Research Update:

Prince George's County, MD Series 2026A-B GO Consolidated Public Improvement And Refunding Bonds Assigned 'AAA' Rating

May 19, 2026

Overview

- S&P Global Ratings assigned its 'AAA' long-term rating to **Prince George's County**, Maryland's approximately $267 million series 2026A general obligation (GO) consolidated public improvement bonds and the county's approximately $63 million series 2026B GO consolidated public improvement refunding bonds.
- At the same time, S&P Global Ratings affirmed its 'AAA' rating on the county's outstanding GO debt and on the **Maryland-National Capital Park & Planning Commission**'s (MNCPPC) GO bonds that are supported by both MNCPPC and the county.
- Additionally, S&P Global Ratings affirmed its 'AA+' rating on the county's certificates of participation (COPs) and lease revenue bonds, and its 'AA' rating on Prince George's County's special obligation refunding bonds (National Harbor Project) based on the county's moral obligation pledge.
- The outlook on all ratings is stable.

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Rationale

Security

Securing Prince George's County's 2026A, 2026B, and GO bonds outstanding is the county's full-faith-and-credit GO pledge, subject to the county's real property tax levy limit set forth in Sections 812 and 813 of the county's charter. Specifically, the county's property tax rate is capped at 96 cents per $100 of assessed value (AV); however, rates can be set without limitation to fund the county's local share of the school board's budget, currently set at four cents. We do not differentiate between the county's limited-tax GO debt and its general creditworthiness. We think that Prince George's County's ability to meet debt service requirements and continue to operate successfully has a strong link to creditworthiness and that there are no significant resource fungibility limitations.

We understand the series 2026A bond proceeds will fund a variety of county capital projects, including general and utility projects. The 2026B bonds will refund a portion of the county's GO bonds outstanding.

MNCPPC's GO bonds outstanding, issued to support Prince George's County, are secured by both the commission's pledge to levy ad valorem taxes within the county as well as Prince George's County's full-faith-and-credit pledge. Therefore, we have used a strong-link analysis of the GO ratings on MNCPPC and the county, both of which are currently rated 'AAA' with a stable outlook.

In addition, we apply our criteria, "Issue Credit Ratings Linked To U.S. Public Finance Obligors' Creditworthiness," Nov. 20, 2019, to rate Prince George's County's COPs, lease revenue bonds, and special obligation bonds outstanding. Contract payments payable under a funding agreement to be made by Prince George's County, subject to annual appropriation, secure the county's COPs. We rate the bonds one notch off the GO rating. The lease revenue bonds are secured by a purchase installment paid by the county, subject to annual appropriation and are also rated one notch off the GO rating. The rating on the special obligation bonds reflects our view of the county's moral obligation pledge, including a covenant to provide its best effort for the timely appropriation of sufficient funds, as needed, to replenish a debt service reserve if pledged revenue is insufficient to pay debt service, and are rated two notches off the county GO rating.

Credit highlights

The 'AAA' GO rating reflects our opinion of the county's large, diverse tax base that is likely to sustain strong growth over the next five years due partly to numerous large-scale developments underway combined with the smoothing effects of triennial reassessments that are phased in over three years, which we believe support steady long-term AV growth and fiscal balance. A proactive management environment and long-standing comprehensive financial policies also support the rating.

The county has historically maintained surplus financial operations, marked by increased reserves during the past five years, despite contributing more than $53 million in pay-go revenue sources toward its capital projects in the last three years. In our view, rising fixed costs due to large unfunded pension and other postemployment benefits (OPEB) liabilities could add some pressure to the budget, as could growth pressures, if the county's debt burden materially increases due to growing capital investments. Nevertheless, the county has a long track record of sound capital and financial planning that we believe will enable it to stay within its debt limitations. Furthermore, we project reserves will remain above 30% of revenues, thereby supporting the current rating.

The GO rating further reflects our opinion of the following factors for Prince George's County, including its:

- Growing economy across sectors, buoyed by the Washington, D.C., and Baltimore metropolitan statistical areas with numerous stabilizing institutions including the University of Maryland-College Park, Andrews Naval Air Facility, and NASA Goddard Space Flight Center;
- Well-embedded comprehensive financial policies with historically conservative budgeting and a focus on long-term financial and capital planning;
- Demonstrated track record of strong financial results with an expectation of continued long-term balance and maintenance of robust general fund reserves above 30% of revenues despite some revenue limitations;

- Somewhat elevated fixed costs, which total about 20% of governmental funds revenues, due in part to large unfunded retirement liabilities but also due to above-average debt amortization (70% repaid in 10 years), which should help offset significant capital needs in the short term; and
- Generally stable state operating environment (for more information on our institutional framework assessment for Maryland municipalities, see "Institutional Framework Assessment: Maryland Local Governments," Sept. 9, 2024). Although the county's charter property tax limitation of 96 cents per $100 of AV somewhat constrains its ability to raise property tax revenue, it still maintains substantial flexibility in its other revenue sources.

