Bond Case Briefs

Municipal Finance Law Since 1971

New York Warns of $34 Billion Budget Hole, Biggest Since 2009 Crisis.

Takeaways by Bloomberg AI

- New York state's cumulative three-year budget gap has swelled to $34 billion, according to Comptroller Thomas DiNapoli.
- The shortfall is driven by spending growth in Medicaid and education, and cuts to safety-net programs from President Donald Trump's budget and spending bill, DiNapoli said.
- DiNapoli said the relationship between the federal government and the states is being restructured, and state governments will be facing drastic reductions in federal aid that could force difficult decisions about state revenue and spending priorities.

Continue reading.

Bloomberg CityLab

By Martin Z Braun and Laura Nahmias

August 8, 2025

New York's $34 Billion Budget Crisis and Its Implications for Municipal Bond Markets.

Takeaways

– New York's $34B budget deficit raises concerns over state-backed debt risks despite AA credit ratings.

– The 2025-26 budget allocates $254B, with 60% for Medicaid/education, while federal funding cuts threaten $10.1B in support.

– Municipal bond markets underprice structural risks, with narrow yield spreads and uncertain tax policy expiration by 2027.

– Resilient sectors like healthcare, education, and climate projects offer undervalued opportunities amid fiscal uncertainty.

– Investors should prioritize short-duration bonds, sector diversification, and credit derivatives to hedge against potential downgrades.

Continue reading.

ainvest.com

by Henry Rivers

Friday, Aug 8, 2025 1:26 pm ET

The City of New York Announces Successful Sale of $1.8 Billion of General Obligation Bonds.

The City of New York (the “City”) announced the successful sale of approximately $1.8 billion of General Obligation bonds, comprised of $1.53 billion of tax-exempt fixed rate bonds and $256 million of taxable fixed rate bonds. Proceeds from the sale will be used to fund capital projects and refund certain outstanding bonds for savings.

The refunding portion of the transaction achieves approximately $35 million in total debt service savings, primarily spread evenly across Fiscal Years 2026 through 2029.

For the tax-exempt bonds, the City received approximately $280 million of orders during the retail order period and $3.6 billion of priority orders during the institutional order period, which in total represents 2.5x the bonds offered for sale.

Final yields on the tax-exempt bonds ranged from 2.42% in 2027 to 4.95% in 2053.

Additionally, the City received total indications of interest of approximately $356 million for the taxable bonds, representing 1.4x the amount offered for sale.

Final yields on the taxable bonds were 4.06% in 2026 and 3.93% in 2027.

The bonds were underwritten through a syndicate led by led by book-running lead manager BofA Securities, with Jefferies, Ramirez & Co., Inc., RBC Capital Markets, and Siebert Williams Shank serving as co-senior managers.

August 7, 2025

Chicago Schools’ Bond Penalty Widens as $734 Million Gap Looms.

Takeaways by Bloomberg AI

- Municipal investors are demanding a bigger premium on the debt of Chicago’s junk-rated school district, which must close a $734 million deficit before the end of the month.
- The spreads on Chicago Board of Education bonds are wider relative to the first quarter, with the spread on debt due in 2047 jumping to 1.72 percentage points over benchmark munis.
- Dennis Derby, a portfolio manager for Allspring Global Investments, said the district’s budget struggles and Chicago’s own deficits are contributing to the weakness, and that his company will be reviewing the budget to see what the district has planned.

Municipal investors are starting to demand a bigger premium on the debt of Chicago’s junk-rated, cash-strapped school district, which must figure out how to close a $734 million deficit before the end of this month.

The spreads on several of the most actively traded Chicago Board of Education bonds are as much as a third of a percentage point wider relative to the first quarter, according to trading data compiled by Bloomberg.

Continue reading.

Bloomberg CityLab

By Shruti Singh

August 7, 2025

S&P Warns Chicago That Pension Cost-Hike to Pressure Budget.

Takeaways by Bloomberg AI

- S&P Global Ratings warns that a new law aimed at raising pension benefits for some Chicago police and firefighters risks further straining the city's finances.
- The new law is expected to add more than $11.6 billion to Chicago's long-term net pension liability, according to city estimates cited by S&P.
- S&P analysts state that the prognosis for Chicago's long-term fiscal health has weakened, and that substantial budget-balancing measures will be integral to the city's credit stability.

Continue reading.

Bloomberg Markets

By Shruti Singh

August 5, 2025

University of Chicago, Illinois: Fitch New Issue Report

The University of Chicago's 'AA+' rating reflects its exceptional demand profile and excellent fundraising track record. Despite ongoing macro headwinds, management improvement initiatives resulted in gains in FY 2025, although operating deficits persist.

Access Report

Tue 12 Aug, 2025 – 10:53 AM ET

Maryland Stadium Authority: Fitch New Issue Report

The Maryland Stadium Authority's $259 million lottery revenue bonds are rated 'AA' with a stable outlook. Fiscal 2024 pledged lottery revenues provide substantial coverage for debt service, even under stress scenarios.

Access Report

Fri 08 Aug, 2025 – 11:39 AM ET

GFOA: Tracking the 2025 One Big Beautiful Bill Act

On July 4, the “One Big Beautiful Bill Act” (OBBBA) was signed into law. GFOA is continuing to assess the implications of the budget reconciliation bill. While GFOA members’ advocacy efforts – including telling your stories at www.builtbybonds.com – resulted in the full preservation of tax-exempt municipal bonds, there are several other provisions of note. Below is the Federal Liaison Center’s initial assessment of new tax provisions and key changes to the existing tax code, many of which directly affect state and local governments.

Continue reading.

NFMA Introduction to Municipal Bond Credit Analysis.

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

To view the program, click here.

To register, click here.

NFMA Advanced Seminar on Housing.

Topics have been announced for panels at the NFMA’s upcoming Advanced Seminar on Housing to be held on October 16 and 17 at the Pasea Resort & Spa, Huntington Beach, California.

Registration is open for NFMA members and other industry professionals.

View the full list of topics.

To register, click here.

Atlanta Proposes $1 Billion Bond to Rehab World’s Busiest Airport.

Atlanta is proposing a $1 billion municipal-bond borrowing to help finance infrastructure improvements at the Hartsfield-Jackson Atlanta International Airport, the busiest hub in the world.

The city plans to issue about $970 million of bonds subject to the alternative-minimum tax, and roughly roughly $50 million of non-AMT bonds, according to an Aug. 8 securities filing outlining the borrowing plans. Atlanta is also considering designating one or more series of the issue as “green bonds," the filing states.

Proceeds raised in the offering will finance capital improvements at the airport and fund deposits to reserve accounts and construction funds, according to the filing. The airport — dubbed ATL — is in the midst of a capital-improvement plan to modernize and expand its terminals and concourses.

Continue reading.

Bloomberg Industries

By Aashna Shah

August 11, 2025

ETF Industry Perspectives: Eyes on Munis and SMID-Caps

Vanguard research assesses the investment opportunity in high-grade municipal bonds and the need to avoid overlapping with large-cap holdings when allocating to small- and mid-cap (SMID-cap) ETFs in portfolios.

Vanguard ETF Industry Perspectives Q3 2025 [4-page PDF] is our in-depth quarterly commentary featuring the latest ETF trends and insights. In each report, our investment experts help investors address issues that may affect their portfolios.

Key takeaways

Fixed income spotlight

Higher yields on municipal bonds have increased their appeal when optimizing overall fixed income allocations. Municipal bonds also offer potential tax benefits, along with a domestic focus that largely shields them from tariff-related risks. As the number of low-cost municipal bond funds has expanded, advisors and investors can now pick their spots with relative ease, targeting specific U.S. states, credit-quality levels, and parts of the yield curve.

Equity spotlight

S&P 500 ETFs continue to dominate fund flows, but allocations to SMID-cap ETFs also deserve careful attention. Our research shows that advisors seeking large-cap exposure tend to stick to market-cap ETFs like those linked to the S&P 500, Russell, or CRSP benchmarks. But when allocating to SMID-caps, advisors tend to vary their approaches between different market-cap indexes, niche small-cap products, and even active ETFs. This creates a risk of overlapping sector and company exposures because index products from different families are not all structured the same way. To limit this risk, we suggest that advisors choose products with compatible construction styles.

Vanguard

August 07, 2025

After Muni Bond Fund Blows Up, Broker-Dealers Osaic and Stifel Nicolaus Face Questions.

Plaintiff's lawyers are eying both broker-dealers for potential client complaints.

A small municipal bond fund, the Easterly ROCMuni High Income Municipal Bond Fund (ticker: RMHIX) hit the skids in June, losing close to half its value and now with a net asset value (NAV) of $2.95 per share.

Plaintiff attorneys who work with clients seeking damages from broker-dealers in such cases have pointed to two firms, Osaic Wealth and Stifel Nicolaus & Co., as potential targets of investor lawsuits.

Jake Zamansky, a plaintiff's attorney based in New York, said on Thursday morning he has one client who worked with an Osaic financial advisor on Long Island and invested in the Easterly Fund.

"The Easterly Fund was a speculative high risk "junk bond" fund that should never have been recommended to retail clients," Zamansky said. "Many of the bonds in the fund lacked a liquid market. And when the fund collapsed, investors were left holding the bag."

An Osaic Wealth financial advisor recommended that one customer, an 84-year-old widow, invest in the fund in May, days before it lost half its value, according to Zamansky. So far, that client has allegedly lost 35% of her savings.

Meanwhile, a Thursday morning press release from law firm Shepherd Smith Edwards & Kantas said the firm was looking to speak with Stifel clients in Kentucky who were sold the fund.

"The Easterly Fund was marketed as a municipal bond that purportedly invests at least 80% of its net assets in tax exempt debt securities," according to the press release. "While most municipal bond funds are relatively safe, the Easterly Fund was quite different and very risky.

"For example, most of its securities are poorly rated, below investment grade bonds commonly referred to as 'junk bonds,'" according to the press release. "Moreover, the majority of the bonds in the Easterly Fund were not backed by any municipality, like a state or local government, but rather they were bonds issued by small companies for often speculative projects."

According to Morningstar.com, the Easter Fund's I or Institutional share class has $15.1 million in total assets.

And according to the Easterly Fund homepage, the fund had an MAV as of the close of trading on Wednesday of $2.95. For the year, the fund's performance is down 56.3%. Most of the fund's sharp decline occurred over a few days in the middle of June.

A spokesperson for Easterly Asset Management declined to comment.

According to its website, Easterly Asset Management at the end of last year, along with its partners, managed more than $60 billion in a variety of strategies.

A spokesperson from Osaic did not immediately return a call Thursday afternoon to comment.

"Stifel shares investors' concerns about the recent performance and management of the fund," a

Stifel spokesperson said. “Despite our formal request to Easterly for detailed information about how its management of the fund led to investor losses, we have yet to receive any reply.”

investmentnews.com

by Bruce Kelly

AUG 08, 2025

Why Is the Fragmented Municipal Bond Market So Costly to Investors and Issuers?

Abstract

The municipal bond market plays a crucial role in providing capital to US municipalities and functions through a network of underwriters, municipal advisors, credit rating agencies, insurers, individual and institutional investors, and multiple regulators. Many of these market participants have significant asymmetric information and conflicting incentive structures, which can sometimes lead to disparate and seemingly inefficient outcomes. Puzzles documented in the academic literature include high underwriting costs, conflicting roles by municipal advisors, extreme and widely varying trade markups, investment holdings that are often not tax-efficient, inconsistent implied marginal tax rates, a heavy reliance on credit ratings, little benefit but widespread use of insurance, delayed use of call provisions, and inconsistent treatment of accounting information. We review issues in the municipal bond market and propose implementable suggestions that would hopefully allow for a more competitive and low-cost market for both taxpayers and investors.

Continue reading.

by John M. Griffin, Nicholas Hirschey, Samuel Kruger

The Journal of Economic Perspectives, Vol. 39, No. 2 (Spring 2025), pp. 235-260 (26 pages)

https://www.jstor.org/stable/27378766

Avoiding the Potential Pitfalls in Bond Deals: CDFA // BNY Development Finance Webcast Series

October 21, 2025 | 2:00 PM – 3:00 PM Eastern

Session Focus: While bonds are often considered safer investments, they are not without risks. Panelists will share what you need to know to avoid a bond deal falling through due to a variety of reasons, ranging from issuer defaults and economic downturns to changes in interest rates, inflation, and political instability.

Key Takeaways: Understanding why bond deals might fail is essential to leveraging these tools effectively. Attendees will learn about the various risks associated with bond financing and how to mitigate these from the offset.

Moderator(s)

- **Katie Moriarty**, Director, Council of Development Finance Agencies
- **Anthony Schexnayder**, Senior Vice President Relationship Management, The Bank of New York Mellon

Click here to register.

Why Taxable Local-Government Bonds Are Outperforming the Muni Market in 2025: Capitalizing on Supply-Driven Dislocations and Relative Value

Summary

– Taxable local-government bonds outperformed 2025 muni market amid supply-driven dislocations and compressed tax-exempt spreads.

– Record $271B issuance and inflation-driven infrastructure costs fueled taxable bond demand with 4.74% yields vs. 3.30% for tax-exempt counterparts.

– Steepened yield curves and attractive tax-equivalent yields (up to 8.01%) positioned taxable bonds as strategic alternatives to corporate debt.

– Strong credit fundamentals in healthcare/education sectors and inverted credit spreads reinforced taxable bonds' appeal for rate-sensitive investors.

– Fed rate cut expectations and short-duration advantages suggest continued outperformance as investors rotate from cash to munis.

Continue reading.

ainvest.com

by Oliver Blake·

Aug 10, 2025

Florida High-Speed Rail Offers Investors 15% Yield to Roll Debt.

Takeaways

- Brightline Train's Florida is offering investors about a 15% tax-exempt yield to roll over $985 million of bonds.
- Buyers would get a 10% coupon and a premium on the next roll over date in June 2026, according to people familiar with the matter.
- Low ridership and lagging revenue projections have created financial hurdles for the rail project, causing S&P Global Ratings and Fitch Ratings to downgrade Brightline's senior muni bonds.

Continue reading.

Bloomberg Industries

By Martin Z Braun and Reshmi Basu

August 8, 2025

Taxable Local-Government Bonds Shine in Middling Muni Market.

Takeaways

- Taxable state and local-government debt has returned 4.7% this year, according to data compiled by Bloomberg.
- The strong showing for taxable munis is driven by a sharp falloff in terms of how much of the market they make up, said Cooper Howard, a strategist at Charles Schwab.
- "Supply has been muted for taxable munis," said Gabe Diederich, senior portfolio manager at Baird Funds.

The bright spot in a lackluster year for municipal-bond returns is debt subject to federal income taxes, as a dearth of new sales in the sector fuels gains.

Taxable state and local-government debt has returned 4.7% this year, the best performance on a year-to-date basis since 2020, according to data compiled by Bloomberg. That's beating the 0.1% gain for tax-exempt debt broadly, and a 1.4% decline in an index of high-yield securities.

Continue reading.

Bloomberg Markets

By Shruti Singh

August 8, 2025

Law Firms Investigating Losses in Easterly ROCMuni High Income Municipal Bond Fund.

GARDEN CITY, N.Y., Aug. 6, 2025 /PRNewswire/ — Between June 12 and June 16, 2025, the Easterly ROCMuni High Income Municipal Bond Fund (symbol "RMHIX") (formerly known as "Principal Street High Yield Fund") lost half its value. The law firms of Deutsch & Lipner and The Law Offices of Jonathan W. Evans & Associates allege that this Municipal Bond Fund was, despite its name, a risky junk bond fund, that owned illiquid corporate and other unrated and low-rated securities.

Eric Jacobson in a December 2023 article in Morningstar warned about the liquidity of the bonds owned by the Fund (and other issues as well); a year and a half prior to its collapse https://www.morningstar.com/bonds/6-critical-lessons-bond-investors

Deutsch & Lipner and The Law Offices of Jonathan W. Evans & Associates allege that some financial advisors disregarded or failed to heed the warnings.

Deutsch & Lipner of Garden City, New York and The Law Offices of Jonathan W. Evans & Associates of Los Angeles, California are investigating instances of inappropriate recommendations / purchases of this Fund by investment advisors, including those affiliated with Commonwealth Financial. Several investors have already lodged complaints against this firm.

As part of our representation of three investors who are complaining about losses in the Fund, our firms seek information, including but not limited to sales materials, performance projections, emails or other communications from financial advisors about the Fund. Such documents could include material sent to investors about the Fund, its features, or its appropriateness for retirees and other conservative or moderate-risk investors.

The attorneys at Deutsch & Lipner (DeutschLipner.com) and the Law Offices of Jonathan W. Evans and Associates (StockLaw.com) have over a century of experience representing investors in FINRA arbitration claims. The firms have, collectively, recovered hundreds of millions of dollars for aggrieved investors throughout the United States.

Please contact either law firm if you have information about advisors who were recommending the Easterly ROCMuni High Income Municipal Bond Fund.

Deutsch & Lipner

Aug 06, 2025, 07:03 ET

Media Contact:
Seth Lipner Esq.
516 294-8899

[State of Florida: Fitch New Issue Report]

Florida's 'AAA' Long-Term IDR and full faith and credit ratings recognize the state's history of sound financial management practices, high gap-closing capacity and reserves and low long-term liability burden. The state's long-term economic and revenue growth prospects should be in line with or above national economic performance.

[Access Report]

Tue 05 Aug, 2025 – 10:57 AM ET

[Vibrant Denver Bond Package Advances to Public Vote]

Denver City Council Approves Bond Proposal with Support

DENVER, CO — Mayor Mike Johnston was joined today by dozens of community members and members of Denver City Council to announce that the Vibrant Denver Bond package will appear on voters' November 4, 2025, ballot. The bond package, which was crafted and refined multiple times through months of community engagement, will build or repair approximately 60 needed infrastructure projects around Denver. Local bond funds are how Denver delivers high-quality infrastructure for its residents — without raising taxes.

“The Vibrant Denver Bond is about delivering real results for Denverites, including safer streets, better parks and stronger neighborhoods,” said Mayor Mike Johnston. “Each project in this package reflects what Denver residents told us they want and need most. This is how we build a more vibrant, connected and inclusive city, together.”

“The Vibrant Denver Bond will deliver transformative improvements from the parks where our kids play to the streets we walk, bike, and drive, along with the safety upgrades that make our neighborhoods feel secure. These investments aren’t just for us but for the generations who will call Denver home long after we’re gone,” said City Council President Amanda P. Sandoval. “This bond reflects the voices of community, the parents, neighbors, and advocates who showed up and helped shape a vision for a stronger, safer, more connected Denver. We’re not just building for today we’re building for the next seven generations. And we’re doing it without raising taxes. That’s a powerful commitment to our shared future.”

Continue reading.

Published on August 05, 2025

Mississippi Auditor Seizes Hundreds of Thousands from Cities to Pay for Overdue Financial Reports.

CANTON – Jeff Goodwin, director of the state auditor’s compliance division, was congenial while describing to Canton officials how the office has taken $352,000 of the city’s revenue to pay for past-due audits – the first time Auditor Shad White has exercised this authority.

“I didn’t write the law. Auditor White didn’t write the law, but we’re charged with enforcing it,” Goodwin said at the Canton Board of Aldermen meeting Tuesday.

Canton is one of 68 local governments across Mississippi that received an auditor’s letter in March, putting officials on notice of their delinquent audits.

Continue reading.

News From the States

By Anna Wolfe

Aug 06, 2025 | 2:04 pm ET

Unlocking Undervalued Municipal Bonds: Climate-Resilient Infrastructure in the Southern U.S.

Summary

– Southern U.S. municipal bonds are gaining traction as climate-resilient infrastructure investments, driven by rising demand for flood mitigation projects.

– Texas’s TRIB bonds, backed by AAA ratings, fund coastal barriers and green spaces, offering tax-free returns while addressing climate risks.

– Investors benefit from high yields (10–15% above inflation) and ESG alignment, with federal grants covering 75–90% of project costs to reduce volatility.

– Risks include funding uncertainty and cost overruns, but diversified portfolios and performance metrics mitigate execution challenges.

– Strategic allocations to 5–30-year bonds and engineering firms like WSP offer pathways to capitalize on a $3 trillion climate adaptation opportunity.

Continue reading.

ainvest.com

TrendPulse Finance

Tuesday, Aug 5, 2025 6:04 am ET

Transportation Secretary Announces $3.89 Billion Loan to a Public-Private Partnership in Georgia to Get America Building Again.

The express lanes project along State Route 400 near Atlanta will reduce traffic, enhance safety, and improve connectivity.

WASHINGTON, D.C. – U.S. Transportation Secretary Sean P. Duffy today announced a loan of up to $3.89 billion from the Build America Bureau to a public-private partnership between the Georgia Department of Transportation (GDOT), the State Road and Tollway Authority (SRTA), and SR 400 Peach Partners, LLC (Peach Partners). The funding, made possible by the Transportation Infrastructure Finance and Innovation Act (TIFIA), is the largest loan approved to a single borrower to date.

“This loan is another investment in getting America building again,” said U.S. Transportation Secretary Sean P. Duffy. “Through the improved TIFIA program and innovative partnerships like the SR 400 project, we’re reducing taxpayer waste, accelerating construction timelines, and helping people get where they want to go safer.”

The State Route 400 Express Lanes Project will add new lanes in both directions along a 16-mile section from the Metropolitan Atlanta Rapid Transit Authority (MARTA) North Springs Station to one mile north of McFarland Parkway. While facilitating current MARTA and XPress bus connections, Peach Partners will also provide $75 million in future bus rapid transit (BRT) related improvements. MARTA will operate the future BRT system, which is expected to share the express lanes for approximately 12 miles.

“This partnership is a perfect example of how, when the public and private sectors work together, we can provide communities with the most effective and cost-efficient solutions while reducing the need for public funding,” said Build America Bureau Executive Director Morteza Farajian, Ph.D. “Georgia’s innovative approach has allowed them to leverage our low-interest financing with the developer’s investments to provide more benefits for the Atlanta community through this project and other projects that will be funded because of this project. A win for everyone that would not be otherwise possible.”

The project calls for Peach Partners to provide a $3.8 billion concession fee to GDOT that can help fund other roadway projects as part of the public-private partnership agreement to design, build, finance, operate, and maintain the express lanes.

“Securing TIFIA federal credit assistance is an essential milestone for the SR 400 Express Lanes project,” said SR 400 Peach Partners CEO Javier Gutierrez. “Thanks to this loan, this critical project will become a reality, improving safety and mobility in the greater Atlanta metro area for generations to come.”

“We are excited to celebrate Georgia being home to the largest public-private partnership in USDOT history,” said Georgia Governor Brian Kemp. “As the No. 1 state for business, Georgia’s logistics and transportation network is a major selling point to job creators, and this approved financing will both boost our competitive edge and make it easier for hardworking Georgians to commute. Thank you to the Trump administration and Secretary Duffy for their support of this vital project.”

Additional Information:

The USDOT previously allocated up to $3.4 billion in Private Activity Bonds to this project, bringing the total investment to approximately $7.5 billion.

The project is expected to reduce delays by over 19,000 hours each day, or about 15 minutes per traveler, due to less idling and traffic congestion. It will also enhance public safety through the construction of new bridges and other safety improvements, the replacement or widening of several existing bridges, and will reduce traffic incidents by an estimated eight percent. This project will offer travelers new choices. The new express lanes will be tolled using dynamic congestion pricing to manage demand and maintain reliable trip times, while current lanes will remain free.

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The Build America Bureau accelerates investment in transportation infrastructure by lending Federal funds to qualified public and private borrowers; clearing roadblocks for creditworthy projects; providing technical assistance services and grants to build local and regional capacity and implement best practices and innovative solutions in project planning, funding and financing, delivery, and operations. The Bureau draws on expertise across DOT to serve as the point of coordination for states, municipalities, private partners, and other project sponsors seeking Federal financing.

Tuesday, August 5, 2025

Florida Commission Selling $333.5 Million of Municipal Bonds for Retirement Community Project.

The Florida Local Government Finance Commission will sell $333.5 million of debt to help finance construction and development of a new continuing care retirement community in Duval County.

The Senior Living Revenue Bond offering consists of approximately $173.5 million of Series 2025 A bonds, $16 million of Series 2025B-1, $22.3 million in Series 2025B-2 bonds and $115 million in Series 2025B-3 bonds, which are all tax-exempt. The Commission is also issuing $6.7 million in

Series 2025C bonds that are taxable, according to the preliminary limited offering memorandum posted Monday on MuniOS.

Dates of pricing and delivery for the securities wasn't provided. Interest on the bonds will be payable starting on Nov. 15 and on May 15.

Proceeds of the bonds will be loaned to Ponte Vedra Pine Company and be used for the construction, development, and equipping of a new continuing care retirement community called Fleet Landing at Nocatee.

The securities are limited obligations of the commission, and are backed by payments from Ponte Vedra under a loan agreement between the two entities. Ponte Vedra will make payments with revenue it collects from entrance fees, monthly service fees, rentals and insurance proceeds.

Fleet Landing at Nocatee development will consist of an independent living tower, independent living flats, an assisted living/memory care building and a performing arts center on a 37-acre site.

The bonds will be sold without a rating, according to the memorandum.

B.C. Ziegler and Company is the underwriter.

Provided by Dow Jones Aug 5, 2025, 10:27:00 AM

By Patrick Sheridan

Write to Patrick Sheridan at patrick.sheridan@wsj.com

(END) Dow Jones Newswires

August 05, 2025 13:27 ET (17:27 GMT)

- Registration for NFMA Advanced Seminar on Housing is Open. We're having some trouble with the NFMA's website, but will send out registration instructions as soon as we can get this cleared up with them. In the meantime, pencil in **October 16 & 17** in Huntington Beach, CA.
- Growing Cybersecurity Risks in the Municipal Bond Market: Frost Brown Todd
- Fitch: U.S. Tax and Spending Bill Poses Long-Term Challenges to State Budgets
- Brookings: Measuring the Impact of Climate Change on State and Local Governments' Fiscal Health
- Financial Imbalance: U.S. Cities Grappling with Imminent Fiscal Danger.
- And Finally, Great Moments in Corporate Eugenics is brought to us this week by Trustees of *Walters Art Gallery, Inc. v. Walters Workers United*, in which the Supreme Court of Maryland informed us that the art institution in question was directed, in 1933, to set up a "self-perpetuating board." Can this mean what it appears to mean? The board must keep perpetuating itself? By, like, some kind of board member breeding program designed to create new little board members? This feels highly unorthodox. And, as this directive went out in 1933, that's several generations of corporate inbreeding at this point. We would love to be a fly on the wall and all, 'cept the current board members keep eating them. Shouldn't there be a better way?

