

Research Update:

Carroll County, MD Series 2025 Public Improvement Bonds Rated 'AAA'; GO Debt Rating Affirmed; Outlook Stable

November 6, 2025

Overview

- S&P Global Ratings assigned its 'AAA' rating to [Carroll County](#), Md.'s series 2025, \$29.1 million public improvement bonds.
- We also affirmed our 'AAA' rating on the county's outstanding general obligation (GO) debt.
- The outlook is stable

Rationale

Security

The county's full faith and credit pledge secures the bonds. Proceeds will be used to fund various capital needs throughout the county.

Credit highlights

The rating reflects our opinion of the county's record of positive finances and high reserves, supported by conservative budgeting and financial-management practices, and underpinned by a diversified and expanding economy. Ongoing cash-funding of capital projects, well-established debt-management guidelines, and limited pressure from pension and other postemployment benefits (OPEB) somewhat mitigate additional capital and borrowing needs.

The county generally maintains positive operations, which reflects cautious budgeting and regular monitoring. In fiscal 2024, the county transferred out a portion of its reserves to fund capital projects. Unaudited figures for fiscal 2025, show a return to the county's robust, positive operations, with an anticipated surplus of \$33.1 million. Revenue far exceeded budgeted levels, while expenditures were under budget. The county's main revenue source is local property taxes, followed closely by other local taxes. The county's all-funds fiscal 2026 budget is \$802.5 million.

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As part of the fiscal 2026 budget, it absorbed an increasing level of state mandates, continued support of county-wide emergency medical services, and expanded certain benefits.

After this issuance, the county has approximately \$325.8 million of net direct debt outstanding. Its six-year capital plan includes annual issuances of up to \$45 million and a gradual increase in nominal debt outstanding. Due to continued tax base growth, the county will likely remain in compliance with its debt-management policy.

The rating also reflects our opinion of the county's:

- Robust economy, underpinned by the expansion of existing and new employers; a broad range of industries encompassing manufacturing, pharmaceuticals, and aerospace and defense; and the announcement and completion of \$428 million of investments in land development, supported by its favorable location and well-educated workforce;
- Seasoned financial-management team, with maintenance of a comprehensive array of formalized, well-embedded financial policies and practices. This includes long-term capital and financial plans, formal debt- and investment-management and reserve policies, and regular reporting. We note the county has taken steps to mitigate cybersecurity risks.
- Anticipated positive results in fiscal 2025, with available reserves returning to stronger levels than pre fiscal 2024, at \$133.9 million. We also expect the county to maintain its robust reserve position over the two-year outlook period. Due to the county's record and ongoing property tax base expansion, we forecast operations will likely remain positive. Moreover, the county has additional revenue-raising flexibility, which we view positively.
- Limited fixed-cost pressure despite additional borrowing plans, thanks to proactive long-term liability management. The county's future debt plans are not material, and we do not expect its fixed costs to materially increase over the outlook period. The pension and OPEB plans are well funded and do not weigh on the overall debt and liability profile.
- For more information on our institutional framework assessment for Maryland municipalities, see: "[Institutional Framework Assessment: Maryland Local Governments](#)," Sept. 9, 2024.

Environmental, social, and governance

We analyzed Carroll County's environmental, social, and governance factors and consider them neutral in our credit analysis. Although the county faces occasional inland flooding, it has taken active measures through storm-water-and-floodplain management to mitigate risk.

Rating above the sovereign

Carroll 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. Under our criteria, "[Ratings Above The Sovereign--Corporate And Government Ratings: Methodology And Assumptions](#)," Nov. 19, 2013, the county has a predominantly locally derived revenue source with about two-thirds of governmental-activity revenue from property taxes, and independent taxing authority and treasury management from the federal government.

Outlook

The stable outlook reflects S&P Global Ratings' view of the county's expanding economy and our expectation that it will effectively manage its budget in response to economic conditions and maintain its strong financial position.

Downside scenario

Although we do not expect this to occur, we could lower the rating if its reserve position decreases significantly due to prolonged budgetary deterioration or if there is material deterioration in overall income metrics.

Carroll County, Maryland--credit summary

Institutional framework (IF)	1
Individual credit profile (ICP)	1.60
Economy	2.5
Financial performance	2
Reserves and liquidity	1
Management	1.00
Debt and liabilities	1.50

Carroll County, Maryland--key credit metrics

	Most recent	2024	2023	2022
Economy				
Real GCP per capita % of U.S.	--	--	56	57
County PCPI % of U.S.	--	--	107	107
Market value (\$000s)	--	23,942,703	22,789,036	22,010,187
Market value per capita (\$)	--	135,148	130,622	126,869
Top 10 taxpayers % of taxable value	--	2.5	2.6	2.6
County unemployment rate (%)	--	2.4	1.7	2.4
Local median household EBI % of U.S.	--	134	138	136
Local per capita EBI % of U.S.	--	123	121	120
Local population	--	177,159	174,465	173,488
Financial performance				
Operating fund revenues (\$000s)	--	490,580	478,514	465,688
Operating fund expenditures (\$000s)	--	469,359	444,548	416,107
Net transfers and other adjustments (\$000s)	--	(49,279)	(28,895)	(34,525)
Operating result (\$000s)	--	(28,058)	5,071	15,056
Operating result % of revenues	--	(5.7)	1.1	3.2
Operating result three-year average %	--	(0.5)	5.0	5.4
Reserves and liquidity				
Available reserves % of operating revenues	--	19.9	27.9	27.7
Available reserves (\$000s)	--	97,685	133,549	129,118
Debt and liabilities				
Debt service cost % of revenues	--	6.2	6.0	6.2
Net direct debt per capita (\$)	1,839	1,652	1,687	1,653
Net direct debt (\$000s)	325,814	292,753	294,299	286,702
Direct debt 10-year amortization (%)	67	76	--	--
Pension and OPEB cost % of revenues	--	2.0	3.0	4.0
NPLs per capita (\$)	--	228	207	107

Carroll County, Maryland--key credit metrics

	Most recent	2024	2023	2022
Combined NPLs (\$000s)	--	40,315	36,137	18,591

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\$29.115 mil GO bnds pub imp bnds of 2025 due 11/01/2045

Long Term Rating AAA/Stable

Ratings Affirmed

Local Government

Carroll Cnty, MD 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.

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