



MARYLAND STATE TREASURER
Dereck E. Davis

NEWS RELEASE

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**Maryland Retains AAA Bond Rating, Plans to Sell Up to \$400 Million in
General Obligation Bonds**

ANNAPOLIS—Maryland State Treasurer Dereck E. Davis announced today that the three major bond rating agencies have reaffirmed the state’s AAA bond rating and noted a “stable outlook.” Treasurer Davis will preside over his second competitive sale of state General Obligation Bonds on March 15, 2023.

Maryland is one of only 13 states to hold the coveted AAA rating – the highest possible – from all three major rating agencies. S&P Global, Moody’s Investors Service, and Fitch Ratings have each assigned the state the same ratings since 1961 (AAA), 1973 (Aaa), and 1993 (AAA), respectively.

“As I have said previously, preserving Maryland’s AAA bond rating is my number one priority. Despite the uncertainty of our economy, rating agencies continue to have confidence in Maryland’s sound fiscal policies,” said Treasurer Davis. “Today’s news ensures that the interest rates on the state’s bonds will remain low, saving Maryland taxpayers millions of dollars that can then be invested into our state’s critical needs like education, infrastructure, and public safety.”

In its analysis, S&P Global indicated that, “The stable outlook continues to reflect our opinion of the state’s ability to proactively manage economic and budgetary risks that arise in a structurally balanced manner to alleviate fiscal pressures. The state has a long history of proactive budget management to maintain adequate reserves and enact expenditure reductions when needed, which we expect will continue.”

Moody's Investors Service assigned its Aaa rating, noting Maryland's "strong financial management policies, ample liquidity levels, stable economy, and high personal income levels, all of which mitigate the state's economic exposure to potential constrained federal spending in the future, as well as its above-average debt and retiree liability burdens stemming from the state's practice of issuing debt and absorbing certain pension costs on behalf of local governments." The agency further explained, "The outlook for the State of Maryland is stable. Proactive fiscal management practices will enable the state to weather economic cycles and manage its comparatively high fixed costs for pensions, debt services, and retiree health benefits."

Fitch Ratings has said that its AAA rating reflects the state's "broad, diverse, and wealthy economy, strong and forward-looking fiscal management, and broad budgetary flexibility. Liabilities are elevated for a state, but carefully managed and moderate relative to available resources." Additionally, the agency found that, "Financial resilience is extremely strong, with well-funded budgetary reserves, consensus-oriented decision-making with a willingness to trim spending and increase revenues and disciplined multiyear forecasting and planning."

The March 15 sale is anticipated to include up to \$350,000,000 of tax-exempt bonds and up to \$50,000,000 of taxable bonds. Governor Wes Moore and Comptroller Brooke Lierman, as members of the Board of Public Works, will join Treasurer Davis in overseeing the sale, which will take place in the Assembly Room of the Goldstein Treasury Building in Annapolis.

* The other twelve states with AAA ratings from all three rating agencies are Delaware, Florida, Georgia, Indiana, Iowa, Missouri, North Carolina, South Dakota, Tennessee, Texas, Utah, and Virginia.