, increasing borrowing costs for public-works projects.

The House Ways and Means Committee released the tax bill on Monday. It allows the deduction for individuals making less than $200,000 and households earning less than $400,000. President Donald Trump in 2017 placed the $10,000 cap on the deduction, with that limit set to expire next year. Federal lawmakers are seeking to approve the bill sometime this year.

Raising the limit can benefit states. A higher limit helps states by giving their residents tools to ease their federal tax burden, said Matt Fabian, partner at Municipal Market Analytics.

"The SALT deduction is really about giving states operating flexibility," Fabian said. "It's giving the states a first crack at taxing their residents' incomes."

States are bracing for potential cuts in federal spending. The tax bill proposes states taking on more of the cost for the Supplemental Nutrition Assistance Program, known as food stamps. Republican lawmakers are also seeking to reduce Medicaid spending.

The deduction helps strengthen states' credit quality and a higher cap could help states if the federal government pulls back on aide and grant funding.

"With all of the credit pressures coming for states, any little bit of additional operating flexibility allowing them to raise taxes a bit more or to relieve the economic burden from their current tax rates is all good," Fabian said.

Bloomberg Markets

By Michelle Kaske

May 13, 2025

NFMA Announces Awards to Five at Annual Conference.

On May 8, 2025, the NFMA Awards Committee, led by John Ceffalio, Northern Trust, Immediate Past Chair, presented five awards. The first was to Casey Ryan, Invesco, who was recognized with the Rising Star award. Second was Brent Miller, Mairs & Power, whose work and contributions to the NFMA were acknowledged with the Meritorious Service award. Emily Brock, GFOA, was presented with the Industry Contributions award for her advocacy on behalf of the municipal industry. Two individuals were recognized for Career Achievement: Dan Aschenbach, AGVP Advisory, and Robin Prunty, S&P Global Ratings US Board.

Join us in congratulating all for well-deserved recognition!

GFOA Releases April Issue of Government Finance Review.

What's in the April Issue of GFR?

The latest issue of Government Finance Review features articles on our upcoming membership changes, an overview of effective project governance, updates on the latest PCI standards, insights into the art of writing fiscal notes, understanding new solutions for public-sector risk management, member spotlights, and much more. Don't miss the opportunity to stay informed and inspired.

Read Online

- Fitch: US Public Finance Issuers Broadly Resilient to Federal Policy Pressure
- Boston Economy Challenged by White House Policies, Moody's Says.
- Tax-Exemption on Muni Bonds 'Untouched' in House Tax-Cut Plan.
- There's a $1 Trillion Time Bomb Ticking in Muni Finances.
- Local Officials Brace for Loss of Disaster Preparedness Funding.
- Are Sanctuary Jurisdictions a Credit Risk?
- Federal Budget Legislation Update and Impact to Local Governments: NLC Webinar
- *Burns v. City of San Antonio by and Through City Public Service Board of San Antonio* – In action challenging bond validation after the fact, Court of Appeals holds that City's notice by publication of its declaratory judgment action brought under the Expedited Declaratory Judgment Act (EDJA) seeking a final validation of the issuance was sufficient and that challenger's due process rights had not been violated due to City's failure to serve them personally with notice of the EDJA bond validation action.
- And Finally, Res Ipsa Oh My God What's That Smell? is brought to us this week by *Ferguson v. City of Sunrise Beach*, in which homeowners sued the city after it "discharged improperly treated wastewater that flowed onto their properties and into nearby cove, causing loss of use and enjoyment of properties." There does exist the possibility that the presence of raw sewage is incompatible with use and enjoyment. Opinions differ. Plaintiffs alleged that, "…improperly treated wastewater contained high levels of e-coli [sic]…" Couldn't have said it better ourselves.

PUBLIC UTILITIES - IDAHO

Edwards v. Idaho Public Utilities Commission

Supreme Court of Idaho, Boise, February 2025 Term - April 24, 2025 - P.3d - 2025 WL 1185585

Homeowners appealed decision of the Public Utilities Commission granting electrical utility's motion to dismiss formal complaint which homeowners' had filed with the Commission after utility stated it would terminate service if homeowners refused to allow utility to install a "smart" electrical meter at the property.

The Supreme Court held that electric service regulations of electrical utility's tariff granted utility authority to access homeowners' existing analog meter and replace it with a "smart" meter.

Homeowners failed to support with sufficient authority their claim that the Idaho Constitution protects their right to refuse replacement of an existing analog electrical meter with a new "smart" meter, while still benefiting from utility's services, due to health and safety concerns, and thus waived that argument on appeal of the Public Utilities Commission's dismissal of homeowners' complaint challenging utility's right to terminate service if homeowners would not consent to replacement of meter, where homeowners relied solely on an amicus brief filed in a Pennsylvania case for evidentiary support, without supplying any foundation for the factual assertions it contained, and homeowners did not offer any explanation for how the Idaho Constitution would allow a private cause of action and cited no cases interpreting or applying the Idaho Constitution to constrain the powers of a private entity.