LIABILITY - ARIZONA

[Sanchez v. Maricopa County]

Supreme Court of Arizona - July 21, 2025 - P.3d - 2025 WL 2025888

Motorists brought action against county for negligence and negligence per se for injuries suffered when deputy sheriff rear-ended their vehicle while he was driving a vehicle owned by the county.

The Superior Court granted county's motion to dismiss for failure to state a claim. Motorists appealed. The Court of Appeals affirmed. The Supreme Court granted review.

As matters of first impression, the Supreme Court held that:

- County was not liable under the doctrine of respondeat superior for any negligence of deputy in rear-ending motorists' vehicle;
- When duties are imposed upon a county sheriff by law rather than by the county, the latter will not be responsible for their breach of duty or for their nonfeasance or misfeasance in relation to such duty; and
- Sheriff was the public entity with whom a notice of claim could have been filed.

PUBLIC UTILITIES - MAINE

[Snakeroot Solar, LLC v. Public Utilities Commission]

Supreme Judicial Court of Maine - July 15, 2025 - A.3d - 2025 WL 1934508 - 2025 ME 64

Solar energy company brought petition before the Public Utilities Commission seeking a good-cause exemption from statutory deadline for qualifying its proposed photovoltaic generating facility for participation in state's net energy billing program.

The Maine Public Utilities Commission denied company's petition. Solar energy company appealed.

The Supreme Judicial Court held that:

- PUC's conclusion that "external delays" that would justify a good-cause exemption meant events that were "external" to, or outside of, the interconnection process was a reasonable interpretation of the statute;
- The record supported PUC's determination that delays in company's ability to complete a "cluster study" analyzing all energy projects in the area, and company's extended upgrade construction schedule, were routine parts of a typical interconnection process and thus not a external delay; and
- PUC did not abuse its discretion when it denied company's request for a good-cause exemption from operational deadline.

POLITICAL SUBDIVISIONS - MARYLAND

[Trustees of Walters Art Gallery, Inc. v. Walters Workers United]

Supreme Court of Maryland - July 29, 2025 - A.3d - 2025 WL 2115486

Labor unions filed complaint against art museum's board of trustees, board president, and museum director, seeking to compel production of records requested under the Maryland Public Information Act (MPIA).

On cross-motions for summary judgment, the Circuit Court entered summary judgment for unions and directed defendants to respond to the MPIA requests. Defendants appealed, and the Circuit Court stayed its ruling pending appeal. The Appellate Court affirmed. Defendants petitioned for further review.

After granting certiorari, the Supreme Court held that:

- Method and purpose of board's formation favored finding that board, which had been founded due to a bequest to mayor and city council and whose board of trustees had been incorporated by the General Assembly as an "educational corporation," was not a government instrumentality;
- General Assembly's decision to incorporate board by special act under Maryland Constitution's provision on formation of corporations did not reflect an intent to create a municipal entity; disapproving *Moberly v. Herboldsheimer*, 276 Md. 211, 345 A.2d 855.
- "Degree of governmental control" factor weighed against finding that board was a government instrumentality;
- "Public funding" factor leaned modestly against finding that board was a government instrumentality;
- "Performance of traditionally governmental functions" factor went against finding that board was a government instrumentality;
- "Tax treatment" factor leaned in favor, albeit with relatively little weight, of finding that board was a government instrumentality;
- "Sovereign immunity" factor weighed against finding that board was a government instrumentality; and
  Considering all factors, board was not a government instrumentality and thus was not subject to the MPIA.

EMINENT DOMAIN - MICHIGAN

Jackson v. Southfield Neighborhood Revitalization Initiative

Supreme Court of Michigan - July 16, 2025 - N.W.3d - 2025 WL 1959046

Former owners of real property that had been subjected to tax-foreclosure process by which county sold their properties to city for the minimum bid through right-of-first-refusal process under former version of General Property Tax Act (GPTA) brought action against city, county treasurer, and other defendants and alleged, among other things, violations of due process, equal protection, the takings clauses of the United States and Michigan Constitutions, and the GPTA, which were claims that all stemmed from former property owners' contention that they were entitled to any surplus proceeds.

The Circuit Court entered summary disposition for defendants. Former property owners appealed. The Court of Appeals affirmed. Former property owners sought leave to appeal. The Supreme Court vacated and remanded in lieu of granting leave to appeal. On remand, the Circuit Court granted defendants summary disposition. Former property owners appealed. The Court of Appeals affirmed in part, reversed in part, vacated in part, and remanded. County sought leave to appeal.

The Supreme Court held that:

- A violation of the Takings Clause of the Michigan Constitution occurs when there are no surplus funds from a public auction but instead the government obtains surplus value from tax-foreclosed

properties that were transferred between governmental units for the minimum bid under the right-of-first-refusal process set forth in former version of the GPTA without ever offering the property for sale at a public auction;
- Although GPTA's newly enacted provision that set forth procedure for claimant to seek any surplus proceeds from eventual tax-foreclosure sale applied retroactively to existing claims, provision did not govern relief in the instant case; and
- Recent GPTA amendment that provides that any unit of government exercising its right of first refusal to purchase tax-foreclosed property must pay the foreclosing governmental unit (FGU) the greater of the minimum bid or the fair market value of the property applies only prospectively to claims accruing after the public act became effective.

MUNICIPAL GOVERNANCE - NEW JERSEY

Bulur v. New Jersey Office of Attorney General

Supreme Court of New Jersey - July 23, 2025 - A.3d - 2025 WL 2055210

In first case, city public safety director and city police chief brought action against Attorney General, Office of Attorney General, and officer in charge appointed to lead city police department, seeking declaratory judgment that Attorney General's decision to supersede control of city police department after officer-involved shooting exceeded his statutory authority, and seeking injunctive relief.

In second case, city mayor and police chief brought action against Attorney General, Office of Attorney General, and officer in charge, seeking declaratory and injunctive relief with respect to actions taken while in charge of police department.

In both cases, the Superior Court granted Attorney General's motion for transfer of venue to the Superior Court, Appellate Division. The Superior Court, Appellate Division, granted plaintiffs' motion to consolidate and reversed Attorney General's decision. Attorney General's petition for certification was granted.

The Supreme Court held that legislature authorized Attorney General's supersession of city police department.

Legislature authorized Attorney General's supersession of city police department after officer-involved shooting over objection of local authorities; after Attorney General's announcement that he had assumed control over department and appointed an officer in charge to lead department, legislature took affirmative steps to ensure that officer in charge, who was New York police officer, would succeed in his crucial role in that supersession by enacting law that waived training requirements established for New Jersey police officers, and legislature specifically appropriated funds for the State's operation of department during period in which municipal control was superseded.

EMINENT DOMAIN - VIRGINIA

Association of American Railroads v. Hudson

United States Court of Appeals, Fourth Circuit - July 18, 2025 - F.4th - 2025 WL 2011675

Railroad trade industry association brought pre-enforcement action to challenge Virginia statute establishing streamlined procedures by which internet broadband service providers could access railroad property and lay cable across railroad tracks, alleging federal preemption and an unconstitutional taking.

The United States District Court for the Eastern District of Virginia granted Virginia defendants' motion to dismiss for lack of jurisdiction based on finding that association lacked standing to pursue its claims. Association appealed.

The Court of Appeals held that:

- Association's claim that the Interstate Commerce Commission Termination Act (ICCTA) impliedly preempted the Virginia statute on grounds that the Virginia statute discriminated against railroads did not require participation of the association's individual member railroads, and thus association had standing to bring that claim;
- Association's claim that the ICCTA impliedly preempted the Virginia statute on grounds that the Virginia statute's application, cumulatively and in the aggregate, would unreasonably interfere with rail transportation in Virginia, did not require the participation of the association's individual members, and thus association had standing to bring that claim; and
- Takings challenge to Virginia statute involved individualized proof that required the participation of the association's members, and thus association lacked standing to bring that claim.

ZONING & PLANNING - VIRGINIA

Oak Valley Homeowners Association, Inc. v. Prince William County Board of Supervisors

Court of Appeals of Virginia, Arlington - July 22, 2025 - S.E.2d - 2025 WL 2043957

Landowners sought declaratory judgment against county board of supervisors to invalidate amendment to comprehensive plan to build data centers, alleging board violated statutory public-hearing requirements by failing to listen to and consider public comments received at hearing before voting to adopt amendment.

The Prince William Circuit Court sustained board's demurrer. Landowners appealed.

The Court of Appeals held that:

- Landowners' allegations were sufficient to establish that they had standing to challenge board's land-use decision, but
- Statute governing advertising and written notice requirements relating to a comprehensive plan, an ordinance, or amendments to a comprehensive plan or ordinance for local governing body's land-use decision does not impose a listen-to-and-consider requirement.

Landowners' allegations were sufficient to establish that they had standing to challenge county board of supervisors' land-use decision, seeking declaratory judgment to invalidate amendment to board's comprehensive plan to build data centers; ten of 11 landowners owned and resided on parcels that abutted land where the comprehensive-plan amendment allowed data centers or owned land that was less than 2,000 feet away, landowners alleged that amendment had already reduced their property values, and they cited quantitative analysis and modeling that data centers would increase noise they currently experienced to over 75 decibels, making it similar to constant noise experienced while standing 50 feet from heavily traveled highway.

COUNTIES - WASHINGTON

[Washington State Association of Counties v. State]

Court of Appeals of Washington, Division 2 - July 22, 2025 - P.3d - 2025 WL 2048214

Counties and coordinating agency for county legislative authorities brought action for declaratory and injunctive relief against State, alleging that funding system for indigent defense services provided by counties violated rights to counsel, due process, and equal protection under federal and state constitutions.

The Superior Court granted State's motion to dismiss for failure to state a claim, based on lack of standing. Plaintiffs appealed.

The Court of Appeals held that:

- Counties were within zone of interest for constitutional rights to counsel and equal protection, as component for their standing
- Counties sufficiently alleged an injury in fact, as component for standing; and
- Liberal approach to standing was applicable.

Registration for NFMA Advanced Seminar on Housing is Open.

Topics have been announced for panels at the NFMA's upcoming Advanced Seminar on Housing to be held on **October 16 and 17** at the Pasea Resort & Spa, Huntington Beach, California. Registration is open for NFMA members and other industry professionals.

Fitch: U.S. Tax and Spending Bill Poses Long-Term Challenges to State Budgets

Fitch Ratings-New York-31 July 2025: Federal spending cuts to Medicaid and the Supplemental Nutrition Assistance Program (SNAP) under the U.S. tax and spending bill will add budgetary pressure for states, offset by long implementation timelines, reduced enrollment and muted direct effects, according to a new report from Fitch Ratings.

Gradual implementation of spending cuts under the bill as well as states' broad fiscal powers support their ability make budget adjustments, but a weaker economic backdrop could constrain flexibility. In Fitch's view states are unlikely to significantly backfill federal reductions with their own funds, at least in the next 1-2 years.

Fitch's analysis of the Congressional Budget Office (CBO) estimates indicates that Medicaid savings are primarily achieved through measures reducing enrollment, which lower federal and state Medicaid spending. Implementation costs partially offset savings.

The largest direct effects on state budgets will be from SNAP cost-sharing requirements and limits on Medicaid provider taxes, which will lower reimbursements for healthcare providers and reduce federal matching funds for states. We estimate direct costs will be modest relative to state budgets, ranging from $49.4 billion to $275.1 billion for Medicaid, depending on state-specific provider tax provisions.

States are required to assume some SNAP benefit costs based on their SNAP error rate and increase their administrative cost contribution. The CBO estimates the bill would shift $9 billion to states in federal FY 2028, representing 8% of projected federal SNAP spending that year and 0.6% of fiscal 2024 state tax revenues.

Federal tax changes in the bill could also affect state tax revenues depending on states' conformity with federal tax code changes. The impact will vary by state and tax type, with some states potentially decoupling from federal tax provisions with significant revenue effects.

A separate provision on health insurance tax credits will specifically affect New York, requiring a more aggressive fiscal response. The complexity of the bill suggests other states may also face unique challenges.

Financial Imbalance: U.S. Cities Grappling with Imminent Fiscal Danger.

U.S. Current-Account Deficit Widens to $450 Billion Amid Trade Imbalances and Energy Imports, Photo by Financial Content, is licensed under CC BY-SA 2.0

The fiscal health of America's most populated cities is under intense scrutiny, with a recent study shedding light on widespread financial vulnerabilities that could signal an imminent crisis for several key urban centers. Conducted by Truth in Accounting, the 'Financial State of the Cities 2023' report rigorously examined the tax surpluses and burdens of 75 major U.S. cities, painting a sobering picture of municipal finance. This comprehensive analysis, which defines a city's tax surplus as total tax revenues divided by residents and a tax burden as the amount needed to clear state debt per resident, revealed critical insights into the underlying economic pressures facing communities nationwide.

Alarmingly, the study found that 50 out of the 75 cities evaluated were unable to pay their bills, accumulating a staggering combined debt of $267 billion. These municipalities, labeled 'sinkhole' cities, stand in stark contrast to 'sunshine' cities that manage to balance their books. A key concern highlighted by Truth in Accounting is the tendency of elected officials to exclude the true cost of government from current budgets, effectively deferring substantial financial obligations onto future generations of taxpayers. This practice contributes significantly to mounting debt, particularly stemming from underfunded pension obligations and retiree health benefits, which Sheila Weinberg, the group's founder and CEO, believes is a widespread national issue.

Continue reading.

msn.com

by Mia Harris

July 28, 2025

[Federal Budget Bill Could Alter State and Local IT Priorities.]

An analysis of the One Big Beautiful Bill Act finds that state and local governments will likely need to focus on compliance and innovation to meet the new mandates, many of them unfunded.

The passage of the One Big Beautiful Bill Act (H.R. 1) could significantly alter state and local government IT spending plans as agencies respond to new and often unfunded compliance mandates, according to an e.Republic* analysis of the massive legislation.

The measure, passed by Congress in early July, cuts about $1 trillion in federal funding to state and local governments over the next 10 years, primarily through Medicaid program changes. It also implements new mandates for enhanced eligibility verification, recipient work requirements and state matching funds.

The analysis, prepared by e.Republic President Dustin Haisler and Chief Innovation Officer Joe Morris, says complying with these mandates will likely force states to invest in new technology to automate processes, detect fraud, improve data integration, track compliance and more.

Continue reading.

govtech.com

July 30, 2025 • Steve Towns

GFOA: Avoiding a Fiscal Cliff

Like many local governments, the County of San Diego Assessor / Recorder / County Clerk's Office faced mounting financial pressure due to rising costs, staffing challenges, and declining revenue from real estate transaction fees. What could have been a fiscal crisis became an opportunity for transformation.

In this *Government Finance Review* article, learn how the office responded with strategic changes that turned short-term strain into long-term improvement.

Read more

S&P U.S. Public Finance Annual Reviews Processed.

This publication does not constitute a rating action.

S&P Global Ratings has performed annual reviews of the credit ratings of the issuers/issues listed below.

In an annual review, S&P Global Ratings reviews current credit ratings against the latest issuers/issues performance data as well as any recent market developments. Annual reviews may, depending on their outcome, result in a referral of a credit rating for a committee review, which may result in a credit rating action. The below list is not an indication of whether or not a credit rating action is likely in the near future.

The key elements underlying the credit rating can be found in the issuer's latest related publication, which can be accessed by clicking on links below. Additionally, for each issuers/issues listed below, S&P Global Rating's regulatory disclosures (PCRs) can be accessed on the relevant page on www.spglobal.com/ratings by clicking on Regulatory Disclosures underneath the current credit ratings.

Continue reading.

05-Aug-2025 | 07:00 EDT

Brookings: Measuring the Impact of Climate Change on State and Local Governments' Fiscal Health

The increasing frequency and severity of weather events caused by climate change is affecting municipal bond markets and state and local finances. Four papers presented at the 14th Annual Municipal Finance Conference, co-hosted by the Hutchins Center on Fiscal and Monetary Policy in July 2025, detailed the consequences of wildfires, floods, and the transition away from coal. We summarize those four papers below.

With wildfire property damage reaching record levels, and the risk associated with such events projected to grow over time, quantifying the economic impact of wildfires is increasingly important. Woongchan Jeon, Lint Barrage, and Kieran James Walsh analyze the effect of rising wildfire risk on U.S. bond markets. They find that a one standard deviation increase in future wildfire risk leads to a 14 basis point increase in school district bond spreads, reflecting higher borrowing costs for local governments as a result of climate change. These effects are larger in districts with a higher minority population, as well as in districts that are relatively more dependent on local revenue for funding public services. The authors suggest that increased wildfire risk and the resulting rise in borrowing costs could reduce municipalities' future fiscal space, which in turn could further increase borrowing costs in the most vulnerable communities.

Continue reading.

The Brookings Institution

by Andrew Rosin

August 1, 2025

Some New US Municipal Bonds Face High Climate Risk.

What's going on here?

A wave of new US municipal bonds hit the market this week carrying serious climate and flood risks, with ICE Climate Data highlighting standout offerings from Texas, Oregon, Maine, and Louisiana well above the typical risk threshold.

What does this mean?

Municipal bonds are a longtime favorite for investors looking to back community projects, but environmental risks are climbing higher on the checklist. ICE flagged several new bonds with "high" risk scores—anything above 3.0 on its 5-point scale—measured across hazards like flooding, wildfires, and hurricanes. Brazos County MUD No. 1 in Texas, for example, launched a $15 million issue with a flood risk score of 4.2, while Oregon's Lincoln County School District and Maine's Portland Water District clocked in at 3.9 and 3.6 respectively. Both St. Tammany Parish in Louisiana and La Porte in Texas landed at 3.7 for overall total climate risk. While these assessments aren't formal credit ratings, they give a snapshot of how exposure to physical climate threats could affect long-term resilience—and remind investors to look beyond the surface when sizing up safety.

Why should I care?

For markets: *Climate risk is factored in now.*

With more granular climate data in play, investors and agencies are taking a harder look at the longer-term sustainability of muni bonds. Unpredictable weather can strain local infrastructure and tax revenues, which in turn could put pressure on repayment and yields. As physical risk scoring becomes a market fixture, investors may demand extra transparency—or price riskier bonds differently—to stay ahead of mounting climate threats.

The bigger picture: Climate trends are reshaping local finance.

Because municipal bonds support vital services, spotting high climate risk in these new offerings is a wake-up call for cities and towns. Better hazard modeling means regional climate exposures are tough to ignore, forcing local governments to plan around adaptation and resilience. That could mean new standards for transparency and risk reporting as communities navigate the next generation of public financing.

finimize.com

[The Municipal Cost Index is Now on Smart Cities Dive. Here's What You Need to Know.]

Since 1978, American City & County's proprietary tool has helped local governments determine the cost of providing services to their residents.

Budgeting is one of the most important roles of government operations. Estimating the amount of money a government will need in the future can be challenging, however, when inflation and other market factors can be unpredictable. It's vital for public officials and their staffs to have tools at the local level to help estimate future costs.

The [Municipal Cost Index] is one such tool. First published by American City & County in September 1978, the MCI was designed to determine the rate of inflation of municipal costs, i.e., the cost of providing services to city and county residents. Its inputs are the monthly consumer price index, produced by the U.S. Bureau of Labor Statistics; the producer price index, produced by the U.S.

Department of Commerce; and the construction cost index, published by the Engineering News-Record.

Each of those figures is given a proprietary weight to reflect the composition of local government purchases in the base year, initially established as 1967. In April 1988, the base year was updated to 1982. It is a fixed-weighted type of index, reflecting only changes in price over specific periods of time at the national level.

Continue reading.

smartcitiesdive.com

by Michelle Havich

Published July 28, 2025

Systemic Governance Risk in U.S. Law Enforcement: A Hidden Threat to Investor Confidence and Asset Valuations

Overview

– Systemic governance risks in U.S. law enforcement now directly impact municipal credit ratings and investor confidence through racial bias and political dynamics.

– Cities with larger Black populations or liberal governance face harsher fiscal scrutiny, driving up borrowing costs and straining budgets under police reform mandates.

– Phoenix and Minneapolis exemplify fiscal strain from consent decrees, while Albuquerque and New Orleans demonstrate how reform compliance preserves credit ratings and reduces risk.

– Investors must prioritize governance transparency, equitable revenue models, and fiscal discipline to mitigate systemic risks in municipal bonds and law enforcement-linked assets.

Continue reading.

aiinvest.com

by Samuel Reed

Sunday, Jul 27, 2025 3:15 pm ET

Infrastructure-Driven Municipal Bonds in the Pacific Northwest: Evaluating the Port of Seattle's Strategic Capital Transformation

Overview

– The Port of Seattle issued a $761M bond to fund $5.9B in infrastructure upgrades, including Sea-Tac airport modernization and carbon reduction projects.

– AA- rated bonds (S&P/Fitch) leverage regional economic resilience, with Sea-Tac handling 26.3M passengers in 2024 and cargo volumes up 30% post-pandemic.

– Proceeds support 10% emissions cuts by 2030, aligning with $5.6B in regional infrastructure investments and ESG-focused capital flows.

– Structured across three series, the bond offers diversified risk mitigation and tax advantages, positioning as a strategic entry point for infrastructure portfolios.

Continue reading.

aiinvest.com

by Victor Hale

Monday, Jul 28, 2025 2:22 pm ET

Florida Borrower to Remarket $985 Million of Brightline Rail Project Bonds.

The Florida Development Finance Corp. will remarket $985 million of municipal bonds for the Brightline Florida passenger rail expansion project.

The securities being offered are the Series 2025 A revenue bonds that were sold under a previous indenture, and have been redesiganted as Series 2025 B revenue bonds, according to a document posted on MuniOS.

Proceeds will be used to finance or refinance the project, and fund certain reserves related to the project and financing for the project. The bonds are special limited obligations, payable solely from and secured by a trust estate and collateral.

The securities are available for purchase only by qualified institutional investors, and reach their final maturity in 2057.

Interest on the Series 2025 B bonds is excluded from gross income for federal income taxation, and isn't an item of tax preference for purposes of the alternative minimum tax imposed on individuals.

The Florida Development Finance Corp. is a state authorized issuer of industrial revenue bonds and does not receive state appropriations. It supports economic development by assisting for-profit and not-for-profit businesses with access to capital for project financing.

Brightline Holdings builds and operates high-speed passenger rail systems in the U.S., including the South Florida Commuter Rail Project and the Orlando-Tampa Project. It is primarily owned, indirectly, by funds managed by an affiliate of Fortress Investment group.

Morgan Stanley is the remarketing agent.

Write to Chris Wack at chris.wack@wsj.com

(END) Dow Jones Newswires

July 30, 2025 12:32 ET (16:32 GMT)

Fitch Downgrades Brightline Muni Bonds Again.

Fitch Ratings is signaling more bad news for Florida's Brightline rail. Fitch has downgraded its senior secured tax-exempt bonds for the second time in three years. The company has cited low ridership as part of the reason for the downgrade. Bloomberg's Martin Braun reports.

Watch video.

Bloomberg Markets – TV ShowsMuni Moment

August 1st, 2025, 10:48 AM PDT

Tallahassee, Florida: Fitch New Issue Report

The 'AA+' rating on Tallahassee's capital bonds reflects low volatility of pledged revenues and strong resilience. The city's financial resilience is driven by healthy reserves and the ability to adjust tax rates and expenditures.

Access Report

Wed 30 Jul, 2025 – 10:59 AM ET

San Diego, California: Fitch New Issue Report

Leverage increased to 11.6x in fiscal 2024 due to lower revenues and higher operating expenses. Fitch expects leverage to decline to 6.9x by fiscal 2029 with planned rate increases and modest sales rebound.

Access Report

Wed 30 Jul, 2025 – 4:48 PM ET

New York City (NY): Fitch New Issue Report

New York City's 'AA' Long-Term Issuer Default Rating reflects strong budget monitoring and controls, supporting Fitch Ratings' 'aa' financial resilience assessment. The fiscal 2026 budget is $115.9 billion, with reserves forecasted to remain at $8.5 billion.

Access Report

Fri 01 Aug, 2025 – 12:49 PM ET

[S&P Warns Chicago That Pension Cost-Hike to Pressure Budget.]

Takeaways:

- S&P Global Ratings warns that a new law aimed at raising pension benefits for some Chicago police and firefighters risks further straining the city's finances.
- The new law is expected to add more than $11.6 billion to Chicago's long-term net pension liability, according to city estimates cited by S&P.
- S&P analysts state that the prognosis for Chicago's long-term fiscal health has weakened, and that substantial budget-balancing measures will be integral to the city's credit stability.

A new law aimed at raising pension benefits for some Chicago police and firefighters risks further straining the city's finances, according to S&P Global Ratings.

S&P's warning, issued on Monday, comes nearly seven months after the firm cut the city's credit rating by one notch to BBB with a stable outlook. The latest report, which did not include a rating or outlook change, follows new legislation that Illinois Governor JB Pritzker signed last week.

Continue reading.

Bloomberg Markets

By Shruti Singh

August 5, 2025

[NJ's American Dream Mall Has Value Cut $850 Million by Judge.]

Takeaways

- A tax court judge cut the assessed value of New Jersey's American Dream mega mall by $850 million, bringing the property's valuation down about 50% this year.
- The reduction brings the property's assessed value to about $1.65 billion for the current tax year, down from the Borough of East Rutherford's assessment of $2.5 billion.
- American Dream will be on the hook for roughly $24 million in PILOTs annual to holders of the mall's municipal debt, less than half of the $54.1 million in annual interest they're owed.

A tax court judge cut the assessed value of New Jersey's American Dream mega mall by $850 million on Thursday, the latest reduction that brings the property's valuation down about 50% this year.

The reduction hands a win to the property's owners who sought to lower payments tied to the valuation, but deals a blow to bondholders who own the roughly $800 million of debt backed by those payments, called payments in lieu of taxes, or PILOTs.