Environmental, social, and governance

We analyzed Prince George's County's environmental, social, and governance factors relative to its credit factors, and we view all of them as neutral within the credit rating analysis. The county established its Prince George's County Climate Action Commission to develop a Climate Action Plan, which was completed and approved in 2022 and contains 26 priority recommendations that the county has worked on implementing.

Rating above the sovereign

The county's GO bonds are eligible to be rated above the sovereign because we believe the county can maintain better credit characteristics than the U.S. in a stress scenario. Under our criteria "Ratings Above The Sovereign--Corporate And Government Ratings: Methodology And Assumptions," Nov. 19, 2013, Prince George's County's primary revenue source is local-source taxes, including real estate and personal property taxes. The county has independent taxing authority and independent treasury management from the federal government.

Outlook

The stable outlook reflects S&P Global Ratings' expectation that Prince George's County will maintain generally stable finances, balancing competing expenditure priorities consistent with a large, diverse, and growing community and within the confines of its legal and practical revenue-raising constraints. The county's strong economic trends, comprehensive management practices, and robust reserves lend stability to the rating.

Downside scenario

If the county were to experience sustained weak financial performance, leading to a significant decline in reserves, or if its overall debt and liability profile were to materially deteriorate due to its significant capital needs or increasing pension and OPEB costs, we could lower the rating.

Credit Opinion

Economy

Prince George's County, with a modestly growing population of 965,000, benefits from its location adjacent to Washington, D.C. The county remains poised for continued economic growth, resulting from redevelopments and large-scale, mixed-use transportation projects. We understand the county has approximately $18.2 billion of large-scale projects underway or imminently set for ground breaking, including most notably:

- Sphere National Harbor--In early January, Sphere Entertainment announced plans to build a $1.6 billion venue at MGM National Harbor casino hotel that is expected to open by 2030
- Konterra--A master planned community encompassing over 1,200 acres representing an estimated $3 billion investment in townhomes, apartments, hotel rooms, and commercial/office space
- Former Six Flags site--515 acres slated for a major mixed-use development that is expected to transform the site into a premier entertainment destination at the former Six Flags site that closed in 2025
- Blue Line Corridor--Dense transit-oriented development set to occur along the corridor

While the major projects will take multiple years to finish, we believe they reflect ongoing investment in the county, which will support longer-term economic and revenue stability.

Prince George's County additionally benefits from the presence of a number of public institutions and federal agencies, such as University of Maryland-College Park, which is the state's flagship university campus; Andrews Naval Air Facility; the IRS; U.S. Census Bureau; and NASA Goddard Space Flight Center.

Financial performance, reserves, and liquidity

The county has averaged a surplus of 2.4% on average over the last three years, including another surplus in fiscal 2025, primarily reflecting county-source revenue outperforming the budget and expenditure savings. This is the case despite the county spending more than $53 million on pay-as-you-go capital expenditures over the last three years.

For fiscal 2026, estimated revenue increases total $150 million, or 3% above the approved budget, driven primarily by better-than-expected income tax revenue growth given that federal employment cuts have not depressed revenue as much as expected. Rather, the county's unemployment rate averaged less than 5% in 2025 as the private sector and state and local governments absorbed federal cuts. Although expenses are also ahead of budget, currently fiscal 2026 results are tracking positively by about $36 million.

The 2027 budget represents a 3.2% increase over the 2026 approved budget and includes no use of unassigned reserves. Ultimately we expect reserves will remain close to or above 30%, which we believe compares well to other 'AAA' rated municipalities in the state, and continues to provide rating stability. The county's reserves consist of unassigned and assigned reserves totaling $492 million, in addition to committed reserves held for operations and the county's rainy day fund, totaling $426 million.

County source revenue continues to generally outperform the budget, with home-price growth partially offsetting relatively low transaction volume and continued growth in income tax revenue. The county's revenue profile is generally stable, with property taxes (including personal property) accounting for 43% of operating revenue, followed by income taxes (33%). Overall, property and local taxes account for more than 90% of general fund revenue. Education and public safety are among the county's largest priorities, and as it grows and continues investment, we expect growth in these expenditure categories. State-mandated growth in education funding will likely continue pressuring the county's budget. We note the county maintains income tax rate flexibility given it is below the 3.3% state cap.

Management

Highlights of the county's financial management policies and practices include:

- Conservative budget assumptions, which include the use of historical trend analysis that goes back at least five years for revenue and expenditures;
- Monthly budget-to-actual financial update reports provided to council with the ability and willingness to amend the budget, when necessary, through its formal amendment process;
- A six-year rolling capital improvement program (CIP) that prioritizes projects and identifies all revenue sources; this revenue is prepared in conjunction with the operating budget;
- Six-year financial projections updated annually and summarized in the county's budget that management uses to examine gaps between projected revenue and expenditures and to ensure affordability within budget objective and revenue limitations;
- A debt management policy, with affordability measures with which the county remains in compliance;
- A formal investment policy that adheres to state limitations on investments, with monthly review of holdings to ensure compliance with the policy and periodic meetings to ensure investments adhere with objectives; and
- A reserve requirement that calls for the maintenance of a 5% contingency reserve and a 5% operating reserve.