WHISTLEBLOWING - MICHIGAN

Stefanski v. Saginaw County 911 Communications Center Authority

Supreme Court of Michigan - April 14, 2025 - N.W.3d - 2025 WL 1107897

Former employee of county 911 communications center brought action against center, alleging unlawful retaliation in violation of Whistleblowers' Protection Act (WPA) for reporting supervisor's gross negligence in handling of 911 call that resulted in victim's death.

The Circuit Court granted center's motion for summary disposition, and employee appealed. The Court of Appeals affirmed. Leave to appeal was granted.

The Supreme Court held that:

- As matter of first impression, word "law," as used in WPA, includes common law, and
- Fact issues remained as to whether employee's complaints about supervisor's purported gross negligence constituted report of violation or suspected violation of "a" law.

EMINENT DOMAIN - MISSOURI

Ferguson v. City of Sunrise Beach

Missouri Court of Appeals, Southern District, In Division - April 1, 2025 - S.W.3d - 2025 WL 972195

Past and current landowners of eight separate lots brought nuisance and negligence claims against city, alleging that city's wastewater treatment facility discharged improperly treated wastewater that flowed onto their properties and into nearby cove, causing loss of use and enjoyment of properties.

After jury returned verdicts for all landowners on their negligence claims and for several landowners on their nuisance claims, the Circuit Court denied city's motions for judgment notwithstanding the verdict and for new trial or remittitur. City appealed.

The Court of Appeals held that:

- Inverse condemnation was exclusive remedy for landowners, and
- Landowners were entitled to remand to amend their petition to plead inverse condemnation claim.

Inverse condemnation was exclusive remedy for landowners whose properties were allegedly damaged by city's wastewater treatment facility's discharge of improperly treated wastewater that flowed onto their lands; landowners' claims for damages amounted to claim that entity with power of eminent domain took privileges away from them regarding their use and enjoyment of their properties, such that loss of use of their properties from odor and other impacts of nuisance was not damages, but rather was part of analyzing what properties were fairly worth as factor to be considered when valuing properties for inverse condemnation purposes.

Landowners were entitled to remand to amend their petition to plead claim of inverse condemnation in their action against city alleging that city's wastewater treatment facility discharged improperly treated wastewater that flowed onto their properties and caused loss of use and enjoyment of properties; landowners chose to assert nuisance and negligence claims against city not as matter of trial strategy, but because they mistakenly believed that their tort claims, with valid waiver of city's sovereign immunity, could be brought in lieu of inverse condemnation claim, and simple fairness required that they be given meaningful day in court.

MUNICIPAL ORDINANCE - MISSOURI

[City of Normandy v. Kehoe]

Supreme Court of Missouri, en banc - April 15, 2025 - S.W.3d - 2025 WL 1117732

Municipalities and taxpayers filed petition challenging constitutionality of statutes relating to revenue that municipalities could generate from minor traffic and municipal ordinance violations, and which established reporting requirements for same.

The Circuit Court entered judgment enjoining state from enforcing statutes on grounds that statutes were unconstitutional special laws and amounted to unconstitutional unfunded mandate, and dismissed remaining claims. State appealed.

The Supreme Court affirmed. Following intervening Supreme Court decision that restored the rational basis analysis for special laws, State filed a motion for relief from injunctive portion of judgment. The Circuit Court granted State relief. Municipalities and taxpayers appealed, and the Supreme Court vacated and remanded after determining that Circuit Court had failed to properly weigh equities. On remand, the Circuit Court denied State's motion for partial relief from judgment and its request for discovery. State appealed.

The Supreme Court held that:

- It was not a per se abuse of discretion for circuit court to deny State relief from judgment imposing permanent injunction against enforcement of unconstitutional statutes;
- Determining that the equities did not weigh in favor of granting State's motion for relief from judgment was not an abuse of discretion; and
- Circuit court did not err in denying State's burdensome discovery requests.

It was not a per se abuse of discretion for circuit court to deny State relief from judgment imposing a permanent injunction against its enforcement of statutes relating to revenue that municipalities could generate from minor traffic and municipal ordinance violations, and which established reporting requirements for same, even though the decisional law on which the injunction was based had been overruled; State was bound by the law of the case in previous appeal which upheld circuit court's injunction against enforcement of statutes as unconstitutional local or special laws, and State had made no showing of inequity demonstrating the necessity of vacating or modifying the permanent injunction.

It was not a per se abuse of discretion for circuit court to deny State relief from judgment imposing a permanent injunction against its enforcement of statutes relating to revenue that municipalities could generate from minor traffic and municipal ordinance violations, and which established reporting requirements for same, even though the decisional law on which the injunction was based had been overruled; the same judgment that imposed the permanent injunction also contained a declaratory judgment that the statutes were unconstitutional local or special laws, the declaration was affirmed on appeal, and the State had never sought relief from the declaration.

It was not an abuse of discretion for circuit court to decide the equities did not weigh in favor of granting State's motion for relief from judgment imposing a permanent injunction against its enforcement of statutes relating to revenue that municipalities could generate from minor traffic and municipal ordinance violations, and which established reporting requirements for same, even though the decisional law on which the injunction was based had been overruled; State had never previously argued for the rational-basis analysis that it now sought, and even if the permanent injunction was lifted the State had not challenged the declaratory judgment finding the statutes unconstitutional.