Continue reading.

Bloomberg Markets

By Martin Z Braun

August 1, 2025

White House Upends Puerto Rico Oversight Board With Mass Firings.

Takeaways:

- The White House fired five of the seven board members of the federal watchdog that oversees Puerto Rico's finances.
- The board has saved the island's tax payers $55 billion in creditor payments over 40 years, but has come under fire from Trump confidant and far-right activist Laura Loomer.
- The oversight board is in a protracted fight to reduce the obligations of the Puerto Rico Electric Power Authority, or PREPA, from $10 billion to $2.6 billion.

The White House fired five of the seven board members of the federal watchdog that oversees Puerto Rico's finances, inserting itself in the island's high-stakes debt and contract negotiations.

Board Chairman Arthur Gonzalez, a former bankruptcy judge, Cameron McKenzie, Betty Rosa, Juan Sabater, and Luis Ubiñas were notified Friday they've been terminated, according to emails viewed by Bloomberg. Andrew Biggs and John Nixon weren't included in the cull, which was first reported by Breitbart.

Continue reading.

Bloomberg Politics

By Jim Wyss, Skylar Woodhouse, and Michelle Kaske

August 5, 2025

Municipal Bonds Rally as Investors Bet on Earlier Fed Rate Cut.

Municipal bonds are rallying on Friday, along with US Treasuries, after softer US jobs data spurred bets that the Federal Reserve will cut interest rates as early as next month.

State and local government bond yields are down as much as six basis points as of 3 p.m. New York time. Ten-year benchmark bonds are yielding 3.18%, dropping six basis points, according to data compiled by Bloomberg. That would mark the biggest one-day rally in nearly three months.

"The 5% absolute yield that was available for high quality munis is somewhat of a magical level and attracts buyers," said Lyle Fitterer, co-lead of Baird's municipal sector. "Combine that with the rally in Treasuries and it has created good performance in our market this week."

Continue reading.

Bloomberg Markets

By Aashna Shah

August 1, 2025

[12 Years After Bankruptcy, a Changed Detroit Is Picking a Mayor.]

Several candidates want to replace Mike Duggan, the only mayor the city has had since its financial crisis. Detroit's next challenge, residents say, will be reviving forgotten neighborhoods.

The last time Detroit voters chose a new mayor, the local government was largely controlled by the state, the population was in free-fall and the city was careening through the largest municipal bankruptcy in American history.

A dozen years later, Detroit is functional again. Local control of City Hall was long ago restored, the city's bond rating is on the upswing and the streetlights are back on. And after decades of hemorrhaging residents, the city has seen slight upticks in population in the last two years, according to Census Bureau estimates.

Now, with Mayor Mike Duggan not running for a fourth term, a large field of candidates wants to lead a changed Detroit, population 645,000. The candidates and their supporters broadly agree that Detroit is better off than it was, and that the city's downtown and Midtown were transformed in the Duggan years. At stake now, residents say, is Detroit's next chapter, and whether the renaissance in parts of the city will spread to still-struggling neighborhoods.

Continue reading.

The New York Times

By Mitch Smith

Aug. 4, 2025

[Municipal Bond Opportunities Amid a Cooling Housing Market.]

Overview

– U.S. housing market cooling drives investors toward municipal bonds and securitized credit for capital preservation amid high mortgage rates and shifting supply dynamics.

– Multifamily sectors gain traction due to 94.5% occupancy, stable cash flows, and conservative leverage, contrasting with residential market challenges.

– Tightened underwriting and CMBS/CLO innovations enhance risk alignment, while OBBBA tax advantages boost demand for high-tax state munis.

– Strategic credit selection and 3-5 year duration positioning optimize yield-risk balance as rate cuts loom in H2 2025.

Continue reading.

aiinvest.com

by Charles Hayes

Tuesday, Jul 29, 2025 6:26 am ET

Franklin Templeton Flash Insights: From Surplus to Shortfall - The Balance of State Budgeting

State governments are navigating budget season amid economic uncertainties and evolving federal policies, balancing slower revenue growth with rising costs, according to Jennifer Johnston, Director of Municipal Bond Research, Franklin Templeton Fixed Income. Despite challenges, she believes states maintain strong financial positions and can use various tools to manage budget gaps effectively.

Continue reading.

Franklin Templeton

July 28, 2025

AllianceBernstein to Convert Bond, Muni Mutual Funds to New ETFs.

Overview

- AllianceBernstein LP plans to convert three of its fixed-income mutual funds into exchange-traded funds, according to a filing with the US Securities and Exchange Commission.
- The new ETFs will include two municipal-bond funds, the AB California Intermediate Municipal ETF and the AB New York Intermediate Municipal ETF, and the AB Core Bond ETF, which will invest in corporate bonds, US government debt and agency securities.
- Dora Lee, director of research for Belle Haven Investments, said “ETFs have the advantage of being the cool kid on the block right now”, and Pat Luby, senior municipal strategist at CreditSights Inc, noted that ETFs provide an easy mechanism for investors to invest in munis.

Continue reading.

Bloomberg Markets

By Maxwell Adler and Amanda Albright

July 29, 2025

Strategic Allocation to High-Impact, Climate-Resilient Municipal Green Bonds: A Tax-Advantaged Path to ESG Alignment in the Post-ESG Correction

Era

Overview

– Post-ESG correction era sees $2.9T municipal green bond market mature via regulatory standards, greenium premiums, and policy-driven climate-aligned financing.

– Tax advantages make municipal green bonds (4% yield) highly competitive for high-income investors, with 5.9% taxable-equivalent yield in 32% tax brackets.

– Strategic allocation prioritizes CBI/ICMA-certified projects in renewable energy and transit, offering 0.8% liquidity premium and 15-20% faster ROI than conventional bonds.

– Regulatory fragmentation and EU CSRD simplifications create compliance risks, but third-party certifications and issuer transparency mitigate greenwashing concerns.

– Dual-strategy investors balance U.S. tax-advantaged munis with EU-certified bonds, leveraging rate-cut expectations and climate-resilient infrastructure for ESG-aligned returns.

Continue reading.

aiinvest.com

by Marcus Lee

Wednesday, Jul 30, 2025

A Troubled High-Speed Rail Project Creates Problems for Some National Muni Funds.

A recent deferred interest payment has sent bond prices tumbling.

High-speed passenger rail system Brightline's mid-July decision to defer interest payments on a portion of its debt sent a ripple effect through the high-yield municipal-bond market. Since then, the largest owners of the debt have suffered steep losses.

The episode has been another bump in what has been a rocky year for municipal-bond funds and shows that an asset class often regarded as sleepy can sometimes jolt investors awake.

Brightline's Background

Brightline Florida, a significant issuer in the high-yield muni market, has evolved since first launching a private passenger US rail service in 2018. Most notably, it launched a 235-mile connecting route between Miami and Orlando in 2023. While the company aspires to extend its services to Tampa, its debt-management challenges have dominated recent headlines. Lower-tha--anticipated ridership and revenue have been headwinds.

Continue reading.

morningstar.com

by Max Curtin

Aug 1, 2025

[Case for Accelerating Municipal Bond Exposure in Light of Fed Rate Cut Expectations.]

Overview

– Fed's 2025 rate cuts signal shifting municipal bond dynamics, with supply/demand alignment creating strategic opportunities.

– 2025 issuance up 16% YoY as borrowers hedge rate volatility, while steep yield curves boost long-duration yields by 24bps.

– Tax-exempt municipals outperform corporates by 51bps, with SMA programs driving demand for 1-15 year high-quality bonds.

– Strategic opportunities include long-duration investment-grade bonds, high-yield short-duration positions, and flexible TOBs.

– Immediate action recommended as favorable yield curves and policy shifts narrow the window for tax-efficient income generation.

Continue reading.

ainvest.com

by Victor Hale

Saturday, Aug 2, 2025 2:43 am ET

Growing Cybersecurity Risks in the Municipal Bond Market: Frost Brown Todd LLP

In November 2024, the Township of White Lake, Michigan, fell victim to a cyberattack resulting in the wiring of approximately $29 million to the unauthorized account of the culprit. Before White Lake imminently closed on its issuance of general obligation bonds to finance new governmental buildings, the hacker was able to access the township's email system, impersonating an official of the township and sending altered wiring instructions to the underwriter of the bond. At the closing, instead of the township account, the purchase price was wired to the hacker. The sale of the bonds was ultimately canceled, and to this date, only approximately $21 million of the purchase price has been recovered. The underwriter is suing the township for the remainder.

Cyberattack Frequency and Disclosures

In recent years, there has been an increase in the frequency and media coverage of cyberattacks, from phishing scams to ransomware, and corporations are constantly working to stay ahead of bad actors by improving policy and technology. As evidenced by the White Lake cyberattack, the municipal markets are not immune to this threat—in fact, the public sector was the third most targeted sector by foreign nation-state cyber threat actors in 2024, according to Microsoft Threat Intelligence's global 2024 Digital Defense Report.

Tracking the rate of these incidents in the municipal market can be difficult, as there are currently no official guidelines from the Securities and Exchange Commission (SEC) pertaining to municipalities and their disclosure of cybersecurity risks or attacks. Issuers may be hesitant to make such disclosures for fear of the negative impact on their credit ratings and the associated negative publicity. This hesitation is well founded: two issuers, one in California and one in Maryland, recently had their credit downgraded after suffering cyberattacks. However, experts believe that, despite the potential credit impact, disclosure is essential, as it allows law enforcement to better understand cyberattack trends, build their databases, and develop strategies to prevent future attacks.

Continue reading.

Frost Brown Todd LLP – Ben Hadden and Chris Ansell

July 30, 2025

Crowley Independent School District, Texas: Fitch New Issue Report

Crowley Independent School District's $247.8 million series 2025 unlimited tax bonds received a 'AAA' rating from Fitch due to the Texas Permanent School Fund bond guarantee program. The district's underlying rating is 'A+', reflecting its financial resilience and demographic trends.

Access Report

Thu 31 Jul, 2025 – 4:29 PM ET

Tarrant Regional Water District, Texas: Fitch New Issue Report

The Tarrant Regional Water District has a 'AA+' rating with a Stable Outlook. Planned capital spending from 2025 to 2029 totals $1.5 billion.

Access Report

Thu 31 Jul, 2025 – 5:03 PM ET

Texas School Districts Rush to Bond Market Ahead of Law Changes.

Takeaways

- Texas school districts borrowed more than $9 billion of long-term bonds in July, according to data

compiled by Bloomberg.
- The debt surge is fueled in part by new laws that increase Texas' homestead exemption, which reduces the amount of revenue school districts can borrow against, said Matt Boles, a managing director at RBC Capital Markets.
- Some districts are upsizing or accelerating their deals to take advantage of a hold-harmless provision that says the state will cover any funding shortfalls caused by the change until Sept. 1, said Boles.

Texas school districts are dashing to secure bond financings before legislative changes that take effect in September could choke debt sales.

Public schools in the state borrowed more than $9 billion of long-term bonds in July, roughly six times more than the monthly average in the last five years, according to data compiled by Bloomberg. It also marks a 437% increase over the volume sold in July 2024.

Continue reading.

Bloomberg Markets

By Erin Hudson

August 1, 2025

MSRB Announces New Board Members for FY 2026.

Washington, DC –The Municipal Securities Rulemaking Board (MSRB) today announced that it has elected four new Board members for Fiscal Year 2026 who will serve four-year terms, which begin on October 1, 2025.

The announcement follows MSRB's fourth quarterly Board meeting of FY 2025 where Natasha Holiday was elected to serve as Board Chair and Wendell Gaertner was elected to serve as Vice Chair. Their one-year terms begin on October 1, 2025.

"MSRB's Board of Directors is pleased to announce the election of this accomplished class of new Board members who will bring fresh perspectives to the work that strengthens the municipal securities market and protects investors, issuers and the public interest," Chair-elect Holiday said. "The Board's Nominating Committee was charged with recommending one municipal advisor, one broker-dealer, and two public members to join the Board next year."

The new public members joining the MSRB Board in FY 2026 are Nancy Feldman, Chief of the Division of Fiscal Management for Montgomery County, Maryland, and JoLinda L. Herring, CEO and Managing Shareholder, Bryant Miller Olive. The new regulated members joining the Board are Vivian Altman, Managing Director and Head of Public Finance, Janney Montgomery Scott, and Daniel Hartman, Managing Director and Immediate Past CEO, PFM Financial Advisors LLC.

Biographical information for Altman, Feldman, Hartman and Herring can be found below.

Vivian Altman is Managing Director and Head of Public Finance for Janney Montgomery Scott, where she oversees their public finance business with a focus on leading the organization's business and client development efforts and expanding its sector and geographic presence. Prior to Janney

Montgomery Scott, Altman held roles as an investment banker, municipal advisor, and issuer. Altman holds a Bachelor of Arts in Economics from Barnard College, a Master of Arts in Economics from the University of Pennsylvania, and, in 2024, was recognized as a Trailblazing Woman in Public Finance, receiving the Private Sector Freda Johnson Award.

Nancy Feldman is the Chief of the Division of Fiscal Management for Montgomery County, Maryland, where she is responsible for oversight of the county's cash and investments, debt, revenue forecasting, economic development administration, and fiscal policy analysis. Prior to her work with Montgomery County, Feldman held various positions at Wells Fargo Securities including as Managing Director, Public Finance, Government and Institutional Banking, where she managed the public finance investment banking department and developed strategy for new business in public finance. Feldman holds a Bachelor of Arts in Economics from SUNY Albany and an MBA in Finance from Baruch College.

Daniel Hartman is Managing Director and Immediate Past CEO for PFM Financial Advisors LLC, where he led the organization through its transformation into a stand-alone financial advisory and consulting company. Prior to his tenure as CEO, Hartman led PFM's Financial Advisory practice, was responsible for all municipal advisory services throughout the U.S., and headed the national utilities practice in the U.S. He holds a Bachelor of Arts in Economics and International Relations from the University of North Carolina Chapel Hill.

JoLinda L. Herring is CEO and Managing Shareholder for Bryant Miller Olive, where she is a member of the firm's Public Finance Group. She has over 30 years of experience practicing public finance law and currently serves as bond counsel, disclosure counsel, and underwriter's counsel to various government entities across the States of Florida and Connecticut. Herring began her career at Bryant Miller Olive as a law clerk. She holds a Bachelor of Science in Chemistry from Fisk University, an MBA in Finance with honors from Vanderbilt University, and a JD from Florida State University College of Law.

The new Board members were selected from a pool of over 50 applicants this year.

"We are grateful for and appreciate all of the highly qualified candidates who demonstrated their commitment to public service and giving back to the municipal securities market by applying to serve on the Board," MSRB CEO Mark Kim said.

July 30, 2025

Aleis Stokes, Chief External Relations Officer
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- **Ed. Note:** It appears that we may have hit the standard-issue late-summer doldrums. Consider taking this opportunity to (re)read the doldrum-heavy Rhyme of the Ancient Mariner. Would it kill you to ingest a little culture, rubes? Oh, it might? Our bad. Sorry.
- GFOA GAAP Update Registration Opens.
- Who Labels and What's Priced? Evidence from Third-Party ESG Assessments in the Municipal Bond Market – Brookings
- Fitch: Resilience Tested as State Support Peaks for U.S. College and University Medians
- Moving On Down the Road: Rethinking Toll Roads and Managed Lane Projects: Nixon Peabody

- And Finally, Taj Mahal Porta-Potty Rental & Service is brought to us this week by *23rd Psalm Trucking, L.L.C. v. Madison Parish Police Jury*. (Surely you can see where this is going.) The 23rd Psalm is certainly a gorgeous piece of poetry, (But only in the KJV. Bite me, NIV.) but we're struggling to find any connection between it and a waste-disposal operation. Mona Lisa Horse Rendering? Hanging Gardens of Babylon Lead Smelting? Your turn now. Go forth and preach the Gospel.

PUBLIC CONTRACTS - LOUISIANA

23rd Psalm Trucking, L.L.C. v. Madison Parish Police Jury

Supreme Court of Louisiana - June 27, 2025 - So.3d - 2025 WL 1788077 - 2024-00808 (La. 6/27/25)

Garbage collection company brought action against parish police jury for breach of contract and unfair trade practices after police jury terminated company's residential waste collection and disposal contract early.

The District Court granted police jury's motion for summary judgment. Company appealed, and the Second Circuit Court of Appeal affirmed. Company petitioned for certiorari review.

The Supreme Court held that:

- Police jury lacked authority to enter into trash disposal contract absent approval by the State Bond Commission or a non-appropriation clause in the contract, and
- Company did not detrimentally rely upon unequivocal advice from an unusually authoritative source.

Police jury lacked authority to enter into four-year, residential waste collection and trash disposal contract with garbage collection company absent approval by the State Bond Commission or a non-appropriation clause in the contract that would allow the police jury to terminate the contract for lack of funding without a penalty.

Garbage collection company did not detrimentally rely upon unequivocal advice from an unusually authoritative source, and thus could not maintain detrimental reliance claim against parish police jury following early termination of garbage collection contract, where company had the opportunity before executing the contract to seek legal advice from an attorney on the laws applicable to contracting with the police jury, but did not, and neither the police jury nor its attorney issued a legal opinion relating to the contract prior to signing it.

ZONING & PLANNING - GEORGIA

DeThomas Investments, LLC v. LMRK PropCo, LLC

Court of Appeals of Georgia - July 14, 2025 - S.E.2d - 2025 WL 1923873

Billboard easement holder brought action against owner of property neighboring property on which easement was located, city, and city development authority, asserting fraud, negligent misrepresentation, fraudulent concealment, civil conspiracy, tortious interference with contractual and business relations, nuisance, inverse condemnation, and breach of easement contract, and seeking punitive damages and litigation expenses, relating to alleged destruction of billboard easement through rezoning.

The trial court denied motions to dismiss by neighboring owner and city and authority. Neighboring owner and city and authority brought interlocutory appeals.

The Court of Appeals held that:

- Holder adequately pleaded claims against neighboring owner;
- Acts of city and authority in connection with rezoning were governmental functions, and thus, there was no waiver of sovereign immunity for such acts for holder's claims of fraud, fraudulent concealment, negligent misrepresentation, tortious interference with contract, and fraud-based civil conspiracy; and
- Holder did not state cause of action against city or authority for nuisance, inverse condemnation, or breach of easement contract.

NEGLIGENCE - MARYLAND

[Mayor and City Council of Baltimore v. Wallace]

Supreme Court of Maryland - July 17, 2025 - A.3d - 2025 WL 1982241

Bicyclist who fell and sustained injuries while biking home from work on promenade in city park brought negligence action against city.

The Circuit Court denied city's motion for summary judgment, and subsequently entered verdict in bicyclist's favor for $100,000 following jury trial and denied city's motion for judgment notwithstanding the verdict. City appealed. The Appellate Court affirmed. City's petition for writ of certiorari was granted.

The Supreme Court held that Recreational Use Statute's protection for landowners who make property available to public for recreational purposes did not apply to promenade in city park and thus did not preclude bicyclist's negligence action against city.

EMINENT DOMAIN - MICHIGAN

[Yono v. County of Ingham]

Supreme Court of Michigan - July 16, 2025 - N.W.3d - 2025 WL 1957960

Delinquent taxpayer brought action against county, county treasurer, and county land bank authority, alleging unconstitutional taking of property without just compensation after county foreclosed on property to recover delinquent taxes and property failed to sell at public auction.

The Circuit Court granted defendants' motion for summary disposition. Taxpayer appealed. The Court of Appeals affirmed in part, reversed in part, and remanded, directing trial court to calculate surplus owed to property owner. Defendants sought leave to appeal.

The Supreme Court held that because taxpayer's foreclosed real property did not sell at public auction, there were no "surplus proceeds" and, therefore, no taking that required just compensation.

Because delinquent taxpayer's foreclosed real property did not sell at public auction held in compliance with the General Property Tax Act (GPTA), there were no "surplus proceeds" and, therefore, no taking under state constitution that required just compensation; foreclosure sale demonstrated that value of the property interest the government retained was less than what taxpayer owed in property taxes because the property did not sell for the minimum bid, and because there were no proceeds from the sale, taxpayer was not entitled to any compensation.

For purposes of takings claim under state constitution, when property foreclosed upon to recover delinquent property taxes is sold at a public auction, the result of that sale determines the value of the property.

MUNICIPAL GOVERNANCE - NEW JERSEY

Bulur v. New Jersey Office of Attorney General

Supreme Court of New Jersey - July 23, 2025 - A.3d - 2025 WL 2055210

In first case, city public safety director and city police chief brought action against Attorney General, Office of Attorney General, and officer in charge appointed to lead city police department, seeking declaratory judgment that Attorney General's decision to supersede control of city police department after officer-involved shooting exceeded his statutory authority, and seeking injunctive relief.

In second case, city mayor and police chief brought action against Attorney General, Office of Attorney General, and officer in charge, seeking declaratory and injunctive relief with respect to actions taken while in charge of police department.

In both cases, the Superior Court, Law Division, Passaic County, granted Attorney General's motion for transfer of venue to the Superior Court, Appellate Division. The Superior Court, Appellate Division, granted plaintiffs' motion to consolidate and reversed Attorney General's decision. Attorney General's petition for certification was granted.

The Supreme Court held that legislature authorized Attorney General's supersession of city police department.

Legislature authorized Attorney General's supersession of city police department after officer-involved shooting over objection of local authorities; after Attorney General's announcement that he had assumed control over department and appointed an officer in charge to lead department, legislature took affirmative steps to ensure that officer in charge, who was New York police officer, would succeed in his crucial role in that supersession by enacting law that waived training requirements established for New Jersey police officers, and legislature specifically appropriated funds for the State's operation of department during period in which municipal control was superseded.

MUNICIPAL ORDINANCE - SOUTH CAROLINA

Whitehurst v. Town of Sullivan's Island

Supreme Court of South Carolina - July 16, 2025 - S.E.2d - 2025 WL 1947815

After denial of her motion to suppress, defendant was convicted in the Municipal Court, Town of Sullivan's Island, of violating town's disorderly conduct ordinance for loudly berating her ride-share driver with profanity and xenophobic epithets on public street in residential area at almost 2:00 a.m.

Defendant appealed. The Circuit Court affirmed. Defendant appealed.

The Supreme Court held that:

- Ordinance was a content-neutral time, place, and manner restriction that did not violate free speech rights as applied;
- Ordinance was not unconstitutionally vague under Due Process Clause; and
- State established sufficient chain of custody to admit video from ride-share driver's dash camera.

Fitch: Resilience Tested as State Support Peaks for U.S. College and University Medians

Fitch Ratings-New York/Chicago-24 July 2025: Fiscal 2024 medians for U.S. public colleges and universities reveal increasing financial strain, according to a new report by Fitch Ratings. The sector faces declining student fee revenue, rising tuition discounting, and a recent high in median reliance on state appropriations.

Fitch notes in its latest report that while "public U.S. college and university medians were largely stable in fiscal 2024, signs of strain are showing across key revenue sources, with increases in discount rates outpacing net tuition and fee gains and federal funding flattening out.". State appropriations provided a critical buffer, rising to a decade high of 27% of median total revenue in 2024, but this dependence highlights an elevated vulnerability to state and federal policy shifts.

Median tuition discounting climbed to 33.4% in 2024, another recent high, underscoring the growing need for financial aid to attract or retain students. Meanwhile, capital spending increased for a third consecutive year, yet the average age of plant also rose to 13.7 years, signaling ongoing deferred investment.

Looking ahead, Fitch's outlook is negative as core median metrics—while still resilient—are under mounting pressure. Senior Director Emily Wadhwani notes, "Fundamental credit factors are increasingly challenged on various fronts, with federal funding and other policy changes compounding stresses from ongoing demographic and expense management pressures." With revenue growth likely to remain modest and margin compression expected to escalate, the sector's financial flexibility will be tested in the coming year.

Fitch Fiscal 2024 Median Ratios for U.S. Public Colleges and Universities.

Public U.S. college and university medians were largely stable in fiscal 2024, but signs of strain are showing across key revenue sources, with increases in discount rates outpacing net tuition and fee gains and federal funding flattening out. Fitch Ratings' outlook on the credit environment for the U.S. Public Finance Higher Education sector is deteriorating in 2025 relative to 2024.

Access Report

Thu 24 Jul, 2025 – 2:07 PM ET

Moving On Down the Road: Rethinking Toll Roads and Managed Lane Projects: Nixon Peabody

This article was first published on IPFA.org

I recently participated in an IPFA panel discussion, which brought together leaders from across the transportation infrastructure ecosystem to explore the evolving landscape of public-private partnerships (P3s) toll roads and managed lanes.

Duane Callender, Director of the Credit Programs Office at USDOT's Build America Bureau (BAB) provided a virtual keynote focusing on the vital role of TIFIA in supporting the toll road and managed lane sector. Director Callender emphasized how the BAB is responding to this ever-evolving sector so to as to meet the needs of TIFIA applicants. The director noted that BAB's application and due diligence procedures are adjusted and revised as the projects it finances change and evolve.

Key takeaways from the panelists included:

1. Managed lanes are maturing

Managed lanes are no longer niche or experimental. The US market has seen strong performance across many operational managed lanes projects, with revenue consistently outperforming even aggressive projections, demonstrating user acceptance, traffic durability, and long-term financial viability. These assets are now seen as dependable infrastructure investments—validated by positive credit ratings, secondary market refinancings, and growing investor interest.

Continue reading.

By Roderick Devlin

July 21, 2025

Nixon Peabody

Spaceport Projects Can Now Be Financed With Tax-Exempt Bonds: Nixon Peabody

Discover how new tax-exempt bonds for spaceport projects under the OBBB open financing opportunities, treating spaceports like airports.

Since the 2024 elections, the tax-exempt bond market feared that Congress would cut back on tax-exempt bonds to pay for the extensions of the tax benefits in the 2017 Tax Cuts and Jobs Act. Now that Congress has enacted Public Law 119-21, referred to in the press as the One Big Beautiful Bill (OBBB), the industry has actually gained ground.

One interesting provision in the OBBB allows tax-exempt private activity bonds (PABs) for "spaceports." How does the new statute work? And will people actually do these deals?

Expansion of tax-exempt bonds to spaceports

The OBBB authorizes tax-exempt PABs for “spaceport” projects. A spaceport is any facility (including buildings, structures, equipment, etc.) located near a “launch site or a reentry site” if the facility serves the following specific functions:

Continue reading.

