

Research Update:

# Collin County, TX Series 2026 Limited Tax Permanent Improvement Bonds Assigned 'AAA' Rating; Outlook Is Stable

June 17, 2026

## Overview

- S&P Global Ratings assigned its 'AAA' long-term rating to **Collin County**, Texas' proposed \$243.7 million series 2026 limited tax permanent improvement bonds.
- At the same time, S&P Global Ratings affirmed its 'AAA' long-term rating on the county's unlimited- and limited-tax general obligation (GO) debt.
- The outlook is stable.

## Rationale

### Security

Revenue from the county's unlimited tax secures its unlimited-tax bonds outstanding. Revenue from a direct and continuing ad valorem tax, within the limits prescribed by law, secures the limited tax bonds. The maximum allowable tax rate for Texas counties is 80 cents per \$100 of assessed value (AV) for all purposes, with the portion dedicated to debt service limited to 40 cents.

In fiscal 2026, the county's total levy is 14.9 cents with 4.2 cents dedicated to debt service. We rate the limited-tax bonds on par with our view of the county's general creditworthiness because the property tax base supporting the obligations is coterminous with the county and because we see no unusual risk regarding the county's willingness to support the debt or the fungibility of resources.

Officials will use series 2026 bond proceeds to fund capital projects related to the county's court and detention facilities as well as for road and park projects.

### Credit highlights

Collin County has a substantial and growing tax base as well as very strong finances and strong financial management practices. The county continues to experience significant population growth and local economic activity because of its favorable location within the Dallas-Fort Worth Metroplex. Although AV of existing properties is declining slightly across the Dallas-Fort Worth

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metroplex, we expect Collin County's AV to continue to grow because of its residential and commercial developments, including major projects in the cities of McKinney, Frisco, Plano, and Anna that will add thousands of new homes and commercial value.

The county has a history of solid finances; in fiscal 2025, its operating reserves were roughly 86% of revenue, which we view as a credit positive and well above its formal reserve policy of 120-days' cash on hand. The county had positive general fund results in fiscal 2025 adjusting for a \$62.3 million transfer of non-spendable reserves related to reclassifying the Collin County Toll Road Authority Fund as a governmental fund. Although the county's fiscal 2026 adopted general fund balance includes a \$19.5 million use of reserves, the county consistently outperforms its budget figures and management indicates it does not plan to spend down reserves during the two-year outlook horizon. In our opinion, the county's finances will likely continue to benefit from a growing economy and conservative budget assumptions, which should allow it to maintain very strong finances.

Despite strong growth in service-and-infrastructure demands, the debt profile is manageable. After this issuance, the county will have \$28.9 million in authorized but unissued GO bonds, and we do not expect the county's debt profile to materially increase, relative to its population and tax base growth, during the outlook period.

The rating reflects our view of the county's:

- Growing, sizable tax base with access to the Dallas-Fort Worth metroplex, with economic metrics generally in-line with those of its national peers.
- Strong financial management policies and practices that are highlighted by robust long-term budget and capital forecasting, conservative budgeting, and formal investment and reserve policies. We view the county's cyber risk mitigation measures as consistent with our view of its credit fundamentals.
- Solid financial performance, supported by growing primary revenue, conservative budget assumptions, and management's projections of maintaining very strong reserves during the next two fiscal years.
- Manageable debt profile despite its growth-related infrastructure needs, combined with an overfunded pension plan and other postemployment benefit obligations that we consider manageable.
- For more information on our institutional framework assessment for Texas counties, see "[Institutional Framework Assessment: Texas Local Governments](#)," Sept. 9, 2024.

## **Environmental, social, and governance**

We view environmental and governance factors as neutral in our credit rating analysis. We view the county's strong population growth during the past 20 years as a social opportunity because it provides underlying economic strength to support employment growth compared with areas of the nation experiencing population stagnation or losses.

## **Rating above the sovereign**

Collin County's GO bonds are eligible to be rated above the sovereign because we think the county can maintain better credit characteristics than the nation in a stress scenario. (For further information, see our criteria "[Ratings Above The Sovereign: Corporate And Government Ratings--Methodology And Assumptions](#)," Nov. 19, 2013.) Under our criteria, U.S. local governments are considered moderately sensitive to country risk. The county's GO pledge is the

primary source of security on the debt; this severely limits the possibility of negative sovereign intervention in the payment of the debt or in the county's operations. The institutional framework in the U.S. is predictable for local governments, allowing them significant autonomy, independent treasury management, and no history of government intervention. Collin County has considerable financial flexibility, in our view, as demonstrated by its very high general fund balance as a percentage of expenditures; its primary revenue source is property taxes.

## Outlook

The stable outlook reflects S&P Global Ratings' expectation that the county's tax base will continue to grow while it maintains solid financial performance and reserves and a manageable debt profile, supported by robust and well-embedded management practices.