Debt and liabilities

Although we view the county's overall fixed costs as somewhat elevated, this is due in part to above-average amortization at almost 70% of debt repaid within 10 years. In addition, we believe the county's overall fixed costs as a percentage of governmental revenues are overstated given the county issues debt for the school board and the school board's revenues are not included in the calculation.

Nevertheless, the county's proposed, six-year CIP totals is extensive, totaling about $4.1 billion, and includes a variety of funding sources such as additional GO debt, federal and state aid, revenue bonds, and pay-as-you-go financing. We expect its near-term new-money debt plans will roughly equal paydown on debt outstanding, and we do not expect a material change in debt ratios.

In our opinion, a credit weakness is the large pension and OPEB obligations, despite currently manageable costs. Although the funded ratios in the majority of the county's plans are below average and could lead to increased costs, in general they continue to improve and currently stand at a combined funded ratio of 62.4%. The total unfunded pension liability is about $2 billion.

The county also administers a single-employer OPEB plan for eligible employees that it generally pays for on a cash basis with annual costs of about $44 million. As of June 30, 2025, the OPEB reserve totaled $151 million and the funded ratio was nearly 10% with a net OPEB liability of $1.4 billion.

Prince George's County, Maryland--credit summary

Institutional framework (IF)	2
Individual credit profile (ICP)	1.75
Economy	1.5
Financial performance	2
Reserves and liquidity	1

Prince George's County, Maryland--credit summary

Management	1.00
Debt and liabilities	3.25

Prince George's County, Maryland--key credit metrics

	Most recent	2025	2024	2023
Economy				
Real GCP per capita % of U.S.	--	--	77	76
County PCPI % of U.S.	--	--	82	81
Market value ($000s)	--	132,196,061	123,786,689	116,972,268
Market value per capita ($)	--	137,051	128,333	121,003
Top 10 taxpayers % of taxable value	--	3.6	3.8	3.9
County unemployment rate (%)	--	3.8	3.3	2.3
Local median household EBI % of U.S.	--	--	117	118
Local per capita EBI % of U.S.	--	--	102	102
Local population	--	--	964,574	966,689
Financial performance				
Operating fund revenues ($000s)	--	2,730,728	2,621,867	2,427,592
Operating fund expenditures ($000s)	--	2,446,265	2,451,168	2,209,986
Net transfers and other adjustments ($000s)	--	(203,647)	(132,671)	(152,729)
Operating result ($000s)	--	80,816	38,028	64,877
Operating result % of revenues	--	3.0	1.5	2.7
Operating result three-year average %	--	2.4	3.3	5.6
Reserves and liquidity				
Available reserves % of operating revenues	--	33.6	32.1	32.7
Available reserves ($000s)	--	917,272	840,449	794,199
Debt and liabilities				
Debt service cost % of revenues	--	10.2	10.7	11.3
Net direct debt per capita ($)	3,495	3,109	3,075	3,086
Net direct debt ($000s)	3,371,188	2,999,323	2,965,639	2,983,287
Direct debt 10-year amortization (%)	69	72	72	--
Pension and OPEB cost % of revenues	--	10.0	11.0	10.0
NPLs per capita ($)	--	2,257	2,304	2,177
Combined NPLs ($000s)	--	2,176,841	2,222,439	2,104,436

Financial data may reflect analytical adjustments and are sourced from issuer audit reports or other annual disclosures. Economic data is generally sourced from S&P Global Market Intelligence, the Bureau of Labor Statistics, Claritas, and issuer audits and other disclosures. Local population is sourced from Claritas. Claritas estimates are point in time and not meant to show year-over-year trends. GCP--Gross county product. PCPI--Per capita personal income. EBI--Effective buying income. OPEB--Other postemployment benefits. NPLs--Net pension liabilities.

Ratings List
New Issue Ratings
US$266,995,000 Prince George's County, Maryland, General Obligation Consolidated Public Improvement Bonds, Series 2026A, dated: Date of Delivery, due: August 1, 2036

Ratings List	
Long Term Rating	AAA/Stable
US$63,140,000 Prince George's County, Maryland, General Obligation Consolidated Public Improvement Refunding Bonds, Series 2026B, dated: Date of Delivery, due: January 1, 2032	
Long Term Rating	AAA/Stable
Ratings Affirmed	
Local Government	
Prince George's Cnty, MD Lease Appropriation	AA+/Stable
Prince George's Cnty, MD Limited Tax General Operating Pledge	AAA/Stable
Prince George's Cnty, MD Moral Obligation	AA/Stable
Multiple Revenue Stream	
Prince George's Cnty, MD Unlimited Tax General Obligation and Maryland Natl Cap Pk & Planning Comm, MD Limited Tax General Operating Pledge of Prince George's Cnty	AAA/Stable

The ratings appearing below the new issues represent an aggregation of debt issues (ASID) associated with related maturities. The maturities similarly reflect our opinion about the creditworthiness of the U.S. Public Finance obligor's legal pledge for payment of the financial obligation. Nevertheless, these maturities may have different credit ratings than the rating presented next to the ASID depending on whether or not additional legal pledge(s) support the specific maturity's payment obligation, such as credit enhancement, as a result of defeasance, or other factors.

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