Nixon Peabody

By John Hutchinson

July 25, 2025

There’s a New Role for CFOs: Babysitting AI - GFOA

In this perspective piece from the latest issue of Government Finance Review, Justin Marlowe from the University of Chicago Harris School of Public Policy writes that if we’re going to count on AI to produce accurate, reliable information on local government operations, someone must ensure that the data we feed into it is accurate and reliable.

Read more

New York Municipal Bonds: A Strategic Entry Point in a Tax-Exempt Gold Rush

Summary

– New York municipal bonds offer 5% tax-exempt yields, translating to 8.45% taxable-equivalent returns for top tax bracket investors, with 30-year muni-Treasury spreads at historic 95% levels.

– Steepening yield curves and $2.8B in Green Bonds create a 30-basis-point edge over Treasuries, while ESG alignment and competitive pricing reduce risk for long-duration holdings.

– Strong state credit fundamentals contrast with NYC’s near-term budget gaps and OBBBA-driven Medicaid cuts, urging focus on AAA-rated GO bonds and avoidance of high-yield, sector-specific risks.

– Strategic allocation (30-40% in 10-30Y bonds) maximizes yield advantages, though rising $256B issuance and sector vulnerabilities demand caution on spreads and credit quality.

Continue reading.

aiinvest.com

by Wesley Park

Thursday, Jul 24, 2025 2:05 pm ET

New York City Transitional Finance Authority Announces Successful Sale of $1.5 Billion Future Tax Secured Subordinate Bonds.

The New York City Transitional Finance Authority ("TFA") announced the successful sale of $1.5 billion of future tax secured subordinate bonds, comprised entirely of tax-exempt fixed rate bonds. Proceeds from the sale will be used to fund capital projects.

TFA received nearly $479 million of orders during the retail order period and over $4.8 billion of priority orders during the institutional order period, which in total represents 3.5x the amount offered for sale.

Due to investor demand, yields were reduced relative to the start of the institutional order period by 2 basis points in 2036, 2042 through 2045, and 2047; by 3 basis points in 2030, 2031, and 2035; by 4 basis points in 2027, 2028, 2046, and 2048; by 5 basis points in 2052 and 2054; and by 6 basis points in 2050.

Final yields ranged from 2.47% to 5.02%.

The bonds were underwritten through a syndicate led by book-running lead manager Ramirez & Co., Inc., with BofA Securities, Jefferies, J.P. Morgan, Loop Capital Markets, RBC Capital Markets, Siebert Williams Shank, and Wells Fargo Securities serving as co-senior managers.

July 24, 2025

Nuveen Sees Opportunity In Water Munis.

Nuveen is touting water utility municipal bonds as an investment opportunity, projecting that water infrastructure will require an investment of about $1.2 trillion over the next 20 years.

Federal spending cuts will puts more pressure on local municipalities to borrow money to fund the projects, according to Margot Kleinman, head of research for Nuveen Municipals and co-author of a new white paper on the topic.

"Of course if you have less money coming from the federal government, or from the states directly to these water utilities … those utilities will likely need to borrow more money in the muni market," she said in an interview.

The need for water in drought-prone areas of the West Coast will also add to the demand for more infrastructure, according to Kleinman.

Also, the Enviornmental Protection Agency (EPA) under the Biden administration limited the concentration of so-called PFAS (per- and polyfluoroalkyl substances, also known as "forever chemicals") in drinking water, impacting about 15% of U.S. utilities in the Midwest and Northeast, she wrote in the report.

Municipal bonds are enjoying historically high yields, with the Bloomberg Municipal Bond Index yielding around 4% on a yield-to-worst basis.

"If you think about the level of yield for such a safe sector, it's really something that we believe can be an attractive place for investors to put their money to work right now," she said. "Water and sewer credits are one of the quintessential muni bond sectors [and] are essential services and monopolistic providers."

The securities also are resistant to market volatility, she said.

"Water bonds, which are a very safe segment of the muni market, are often elevated yields for a segment of the market where investors can have confidence that these credits are likely to remain stable, have low default rates, and are less likely than some other areas of the market to be impacted by the uncertain economic environment or tariffs," she said.

Financial Advisor

July 22, 2025 • Edward Hayes

[Infrastructure Spending and Municipal Bonds: Opportunities in U.S. Stadium Renovations]()

Summary

– U.S. cities are investing in stadiums as economic catalysts, funded by municipal bonds tied to public-private partnerships (PPPs).

– Bonds use diversified revenue streams (hotel taxes, sales taxes, PILOTs) and reserve funds to mitigate risks like team relocations or economic downturns.

– These investment-grade bonds offer tax advantages, stable yields (5.02% taxable-equivalent as of June 2025), and long-term infrastructure value beyond sports.

– Projects include roads and transit, aligning 30-year debt with urban growth, making them a low-volatility alternative to equities like Tesla.

[Continue reading.]()

TrendPulse Finance

Wednesday, Jul 23, 2025 12:55 am ET

[Bid to Revive Shuttered NY College Will Still Leave Bondholders With Losses.]()

Takeaways

- A group of local residents in upstate New York is planning to buy the shuttered Cazenovia College campus for $9.5 million.
- The sale, when combined with other funds, is estimated to give bondholders a recovery rate of just over 50%, according to an estimate calculated via information from securities filings and data compiled by Bloomberg.
- Lisa Washburn, managing director at Municipal Market Analytics, said recovery rates can vary and

“it comes down to real estate value and what can be done with the property and the land”.

A group of local residents in upstate New York is planning to buy the shuttered Cazenovia College campus for $9.5 million — a sum that, when combined with other funds, is estimated to give bondholders a recovery rate of just over 50%.

Cazenovia College, a liberal arts institution, closed in the summer of 2023, amid enrollment pressures facing small schools across the US. It had sold about $25 million of municipal bonds in 2019 secured by school revenues and a mortgage on the campus, which was appraised at $24 million at the time, according to bond documents.

Continue reading.

Bloomberg Markets

By Amanda Albright

July 22, 2025

New York Municipal Bonds Flash a Buy Sign With Spreads Highest Since 2022.

Takeaways

- New York municipal bonds are yielding 4.10%, eight basis points more than the broader market, the largest gap since November 2022, according to data compiled by Bloomberg.
- Sam Weitzman, a product manager at Western Asset Management, said “You have high-quality paper in the state of New York that is trading at relatively attractive levels even on a nominal basis”.
- James Welch, head of municipals at Principal Asset Management, noted that New York supply in the second quarter outpaced the amount of cash flowing back to holders seeking to reinvest, creating an attractive entry point for in-state residents.

Bonds from New York and its localities are the cheapest in nearly three years after a surge of issuance in the state weakened the debt’s value relative to the broader market.

An index of New York municipal bonds is yielding 4.10%, eight basis points more than the broader market, the largest gap since November 2022, according to data compiled by Bloomberg. Historically, New York bonds have traded at rates less than the benchmark index because local investors use the securities to shield their income from the state’s high taxes.

Continue reading.

Bloomberg Markets

By Martin Z Braun

July 24, 2025

The Sanctuary City Showdown: How Legal Battles Reshape Municipal Credit and Urban Investment Opportunities

Overview

– Trump administration's lawsuits against sanctuary cities face legal setbacks, with courts affirming state sovereignty over immigration enforcement.

– Threats to withhold federal grants risk downgrading municipal credit ratings, increasing bond yields for cities like New York and Chicago.

– Sanctuary policies boost economic participation and real estate demand by fostering immigrant trust and stable communities.

– Investors are advised to overweight bonds and real estate in cities with diversified revenue streams and strong legal defenses.

– Sanctuary cities demonstrate fiscal resilience through lower crime rates and sustained growth in multifamily/industrial property sectors.

Continue reading.

aiinvest.com

by Wesley Park

Friday, Jul 25, 2025 6:32 pm ET

Trends in Municipal Securities Trading: Broker's Brokers vs. Alternative Trading Systems

Read the MSRB report.

MSRB Approves FY 2026 Budget, Amended Rate Card Filing, Elects Board Leadership at Quarterly Board Meeting.

Washington, D.C. – The Board of Directors of the Municipal Securities Rulemaking Board (MSRB) met on July 23-24, 2025, holding the final quarterly meeting of fiscal year 2025. The Board approved the FY 2026 budget, approved the filing of an amended Rate Card with the SEC for calendar years 2026-2029, held FY 2026 officer elections for MSRB Board Chair and Vice Chair, and elected four new Board members for four-year terms beginning on October 1, 2025.

FY 2026 Budget

The Board approved a $46.2 million budget for FY 2026, representing a decrease of 5.2 percent or $2.6 million compared to MSRB's FY 2025 budget. A more detailed budget summary, with MSRB's projected expenses, revenues and reserve levels, will be published in October at the beginning of the fiscal year.

"Upholding our commitment to financial stewardship, budget transparency and public accountability remains of paramount importance to MSRB staff and its Board of Directors," MSRB Board Chair Bo Daniels said. "An open dialogue with stakeholders has provided us with valuable feedback and perspective as we developed our budget for FY 2026."

Multiyear Rate Card

The Board approved filing an amended Rate Card with the SEC for calendar years 2026-2029. The proposed multi-year rate card is designed to provide the industry with greater certainty and stability with respect to fees. In addition, the proposal is expected to reduce MSRB surplus reserves over the next two years by providing a temporary credit against certain market activity-based fees.

"Over the past year, I have been grateful for and appreciate the industry's engagement as we have worked to address their concerns and questions regarding our budget, reserves and fees," MSRB CEO Mark Kim said. "We heard our stakeholders loud and clear, and we hope the amended rate card will provide the industry with greater transparency, less volatility, and more certainty with respect to MSRB's fees going forward."

Board Leadership for FY 2026

The Board held FY 2026 officer elections and considered candidates to fill vacancies on the Board. The Board elected Natasha Holiday, Managing Director, Co-Head of Infrastructure East, RBC Capital Markets, to serve as FY 2026 Chair of the Board. Wendell Gaertner, Senior Managing Director of Public Resources Advisory Group, Inc. (PRAG), will serve as Vice Chair. Officer terms are for one year and begin on October 1, 2025. The terms of MSRB's outgoing Chair Bo Daniels and Vice Chair Jennie Bennett end on September 30, 2025.

"I am pleased to announce the election of Natasha and Wendell as our incoming Chair and Vice Chair—especially as they represent the two market participants that MSRB regulates, broker-dealers and municipal advisors," Daniels said. "I congratulate them on this tremendous honor and know the industry will be well represented with their leadership when they take the reins as Board Chair and Vice Chair in October."

Four new Board members were also elected for four-year terms beginning on October 1, 2025. More information on these candidates will be shared in the coming days.

In addition, the Board discussed the following initiatives:

Market Regulation

- MSRB Rule G-27 Request for Comment: Approved issuing a request for comment on draft amendments to provide more flexibility in connection with dealer supervision requirements.
- Retirement of Financial Advisor Terminology: Approved issuing a request for comment on draft amendments to replace use of the term "financial advisor" in MSRB rules with the term "municipal advisor."
- Open Contractual Commitments: Discussed industry concerns regarding contractual commitment charges for syndicate members.

Market Transparency and Market Structure

- Received an update on the modernization of the Electronic Municipal Market Access (EMMA) website and related market transparency systems.
- Received an update on recent municipal market activity and current MSRB research.

Date: July 24, 2025

Contact:
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UChicago's Harris School to Build Muni Talent Pipeline.

Most people who work in the municipal market end up there by accident. The University of Chicago's Harris School of Public Policy is attempting to change that with it's course, careers in municipal finance. Harris School of Public Policy Associate Dean of Professional and Career Services Krisinda Doherty has more on the story.

Watch video.

Bloomberg Markets – Muni Moment – TV Shows

July 24th, 2025, 1:10 PM MDT

Munis Trail Treasuries by Most Since 2020 After Issuance Boom.

Takeaways

- The municipal-bond market is logging its worst performance relative to US government debt since the start of the pandemic, with state and local government debt losing about 1% this year.
- The lackluster performance is due to a mismatch in supply and demand, with municipal borrowing surging and a depletion of federal-stimulus aid.
- Vikram Rai, a portfolio manager at First New York, said "Performance is going to deteriorate even further" and expects supply to remain elevated, reaching as high as $600 billion by the end of 2025.

The municipal-bond market is logging its worst performance relative to US government debt since the start of the pandemic, as a burst of new bond sales pressures prices.

State and local government debt has lost about 1% this year, trailing the 3% gain on US Treasury securities by roughly 4 percentage points, according to data compiled by Bloomberg.

Continue reading.

Bloomberg Markets

By Aashna Shah and Elizabeth Rembert

July 25, 2025

[Lacking Ridership and Revenue, Florida's Lauded Private Rail Is Worrying Investors.]

Takeaways

- Brightline's ridership and revenue have lagged projections, creating financial hurdles for the company.
- Investors who hold the company's $5.5 billion in outstanding debt are trying to understand the extent of the stress the company is under, with some considering their options with law firms.
- Brightline still has cash reserves to cover some of its outstanding debt until at least 2027, but its latest monthly update showed that ridership and revenues are far below the projections the company offered to bond investors last year.

The Brightline train running from Miami to Orlando, lauded as an alternative vision for the future of American rail travel, is making some investors anxious.

The concerns have amped up since Bloomberg reported earlier this month that Brightline was going to delay an interest payment on $1.2 billion of bonds it issued through the municipal-bond market, one of several different types of debt issued by various arms of the company.

Continue reading.

Bloomberg Markets

By Martin Z Braun, Reshmi Basu, and Eliza Ronalds-Hannon

July 22, 2025

Market Recalibration Ignites a Summer 2025 Municipal Bond Opportunity.

Ultra-Strong Case for Municipal Bonds Right Now

We are in one of the most attractive municipal bond buyer's markets in recent memory. A combination of recalibrating economic sentiment, rising yields, and favorable technicals has created a compelling entry point—especially for tax-sensitive investors.

Continue reading.

advisorhub.com

by Tom Kozlik, HilltopSecurities

July 22, 2025

Fitch Takes Various Actions on Houston CUS First Lien Rev Refunding Bonds Ser 2018C.

Fitch Ratings – New York – 24 Jul 2025: Fitch Ratings has revised the basis of the long-term rating assigned to the City of Houston Combined Utility System First Lien Revenue Refunding Bond Series 2018C to 'AA' from 'AAA'. Fitch has also upgraded the Short-Term rating to 'F1+ from 'F1'. The rating actions are in connection with the issuance of a standby bond purchase agreement (SBPA) by Bank of America, N.A. (BofA; AA/F1+/Stable) in substitution of the current Barclays Bank, PLC letter of credit and mandatory tender of the bonds on July 24, 2025.

KEY RATING DRIVERS

The Long-Term rating will be based solely on the Long-Term rating assigned to the City of Houston's Combined Utility System First Lien Revenue Refunding Bonds, Series 2018C. The 'F1+' Short-Term rating will be based on the liquidity support provided by BofA, in the form of a SBPA, which has a stated expiration date of July 23, 2029, unless extended or earlier terminated. The liquidity support is effective during the weekly interest rate mode only. The Rating Outlook for the Long-Term rating is Stable. For more information on the Long-Term rating, please see the report dated April 12, 2024, available at www.fitchratings.com.

The SBPA provides the payment of the principal component of purchase price, including an amount equal to 35 days of interest calculated at a 15 % maximum rate of. This is based on a 365-day year for tendered bonds during the weekly rate mode if the proceeds of a remarketing of the bonds are insufficient to pay the purchase price following an optional or mandatory tender. The SBPA expires on July 23, 2029, the stated expiration date, unless such date is extended, or upon conversion from the weekly rate mode.

Continue reading.

Overlooked Bond Opportunity Amid Q2 Earnings Volatility.

Summary

– Q2 2025 global markets faced equity volatility from earnings surprises and U.S. tariff risks, driving fixed-income demand as a hedge.

– Duration-rich bond strategies (6.5–6.9 years) offset equity declines, leveraging negative correlation during inflation spikes and rate-cut expectations.

– High-yield bonds outperformed (3.57% gain) due to shorter durations and strong credit selection in sectors like MBS and utilities.

– Undervalued high-quality municipal bonds and long-duration Treasuries emerged as key opportunities for risk-rebalancing amid policy-driven uncertainty.

Continue reading.

aiinvest.com

by Samuel Reed

Thursday, Jul 24, 2025

Pricing Climate Risks: Evidence from Wildfires and Municipal Bonds - Brookings

Abstract

How do financial markets respond to anticipated climate-driven wildfire risk? Using high-resolution meteorological forecasts, land use data, and U.S. municipal bond spreads, we find that municipalities facing greater future wildfire exposure already incur higher borrowing costs: A one standard deviation increase in projected wildfire risk raises primary (secondary) market spreads by 14 (26) basis points – over 40% of the sample mean. Impacts are significantly larger in areas with higher minority populations and greater reliance on local revenue. Our study contributes to the broader literature by introducing a new approach to identifying the financial effects of evolving climate risks.

View the working paper.

View slides.

Brookings 14th Annual Municipal Finance Conference

Authors: Woongchan Jeon, Lint Barrage, and Kieran James Walsh

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Who Labels and What's Priced? Evidence from Third-Party ESG Assessments in the Municipal Bond Market - Brookings

Abstract

We study the supply and pricing dynamics for ESG labels using a novel and unexpected third-party assessment of environmental, social, and governance (ESG) characteristics for over $1 trillion in municipal bonds. We show that most eligible bonds are issued without ESG labels and that local beliefs and issuance terms discourage labeling. Using a difference-in-differences design in combination with these assessments, we provide within-bond evidence that reducing ESG-related uncertainty increases investors' willingness to pay. We find a 3–4 basis point premium for assessed bonds, even those with average ESG scores (i.e., ineligible for ESG labels) – which we call an assessment effect. The greenium for higher environmental or transparency scores is smaller but significant. These pricing effects are consistent across local characteristics, but are much larger for revenue bonds with material credit risk. Our evidence highlights the general relevance of ESG information in assessing credit risk and a mismatch between
its supply and investor demand.

Download the paper.

Brookings 14th Annual Municipal Finance Conference

Authors: Daniel Garrett (University of Pennsylvania Wharton School), Brian Gibbons (Oregon State University), and Mahdi Shahrabi (University of Pennsylvania)

Dealer 'Quid Pro Quo' Shapes Bond Markups, Paper Says.

An academic investigation into “reciprocity” among broker-dealers in secondary market trading has found that larger dealer networks tend to boost liquidity and competition while smaller networks bring higher markups for customers and raise questions about collusion.

Presented Wednesday at the Brookings annual municipal finance conference, the paper, “Dealer Quid Pro Quo in the Municipal Bond Market,” examines “favor trading” among dealers who form networks to trade municipal bonds.

The authors were interested in investigating how the characteristics of dealer networks affected trading prices and found a “noticeable gap in examining reciprocal relationships among dealers,” the paper said.

“Does reciprocal ‘favor trading” help liquidity or enable rent extraction?” asked Casey Dougal, an associate professor in the Department of Finance at Florida State University’s College of Business and one of the authors, who presented the paper at the conference.

Dougal co-wrote the paper with Daniel Rettl and Vasiliy Yakimenko, both from the Department of Finance at the University of Georgia’s Terry College of Business.

“Most of the time, dealer cooperation, grounded in a system of favors, reduces markups and passes along the savings to customers,” Dougal said. “For the most part, 98% of the time these relationships are really beneficial to customers,” he said. “Some of the time it looks like there’s some collusion going on,” he said.

“That’s kind of a strong word,” he added. “We didn’t observe the dealer identities, so it’s a shortcoming of our study,” Dougal said. But “we think that probably more investigation into those groups of traders might be warranted.”

The paper finds that among high-centrality dealers in large communities, high reciprocity lowers average markups by 80 basis points.

Among low-centrality dealers in small communities, reciprocity raises markups by 72 basis points, raising questions of collusion.

High-centrality refers to firms that “occupy central positions and have more connections.”

The “small cohort of highly reciprocal, peripheral dealers” tend to “operate in networks roughly one-sixth the size of other peripheral dealers, but their transaction chains are nearly twice as long, indicating repeated trading within the same closed circle,” the paper said.

“Their transactions also feature slightly smaller trade sizes and bonds with more complex contractual features, consistent with a strategic focus on retail investors, who are more susceptible to cognitive biases or limited financial literacy.”

The colluding dealers may be operating in “niche markets” where pricing and trading are “more challenging, leading to longer chains and justified higher markups due to increased risk, effort, and the value of their specialized services," the authors said.

The study also found a higher incidence of "anomalous trading and strategic pricing" by those dealers. "We find their deals have an unusually high incidence of "round-trip" chains in which the initiating and concluding dealers are identical, raising concerns about pump-and-dump strategies that shift costs onto retail investors."

The authors used Municipal Securities Rulemaking Board data to study 40 million intra-day municipal bond trades between 2014 and 2018.

The paper "identifies a new force that is quite strong in dealer networks," said Ivan Ivanov of the Federal Reserve Bank of Chicago, who discussed the paper at the conference. "The authors find that reciprocity does play a role, both at the core of the dealer network and also on the outside, so this is very key."

Ivanov suggested that the sample time should be expanded since muni trading has changed "immensely" since 2018. It's unclear what role electronic trading, for example, plays in interdealer trading chains and whether alternative trading systems could mask as reciprocity, he said.

All markup costs have fallen "a ton over time," Ivanov said, which appears to be due to the role of the ATS.

The suggestion of strategic trading among some of the dealers is a "strong claim," Ivanov said. "I'm not saying it's false," he added. "But there's a very high burden of proof."

A broker-dealer in the audience took exception to the paper's conclusions.

"From a practitioner's standpoint, at a high level, this generally just doesn't happen in the market," he said.

"You have to take into perspective the eat-or-be-eaten mentality of broker dealers" whose highest goal is to place bonds directly with customers, he said. "There's no feeling of reciprocity among the dealers; they really don't like each other."

"I know they don't like each other, but maybe in a distressed period they'd like to be friends," Dougal said.

"What you're talking about is against the law," the audience member responded.

By Caitlin Devitt

BY SourceMedia | MUNICIPAL | 07/24/25 10:07 AM EDT

Municipal Bonds: A Misunderstood Value Play Amid Supply Glut and Policy Uncertainty

Overview

– Municipal bond markets face 2025 turbulence from $281B issuance surge, policy risks, and a steepened yield curve (74bps in 8-13-year segment).

– Yield-to-worst at 3.96% (top 5% historically) and 30-year AAA municipals yielding 158% of Treasuries highlight sector undervaluation vs equities.

– Investors favor short-15 year duration and high-quality credits as ETF outflows (-$189M YTD) contrast with $17B fund inflows, signaling active management shift.

– Strategic entry points include 10-20 year duration extension (197bps yield pickup) and high-yield short-duration bonds (4.74% yield) amid expected Fed easing.

Continue reading.

aiinvest.com

by Cyrus Cole

Saturday, Jul 26, 2025 10:04 am ET

Public Finance Authority Selling $135 Million of Bonds for Planned Community In Texas.

The Public Finance Authority plans to issue $135 million of tax-exempt bonds to finance the development of a planned community approximately 30 miles west of downtown Houston.

The Series 2025 Revenue Anticipation Capital Appreciation Bonds will be sold on behalf of the Texas Infrastructure Program, according to documents posted Monday on MuniOS. The total accreted value of the bonds is approximately $418.4 million.

Pricing is scheduled for Aug. 6 and the securities will be available for delivery on or about Aug. 13.

Proceeds will be used to help fund the development of the master-planned community of Heritage Bend, located in Fort Bend County. The project will consist on 2,927 single-family residential units and various community amenities including open spaces and trails. The homebuilders anticipate beginning construction in the second quarter.

The bonds are limited obligations of the authority issued under, and secured by, pledges of a separate trust estate under the bond’s indenture.

The debt will be issued as capital appreciation term bonds, and will not pay periodic interest. Instead, the bonds will accrue interest based on a 360-day year. Investors will be paid by maturity, with 50% development pace and 1% inflation, according to the roadshow document. At a 100% development pace the bonds require 1,792 units, or 61% of the total, to be built to pay prior to maturity.

The authority is a governmental entity established under Wisconsin statutes, and is authorized to issue tax-exempt, taxable, and tax credit bonds for public and private entities around the country. The authority was established to provide local governments in Wisconsin and around the country with a way to efficiently and reliably finance projects, according to the PFA website.

The bonds are not rated.

Piper Sandler is the underwriter.

Published on 07/22/2025 at 02:26 pm EDT

Dow Jones

By Patrick Sheridan

Write to Patrick Sheridan at patrick.sheridan@wsj.com

Salt Lake City Bets on Olympics to Spur Economic Overhaul.

Also today: Florida's high-speed rail rattles investors, and how climate change is raising your grocery bill.

Salt Lake City is betting on the 2034 Winter Olympics to jumpstart a lasting economic transformation. Local governments and agencies issued more than $4 billion of municipal bonds this year, fueling a surge of development across the city, including an overhaul of its sports and entertainment arena, the Delta Center, and the area surrounding it.

Some economists, however, question the long-term benefits of hosting the games, decrying potential gains as "exaggerated" or, worse, "nonexistent." While investment is rolling in to boost tourism, Utah's housing shortage stands to constrain the region's economic growth. There are just 30 affordable and available homes for every 100 "extremely low-income" renter households statewide, and in Salt Lake City, the median home price has surpassed half a million dollars, putting homeownership out of reach for most residents, Arvelisse Bonilla Ramos reports.

Today on CityLab: Salt Lake City Turns Winter Olympic Bid Into Statewide Bond Boom

Continue reading.

Bloomberg CityLab Newsletter

By Linda Poon

July 22, 2025

GFOA GAAP Update Registration Opens.

GFOA's Annual Governmental GAAP Update is the must-attend online event for public sector accountants and auditors. Whether you're preparing for year-end reporting or want to stay informed on the latest GASB changes, this session delivers essential updates and key insights. Don't miss your chance to participate.

Choose from two dates: November 6 or December 17.