### Downside scenario

We could lower the rating if reserves were to decrease to levels no longer in line with its formal reserve policy or if economic or debt metrics were to weaken materially.

### Collin County, Texas--credit summary

|                                 |      |
|---------------------------------|------|
| Institutional framework (IF)    | 1    |
| Individual credit profile (ICP) | 1.35 |
| Economy                         | 1.0  |
| Financial performance           | 2    |
| Reserves and liquidity          | 1    |
| Management                      | 1.00 |
| Debt and liabilities            | 1.75 |

### Collin County, Texas--key credit metrics

|                                              | Most recent | 2025        | 2024        | 2023        |
|----------------------------------------------|-------------|-------------|-------------|-------------|
| <b>Economy</b>                               |             |             |             |             |
| Real GCP per capita % of U.S.                | 111         | --          | 111         | 112         |
| County PCPI % of U.S.                        | 122         | --          | 122         | 124         |
| Market value (\$000s)                        | 270,998,282 | 251,108,781 | 225,503,440 | 196,328,209 |
| Market value per capita (\$)                 | 215,375     | 199,568     | 179,218     | 162,072     |
| Top 10 taxpayers % of taxable value          | 1.9         | 2.4         | 2.4         | 2.7         |
| County unemployment rate (%)                 | 3.6         | 3.9         | 3.8         | 3.7         |
| Local median household EBI % of U.S.         | 139         | --          | 139         | 143         |
| Local per capita EBI % of U.S.               | 130         | --          | 130         | 129         |
| Local population                             | 1,258,263   | --          | 1,258,263   | 1,211,367   |
| <b>Financial performance</b>                 |             |             |             |             |
| Operating fund revenues (\$000s)             | --          | 321,282     | 298,303     | 261,569     |
| Operating fund expenditures (\$000s)         | --          | 309,961     | 267,394     | 252,874     |
| Net transfers and other adjustments (\$000s) | --          | (55,537)    | 5,350       | (937)       |
| Operating result (\$000s)                    | --          | (44,216)    | 36,259      | 7,758       |
| Operating result % of revenues               | --          | (13.8)      | 12.2        | 3.0         |

Collin County, Texas--key credit metrics

|                                            | Most recent | 2025    | 2024    | 2023    |
|--------------------------------------------|-------------|---------|---------|---------|
| Operating result three-year average %      | --          | 0.5     | 3.6     | 3.7     |
| Reserves and liquidity                     |             |         |         |         |
| Available reserves % of operating revenues | --          | 86.3    | 79.4    | 76.4    |
| Available reserves (\$000s)                | --          | 277,247 | 236,886 | 199,846 |
| Debt and liabilities                       |             |         |         |         |
| Debt service cost % of revenues            | --          | 12.4    | 14.2    | 19.7    |
| Net direct debt per capita (\$)            | 922         | 786     | 670     | 597     |
| Net direct debt (\$000s)                   | 1,160,435   | 989,115 | 843,655 | 723,601 |
| Direct debt 10-year amortization (%)       | 47          | 54      | 55      | --      |
| Pension and OPEB cost % of revenues        | --          | 2.0     | 2.0     | 8.0     |
| NPLs per capita (\$)                       | --          | --      | --      | --      |
| Combined NPLs (\$000s)                     | --          | --      | --      | --      |

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\$243,670,000 Collin County, Texas, Limited Tax Permanent Improvement Bonds, Series 2026, dated: June 15, 2026, due: February 15, 2046 |            |
| Long Term Rating                                                                                                                         | AAA/Stable |
| Ratings Affirmed                                                                                                                         |            |
| Local Government                                                                                                                         |            |
| Collin Cnty, TX Limited Tax General Operating Pledge                                                                                     | AAA/Stable |
| Collin Cnty, TX Unlimited Tax General Obligation                                                                                         | 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.

Certain terms used in this report, particularly certain adjectives used to express our view on rating relevant factors, have specific meanings ascribed to them in our criteria, and should therefore be read in conjunction with such criteria. Please see Ratings Criteria at <https://disclosure.spglobal.com/ratings/en/regulatory/ratings-criteria> for further information. A description of each of S&P Global Ratings' rating categories is contained in "S&P Global Ratings Definitions" at <https://disclosure.spglobal.com/ratings/en/regulatory/article/-/view/sourceld/504352>. Complete ratings information is available to RatingsDirect subscribers at [www.capitaliq.com](http://www.capitaliq.com). All ratings referenced herein can be found on S&P Global Ratings' public website at [www.spglobal.com/ratings](http://www.spglobal.com/ratings).

## Collin County, TX Series 2026 Limited Tax Permanent Improvement Bonds Assigned 'AAA' Rating; Outlook Is Stable

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