Read more

- Muni Investors Brace for Hospital-Bond Pain From Medicaid Cuts.
- One Big Act: Tax-Exempt Bonds Avoid Annihilation – Squire Patton Boggs
- WSJ: A Mystery in the High-Yield Muni Market: What Are the Riskiest Bonds Worth?
- US Airports Rush to Bond Market With $10 Billion of New Sales.
- Megawatts to Megabytes: Orrick's 2025 Guide to Developing, Financing & Powering Data Centers
- GFOA: Taking the Pulse of Local Government Finance
- Ohio Enacts Law Regulating Ransomware Payments and Cybersecurity: Thompson Hine LLP
- Fort Worth Bitcoin Mining Pilot: A Path for Municipal Crypto Adoption
- And Finally, Department of Redundancy Department – The State of the Great State of Maine Edition is brought to us this week by *Rinaldi v. Maine Correctional Center*, in which the titular (hee, hee) state sorely tests our patience. Let's start with the court handing down the decision: The Supreme Judicial Court of Maine. Oh, the *Judicial* court! Without that qualifier we would have assumed that it was the Diana Ross and the Supremes Court of Maine. Then there's the opinion itself, in which Ms. Ross informs us that, "The Maine Correctional Center complex is fully surrounded by a locked, gated fence." Ah. There are those who might suggest that this would go without saying. The Supreme Judicial Court of Maine is clearly not one of those. The one bright spot is that Your Editor misread, "the road was not adapted to realty" as "the road was not adapted to reality." Which is much, much funnier. You know how Hemingway stated that he drank to make other people interesting? I resort to weapons-grade hallucinogens to make the Supreme Judicial Court of Maine tolerable.

FEES - CALIFORNIA

Dessins LLC v. City of Sacramento

Court of Appeal, Third District, California., (Sacramento) - July 9, 2025 - Cal.Rptr.3d - 2025 WL 1891810

Voter, a property owner who voted against storm drainage fee, filed petition for writ of mandate and complaint against city and city council, alleging that adoption of the fee violated constitutional amendment mandating that all property-related fees be approved by a majority vote of owners of property subject to the fee because city's votes should not have counted toward reaching the required majority approval.

The Superior Court entered judgment for city and city council. Voter appealed.

The Court of Appeal held that city was authorized to vote on fee because it was a "property owner of property subject to the fee."

ZONING & PLANNING - GEORGIA

Berlin v. City of Atlanta Urban Design Commission

Court of Appeals of Georgia - July 2, 2025 - S.E.2d - 2025 WL 1822481

Neighbors filed petition for certiorari challenging decision of city's urban design commission to approve certificate of appropriateness for the redevelopment of two residential parcels in historic district, naming commission and property owners as defendants and seeking declaratory judgment.

The Superior Court denied neighbors' motion for summary judgment and granted summary judgment sua sponte to defendants. Neighbors filed application for discretionary appeal, which was granted, and the Court of Appeals reversed and remanded. On remand, neighbors filed an amended certiorari petition challenging the commission's decisions on substantive grounds and on the ground that the commission did not comply with notice requirements. The Superior Court denied neighbors' motion for partial summary judgment and granted summary judgment to the defendants, and, following a hearing, issued a detailed final order affirming the commission's decision. neighbors appealed.

The Court of Appeals held that:

- Standard to evaluate the city's compliance with notice requirements was substantial compliance;
- City substantially complied with redevelopment ordinance's notice requirements; and
- Evidence was sufficient to support commission's approval of certificate of appropriateness.

City urban design commission's approval of certificate of appropriateness for the redevelopment of two residential parcels in historic district did not constitute rezoning, and thus correct standard to evaluate the city's compliance with notice requirements was substantial compliance, rather than strict compliance; while city exercising its zoning power when it established the district, the commission was not concerned with use or density but with regulation of external architectural features, which was closer to the scope of the city's police power rather than its zoning power, and ordinance did not set forth a consequence for non-compliance with the notice provisions or prohibit other modes of proceeding.

City urban design commission, in proceeding for certificate of appropriateness for the redevelopment of two residential parcels in historic district, substantially complied with redevelopment ordinance's notice requirements, which provided that, before "any" meeting, notice of the application "shall" be published on the city website, signage "shall" be posted on the property, and notice of the hearing "shall" be mailed to nearby property owners, even if sign was posted on the properties before the first hearing, but not the second and third hearings, and notice of the first hearing was mailed to only two of the four neighbors and no notices of the second and third hearings were mailed to any affected property owners; neighbors all either attended or otherwise participated in at least one of the meetings, and were afforded a meaningful opportunity to be heard on the applications.

Evidence was sufficient to support city urban design commission's approval of certificate of appropriateness for the redevelopment of two residential parcels in historic district; commission adopted a ten-page city staff report, which addressed and examined the property configuration and characteristics of the properties and the general design of each house and analyzed, inter alia, the use, density, required parking, height limitations, lot coverage, open space, tree removal, and architectural elements.

IMMUNITY - MAINE

Rinaldi v. Maine Correctional Center

Supreme Judicial Court of Maine - July 8, 2025 - A.3d - 2025 WL 1872908 - 2025 ME 60

Inmate brought action against Department of Corrections, prison, and state, asserting various tort claims arising from injuries sustained in fall on outdoor paved road running through center of prison.

The Superior Court granted inmate's motion for partial summary judgment, concluding that state lacked immunity from suit under Maine Tort Claims Act (MTCA) because inmate's accident fell within MTCA's "public building" exception. State, Department, and prison appealed.

The Supreme Judicial Court held that:

- Road was not physically annexed to any of prison's buildings;
- Road was not adapted to realty; and
- Road was not intended to be irremovable from realty.

PUBLIC EMPLOYMENT - MARYLAND

Coates v. Charles County Board of Commissioners

Appellate Court of Maryland - June 30, 2025 - A.3d - 2025 WL 1792907

Two members of board of county commissioners brought action on board's behalf against commissioner for writ of mandamus or prohibition, permanent injunction, and declaratory judgment as to commissioner's authority to vote on termination of county administrator's employment in light of board's previous Prompt and Remedial Action (PRA), which had restricted commissioner's conduct following independent investigation into administrator's personnel complaint against commissioner.

Commissioner asserted counterclaim for declaratory judgment that administrator had been terminated pursuant to board vote in which commissioner had participated. Administrator intervened as party plaintiff. After granting board's motion to quash foreign subpoenas and denying commissioner's motion to compel county attorney's deposition testimony, the Circuit Court granted permanent injunction enforcing PRA, enjoining commissioner and board from taking any action to modify PRA or rescind amendment to board's rules with vote that included commissioner, then denied commissioner's motion for reconsideration and dismissed counterclaim. Commissioner appealed.

The Appellate Court held that:

- Board members had standing to seek declaratory and injunctive relief to resolve internal governance dispute;
- Board members were required to exhaust administrative remedies before seeking declaration that commissioner violated
- Maryland Fair Employment Practices Act (FEPA);
- Action did not present nonjusticiable political question;
- PRA was administrative in nature;
- As a matter of apparent first impression, administrator was not "appointee on the policy making level" under Title VII or FEPA;
- Trial court did not abuse its discretion by consolidating hearing on preliminary injunction with merits of claim for permanent injunction; and
- Whether investigation's findings justified board's adoption of PRA was irrelevant to parties' claims.

County administrator was not "appointee on the policy making level," and thus, was not excluded from definition of "employee" in Title VII and Maryland Fair Employment Practices Act (FEPA); administrator acted primarily as administrative vessel for programs and policy priorities of county board of commissioners, having inward-focused duties concerning day-to-day management and operation of county government and execution and implementation of board's directives, initiatives, and policies, administrator's exercise of discretion largely involved internal affairs, referral of enforcement actions, and management of day-to-day operations, and board had not entrusted administrator with policymaking and decisionmaking authority or discretion as to high-impact issues of public interest.

CITY CHARTER - OHIO

State ex rel. Maumee v. Lucas County Board of Elections

Supreme Court of Ohio - July 17, 2025 - N.E.3d - 2025 WL 1983414 - 2025-Ohio-2516

City and qualified elector filed action against county board of elections for writ of prohibition preventing board from placing petitions for recall of mayor and six city councilmembers on special-primary election ballot and writ of mandamus ordering board to grant city's and elector's protests against recall petitions.

Recall petitioners intervened as respondents.

The Supreme Court held that:

- City charter did not foreclose recall as method of removing elected officials from office, and
- City's home-rule charter did not incorporate statute permitting removal of elected officials via recall petition, and, thus, mayor and councilmembers could not be removed through recall petition.

Muni Investors Brace for Hospital-Bond Pain From Medicaid Cuts.

Takeaways

- President Donald Trump's budget bill makes substantial cuts to Medicaid, which could push millions of Americans off their health insurance.
- Municipal Market Analytics lowered its outlook to negative for the hospital and health-care systems sector, citing expected pressure on operating margins from increased uncompensated care and reduced reimbursements.
- According to Chad Farrington, nursing homes that rely heavily on Medicaid will likely experience lost revenues, and many may be unable to continue operating due to already tight margins.

President Donald Trump's budget bill has municipal-bond investors bracing for mounting financial strains on hospitals and health-care systems amid estimates that the legislation could push millions of Americans off their health insurance.

Trump's $3.4 trillion tax and spending package makes substantial cuts to Medicaid, the public health-insurance program for low-income and disabled people. Republicans are also mulling deeper reductions to Medicaid in a follow-up bill.

Against that backdrop, Municipal Market Analytics lowered its outlook to negative from neutral for the sector. The segment encompasses about $290 billion in debt, data compiled by Bloomberg show. The research firm projects the cuts will likely pressure operating margins, including from the expected increase in uncompensated care for those who lose coverage and a cap on taxes that states use to defray Medicaid costs.

[Continue reading.](#)

Bloomberg Markets

By Sri Taylor

July 16, 2025

[Barclays Sees Medicaid Reductions Hurting 15 States the Most.](#)

Takeaways

- Louisiana, Nevada and California stand to be the most negatively impacted if Medicaid is reduced, according to Barclays Plc.
- States across the US could lose roughly $1 trillion in funding, resulting in 11.8 million Americans losing their health-care coverage, if Medicaid is cut.
- “States will have difficult decisions to make regarding both how much of the direct costs they will want to backfill and how much of the indirect costs they will potentially want to backstop,” the strategists wrote.

President Donald Trump’s budget bill that could deeply cut the nation’s largest public health-insurance program stands to hurt some states more than others, according to Barclays Plc.

Louisiana, Nevada and California stand to be the most negatively impacted if Medicaid is reduced, based on funding losses as a percentage of yearly revenue loss and the number of Americans with chronic health conditions living there, municipal strategists Mikhail Foux, Francisco San Emeterio and Grace Cen said in a Thursday note.

[Continue reading.](#)

Bloomberg Markets

By Sri Taylor

July 17, 2025

[US Airports Rush to Bond Market With $10 Billion of New Sales.](#)

Takeaways

- Airports across the US have borrowed more than $10 billion from municipal-bond investors in the first six months of 2025, according to data compiled by Bloomberg.
- The debt influx stems from a boom in post-pandemic air travel coupled with higher infrastructure costs, said Jason Appleson, head of municipal bonds at PGIM Fixed Income.
- Investors have gobbled up the onslaught of muni sales, said Christopher Brigati, chief investment

officer at SWBC Investment Services, who added that demand is generally there and people are looking for opportunities.

Surging construction costs and booming demand for flights are fueling a rush of debt sales from US airports.

Airports across the US have borrowed more than $10 billion from municipal-bond investors in the first six months of 2025, the largest first half since at least 1990, according to data compiled by Bloomberg. The surge marks a 51% increase over last year's volume and is outpacing the broader 20% uptick in state and local government bond sales, the data shows.

The debt influx stems from a boom in post-pandemic air travel coupled with higher infrastructure costs, said Jason Appleson, head of municipal bonds at PGIM Fixed Income. Inflation raised the expense of everything from materials to construction labor. "Higher costs means more bonds to issue," he said.

Continue reading.

Bloomberg Markets

By Aashna Shah

July 15, 2025

Harvard Bonds Draw Buyers as Clash With Trump Fuels Selloff.

Takeaways

- Harvard University's bonds were once coveted for tax advantages and perceived safety, but yields climbed as investors grew uneasy about the Trump administration's threats to the school's tax-exempt status and federal funding.
- Jeremy Holtz, portfolio manager at Income Research + Management, said his team has taken advantage of the "eds and meds" sector as bond prices have fallen, and that Ivy League schools like Harvard have "fortress balance sheets".
- Some analysts and investors, including David Dowden and Christopher Lanouette, have expressed caution or optimism about the bonds, with Lanouette noting that continued federal pressure on the colleges could cause investors to remain wary, while others see the bonds as a bargain.

Harvard University's ongoing clash with the Trump administration has sparked a flurry of trading activity in the municipal bond market for its tax-exempt debt.

The university's bonds were once so coveted, they traded at yields lower than other AAA debt. Wealthy investors in the high-tax commonwealth of Massachusetts were eager to scoop them up for tax advantages and perceived safety.

Continue reading.

Bloomberg Markets

By Amanda Albright and Elizabeth Rembert

July 17, 2025

[Cities Drive Most U.S. Economic Activity: Report]

Metro-area economies' contributions to U.S. economic growth increased for the fifth consecutive year, according to the report released by the U.S. Conference of Mayors, but a S&P Global Market Intelligence representative noted economic headwinds ahead.

Cities account for 90.8% of the U.S. GDP, according to the 2025 Metro Economies Report. The U.S. Conference of Mayors released the report, which S&P Global Market Intelligence prepared, at its annual meeting in June. The report found that cities account for 89.5% of personal income, 92.1% of wages and salaries, 88.2% of employment, 90.3% of employment change and 86.4% of population. The gross metro product of the top 10 metro areas ($9.67 trillion) exceeds the output of 37 states ($9.45 trillion), the report states. In 37 states, metro areas contribute more than 80% of the state GDP.

Continue reading.

American City & County

by Michelle M. Havich, Editor, American City & County

July 10, 2025

Megawatts to Megabytes: Orrick's 2025 Guide to Developing, Financing & Powering Data Centers

The data center industry is experiencing unprecedented innovation. Global capital expenditure surged 51% in 2024, reaching $455 billion. By 2030, worldwide data center power demand is expected to rise by over 900 terawatt hours, fueled by the continued growth of AI and cloud computing. This rapid expansion brings both opportunity and complexity for industry stakeholders.

Orrick's 2025 reference guide to data centers is built on actionable insights, legal analysis, and market intelligence. It should be useful for industry veterans, companies that are entering this space for the first time, and people just trying to better understand the market.

What Are The 5 Key Elements of Data Center Development?

Drawing on our experience across all facets of the industry, we break down the challenges and solutions shaping the future of digital infrastructure, including:

- Navigating grid constraints and regulatory challenges
- Power procurement strategies, including 24/7 clean energy solutions
- Innovative financing approaches for capital-intensive projects
- Leasing, M&A, and tax considerations unique to the sector
- Social license, community engagement, and environmental impacts

Download the Guide

Orrick's Data Center Practice
Our cross-disciplinary data center team provides comprehensive support for data center operators, developers, investors and power developers, helping clients anticipate risks, seize opportunities, and shape the digital infrastructure of tomorrow. Over the past 15 months, we have supported more than 25 innovative data center transactions—including six landmark PPAs—across 20 countries.

July.15.2025

How San Jose's Mayor Is Working to Build an AI Capital.

The Silicon Valley city is already a burgeoning AI hub. Mayor Matt Mahan wants to do more to retain local talent, and become a leader on integrating the technology into government.

Takeaways

- Nearly 150 stoplights in San Jose, California, are equipped with an artificial intelligence tool aimed at optimizing bus trips, allowing buses to run at higher speeds and reducing commute times for riders by 20%.
- San Jose Mayor Matt Mahan sees the signal priority technology as one of San Jose's most successful AI implementation efforts to date, and the city is trying to vastly expand its use of the technology in city hall and across government.
- San Jose is the founding member of the GovAI Coalition, which includes hundreds of government entities across the US that share information about AI-related projects, and the city has offered up to $50,000 in incentives for early-stage AI startups that relocated there.

Nearly 150 stoplights in San Jose, California, are equipped with an artificial intelligence tool aimed at optimizing bus trips. The tech has allowed the buses to run at higher speeds and reduced commute times for riders by 20%, in part by making it more likely buses will reach a green traffic light.

Continue reading.

Bloomberg CityLab

By Fola Akinnibi

July 18, 2025

Ohio Enacts Law Regulating Ransomware Payments and Cybersecurity: Thompson Hine LLP

The Ohio Legislature included provisions in a recently enacted operating appropriations bill (Ohio House Bill 96) that regulate how and when state agencies can make ransomware payments, including a new requirement related to consultation with and approval from legislative officials. The bill also sets forth new cybersecurity standards and cyber-related event reporting requirements for state agencies. It is important that Ohio state agencies subject to the provisions update their incident response plans to include a process for engaging with legislative officials, among other areas, and update their information security policies.

The new Ohio law defines a “cybersecurity incident” and a “ransomware incident” differently. The former is defined as any of the following:

- A substantial loss of confidentiality, integrity, or availability of a covered entity’s information system or network
- A disruption of a covered entity’s ability to engage in business or industrial operations or to deliver goods or services
- The unauthorized access to an entity’s information system or network, or nonpublic information contained therein, that is facilitated through or is caused by a compromise of a cloud service provider, managed service provider, or other third-party data hosting provider, or a supply chain compromise

Continue reading.

Thompson Hine LLP – Steven G. Stransky, Thomas F. Zych, Thora Knight and Kimberly Pack

July 11 2025

Fort Worth Bitcoin Mining Pilot: A Path for Municipal Crypto Adoption

Fort Worth, Texas, has made waves by becoming the first U.S. city to officially mine Bitcoin. This initiative not only marks a significant milestone for the city but also serves as a potential model for other municipalities looking to engage with cryptocurrency. As cities worldwide explore ways to integrate crypto solutions into their economies, Fort Worth’s pilot project offers key insights on how to approach regulatory hurdles and community engagement.

Innovation is Crucial in Crypto Solutions

This Bitcoin mining initiative isn’t just about making some extra bucks. It’s a strategic maneuver to showcase Fort Worth as a hub for technological innovation. By diving into cryptocurrency, the city hopes to attract tech firms and signal its commitment to modern financial solutions. The pilot, which involves running three mining rigs around the clock for six months, is a low-stakes experiment to gauge the feasibility of municipal-level Bitcoin mining. This highlights a trend in fintech startups: viewing pilot programs as a chance to innovate rather than a quick route to profit.

Collaboration is Key for Successful Implementation

Collaboration has been vital for Fort Worth’s project. The city teamed up with the Texas Blockchain Council, which donated the mining rigs. This partnership underscores the importance of working with local experts and stakeholders to minimize costs and risks. Fintech startups should consider starting small and aligning with knowledgeable partners to help navigate the complexities of the crypto ecosystem.

Continue reading.

onesafe.io

by OneSafe Editorial Team

Jul 16, 2025

WSJ: A Mystery in the High-Yield Muni Market: What Are the Riskiest Bonds Worth?

Junk-bond prices are 'written in pencil, not pen'

When a tiny mutual fund dumped bonds recently, the low prices it got affirmed an alarming reality for investors in risky municipal debt: Many securities turn out to be worth less than shareholders have been told.

Shares of Easterly Asset Management's high-yield muni fund in early June cost about $6, based on Easterly's estimated value for each bond in the fund. But many of those bonds hadn't traded in years. And when Easterly began rapidly selling some last month, buyers weren't willing to pay nearly the amount fund managers had estimated.

An Easterly spokeswoman said true price discovery is only possible when bonds trade in the market.

Continue reading.

The Wall Street Journal

By Heather Gillers

July 19, 2025 9:00 am ET

Munis Top Stocks on Value by the Most in Decades, MacKay Says.

Takeaways

- MacKay Municipal Managers found that after accounting for taxes, muni yields exceed the S&P 500 earnings yield by about 244 basis points, according to a new report.
- The firm said that "a positive spread of this size suggests that municipal bonds are trading at their most attractive relative value to equities in over two decades".
- David Dowden, managing director and portfolio manager at MacKay Municipal Managers, said that investors can get close to the returns expected from stocks after considering taxes, and he is seeing buying opportunities in the investment-grade sector.

Tax-exempt municipal bonds are offering compelling value compared to equities, according to a new report by MacKay Municipal Managers.

The firm, the muni investment arm of MacKay Shields, found that after accounting for taxes, muni yields exceed the S&P 500 earnings yield by about 244 basis points, a gap not seen since 2001-02. The earnings yield, often used as a proxy for what shareholders earn on stocks, has fallen as equity valuations climb.

Continue reading.

Bloomberg Markets

By Amanda Albright

July 14, 2025

Muni Bonds See Worst Day Since Tariff-Fueled Rout in April.

Municipal bonds sold off on Tuesday, with benchmark yields rising as much as eight basis points, as new inflation data caused traders to par back expectations for an interest-rate cut in September.

The yield on the 10-year muni benchmark rose eight basis points to 3.25% in the market's worst day since tariff-fueled volatility in April.

US Treasuries also sold off after the release of the data, which signaled that companies are beginning to more meaningfully pass some tariff-related costs to consumers. State and local debt tends to follow Treasury moves.

Continue reading.

Bloomberg Markets

By Aashna Shah

July 15, 2025

One Big Act: Tax-Exempt Bonds Avoid Annihilation - Squire Patton Boggs

On July 4, 2025, the president signed into law the so-called "One Big Beautiful Bill Act" (the "OBBBA"). While technically no longer a bill and its beauty is in the eye of the beholder, the OBBBA certainly is big. Even before the almost-1,000-page OBBBA took shape, the public finance community was on alert about lawmakers entertaining possibly peeling away or even eliminating the tax exemption of interest on municipal bonds in an effort to pay for the extension of the 2017 Tax Cuts and Jobs Act (the "TCJA"). Understandably so, because in 2017, to help offset the costs of the TCJA, lawmakers proposed eliminating tax exemption for qualified private activity bonds entirely and ultimately ended up scrapping tax-exempt advance refundings. Fortunately, tax-advantaged bonds survived the OBBBA intact and, in fact, have expanded in areas[1].

Space: The Latest Frontier

The OBBBA expands the airport category of exempt facility bonds under Section 142 of the Code to include spaceports[2]. A spaceport is defined as "any facility located at or in close proximity to a launch site or reentry site used for (A) manufacturing, assembling, or repairing spacecraft, space cargo, other facilities described in this paragraph, or any component of the foregoing, (B) flight control operations, (C) providing launch services and reentry services, or (D) transferring crew, spaceflight participants, or space cargo to or from spacecraft." Space cargo includes "satellites, scientific experiments, other property transported into space, and any other type of payload, whether or not such property returns from space." Spacecraft means "a launch vehicle or reentry vehicle[3]." Other terms take their meaning from existing definitions in Title 51 of the U.S. Code concerning "National and Commercial Space Programs" which was enacted in 2010. Section 142 will generally treat spaceports like airports with a few notable exceptions:

Continue reading.

The Public Finance Tax Blog

By Robert Radigan on July 14, 2025

Squire Patton Boggs

Muni Bonds Offering a 'Generational' Income Opportunity, says BlackRock Strategist.

Pat Haskell, managing director at BlackRock, sits down with InvestmentNews anchor Gregg Greenberg to explain why the perfect time for investors is now to capture income and especially in the municipal bond market.

Watch video.

investmentnews.com

Jul 15, 2025

Municipal Bond Yields Rise Amid Tariff-Fueled Inflation Concerns.

Municipal bonds saw their worst day since April as new inflation data caused traders to reassess expectations for an interest-rate cut in September. The 10-year muni benchmark yield rose 8 basis points to 3.25%. US Treasuries also sold off, with the long end of the curve under pressure due to lack of demand.

Municipal bonds faced their most challenging day since April on Tuesday, July 2, 2025, as new inflation data led traders to reassess expectations for a potential interest-rate cut in September. The 10-year municipal bond benchmark yield rose by 8 basis points to 3.25%, reflecting increased uncertainty about the Federal Reserve's policy direction. US Treasuries also experienced selling pressure, particularly at the long end of the curve, as demand remained lackluster.

The inflation data, released on Tuesday, showed that tariff concerns persisted, but it did not provide enough evidence to warrant a Federal Reserve rate cut in July. The two-year muni-UST ratio was at 62%, the five-year at 63%, the 10-year at 73%, and the 30-year at 92%, according to Municipal Market Data's 3 p.m. ET read. These ratios indicate that municipal bonds are still seen as relatively attractive compared to US Treasuries [1].

Continue reading.

aiinvest.com

Tuesday, Jul 15, 2025 4:59 pm ET

[Infrastructure Resilience and Municipal Bonds in Post-Crisis Markets.]

Takeaways

– Maryland's water main breaks and Moody's downgrades highlight aging infrastructure risks and rising municipal borrowing costs.

– Investors face opportunities in resilient infrastructure equities (e.g., American Water Works) and bonds with strong asset management plans.

– Case studies like Santa Fe and SNWA show how proactive upgrades reduce water loss and improve credit ratings.

– Municipal debt risks vary regionally, with Midwest/Southeast bonds offering higher yields but greater infrastructure vulnerabilities.

– The $625B U.S. infrastructure gap creates long-term investment potential for utilities aligning with IIJA/WIFIA federal programs

Continue reading.

aiinvest.com

TrendPulse Finance

Sunday, Jul 20, 2025

District of Columbia Water & Sewer Authority: Fitch New Issue Report

The District of Columbia Water & Sewer Authority's 'AA' rating reflects a very strong financial profile and low operating cost burden. The authority's leverage was 4.7x in fiscal 2024 and is expected to peak at 6.2x in fiscal 2026.

Access Report

Fri 18 Jul, 2025 – 12:28 PM ET

Los Angeles County, California: Fitch New Issue Report

The 'AA+' rating on the 2025 series A lease revenue bonds is one notch below the 'AAA' Issuer Default Rating (IDR) for Los Angeles County due to the slightly higher degree of optionality associated with the county's lease payments subject to appropriation. The county plans to use a combination of reserves, budgetary savings and proceeds from the JOBs to finance $4 billion in claims, which it has agreed to pay out over five years starting in January 2026.

Access Report

Thu 17 Jul, 2025 – 5:21 PM ET

Tallahassee (FL) [Water, Sewer]: Fitch New Issue Report

The 'AA+' Consolidated Utility System revenue bond rating reflects a very strong financial profile. Leverage is expected to peak at 7.7x in fiscal 2028, with a planned rate study to ensure adequate funding.

Access Report

Fri 18 Jul, 2025 – 2:03 PM ET

New York City Transitional Finance Authority (NY): Fitch New Issue Report

The 'AAA' rating on the subordinate future tax-secured revenue bonds reflects solid long-term growth prospects for pledged revenue and the bonds' highly resilient structure. Fitch anticipates that the bond structure will be able to withstand changes in economic cycles and maintain solid debt service coverage.

Access Report

Mon 21 Jul, 2025 – 10:51 AM ET

TAX - IDAHO

East Side Highway District v. Kootenai County

Supreme Court of Idaho, Boise, May 2025 Term - July 9, 2025 - P.3d - 2025 WL 1888413

Several local taxing districts and cities within county brought separate actions against county and county treasurer, as ex officio tax collector, seeking declaratory judgments that county is required to distribute proportionate share of late charges and interest collected on delinquent property taxes to taxing districts, and seeking writs of mandamus requiring treasurer to do so.

Cases were consolidated. The First Judicial District Court granted taxing districts' motions for summary judgment and for judgment on the pleadings, denied county's motion for judgment on the pleadings, and thereafter denied county's motion for reconsideration, and awarded attorney fees to taxing districts as prevailing parties. County appealed.

The Supreme Court held that:

- Plain statutory language indicated that the amount paid, whether in part or in full, to redeem a

property in delinquency includes more than just the past-due property taxes;
- Statutes unambiguously provided that late charges and interest associated with delinquent property taxes were required to be apportioned to taxing districts;
- Trial court was not required to find that county acted without a reasonable basis in law or fact before awarding prevailing-party attorney fees and costs to taxing districts; and
- Taxing districts were entitled to costs and attorney fees as prevailing parties on appeal.

TAX - NEBRASKA

Johnson v. City of Omaha

Supreme Court of Nebraska - July 11, 2025 - N.W.3d - 319 Neb. 402 - 2025 WL 1909587

Resident taxpayer brought action against city and city's new residential solid waste collection contractor that was subsidiary of successful bidder in the competitive bidding process, seeking a declaration that the contract was an illegal expenditure of public funds and violated the Integrated Solid Waste Management Act (ISWMA).

The District Court denied taxpayer's motion to amend complaint, granted summary judgment for city and contractor, and overruled taxpayer's cross-motion for partial summary judgment as moot. Taxpayer appealed.

The Supreme Court held that:

- Taxpayer had taxpayer standing;
- Denial of motion to amend to add new legal theory on eve of summary judgment hearing was within trial court's discretion;
- Successful bidder's post-opening bid clarification about its yard waste sticker fee did not materially vary from original bid;
- City did not act with bad faith and favoritism in bidding process by seeking a post-opening bid clarification; and
- Yard waste sticker fee was not subject to voter approval requirement in ISWMA.

Why Municipal Bonds Present a Compelling Opportunity Amid Tariff-Induced Volatility.

The global economy is navigating choppy waters as trade tensions and tariff disputes roil markets. In this risk-off environment, investors are seeking stable income streams with minimal exposure to equity volatility. Municipal bonds, often overlooked in favor of flashier assets, now offer a compelling opportunity. Their widening yield advantage over Treasuries, tax-advantaged returns for high-income investors, and resilient credit fundamentals make them a strategic anchor for portfolios. Let's dissect why now is the time to embrace these often-overlooked securities.

Technical Imbalances: A Widening Yield Premium

The muni/Treasury yield spread has reached its most favorable levels in decades. As of July 2025, a 30-year AAA municipal bond yields 94% of a comparable Treasury—but on a taxable-equivalent basis (assuming a 37% tax rate), this jumps to 158% of the Treasury yield. This spread widening, driven by record issuance and supply pressures, has created a technical imbalance favoring munis.

This data reveals a clear divergence: muni yields have outpaced Treasuries as investors flee equities and seek safety. Even with elevated supply—$256 billion issued in the first half of 2025, 49% above the five-year average—the demand for tax-exempt income remains robust. Short-term munis, such as the Bloomberg 3-Year Municipal Index, now yield 5.02% on a taxable-equivalent basis, a 112-basi--point advantage over taxable money market funds. These technical dynamics signal that munis are pricing in both supply pressures and their inherent demand resilience.

Continue reading.

aiinvest.com

by Cyrus Cole

Tuesday, Jul 15, 2025 5:18 pm ET

2025 California Economic Summit.

October 21-23 | Stockton, CA

The California Economic Summit is a dynamic, solutions-driven gathering where leaders from across the state come together to support economic advancement strategies that are regions-up and focused on the growth and stewardship of California's valuable communities, land, and resources. In 2025, we are thrilled to connect with leaders in Stockton and showcase all that the Northern San Joaquin Valley has to offer, including manufacturing, clean energy, transportation and logistics, agriculture, and more! This is the place to connect, collaborate, and drive change.

Click here to learn more and to register.

Evolving Bond Trends: CDFA & BNY Talk Bond Ratings, Benefits for Investors and Issuers

During this installment of the CDFA // BNY Development Finance Webcast Series, panelists discuss evolving trends in credit evaluations and how these developments can improve the accuracy, timeliness, and comprehensiveness of ratings to the benefit of both investors and issuers.

Continue reading.

CDFA | Jul. 17

NFMA 2026 Annual Conference - Call for Volunteers

Conference Co-Chairs Eric Kim and Jane Ridley are seeking volunteers for the 2026 Annual Conference Planning Committee. The Annual Conference will be held at the InterContinental Buckhead, Atlanta, Georgia May 12-16, 2026.

Click here for information required for application to this committee.

GFOA: Taking the Pulse of Local Government Finance

Just how widely adopted are the practices espoused by GFOA? This is an important question that did not have a good answer … until now. In summer 2024, GFOA partnered with Civic Pulse to conduct a national survey exploring how widely GFOA-recommended practices are adopted by local governments. With 497 responses from municipalities and counties across the U.S.—including both members and non-members—the survey offers new insight into the current state of public finance. Topics covered include the location of the budget function, financial planning time horizons, gaps between aspirations and reality in budgeting, top concerns of budget officers, public engagement efforts, and self-evaluations of financial management. This summary report provides a snapshot of where local governments stand today and highlights opportunities for continued growth and support in the profession.

Download

Publication date: July 2025

MSRB: Performance of Municipal Bond Exchange-Traded Funds During April 2025

Read the MSRB report.

MSRB Announces Agenda Topics for Quarterly Board Meeting.

Washington, DC – The Board of Directors of the Municipal Securities Rulemaking Board (MSRB) will meet on July 23-24, 2025, to hold the fourth and final quarterly meeting of fiscal year 2025. The Board will vote to approve MSRB's proposed FY 2026 budget and the filing of an amended Rate Card with the SEC for calendar years 2026-2029. The Board will also hold FY 2026 officer elections for MSRB Board Chair and Vice Chair and elect four new Board members.

Additional highlights of the Board discussion will include:

Market Regulation

The Board will discuss several regulatory initiatives and receive updates on MSRB's ongoing retrospective rule reviews, including:

- Rule G-27 Request for Comment: Consider publishing a request for comment on draft amendments to provide more flexibility in connection with dealer supervision requirements.
- Retirement of Financial Advisor Terminology: Consider publishing a request for comment on draft amendments to replace use of the term "financial advisor" in MSRB rules to "municipal advisor."
- Open Contractual Commitments: Discuss industry efforts in connection with communications to facilitate removal of open contractual commitment charges for syndicate members.

Market Transparency and Market Structure

The Board will address initiatives designed to facilitate an effective, well-functioning market, including:

- The modernization of the Electronic Municipal Market Access (EMMA) website and related market transparency systems.
- An update on recent municipal market activity and current MSRB research.

- **Ed. Note:** Our friends at Norton Rose Fulbright were understandably irked when they discovered that last week's newsletter included an article of theirs. From 2022. Turns out that the information contained therein was relevant in – hang on, let me check the calendar – uh, 2022. We sincerely apologize.
- GFOA's 2025 GAAP Update.
- NFMA Comment Letter to GASB.
- Proposed Rule Changes to Amend FINRA Rule 6730 (Transaction Reporting) and Rule G-14 RTRS Procedures Under MSRB Rule G-1: SIFMA Comment Letter
- Final Reconciliation Bill Permanently Expands LIHTC, NMTC and OZ Incentive; but Does Not Include HTC Provisions.
- Taxing the Crisis: Can Municipal Tax Hikes Mitigate Bondholder Risks in Stressed Districts?
- Fitch: OBBBA Poses Long-Term Challenges for U.S. Not-for-Profit Hospitals
- California development finance case here.
- And Finally, Originalism Sin is brought to us this week by *Guy v. Housing Authority of City of Augusta*, in which the Supreme Court of Georgia remanded to the Court of Appeals, instructing it to conduct an analysis of this sovereign immunity case, "by examining the common law of England as of May 14, 1776." When George III was the sovereign. (Do you feel sovereign? Well do you, punk?) That sound you hear is Georgia Court of Appeals clerks shoveling coal into the furnace, preparing to fire up their steam-powered laptops. Are female clerks and clerks of color even allowed to participate in this analysis? Feels like they'd have a rather solid argument for sitting this one out. Huzzah!

PREVAILING WAGE LAWS - CALIFORNIA

Palm Springs Promenade, LLC v. Department of Industrial Relations

Court of Appeal, Fourth District, Division 1, California - June 13, 2025 - Cal.Rptr.3d - 111 Cal.App.5th 1294 - 2025 WL 1671615 - 2025 Daily Journal D.A.R. 5065

Developer filed petition for writ of mandate challenging determination by Department of Industrial Relations that redevelopment project which included public and private improvements in charter city's downtown tourist area was not subject to city ordinance exempting projects deemed municipal affairs from state prevailing wage law pursuant to city's home rule authority.

City joined petition and filed position statement. The Superior Court, Riverside County, denied writ. Developer appealed.

The Court of Appeal held that:

- As a matter of first impression, where a charter city contributes money for construction of public

improvements within a private development project, that undertaking does not necessarily transform the project into a “municipal affair” that may be exempted from the prevailing wage law pursuant to the city’s home rule authority;
- First phase of redevelopment project was a public works project, as required for prevailing wage law to apply;
- De minimis exception to public works definition under prevailing wage law did not apply to redevelopment project; and
- As matter of first impression, redevelopment project was not a municipal affair.

Where a charter city contributes money for construction of public improvements within a private development project, that undertaking does not necessarily transform the project into a “municipal affair” that may be exempted from the prevailing wage law pursuant to the city’s home rule authority.

First phase of redevelopment project that included public and private improvements in charter city’s downtown tourist area was a “public works project,” as required for prevailing wage law to apply to project, where city contributed city tax dollars toward constructions, alteration, and/or demolition of subject property.

De minimis exception to public works definition under prevailing wage law did not apply to redevelopment project that included public and private improvements in charter city’s downtown tourist area, where city’s contribution of funds toward project was more than 2% of total project cost, and financing agreement between developer and city was entered into before date specified in exception.

Redevelopment project that included public and private improvements in charter city’s downtown tourist area was not a “municipal affair,” within meaning of city ordinance exempting municipal affair projects from prevailing wage law pursuant to city’s home rule authority, even though city’s contribution of about $51.36 million for project was not insignificant and included funds for public infrastructure constructions; developer contributed almost three times the city’s contribution, selected contractors, entered into construction contracts for project, bore risk of any cost overruns for redevelopment of private improvements, and retained substantial control over how its funds were spent, and project was primarily built to enhance value of developer’s private improvements.

PUBLIC EMPLOYMENT - CALIFORNIA

Brown v. City of Inglewood

Supreme Court of California - July 7, 2025 - P.3d - 2025 WL 1860244

Elected city treasurer brought action against city, its mayor, and city council members, alleging retaliation, in violation of statute providing whistleblower protections to employees, for reporting purported illegal activity.

The Superior Court denied city and its officials’ motion to strike complaint under anti-SLAPP statute. On appeal by city and its officials, the Court of Appeal reversed, finding that anti-SLAPP statute applied and that treasurer was not “employee” entitled to whistleblower protections. The Supreme Court granted review.

The Supreme Court held that:

- Whether or not elected officials were included in statutory definition of “employee” for

whistleblower statute was unclear from text of statute alone;
- Treasurer was not “employee” entitled to protections of statute; and
- Common law employment test was not applicable to determination of whether statutory definition of “employee” for whistleblower statute included elected officials.

IMMUNITY - GEORGIA

[Guy v. Housing Authority of City of Augusta]

Supreme Court of Georgia - June 24, 2025 - S.E.2d - 2025 WL 1737207

Tenant in low-income apartment complex owned by city housing authority brought premises-liability action against authority, alleging that authority was negligent in failing to provide property security or take measures to keep property safe, or both, leading to tenant being shot in the leg on the front porch of her apartment.

The State Court granted authority’s motion for summary judgment. Tenant appealed. The Court of Appeals affirmed. Tenant filed petition for writ of certiorari, which was granted.

The Supreme Court held that Court would remand for consideration of the issue of authority’s sovereign immunity under the proper analytical approach of examining common law of England as adopted by the General Assembly.

Supreme Court would remand for consideration of issue of city housing authority’s sovereign immunity under proper analytical approach of examining common law of England as adopted by the General Assembly, on appeal in premises liability action against authority brought by tenant in low-income apartment complex owned by authority, where, because of framing of question in the Court of Appeals, briefing on issue of sovereign immunity did not engage with common law in a way that would aid the Supreme Court’s consideration of the question under proper analysis, no court had yet performed an analysis of the common law for the Supreme Court to review, and it would be imprudent for the Supreme Court to reach out and decide that question in the first instance based on briefing before it.

ZONING & PLANNING - MARYLAND

[County Council of Prince George's County v. Robin Dale Land LLC]

Supreme Court of Maryland - July 3, 2025 - A.3d - 2025 WL 1833494

Landowners petitioned for judicial review of district council’s adoption of sectional map amendments on court-ordered remand in proceeding concerning district council’s comprehensive rezoning for two subregions of county, alleging that district council improperly downzoned their properties following a work session on remand without giving them notice and opportunity to be heard, and in a manner inconsistent with remand instructions.

The Circuit Court reversed and remanded. District council appealed. The Appellate Court affirmed and remanded. District council petitioned for writ of certiorari, which was granted.

The Supreme Court held that:

- Countywide rezoning after work session was not a comprehensive rezoning reflecting substantive

change in law with retroactive application;
- Countywide rezoning after work session did not moot landowners' assertions of error in underlying appeal;
- District council's enactment of sectional map amendments on remand did not comply with laws on notice and right to a hearing;
- District council did not comply with remand instructions; and
- Work session was not the effective equivalent of a public hearing.

ANNEXATION - NEW JERSEY

Whiteman v. Township Council of Berkeley Township

Supreme Court of New Jersey - July 10, 2025 - A.3d - 2025 WL 1900914

Residents of barrier island community filed complaint in lieu of prerogative writs, seeking judicial review of township council's denial of their petition for deannexation from township.

The Superior Court, Law Division, entered judgment for residents and ordered deannexation. Township appealed. The Superior Court, Appellate Division, affirmed. Certification was granted.

The Supreme Court held that:

- Trial court's finding that township's denial of residents' deannexation petition was arbitrary and unreasonable under deannexation statute due to bias was supported by competent, relevant, and reasonably credible evidence;
- Substantial evidence supported trial court's finding that residents of barrier island community met their burden of establishing that township's denial of their deannexation petition was detrimental to economic and social well-being of a majority of residents of area sought to be deannexed; and
- Trial court's finding that deannexation of barrier island community would not have caused substantial economic or social harm to township was supported by competent, relevant, and reasonably credible evidence.

RELIGIOUS FREEDOM ACT - TEXAS

Perez v. City of San Antonio

Supreme Court of Texas - June 13, 2025 - S.W.3d - 2025 WL 1675639 - 68 Tex. Sup. Ct. J. 1197

Members of Native American church brought action alleging that city's development plan for public park prevented them from performing ceremonies essential to their religious practice, in violation of Free Exercise Clause, Texas Religious Freedom Restoration Act (RFRA), and the Religious Services Clause of the State Constitution.

The United States District Court for the Western District of Texas granted motion for preliminary injunction in part. Members appealed. The Court of Appeals certified question.

As matters of first impression, the Supreme Court held that:

- Force of Religious Services Clause is absolute and categorical, but
  Scope of Clause is not unlimited, and it does not extend to governmental actions for preservation and management of public

- lands.

When the Religious Services Clause of the State Constitution applies, its force is absolute and categorical, meaning it bars a governmental prohibition or limitation on religious services without regard to whether the prohibition or limitation passes strict scrutiny or any other test that balances the right against the government's interests.

Scope of the Religious Services Clause of the State Constitution, forbidding a law or governmental decision that prohibits or limits certain religious services, is not unlimited, and the Clause does not reach governmental actions taken to preserve and maintain public property for the safety and enjoyment of the public.

MSRB Second Quarter 2025 Municipal Securities Market Summary.

Read the MSRB Summary.

July 8, 2025

MSRB Monthly Municipal Market Trading Summary through June, 2025.

Read the MSRB Summary.

July 8, 2025

U.S. Congress Passes Reconciliation Bill: What it Means for Counties

- **The U.S. Congress has passed a reconciliation bill, maintaining changes made in the Senate**
- **The sweeping reconciliation bill contains changes with major impacts to counties**

The U.S. House has voted 218-214 to pass the One Big Beautiful Bill Act (H.R. 1), with no changes to the bill passed by the U.S. Senate on July 1. Passage of H.R. 1 before the July 4 holiday was a top priority for the White House and congressional leadership and the bill will now go to the president's desk to be signed into law, completing the reconciliation process. The sweeping legislative package will have major impacts on America's county governments, as detailed below.

How did we get here?

In February, the U.S. Congress initiated the budget reconciliation process when the House and Senate unveiled budget resolutions containing instructions to relevant congressional committees to draft legislation to either raise federal revenues or federal spending. On May 22, the House voted to pass its version of H.R. 1 by a vote of 215-214, moving the bill to the Senate.

The Senate made major changes, striking text that violated the "Byrd Rule," which states that only budget-related provisions can be included in reconciliation. Additionally, during the vote-a-rama senators voted to adopt amendments further changing the text. See the full list of key changes made in the Senate here. On July 1, the Senate voted 51-50, with Vice President J.D. Vance casting the tiebreaking vote, to send its changes back to the House for final passage.

Continue reading.

National Association of Counties

Jul 3, 2025

Budget Reconciliation Bill's Impact on Public Power.

President Trump on July 4 signed into law H.R. 1, budget reconciliation legislation that does not alter the tax treatment of municipal bonds and does not change the ability of public power utilities to claim tax credits through elective payment.

At the same time, the new law repeals energy tax credits extended and expanded under the Inflation Reduction Act of 2022 and cuts federal spending – primarily Medicaid – to partly offset the revenue loss from extending expiring tax cuts from President Donald Trump's first administration.

The House passed the bill by a vote of 218 to 214 on July 3.

Of note, conservative Republicans initially opposed to the bill emerged from talks last with the White House saying that the administration would strictly enforce, and possibly change, the rules for determining when a developer could claim it had "begun construction" for purposes of qualifying for energy tax credits.

Continue reading.

publicpower.org

by Paul Ciampoli

July 7, 2025

NLC: Local Impacts from Congress' One, Big, Beautiful Bill

On July 3, the House passed the Senate's version of the One, Big, Beautiful Bill Act (H.R. 1) in a vote of 218-214. This followed the Senate's passage on July 1 by a vote of 51-50, with Vice President Vance casting the deciding vote. Ultimately, Sens. Tillis (R-NC), Paul (R-KY) and Collins (R-ME) and Reps. Fitzpatrick (R-PA) and Massie (R-KY) voted against the bill, along with every Democrat and Independent. President Trump signed the bill into law on July 4.

Key Takeaways

- Key outreach from local leaders across the country produced several local government wins, including the preservation of tax-exemption on municipal bonds, a temporary raise to the SALT deduction and improved incentives for private investment in underserved communities.

- The bill rescinds a substantial amount of funding from the U.S. Department of Transportation Neighborhood Access and Equity grants, as well as unobligated funding from several emissions reduction grants under the U.S. Environmental Protection Agency.
- The bill maintains the direct pay mechanism created through the Inflation Reduction Act, it accelerates the phase out of tax credits for solar and wind projects and adds new requirements around supply chain components that will likely limit the ability of local governments to take advantage of the direct pay program.
- Significant cuts were made to social safety net programs, including $186 billion through 2034 for the Supplemental Nutrition Assistance Program (SNAP) and $1 trillion from Medicaid.
- The bill significantly expands federal immigration enforcement capacity while providing targeted funding to support local public safety and security efforts related to the 2026 FIFA World Cup and the 2028 Olympics, including $500 million to enhance local capabilities for detecting threats from unmanned aerial systems.

Continue reading.

National League of Cities

July 11, 2025

Fitch: OBBBA Poses Long-Term Challenges for U.S. Not-for-Profit Hospitals

Fitch Ratings-Chicago/Toronto/New York-10 July 2025: The passage of the One Big Beautiful Bill Act (OBBBA) will have profound long-term implications for U.S. not-for-profit (NFP) hospitals, Fitch Ratings says. However, many of the act's provisions affecting the sector will not be implemented until 2027 or beyond, giving hospitals time to prepare.

Fitch expects current underlying business conditions to continue to support sound operating results for NFP hospitals for the remainder of 2025. The sector entered 2025 with patient volumes exceeding pre-pandemic levels in most markets, effective cost management despite labor disruptions and historic inflation, and equity market gains that strengthened balance sheets to near-record levels.

Fitch expects many NFP hospitals to improve their financial performance in FY 2025 compared to FY 2024 as management teams prepare for pressure from OBBBA in the coming years. The bill's significant cuts to federal healthcare spending, particularly Medicaid, represent the greatest future threat to NFP hospital operations and cash flows.

OBBBA cuts Medicaid spending through stricter eligibility recertifications, work requirements, and caps on provider taxes and state directed payments. The OBBBA also restricts Affordable Care Act (ACA) marketplace eligibility and allows ACA premium tax credits to expire at the end of 2025. This is likely to cause premium spikes and result in many people dropping their coverage.

The Congressional Budget Office (CBO) estimates the OBBBA could cut Medicaid spending by about $1 trillion over 10 years, and an estimated 11 million fewer people would be covered by Medicaid or ACA marketplace health insurance by 2034. As early as federal fiscal year 2026 (beginning Oct. 1, 2025), hospitals in most states will begin to feel the squeeze of increased bad debt and charity care as patients lose Medicaid and ACA marketplace plan coverage. This will pressure cash flows and degrade hospitals' ability to serve more uninsured patients. OBBBA defers many of the Medicaid reforms into late 2026 and beyond, so much of the resulting margin compression will not be realized until 2027.

The bill's gradual implementation gives hospitals time to adjust operations ahead of cuts. OBBBA includes a $50 billion fund available through 2030 to help rural hospitals manage added reimbursement challenges. Nevertheless, hospitals with higher exposure to Medicaid patients or in states that have aggressively expanded Medicaid eligibility, provider taxes or directed payment programs will be most vulnerable to financial pressures.

Beyond OBBBA, tariffs, presidential executive orders and proposed regulatory changes related to healthcare policy will pressure industry cash flows. Executive orders have called for cuts to the National Institutes of Health and other federal scientific research funding, changes to the 340B drug program, site neutrality, and additional acute care provider administrative requirements related to Medicaid eligibility. Higher tariffs present challenges for operating costs and capital spending.

Longer-term, the CBO estimates that the OBBBA will add more than $3 trillion to federal budget deficits over the next decade and increase federal debt by up to $4 trillion. Consequently, further healthcare spending cuts are possible in future budgets, posing downside risk to U.S. NFP hospitals in later years.

Fitch: U.S. Public Finance Cyber Risk Heightened by Geopolitical Conflict

Fitch Ratings-New York/Chicago/Austin/San Francisco-10 July 2025: U.S. public finance issuer cyber risk has risen as a result of the Israel-Iran conflict and greater geopolitical tensions from the U.S.'s recent intervention, Fitch Ratings says. Iranian-state affiliated actors and hacktivist groups are targeting U.S. critical infrastructure, and the frequency of cyber intrusions is likely to rise, as highlighted by joint advisories from the Cybersecurity and Infrastructure Security Agency (CISA), Federal Bureau of Investigation, Department of Defense Cyber Crime Center, and National Security Agency.

Previous geo-politically motivated attacks on U.S. public finance entities primarily targeted health care and utilities. New cyber attacks are also likely to take place as distributed denial-of-service and ransomware attacks.

Cyber breaches are known event risks, but the exact timing and magnitude of damages are hard to predict. Following a cyber incident, we assess an issuer's ability to maintain operational continuity, the duration and scale of service delivery interruptions, impairments to cash flows, and reputational damage.

We consider cyber risk under our review of management and governance, where the presence of adequate governance and management is assumed, and weak governance and management may cause the rating to be lower, all other things being equal. Proactive risk management, including robust incident response planning, staff training, vendor oversight, and, if available, insurance is critical for mitigating evolving threats and preserving credit quality in the face of increasingly sophisticated adversaries. Severe breaches that pressure credit metrics or clear deficiencies in cyber risk management can lead to negative rating actions. Historically, most cyber incidents have not resulted in rating actions.

The public sector's increasing vulnerability is evidenced by a history of disruptive high-profile attacks and ransomware campaigns on local governments, utilities, health care providers and transit systems. These cyber incidents have forced temporary suspension of essential services and diversion of resources away from core priorities. The interconnected nature of public finance operations, where multiple agencies and third-party vendors share data and applications, can amplify the effects of a single breach. The growing use of cloud services and remote work arrangements further expand the attack surface, introducing new risks that must be properly managed.

Public finance issuers are especially compelling targets for nation-state adversaries. Low-intensity campaigns or disruptions to essential services such as water, power, health care and transportation can have significant welfare, operational and reputational consequences. Many municipal entities operate with legacy IT systems that may have known vulnerabilities or lack robust network segmentation. Public disclosure requirements mean that much of the financial information for municipal entities is available to cyber adversaries. Attacks on infrastructure like power or water can also create downstream risks for other sectors.

Federal cybersecurity resource reductions such as the one-third reduction in CISA headcount thus far this year could further pressure state and local governmental resilience by inhibiting coordination, defense and response. Resource constraints were already an ongoing challenge for the public sector, with smaller entities often lacking the budget, technical expertise, and personnel to implement robust cybersecurity measures or comply with CISA reporting guidelines for critical infrastructure. Public finance entities increasingly rely on third party vendors and cloud-based solutions for cybersecurity support. Strong vendor risk management is a vital part of any cyber risk mitigation strategy.

Local governments often struggle to attract and retain skilled cybersecurity professionals due to budgetary constraints, competition from the private sector, and a limited talent pool. As a result, municipal IT teams may lack the capacity to implement advanced security controls, monitor networks continuously, and respond swiftly to incidents. These workforce gaps increase the likelihood of successful attacks and amplify operational and financial risks.

Dartmouth Joins Ivy League Bond Boom With $456 Million Debt Sale.

Takeaways

- Dartmouth College will sell about $156 million of tax-exempt bonds and $300 million of taxable bonds to fund campus energy initiatives and housing plans, according to S&P Global Ratings.
- S&P Global Ratings gave the issuance a AAA label, citing Dartmouth's ample financial resources, strong fundraising and "impressive market position and demand".
- Jana Barnello, a Dartmouth spokesperson, said the transactions will support the school's long-term capital plan, and that "Issuing bonds remains a common, prudent way for institutions to fund significant capital projects as part of responsible financial planning".

Dartmouth College is looking to borrow more than $450 million, joining a groundswell of Ivy League issuers turning to the debt markets this year.

The private university will sell about $156 million of tax-exempt bonds through a state agency and $300 million of taxable bonds to fund campus energy initiatives and housing plans, S&P Global Ratings reported in a release Thursday. The credit grader gave the issuance a pristine AAA label, citing Dartmouth's ample financial resources, strong fundraising and "impressive market position and demand."

Continue reading.

Bloomberg Markets

By Elizabeth Rembert and Amanda Albright

July 10, 2025

Bowdoin College to Borrow From Muni Market for Campus Revamp.

Takeaways

- Bowdoin College is issuing $42.4 million in revenue bonds to finance campus renovations, including student housing, an observatory, and classrooms.
- The college has a strong balance sheet, with a $2.6 billion endowment, and has raised over $542.8 million in a fundraising campaign launched in 2020.
- The bond issue is backed by the college's full faith and credit, and has received a high investment grade rating from Moody's, citing strong student demand and growing net tuition revenue.

Maine's Bowdoin College, a private liberal arts college that boasts Henry Wadsworth Longfellow and Stanley Druckenmiller among its alumni, is turning to the municipal bond market to spruce up its campus.

With an acceptance rate of roughly 7%, the highly selective Bowdoin plans to use the proceeds from the $42.4 million in revenue bonds to finance the renovation and equipping of student housing facilities, restoring its 133-year-old observatory, as well as building new classrooms, according to preliminary offering documents. The offering via the Finance Authority of Maine will price as soon as this week.

Barclays Plc is underwriting the deal, which is backed by the more than 200-year-old institution's full faith and credit. After a successful fundraising campaign, launched in 2020 which raised more than $542.8 million, the college with about 1,800 undergraduates had a $2.6 billion endowment, as of June 2024.

Continue reading.

Bloomberg Markets

By Arvelisse Bonilla Ramos

July 7, 2025

RBC Reclaims No. 2 Municipal Underwriter Spot.

RBC Capital Markets has ridden the wave of record US state and local debt sales in the first half of this year to reclaim its position as the second-biggest municipal underwriter.

The Canadian bank's market share rose to about 10.5% of the $278.5 billion total long-term muni sales for the first six months of 2025, according to data compiled by Bloomberg. It first reached the No. 2 rank in 2023 but ceded that spot to JPMorgan Chase & Co. last year and slipped to third place, according to first-half data going back to 2013. Bank of America Corp. continues to hold the top spot.

A JPMorgan spokesperson declined to comment on the shift in market share. Representatives for Bank of America didn’t immediately respond to emails seeking comment.

Continue reading.

Bloomberg Markets

By Shruti Singh

July 3, 2025

Renown Health Receive $194.4 Million From Bond Sale for Hospital Projects, Refunding.

Renown Health is set to receive $194.4 million from a bond sale that the Reno, Nev. company will use to fund capital projects.

The bonds will be sold on Renown’s behalf by the Public Finance Authority, an agency based in Wisconsin that sells municipal debt around the U.S.

A portion of the proceeds will be used to pay for projects such as renovating the Renown Regional Medical Center and South Meadows hospitals, according to a document posted on MuniOS. Money will go toward the build-out of an ambulatory care center in Spanish Springs. Renown also expects to use proceeds to refund certain bonds issued in 2015.

The sale will include $146.7 million of Series 2025 A fixed-rate bonds, and $47.7 million of Series 2025 B long-term rate bonds.

S&P Global Ratings rated the bonds A, and Fitch Ratings assigned the securities a rating of A+.

Renown has strengthened its financial profile and improved operating risk assessment, according to Fitch. In fiscal 2024, Renown achieved positive and improved income from operations for the second consecutive year.

“Since the weaker performance in fiscal 2022, Renown has made swift and substantial progress toward positive operations, which Fitch considers sustainable,” the credit rating company said, noting progress in areas such as staff recruiting and retention.

Barclays is lead manager on the sale.

Provided by Dow Jones Jul 8, 2025, 6:00:00 PM

By Josh Beckerman

Write to Josh Beckerman at josh.beckerman@wsj.com

(END) Dow Jones Newswires

July 08, 2025 21:00 ET (01:00 GMT)

WSJ: New York Orders Local Governments to Start Reporting Cyberattacks.

Municipal governments get 72 hours to report a hack, and 24 hours to report ransom payments

New York Gov. Kathy Hochul signed legislation Friday that requires local governments in the state to begin reporting cyberattacks on their networks.

The new law orders municipalities and public authorities to notify the state’s Department of Homeland Security and Emergency Services within 72 hours of a hack. It also obliges these organizations to report any ransom payments made to hackers within 24 hours and mandates security awareness training for government employees in New York.

“Requiring timely incident reporting and providing annual cybersecurity training for government employees will build a stronger digital shield for every community across the state and ensure they get the support they need when it matters most,” Hochul said following a meeting with local officials across the state to discuss security concerns stemming from conflict in the Middle East.

Continue reading.

The Wall Street Journal

By James Rundle

June 27, 2025

Texas Water Development Board: Fitch New Issue Report.

Texas’s ‘AAA’ Long-Term Issuer Default Rating reflects its growth-oriented economy and ample fiscal flexibility. The Texas Water Development Board issues GO water financial assistance bonds to support water conservation and infrastructure projects throughout the state.

Access Report

Wed 09 Jul, 2025 – 6:01 PM ET

Rising Waters, Steady Returns: Texas Flood Bonds and the New Era of Climate Resilience Investing

The catastrophic floods that ravaged Texas’s Hill Country in July 2025, killing over 50 people and submerging entire communities, have become a stark symbol of climate vulnerability. But for investors, the disaster has also revealed a compelling opportunity: the rapid growth of municipal bonds financing climate-resilient infrastructure. As municipalities pivot from reactive disaster relief to proactive risk mitigation, Texas is emerging as a testing ground for low-risk, high-impact fixed-income investments that align with environmental, social, and governance (ESG) priorities.

The Hill Country Floods: A Catalyst for Change

The July 2025 deluge—the worst in Texas history—exposed systemic flaws in floodplain management, evacuation protocols, and infrastructure resilience. The Guadalupe River surged to record levels, overwhelming dams and roads, while outdated FEMA flood maps failed to capture the true risk. The human toll was devastating, but the economic cost was equally staggering: over $20 billion in losses since 2023, with billions more in unmet recovery needs from Hurricane Harvey still unspent.

This crisis has spurred a paradigm shift. Instead of relying on ad-hoc federal disaster aid, Texas is now funding long-term solutions through climate resilience bonds, leveraging its AAA bond rating and growing investor appetite for ESG-aligned assets.

Continue reading.

aiinvest.com

Jul 6, 2025

Florida's Brightline Defers Interest Payment on $1.2 Billion Muni Bonds.

Takeaways

- Brightline Trains Florida plans to defer a July 15 interest payment on its 10% and 12% unrated tax-exempt bonds, according to people familiar with the matter.
- The unpaid portion will continue to accrue at the coupon rate in addition to an extra 2% until interest is paid, according to the bond documents.
- Brightline intends to make the deferred interest payment with operating cash flow or proceeds from equity and debt financings that it is actively pursuing, according to a statement from Ashley Blasewitz, a spokesperson for Brightline.

Brightline Trains Florida, the Fortress Investment Group-backed passenger railroad, plans to defer a July 15 interest payment on its 10% and 12% unrated tax-exempt bonds, according to people familiar with the matter.

Brightline notified holders of the delay through the Depository Trust Company, said the people who asked not to be identified because they're not authorized to speak publicly. The incident is not considered an event of default, according to bond documents. A default only occurs if the railroad misses three consecutive interest payments, the documents state.

Continue reading.

Bloomberg Markets

By Martin Z Braun, Reshmi Basu, and Eliza Ronalds-Hannon

July 11, 2025

Municipal Bonds: Finding Silver Linings in the Slump

The first half of 2025 has been a test of resilience for municipal bond investors. After a period of relative calm, the market faced its worst H1 performance in five years, with rising yields, elevated supply, and fiscal policy uncertainty creating headwinds. Yet, beneath the turbulence lies an opportunity for strategic investors to capitalize on historically attractive yields, robust credit fundamentals, and the enduring tax advantages that define this asset class.

The Slump: What Happened in H1 2025?

Municipal bonds entered 2025 with a steep uphill climb. A broad-based investment-grade municipal bond index fell approximately 1% year-to-date through May, while taxable bonds like the Bloomberg US Aggregate Bond Index surged 3%, widening the performance gap to a staggering 400 basis points. The pain was concentrated in the long end of the yield curve: 20–30 year maturities saw yields rise 50–70 basis points—far outpacing the 10-basis-point increase in Treasuries.

Continue reading.

aiinvest.com

by Eli Grant

Wednesday, Jul 9, 2025 1:49 pm ET

LA Schools, County to Borrow More for Billions in Abuse Payouts.

Takeaways

- Los Angeles Unified School District and Los Angeles County plan to take on more debt to cover the mounting costs from a wave of childhood sexual assault settlements, officials said.
- LA County officials anticipate selling bonds to help cover the costs of a recent $4 billion settlement with abuse victims, according to Fesia Davenport, the county’s chief executive.
- The 2019 California Assembly Bill 218, which extended the statutes of limitation for claims of childhood sexual assault against public entities, is having “unintended consequences” by imposing costs on current students, according to Pedro Salcido, the district’s deputy superintendent.

Los Angeles Unified School District and Los Angeles County plan to take on more debt to cover the mounting costs from a wave of childhood sexual assault settlements, officials said.

Earlier this month, the school district — the second largest in the US — sold $308 million of taxable bonds to pay victims who filed lawsuits after the California legislature made it easier to sue public entities for old abuse cases.

The district is already authorized to borrow $500 million to pay for the settlements, but it will need additional money and plans to seek approval for further debt sales, according to Pedro Salcido, the district’s deputy superintendent for business services and operations.

[Continue reading.](#)

Bloomberg Markets

By Maxwell Adler

July 11, 2025

[Munis Set for Comeback After Worst First Half in Five Years.](#)

Takeaways

- Municipal bonds are poised to recover from their worst half relative to US Treasuries in five years as juicy yields and cheap valuations attract buyers.
- Investors in the top federal tax-bracket can secure a 4.5% yield on the longest-dated munis, 1.7 percentage points more in yield compared with Treasuries on an after tax-basis, according to AllianceBernstein Holding LP.
- Daryl Clements, a portfolio manager at AllianceBernstein, said that munis are “setting themselves up nicely at a time when demand is picking up” due to high yields, a steep curve, and cheap valuations relative to Treasuries.

Municipal bonds are poised to recover from their worst half relative to US Treasuries in five years as juicy yields and cheap valuations attract buyers.

A surge in municipal bond supply and weaker demand for longer maturities have pushed benchmark 30-year muni yields to levels not seen since 2013, excluding brief spikes in April and a bond selloff in October 2023.

Investors in the top federal tax-bracket at the beginning of the month were able to secure a 4.5% yield on the longest-dated munis, 1.7 percentage points more in yield compared with Treasuries on an after tax-basis, versus a 5-year average of 0.97 percentage points, according to AllianceBernstein Holding LP.

[Continue reading.](#)

Bloomberg Markets

By Martin Z Braun

July 9, 2025

[California Municipal Finance Authority: Fitch New Issue Report](#)

CHC’s ‘BBB’ rating reflects adequate leverage and sound demand for outpatient services. Despite elevated capital spending, CHC demonstrates adequate debt service coverage supported by consistent cash flow generation.

[Access Report](#)

Mon 14 Jul, 2025 – 3:10 PM ET

Higher Yields, Higher Risks? The Changing Landscape of Education Municipal Bonds.

When investors think about municipal bonds, they often go right to state-issued general obligation bonds – the kind of debt backed by the taxing authorities of the state or city. However, the muni market is vast and features plenty of different subtypes. One of the biggest is education bonds. Public school districts, charter schools, private schools, colleges, universities, and community colleges often head to the municipal market to borrow muni. And historically, these bonds have been a good deal for investors.

But now, a threat could be emerging to the sleepy education bond sector.

With the Trump Administration's plans to dismantle the Department of Education and education funding, analysts and pundits are now starting to wonder what the effect on municipal bonds could be.

Trump's Plan

Established in 1979, the Department of Education oversees funding for public schools, administers student loans, and runs various programs that help low-income students. However, the department does not operate schools or set the curriculum, which is a common misconception. States and local school districts are responsible for that.

Continue reading.

dividend.com

by Aaron Levitt

Jul 14, 2025

Connecticut's Tax Delinquency Crisis: Risks to Bondholders and Opportunities in Infrastructure Bonds.

Connecticut's fiscal health is at a crossroads, with unresolved tax delinquency issues, legislative gridlock over revenue policies, and sector-specific financial strain threatening its creditworthiness and investor confidence. For municipal bondholders, these risks create a nuanced landscape—requiring a sharp focus on asset-specific resilience while avoiding exposure to systemic vulnerabilities tied to the state's tax scaffolding. Here's how to navigate the risks and seize opportunities.

The Tax Delinquency Time Bomb

Connecticut's property tax delinquency system, with its archaic 18% annual interest rate (set during the 1980s high-inflation era), has become a flashpoint. While lawmakers push to lower this rate to 8-

12%, municipal leaders warn this could reduce revenue by hundreds of millions annually. The stakes are high: if delinquent tax collections falter, it could erode budget surpluses that are already projected to shrink as federal aid declines.

The state's $2.3 billion surplus for FY2024—its second-highest ever—masks vulnerabilities. Sales tax growth has stalled, and corporate tax revenues are stagnant. Meanwhile, a proposed 1.75% capital gains surcharge on high earners (set to expire in 2029) is seen as a temporary fix for funding a child tax credit. If federal Medicaid and education cuts materialize (up to $880 million annually), the state may face a fiscal squeeze, forcing tough trade-offs between debt service and services.

Continue reading.

aiinvest.com

Sunday, Jul 13, 2025 6:58 am ET

Rising Waters, Rising Opportunities: Navigating Flood Risks in Climate Resilience Investments

The world is drowning in data about flooding—and it's not just metaphorical. Flood-related disasters have surged by 134% since the early 2000s, now accounting for 35–40% of all weather-related economic losses. From Houston to Jakarta, rising seas and extreme rainfall are reshaping landscapes, economies, and investment opportunities. For investors, this deluge presents a paradox: risk and reward are inextricably linked. The key lies in understanding where flood risks are concentrated, how they impact real estate and municipal bonds, and where to find resilience—and profit—in this turbulent landscape.

The Flood Risk Landscape: Where the Water Rises

Geographically, flood risks are unevenly distributed. By 2050, Western Asia faces a 60% increase in annual losses, while Melanesia and Eastern Africa could see rises of 44% and 42%, respectively. In the U.S., Florida, New York, and New Jersey dominate exposure, housing over 2.5 million people in coastal flood zones by mid-century. Even small shifts in climate patterns matter: the Climate Risk Index 2025 notes that storms and floods have caused over $3.6 trillion in economic losses since 1993, disproportionately affecting low-income nations and small island states.

Floods and Real Estate: The New Price of Location

Flood risks are rewriting real estate economics. Properties in high-risk zones face declining values, while adjacent areas with mitigation measures—like Houston's floodplain buyouts—see premiums. A 2020 study in the Journal of Financial Economics found that a 1% increase in flood risk exposure (measured by sea-level rise) reduces long-term property values by 0.8%, with impacts concentrated in low-lying coastal markets.

Continue reading.

aiinvest.com

by Marcus Lee

Sunday, Jul 13, 2025 9:35 am ET

[Philadelphia's Labor Strike: A Stress Test for Municipal Credit Risk and Investor Exposure]

Philadelphia’s municipal labor strike, now in its eighth day, has become a flashpoint for investors evaluating the fragility of municipal bond markets. With nearly 9,000 workers from sanitation, police dispatch, and public works halted, the strike underscores systemic vulnerabilities in city budgets—particularly underfunded pensions and stagnant wage agreements—that could destabilize credit quality and bond valuations. For municipal bond investors, this is no longer a local labor dispute: it’s a warning signal to reassess exposure to Philadelphia’s fixed-income securities and consider defensive strategies.

Credit Risks: A Closer Look at Philadelphia’s Metrics

Philadelphia’s credit ratings remain in the ‘A’ category (S&P: A+, Moody’s: A1, Fitch: A+), but these ratings assume fiscal discipline. The city’s pension fund, while improving to 62.2% funded in 2024, still faces a decade-long path to full funding. Even with recent upgrades, S&P has flagged socioeconomic disparities as a persistent weakness.

The strike’s duration and potential escalation could test these ratings. A prolonged labor impasse risks diverting funds from reserve accounts (the Budget Stabilization Reserve is projected to drop to $642 million in FY2025) and worsening public sentiment. Bondholders, particularly those in Philadelphia’s general obligation (GO) bonds, face rising default risk if the city’s contingency plans fail.

Continue reading.

aiinvest.com

by Cyrus Cole

Tuesday, Jul 8, 2025 11:40 pm ET

[Crime and Credit: Navigating the Municipal Bond Market in an Era of Rising Public Safety Concerns]

The U.S. municipal bond market, a cornerstone of public finance, faces mounting scrutiny as rising violent crime rates in key regions reshape credit risk landscapes. While cities like New York and Los Angeles have seen declines in crime since 2020, others—such as Memphis, Detroit, and St. Louis—are grappling with persistent or even escalating violence. For investors, this divergence demands a nuanced approach to assessing creditworthiness. Below, we dissect the interplay between public safety trends and municipal debt, offering actionable insights for navigating this evolving market.

The Crime-Credit Nexus: How Violence Impacts Fiscal Health

Rising violent crime creates a feedback loop of fiscal strain. Municipalities in high-crime areas face three critical challenges:

1. Reduced Revenue Streams: Declining property values in crime-ridden neighborhoods shrink tax bases, while businesses relocate to safer zones.
2. Increased Expenditures: Cities must divert funds to law enforcement, emergency services, and blight remediation. For example, Detroit's 2024 budget allocated 42% of its $1.8 billion general fund to public safety, up from 38% in 2020.
3. Investor Perception: Elevated crime signals governance challenges, prompting credit agencies to downgrade ratings. A 2025 study found that cities entering bankruptcy saw total crime rates surge by 36% within two years, with violent crime up 17%—directly correlating with higher bond yields.

Continue reading.

aiinvest.com

by Julian West

Sunday, Jul 13, 2025 3:08 pm ET

LA Leaders Take Another Stab at Public Banking.

Several Los Angeles City Council members put up seed funding to again explore the feasibility of creating a public bank for the city.

Four Los Angeles City Council members took a critical step to bolster the campaign to develop the city's first public bank.

Councilman Curren Price Jr., a moderate who represents the city's ninth district, has pledged $15,000 toward an effort to fund a feasibility study for a public bank, according to the city council agenda released on June 27.

He joined three of his progressive-leaning colleagues – council members Eunisses Hernandez, Hugo Soto-Martinez and Ysabel Jurado – all of whom in late May announced during a press conference their plans to earmark the same amount in funding toward the study.

Continue reading.

labusinessjournal.com

By Andrew Asch

July 7, 2025

New Jersey School District That Threatened Bankruptcy Has Rating Cut.

Takeaways

- The Toms River Regional School District's bond rating was cut two notches by S&P Global Ratings after local officials discussed filing for bankruptcy.
- S&P analysts wrote that there is "ongoing governance risk" that the district could indicate an intention to file for bankruptcy in the future or experience a significant reduction in reserves.
- Toms River Schools Business Administrator William Doering said the ratings move is "yet another fallout of the district being pushed to the brink of bankruptcy" after the NJDOE took over $175 million in aid from the district.

The Toms River Regional School District had its bond rating slashed two notches by S&P Global Ratings after local officials discussed filing for bankruptcy instead of adopting a budget that would have raised taxes.

The rating company cut the local board of education's grade to A from AA- and placed the credit under review for a possible further downgrade, according to a release late Tuesday.

Toms River school board members opted not to pass a budget that would have hiked property taxes at the end of June, and Board President Ashley Lamb authorized staff to consult with bankruptcy attorneys and begin the process of filing for Chapter 9 protection.

Continue reading.

Bloomberg Markets

By Sri Taylor and Amanda Albright

July 9, 2025

Final Reconciliation Bill Permanently Expands LIHTC, NMTC and OZ Incentive; but Does Not Include HTC Provisions.

The House passed July 3 the final version of the fiscal year 2025 reconciliation bill, formerly known as the One Big Beautiful Bill Act, following Senate passage July 1. The bill includes some changes to the Senate Finance Committee (SFC) and initial House-passed versions. The bill now goes to the president, who is expected to sign it into law.

The following is an overview of the final reconciliation bill provisions affecting housing and community development tax incentives. A forthcoming blog post will describe the final bill's energy tax provisions.

Permanent LIHTC Expansions

The final reconciliation bill kept the LIHTC provisions of the SFC version reconciliation bill intact, namely:

1. ***Permanent 25% Test.*** The final reconciliation bill permanently lowers the private activity bond (PAB) financing threshold from 50% to 25% of land and building costs for properties placed in service after Dec. 31, 2025, as long as at least 5% of the aggregate land and building costs are financed with PABs issued after Dec. 31, 2025. It also should be noted that acquisition and rehabilitation property can separately qualify so that the rehabilitation portion placed in service in 2026 or later could qualify for the 25% test even for property acquired in 2025.

2. ***Permanent 12% Increase***. The final reconciliation bill permanently increases 9% allocations for the LIHTC by 12% starting in 2026. (The House-passed reconciliation bill would have increased the LIHTC by 12.5% for four years.)

Continue reading.

Published by Peter Lawrence on Thursday, July 3, 2025 – 11:29AM

Novogradac

Oklahoma Water Resources Board: Fitch New Issue Report

The 'AAA' rating reflects OWRB's ability to absorb hypothetical pool defaults without interrupting bond payments. Fitch's cash flow modeling shows the program can withstand default rates up to 100% in the last four years.

Access Report

Mon 14 Jul, 2025

GFOA's 2025 GAAP Update.

GFOA's Annual Governmental GAAP Update is the must-attend online event for public sector accountants and auditors.

Whether you're preparing for year-end reporting or want to stay informed on the latest GASB changes, year after year, this session delivers essential updates and key insights. Don't miss two opportunities to participate in 2025.

- **November 6 | 1:00 PM – 5:00 PM (Eastern) | 4 CPE Credits**
- **December 17 (encore) | 1:00 PM – 5:00 PM (Eastern) | 4 CPE Credits**

As in past year, this year's broadcast will use GFOA's online Learning Management System (LMS). Participate in interactive exercises to test your knowledge of the material being presented. Receive immediate feedback to your questions during the program from GFOA's Technical Services Center staff. Earn four CPE credits with your participation.

Click here to learn more and to register.

Munis Top Stocks on Value by the Most in Decades, MacKay Says.

Takeaways

- MacKay Municipal Managers found that after accounting for taxes, muni yields exceed the S&P 500 earnings yield by about 244 basis points, according to a new report.

- The firm said that “a positive spread of this size suggests that municipal bonds are trading at their most attractive relative value to equities in over two decades”.
- David Dowden, managing director and portfolio manager at MacKay Municipal Managers, said that investors can get close to the returns expected from stocks after considering taxes, and he is seeing buying opportunities in the investment-grade sector.

Tax-exempt municipal bonds are offering compelling value compared to equities, according to a new report by MacKay Municipal Managers.

The firm, the muni investment arm of MacKay Shields, found that after accounting for taxes, muni yields exceed the S&P 500 earnings yield by about 244 basis points, a gap not seen since 2001-02. The earnings yield, often used as a proxy for what shareholders earn on stocks, has fallen as equity valuations climb.

Continue reading.

Bloomberg Markets

By Amanda Albright

July 14, 2025

Taxing the Crisis: Can Municipal Tax Hikes Mitigate Bondholder Risks in Stressed Districts?

The fiscal health of U.S. municipalities hangs in a precarious balance, with states like Illinois, cities like Chicago, and California’s major urban centers grappling with deficits, pension obligations, and climate-driven costs. As these regions turn to tax hikes to stabilize budgets, bondholders face a critical question: Can these measures effectively mitigate risk, or do they merely mask deeper systemic vulnerabilities?

The Fiscal Abyss

Illinois leads the parade of distressed states, projecting a **$3 billion shortfall** in fiscal year 2026 amid rising pension liabilities and stagnant revenues. Chicago’s FY 2025 budget is **$1 billion out of balance**—over 5% of its revenue—driven by unfunded retiree healthcare costs and dwindling federal aid. Meanwhile, California’s San Francisco faces an **$876 million deficit**, while Los Angeles and Oakland grapple with similar shortfalls. These gaps are exacerbated by climate-related expenses: Houston’s $100 million drainage mandate and Cape Cod’s wastewater upgrades highlight how environmental costs are now a fixed fiscal burden.

Tax Increases as a Band-Aid or Lifeline?

To close gaps, stressed issuers are leveraging tax policy:

- **Illinois** raised gas taxes to $0.483/gallon, imposed a $1/cigarette pack surcharge, and expanded sales taxes to online services.
- **Chicago** is considering a $0.50/bet fee on sports gambling and exploring higher property taxes on vacation rentals.
- **California** is debating a $2.7 billion sales tax expansion on services, while Seattle’s payroll tax on

high earners funds affordable housing.

Continue reading.

aiinvest.com

by Cyrus Cole

Monday, Jul 7, 2025 8:53 am ET

NFMA Comment Letter to GASB.

On June 24, the NFMA submitted a comment letter on the Governmental Accounting Standards Board's Preliminary Views, Severe Financial Stress and Probable Dissolution Disclosures. To read the letter, click here or go to Resources/Comments to GASB.

National Federation of Municipal Analysts

June 24, 2025

Proposed Rule Changes to Amend FINRA Rule 6730 (Transaction Reporting) and Rule G-14 RTRS Procedures Under MSRB Rule G-1: SIFMA Comment Letter

Summary

SIFMA and SIFMA AMG provided comments to the U.S. Securities and Exchange Commission (SEC) regarding FINRA and the MSRB's amendments to their rules regarding the reporting of transactions of certain fixed-income products under Rules 6730 and G-14, respectively (collectively, "the 2025 Proposal").

Read the SIFMA Comment Letter

The Affordable Housing Easter Egg in Trump's 'Beautiful' Bill.

Incentive to Build

President Donald Trump's "One Big Beautiful Bill" is known mainly for what it cuts: taxes, Medicaid coverage and food assistance among other things. But tucked inside the almost-900-page legislative text are a few lines that represent the biggest increase in incentives to build affordable housing in a generation.

That has both real estate developers and housing advocates cheering.

The revamp of three tax-based community development programs is expected to boost construction of new apartment buildings and renovation of older ones. Housing analysts saying they could spark the building of as many as 1.2 million more affordable units over the next 10 years than they would have without the changes.

Continue reading.

Bloomberg

By Emily Flitter

July 10, 2025

- **Ed. Note:** We appear to have compiled – very, very inadvertently – an actually useful edition this week. We apologize for any convenience and can assure you that we'll strive to avoid any recurrence going forward.
- NFMA's RBP in Disclosure for Public Power Electric Utilities & Joint Action Agencies Released.
- The One Big Beautiful Bill Act: A Comprehensive Holland & Knight Analysis
- Mintz Reconciliation Update: Latest Developments for Tax-Exempt Bonds & Public Finance and What to Expect Next
- Final Tax Bill Preserves Tax-Exempt Bonds and Expands Affordable Housing and Public Finance Provisions: Taft Stettinius & Hollister
- S&P: Changing Demographic Trends Could Affect U.S. Public Finance Issuers' Creditworthiness In Varying Ways
- US School Districts Rush to Sell Bonds After Draining Covid Cash.
- WSJ: Trump's $7 Billion Education Funding Freeze Blindsides Schools
- Space Bonds!!
- Mayor Eric Adams Unveils Bitcoin-Backed Municipal Bonds to Transform NYC into a Crypto Hub.
- Important article for Texas practitioners from our friends at Orrick here.
- And Finally, Very, Very Foreseeable Consequences is brought to us this week by *Ex parte McGuire*, in which a police officer spotted Faya Rose Toure, "removing a campaign sign from property adjacent to Tabernacle Baptist Church." Officer McGuire, "pulled his patrol vehicle alongside Toure's vehicle, and asked her to return the campaign sign she had removed. Toure told McGuire to 'go to hell' and drove off, running a red light in the process." Predictably, Ms. Toure made a bit of a fuss upon her arrest. Not only was she aggrieved regarding her treatment, she was furious when someone mysteriously released her mug shot to the press, which ran it on the front page of the Selma Times Journal. When asked, the chief of police stated that he, "could not recall who had released Toure's mug shot." Dang memory loss. In hindsight, perhaps prudent to simply return the campaign sign? Discretion, valor, and all that jazz?

IMMUNITY - ALABAMA

Ex parte McGuire

Supreme Court of Alabama - June 27, 2025 - So.3d - 2025 WL 1776553

Arrestee brought action against city police chief and arresting officer, asserting claims that included ones for assault and battery, false arrest, defamation, and libel, all of which related to her arrest for theft and attempting to elude police.

The Circuit Court denied motion by police chief and officer for summary judgment based on immunity. Police chief and officer petitioned for a writ of mandamus.

The Supreme Court held that:

- Arresting officer had State-agent and statutory peace-officer immunity from arrestee's claims, and
- Police chief had State-agent and statutory peace-officer immunity from arrestee's claims.

EMINENT DOMAIN - GEORGIA

eCBI Warner, LLC v. Patrick

Court of Appeals of Georgia - June 24, 2025 - S.E.2d - 2025 WL 1742187

City contractors, which contracted with city to create a fiber optic wide area network, filed petition for writ of mandamus against city and related individual defendants to obtain right-of-way access permits to 48 fiber optic lines that contractors had placed that were seemingly not addressed by parties' contract.

After contractors dismissed with prejudice their federal action against the same defendants, city terminated lease agreement between city development authority and one of the contractors for 12 additional fiber optic lines, and contractors amended their complaint to include facts and claims based on the lease termination, seeking appointment of a receiver, a permanent injunction, and a writ of mandamus and asserting claims for inverse condemnation, breach of contract, nuisance, and expenses of litigation.

The Superior Court, Houston County granted defendants' motion for summary judgment. Contractors appealed. The Court of Appeals affirmed in part and reversed in part. On remand, the Superior Court granted defendants' motion to dismiss. Contractors appealed.

The Court of Appeals held that:

- Contractors stated a new claim for inverse condemnation of the 12 leased lines that was not barred by res judicata based on the dismissal with prejudice of the federal action;
- Contractors failed to state a claim for private nuisance based on the lease termination;
- Issuance of writ of mandamus requiring city to acknowledge that contractors owned originally asserted 48 lines was not warranted;
- Issuance of writ of mandamus requiring city to acknowledge the lease was not warranted; and
- Final judgment in federal action precluded the assertion in state court of any claims, federal or state, that were asserted in the federal action or were related to claims asserted therein.

IMMUNITY - GEORGIA

Paulk v. Wilson

Court of Appeals of Georgia - June 25, 2025 - S.E.2d - 2025 WL 1751914

Plaintiff filed complaint against county sheriff in his official capacity, alleging injuries caused by deputy's negligent operation of sheriff's department vehicle.

The trial court denied sheriff's motion to dismiss on grounds of sovereign immunity. Sheriff filed application for interlocutory review, which was granted.

The Court of Appeals held that statutes waiving sovereign immunity for certain motor vehicle claims against local government entities permitted claim against sheriff in his official capacity.

Statutes waiving sovereign immunity for certain motor vehicle claims against local government entities permitted plaintiff's claim against county sheriff in his official capacity alleging injuries caused by deputy's negligent operation of sheriff's department vehicle, although statutes did not permit claim against sheriff in his individual capacity for deputy's alleged negligence because sheriff was local government officer whose sovereign immunity was not waived by statutes; plaintiff's action against sheriff in his official capacity constituted claim against county itself, and county was local government entity whose sovereign immunity was waived under statutes.

BRIDGES - NEBRASKA

County of Hayes v. County of Frontier

Supreme Court of Nebraska - June 6, 2025 - 319 Neb. 98 - 21 N.W.3d 474

County filed petition in error for review of decision of board of commissioners of adjoining county denying county's claim under county bridge statutes for reimbursement for one-half of cost of replacing bridge.

The District Court denied and dismissed petition. County appealed.

The Supreme Court held that:

- Broad legal conclusion in petition in error was insufficient to raise claims about due process and board's closed session, and
- Board's determination that bridge was not located on road on county line was not arbitrary and capricious.

POLITICAL SUBDIVISIONS - TEXAS

Baumgardner v. Brazos River Authority

Supreme Court of Texas - June 27, 2025 - S.W.3d - 2025 WL 1779081

River authority brought action against landowner in state court seeking permanent injunction requiring landowner to remove portions of boat ramp and on-water boat dock facility located on, over, or above lake managed by authority.

The District Court granted river authority's request for permanent injunction. Landowner appealed to the Waco Court of Appeals, Tenth District. The Tenth Court determined that the appeal fell within the exclusive intermediate appellate jurisdiction of the Court of Appeals, Fifteenth District. Following Supreme Court's transfer of appeal to the Fifteenth Court, river authority moved to re-transfer appeal to Tenth Court.

The Supreme Court held that:

- River authority was a political subdivision, rather than an agency in the executive branch of the

state government;
- noscitur a sociis canon of statutory production, providing that the meaning of a word or phrase, especially one in a list, should be known by words immediately surrounding it, did not apply; and
- Exceptions to Fifteenth Court's exclusive appellate jurisdiction for certain proceedings that could have involved counties, local governmental entities, and other political subdivisions did not imply that the legislature intended for all other proceedings involving local governmental entities and political subdivisions, including river authorities, to fall within Fifteenth Court's exclusive jurisdiction.

River authority was a political subdivision, rather than an agency in the executive branch of the state government, for purposes of Fifteenth Court of Appeals' exclusive intermediate appellate jurisdiction over matters brought by or against the state or an entity in the executive branch of the state government; governing statutes implied that, at least for the jurisdictional statute at issue, authority existed not as part of the state government but as an entity distinct from, and subordinate to, the state, jurisdiction of authority was geographically limited, authority could have taxing powers, though it did not currently exercise them, and authority did not receive state appropriations, but instead was funded primarily through water sales and water-treatment-related services.

PUBLIC UTILITIES - VIRGINIA

Zinner v. Washington Gas Light Company

Court of Appeals of Virginia, Fairfax - July 1, 2025 - S.E.2d - 2025 WL 1799975

Natural gas local distribution company petitioned for certiorari review of county board of zoning appeals' (BZA) determination that a proposed high-pressure natural gas pipeline under road in landowners' neighborhood was a transmission line that required a special exception under zoning ordinance, and company also filed separate action seeking declaratory judgment that state law preempted zoning ordinance as applied to pipeline.

The Fairfax Circuit Court affirmed BZA's finding that landowners had standing, reversed BZA's determination that a special exception was required, and dismissed declaratory judgment action as moot. Landowners and company each appealed, and appeals were consolidated.

The Court of Appeals held that:

- One landowner had standing via loss of driveway access during workday for up to a week during pipeline construction;
- Proposed pipeline was a distribution line exempt from requirement of a special exception for transmission lines;
- Special exception did not require a distribution line to be a low-pressure line connected directly to customers' homes;
- Doctrine of judicial restraint precluded consideration of whether company's entire system qualified as exempt distribution lines;
- Circuit court properly declined to defer to BZA's interpretation of zoning ordinance;
- Declaratory judgment action was moot; and
- Capable-of-repetition exception to mootness doctrine did not apply.

Proposed high-pressure natural gas pipeline under road in neighborhood was a "distribution line" and not a "transmission line," and thus the pipeline was exempt from requirement of a special exception under county zoning ordinance; pipeline was not connected to a gathering line, storage facility, or large-volume customer that was not down-stream from a distribution center, natural gas company that sought pipeline was a local distribution company that only delivered gas to ultimate consumers of gas, company did not produce or resell gas, company would not operate pipeline at pressures that exceed threshold for designating it a transmission line, and company had not and would not voluntarily designate pipeline as a transmission line.

S&P: Changing Demographic Trends Could Affect U.S. Public Finance Issuers' Creditworthiness In Varying Ways

Key Takeaways

- Slowing U.S. population growth, exacerbated by an aging society, could have varying impacts on the creditworthiness of U.S. public finance issuers.
- The U.S. Census Bureau projects that by 2035 the number of people aged 65 and over will outnumber those under the age of 18 for the first time. This could lead to economic strain, absent improved productivity.
- States with decreasing populations may face economic pressures and need to reprioritize financial resources while others, particularly in the Mountain and West regions, could experience growth opportunities.
- We believe that the long-term credit implications of demographic trends could be offset by management’s long-term planning, technological advancement to improve productivity, and state and federal policy changes.

For decades, significant economic growth in the U.S. was spurred in part by the country’s growing population. However, the U.S. Census Bureau believes a demographic shift within the next three decades is inevitable and is projecting that, by 2050, the population growth rate will fall to about 0.2% annually compared with 0.6% during the last 10 years (chart 1). In addition, U.S. Census Bureau baseline population projections show multiyear population declines will start by 2085.

Population aging is a global trend that can have credit impacts through multiple channels. As discussed in “Credit Implications Of Global Aging: A Complex Interplay,” June 23, 2025, although the related credit dynamics can be complex, we identify five key credit impact drivers associated with aging populations: age cohorts, labor force participation, productivity, migration, and public policies.

S&P Global Ratings believes that for many U.S. public finance issuers, the slowdown in population growth has long-term implications, including changing service delivery needs and a smaller workforce, which together, could lead to slower economic growth.

Continue reading. [Free Registration Required]

26-Jun-2025 | 11:06 EDT

How Rating Agencies are Viewing the Public Finance Outlook for the Remainder of 2025.

While many sectors within U.S. public finance are expected to maintain stable credit quality heading into 2025, emerging credit pressures could begin to impact performance and key rating metrics in the near term. Much of this uncertainty stems from potential shifts in federal policy under the new administration, which will play a critical role in shaping the fiscal sustainability of state and local governments, particularly those that rely on federal grants to support large-scale or megaprojects. Additionally, the broader macroeconomic environment, including the Federal Reserve's evolving stance on interest rates, will significantly influence inflation trends and borrowing costs. With uncertainty surrounding how the Fed will respond to economic signals, considerable ambiguity remains in the outlook.

In this article, we examine the current state of key public finance sectors, highlight emerging risks and performance trends, and offer insights into what the path ahead may hold.

Cities, Counties, Special Districts and More

Ongoing economic and federal policy uncertainty is elevating the importance of strong fiscal management for local governments. While widespread credit downgrades are not anticipated, many agencies are projecting budget deficits that could begin to erode the financial reserves built up over the past several years. Additionally, potential shifts in federal policy may affect local, regional, and state economies — posing risks to key revenue sources such as property and sales taxes. As reserve levels decline, local governments may face increasing financial strain in a sector that has otherwise demonstrated resilience since the onset of the pandemic.

Continue reading.

dividend.com

by Jayden Sangha

Jun 27, 2025

US State Budget Wounds Intensify From Trump, DOGE Policy Shifts.

Takeaways

- US states are warning of significant revenue losses due to the Trump administration's government cuts and trade policies, with Maryland expecting to lose nearly $350 million.
- The cuts come at a time when states are already facing flat revenue growth, rising costs from inflation, and the end of pandemic aid, with governors and lawmakers debating how to make up for the losses.
- States, including those run by Republicans, are bracing for impact, with cities and towns also anticipating funding shrinkage, and governors warning of a "Trump slump" that will stunt economic growth.

US states are sounding the alarm over the billions in revenue they stand to lose under the Trump administration's broadscale government cuts and the impact of his trade policies.

In Maryland, the reductions are expected to cost nearly $350 million and led Moody's Ratings to lower the state's top-tier credit grade it had held for half a century. California officials say on-again, off-again tariff announcements have dampened the state's economic outlook. Illinois, already facing fiscal strains, says Trump has made the situation worse. And New Mexico lawmakers are considering a special session to deal with the fallout from DC policy. Even states run by Republicans are bracing for impact.

Continue reading.

Bloomberg CityLab

By Aashna Shah

June 23, 2025

States Face Slowing Revenue, Difficult Budget Environment.

States are expecting flat revenues and increasing costs in this new fiscal year. They'll face hard choices even if Congress does not cut major aid programs.

Slow revenue growth continues to pinch state budgets across the country, leading governors to propose spending cuts, hiring freezes and some tax increases.

In its spring survey of states, the National Association of State Budget Officers found that general fund spending will hold steady in fiscal 2026 as states expect limited revenue growth but increased costs.

Though most states are meeting or exceeding 2025 revenue projections, a growing number are downgrading their revenue expectations for the next fiscal year, Shelby Kerns, executive director of the association, said in a news release.

"In a number of states, we're seeing expenditure projections outpacing revenue growth, forcing policymakers to make hard choices in order to balance their budgets," Kerns said.

Continue reading.

governing.com

July 2, 2025 • Kevin Hardy, Stateline

NASBO Spring 2025 Fiscal Survey.

With data gathered from all 50 state budget offices, this semi-annual report provides a narrative analysis of the fiscal condition of the states and data summaries of state general fund revenues, expenditures, and balances. The spring edition details governors' proposed budgets; the fall edition details enacted budgets.

View the Fiscal Survey.

States Finalize Fiscal 2026 Budgets Amid Tightening Conditions: NASBO Budget Blog

View the Budget Blog.

US School Districts Rush to Sell Bonds After Draining Covid Cash.

Takeaways

- Public schools are issuing a large number of municipal bonds to fund upgrades, with issuance reaching nearly $45 billion so far this year, a 35% increase from the same period in 2024.
- The surge in bond issuance is driven by a mix of elevated construction costs, pent-up demand for projects, and competition among schools to attract students and families with modern facilities.
- The current volume of public school bonds is also tied to the election last November, with districts issuing debt to fund voter-approved projects, and investors have largely absorbed the influx of school bonds without issue.

The pandemic-era pause on borrowing is over. Public schools are flooding the municipal-bond market to fund long-delayed upgrades as federal aid runs out and enrollment pressures mount.

Bond issuance from school districts has reached nearly $45 billion so far this year, up more than 35% from the same period in 2024, data compiled by Bloomberg shows. That's greater than the roughly 20% jump in bond sales overall in the muni market.

There's a sense among muni analysts that most districts are, for now, in healthy enough financial shape to absorb the jump in debt levels. Yet the bond rush still signals a turning point.

Continue reading.

Bloomberg Markets

By Erin Hudson

June 30, 2025

RBC Reclaims No. 2 Muni Underwriter Spot With School Debt Surge.

Takeaways

- RBC Capital Markets has reclaimed its position as the second-biggest municipal underwriter in the first half of 2025, with a market share of about 10.5% of the $278.5 billion total long-term muni sales.
- RBC's gains in sectors such as higher education, K-12 schools, and transportation have helped it expand market share, with debt sales for colleges and local school districts jumping nearly 40%.
- RBC estimates total issuance could rise 6% year-over-year to as much as $535 billion, and sees opportunities in health care and transportation, with plans to potentially add headcount, including a senior banker.

RBC Capital Markets has ridden the wave of record US state and local debt sales in the first half of this year to reclaim its position as the second-biggest municipal underwriter.

The Canadian bank's market share rose to about 10.5% of the $278.5 billion total long-term muni sales for the first six months of 2025, according to data compiled by Bloomberg. It first reached the No. 2 rank in 2023 but ceded that spot to JPMorgan Chase & Co. last year and slipped to third place, according to first-half data going back to 2013. Bank of America Corp. continues to hold the top spot.

A JPMorgan spokesperson declined to comment on the shift in market share. Representatives for Bank of America didn't immediately respond to emails seeking comment.

Continue reading.

Bloomberg Markets

By Shruti Singh

July 3, 2025

Junk-Rated College's $54 Million Bond Deal Sees Delay in Pricing.

A bond sale by Valparaiso University, a private college in Indiana, has been delayed, according to people familiar with the matter, as its niche structure faces a smaller pool of buyers.

Lead underwriter JPMorgan Chase & Co. had targeted a pricing date of June 18 for the $54 million deal, according to the roadshow for investors. The negotiated offering, which includes tax-exempt and taxable debt, is now expected to price the week of July 7, according to data compiled by Bloomberg. Spokespeople for JPMorgan and the university declined to comment.

The junk-rated deal is trying to price as the taxable municipal-bond market contends with a more limited buyer base of investors who tend to focus on large transactions that are more liquid. They can also prefer highly-rated names. Smaller, lower-rated deals can struggle to find investor interest.

Continue reading.

Bloomberg Markets

By Amanda Albright and Elizabeth Rembert

July 2, 2025

WSJ: Trump's $7 Billion Education Funding Freeze Blindsides Schools

Superintendents are scrambling to figure out what to do with programs funded by the money now under review

Key Points

- The Trump administration is freezing nearly $7 billion in education funding already approved by Congress.
- The White House says the move is due to an ongoing review that found grants subsidizing a "radical leftwing agenda."
- School districts nationwide are scrambling to address budget shortfalls as the new school year approaches.

On Monday, state education leaders across the country got a brief but startling email from the Education Department.

Nearly $7 billion in education funding—which Congress had approved and President Trump signed into law in March—wouldn't be released as expected the following day. The email didn't elaborate on why, mentioning a review.

With the new school year not far off, the funding freeze has sent superintendents from California to Rhode Island scrambling to figure out how to handle a shortfall. The money had been earmarked for a range of activities, including after-school programs, teacher training, adult education and support for students learning English.

Continue reading.

The Wall Street Journal

By Matt Barnum

July 4, 2025 10:00 am ET

'None Of Us Were Worrying About This': Trump's Latest School Money Move Has State Authorities Scrambling

A White House budget office spokesperson said some the funds were "grossly misused to subsidize a radical leftwing agenda."

The Trump administration's decision to withhold federal funds earmarked for key school programs tallies about $7 billion, a top appropriator estimated Tuesday as state officials rushed to assess the financial fallout.

Word that the Education Department had halted plans to distribute grants for after-school programs, teacher training initiatives, migrant student education and other initiatives on time has sent local authorities rushing to figure out how their classrooms will be hit.

Superintendents, teachers and budget wonks will now spend the summer measuring how much of a financial hole they might have to fill as they wait for updates from Washington. Some are considering lawsuits as teachers unions struck a combative stance and officials in some Republican-led states suggested the federal government should reverse course.

Continue reading.

politico.com

By Juan Perez Jr., Eric He and Andrew Atterbury

07/02/2025

Understanding School Finance Means Appreciating Tradeoffs.

My experience with the Edunomics Lab

It was the economist Thomas Sowell who argued, “There are no solutions, only tradeoffs.”

That was on my mind when, a couple of weeks ago, I attended a Certificate in Education Finance residency put on by the staff of the Edunomics Lab at Georgetown University’s McCourt School of Public Policy. Dr. Marguerite Roza presented most of the program’s content, focusing on spending decisions in public schools and school districts. I gained appreciation for the difficult tradeoffs that chief financial officers, superintendents, and school board members must consider when they weigh cuts to curriculum, programs, employee benefits, and jobs.

Because that is what education finance policy is all about: tradeoffs. Want to shrink class sizes? Well, you might end up paying teachers less because you need more of them. Want to get more technology in the classroom? You might not be able to hire reading specialists. And on and on and on. Schools and school districts do not have limitless amounts of money, so leaders often have to make tough choices between good things. They can’t do them all.

Continue reading.

edchoice.com

by Alex Wolf

July 3, 2025

S&P 'AAA' Rated U.S. School Districts: Current List

View the list.

07 Jul 2025

S&P 'AAA' Rated U.S. Municipalities: Current List

View the list.

07 Jul 2025

S&P 'AAA' Rated U.S. Counties: Current List

View the list.

07-Jul-2025 | 11:23 EDT

Climate Risks Shape Municipal Bonds: Flood And Wildfire Alerts.

What's going on here?

Municipal bonds in the US are under scrutiny as new data highlights their vulnerability to climate risks like floods and wildfires.

What does this mean?

Climate change is introducing new risks to municipal bonds, traditionally stable investments in local government projects. ICE Climate Data shows that bonds from regions like Nahant, Massachusetts, and Banning Unified School District, California, have severe risk scores. These ratings, from 0.0 to 5.0, highlight threats from environmental events that could impact the financial health of these investments. Nahant's $6 million offering has a flood score of 5.0, indicating extreme risk, while Banning's $18 million bond faces maximum wildfire risk. As climate concerns grow, these scores are likely to influence future investment strategies.

Why should I care?

For markets: Climate change meets municipal finance.

The integration of climate risk assessments is crucial for investors looking to understand potential vulnerabilities. Bonds in places like Tampa, Florida, with a climate risk score of 3.8, may require additional scrutiny. As environmental uncertainty rises, assessing these risks becomes essential for safeguarding portfolios against future climate events.

The bigger picture: Municipal bonds face a new reality.

The implication is clear: municipalities may encounter rising costs and challenges as they adapt to climate change. Cities and school districts might need to factor these risks into financial planning, affecting borrowing costs and infrastructure priorities. This shift highlights the importance of incorporating climate resilience into nationwide economic strategies.

finimize.com

What City Leaders Need to Know About the Senate's Budget Reconciliation Bill.

The Senate's version of the "One Big, Beautiful Bill" has arrived, with major implications for local governments. While it mirrors several provisions in the House-passed bill (H.R. 1), it also includes key differences, particularly around Medicaid. The path to passage in the Senate is not straightforward, with negotiations still ongoing on Medicaid, clean energy tax credits and public lands. As the House and Senate move toward negotiations on a final package, local leaders should understand how the Senate's proposal could shape city budgets, services and infrastructure planning.

Key Takeaways

- Significantly, key outreach from local leaders across the country ensured that the tax-exemption on municipal bonds remains preserved in both the House and Senate bills, for now.
- As it pertains to Medicaid, there is a divide between Republicans who have voiced concerns about the Senate Finance Committee's steep proposed cuts and those who are urging even deeper cuts. While a new fund is expected to be inserted to help rural hospitals, it remains unclear if this will be enough to garner the necessary votes.
- While the Direct Pay provision supporting local government clean energy projects remains intact, the tax credits are proposed to be phased out considerably sooner than the current timeline; other changes are likely to make the tax credits usable for local governments.
- The Senate parliamentarian has ruled against the inclusion of many of the proposed changes to the SNAP and Medicaid programs, as well as provisions related to grant programs and public lands.
- The final text that will be voted on by the Senate is still a work in progress, and the chamber is running up against its self-imposed deadline of having the bill clear the floor by July 4.

Continue reading.

National League of Cities

by Dante Moreno, Stephanie Martinez-Ruckman & Carolyn Berndt

June 26, 2025
