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Fitch Rates Nassau County, NY's \$280MM 2026 Series A GOs 'AA'; Outlook Stable

Related Content:

[Nassau County \(NY\)](#)

Fitch Ratings - New York - 02 Jun 2026: Fitch Ratings has assigned Nassau County, NY a 'AA' rating on its \$280 million general obligations (GO) general improvement bonds, 2026 series A, expected to price around June 10. Fitch also affirmed the county's Issuer Default Rating (IDR), outstanding GO bonds, and Nassau Health Care Corporation (NHCC) county-guaranteed bonds at 'AA'. The Rating Outlook is Stable.

The ratings reflect Nassau County's improved operating performance and financial resilience, assessed at 'a'. The ratings also reflect favorable demographic and economic metrics, including above-average income levels, low unemployment, and a modestly growing population. The county's long-term liabilities, including direct debt and net pension liabilities (NPLs), remain manageable. However, debt service and pension contributions account for a somewhat high share of the budget.

Rating Sensitivities

Factors that Could, Individually or Collectively, Lead to Negative Rating Action/Downgrade

- An inability to maintain unrestricted general fund reserves at or above 5% of general fund expenditures and transfers out through future economic cycles.
- A sustained approximate 50% increase in long-term liabilities assuming current personal income and governmental resources.

Factors that Could, Individually or Collectively, Lead to Positive Rating Action/Upgrade

- Expectations for maintenance of unrestricted general fund reserves consistently above 7.5% of general fund expenditures and transfers out through future economic cycles.
- A sustained approximate 20% reduction in long-term liabilities assuming current personal income and governmental resources.

SECURITY

The GO bonds are backed by the county's full faith and credit and taxing power, subject to a 2011 state statute limiting property tax increases to the lesser of 2% or an inflation factor (the tax cap law). This

limit can be overridden annually by a 60% vote of the county legislature.

Fitch's Local Government Rating Model

The Local Government Rating Model (LGRM) generates MIRs, which communicate the issuer's credit quality relative to Fitch's local government rating portfolio (the MIR will be the IDR except in certain circumstances explained in the applicable criteria). The MIR is expressed via a numerical value calibrated to Fitch's long-term rating scale that ranges from 10.0 or higher (AAA), 9.0 (AA+), 8.0 (AA) and so forth down to 1.0 (BBB- and below). MIRs reflect the combination of issuer-specific metrics and assessments to generate an MP and a structured framework to account for AAFs not captured in the MP that can either mitigate or exacerbate credit risks. AAFs are reflected in notching from the MP and are capped at +/-3 notches.

Ratings Headroom & Positioning

Nassau County Model Implied Rating: 'AA' (Numerical Value: 8.81)

-- Metric Profile: 'AA' (Numerical Value: 8.81)

-- Net Additional Analytical Factor Notching: 0.0

Nassau County's Model Implied Rating is 'AA'. The associated numerical value of 8.81 is at the upper end of the 8.0 to 9.0 range for a 'AA' rating.

Key Rating Drivers

Financial Profile

Financial Resilience - 'a'

Nassau County's financial resilience is driven by the combination of its 'High' revenue control assessment and 'Midrange' expenditure control assessment, culminating in a 'High Midrange' budgetary flexibility assessment.

--Revenue control assessment: High

--Expenditure control assessment: Midrange

--Budgetary flexibility assessment: High Midrange

--Minimum fund balance for current financial resilience assessment: >=5.0%

--Current year fund balance to expenditure ratio: 22.1% (2024)

--Lowest fund balance to expenditure ratio for the fiscal-year period 2020-2024: 5.05 Analyst Input (vs. 9.1% actual in fiscal 2020)

Revenue Volatility - 'Midrange'

Nassau County's weakest historic three-year revenue performance has a modest negative impact on the Model Implied Rating.

The revenue volatility metric is an estimate of potential revenue volatility based on the issuer's historical experience relative to the median for the Fitch-rated local government portfolio. The metric helps to differentiate issuers by the scale of revenue loss that would have to be addressed through revenue raising, cost controls or utilization of reserves through economic cycles.

--Lowest three-year revenue performance (based on revenues dating back to 2005): 4.1% decrease for the three-year period ending fiscal 2022

--Median issuer decline: -4.5% (2024)

Analyst Inputs to the Model

Analyst inputs to the model reflect metric adjustments to account for historical data anomalies, forward-looking performance shifts, or non-recurring events that may otherwise skew the time series.

The 'a' resilience assessment reflects the combination of the county's formal reserve policy (equal to 4% of spending), its history of reserve fund volatility, and more recent strengthening of reserve levels, including the establishment of general fund reserves to fund specific operating costs and liabilities.

Demographic and Economic Strength

Population Trend - 'Weakest'

Based on the median of 10-year annual percentage change in population, Nassau County's population trend is assessed as 'Weakest'.

Population trend: 0.0% 2023 median of 10-year annual percentage change in population (12th percentile)

Unemployment, Educational Attainment and MHI Level - 'Strongest'

The overall strength of Nassau County's demographic and economic level indicators (unemployment rate, educational attainment, median household income [MHI]) in 2024 are assessed as 'Strongest' on a composite basis, performing at the 86th percentile of Fitch's local government rating portfolio. This is due to relatively strong education attainment levels, median-issuer indexed adjusted MHI and unemployment rate.

--Unemployment rate as a percentage of the national rate: 76.7% Analyst Input (81st percentile) (vs. 80.0% 2024), relative to the national rate of 4.0%

--Percentage of population with a bachelor's degree or higher: 49.6% Analyst Input (87th percentile) (vs. 48.7% 2023 actual)

--MHI as a percent of the portfolio median: 156.3% Analyst Input (91st percentile) (vs. 160.1% 2023)

Actual)

Economic Concentration and Population Size - 'Strongest'

Nassau County's population in 2023 was of sufficient size and the economy was sufficiently diversified to qualify for Fitch's highest overall size/diversification category.

The composite metric acts asymmetrically, with most issuers (above the 15th percentile for each metric) sufficiently diversified to minimize risks associated with small population and economic concentration. Downward effects of the metric on the MP are most pronounced for the least economically diverse issuers (in the fifth percentile for the metric or lower). The economic concentration percentage shown below is defined as the sum of the absolute deviation of the percentage of personal income by major economic sectors relative to the U.S. distribution.

--Population size: 1,388,940 (2023) (above the 15th percentile)

--Economic concentration: 22.9% Analyst Input (above the 15th percentile) (vs. 15.6% 2024 actual)

Demographic and economic metrics were adjusted to include the most recent 2024 data and the use of proxy data for economic sectors that have not reported personal income data.

Long-Term Liability Burden

Long-Term Liability Burden - 'Midrange'

Nassau County's carrying costs to governmental expenditures has improved while liabilities to personal income and liabilities to governmental revenue remain moderately strong. The long-term liability composite metric in 2024 is at the 59th percentile, roughly in line with Fitch's local government rating portfolio.

--Liabilities to personal income: 3.1% Analyst Input (74th percentile) (vs. 2.9% 2024 Actual)

--Liabilities to governmental revenue: 118.9% Analyst Input (78th percentile) (vs. 102.7% 2024 Actual)

--Carrying costs to governmental expenditures: 17.0% Analyst Input (34th percentile) (vs. 18.1% 2024 Actual)

Direct debt was adjusted to deduct scheduled principal amortization through the end of 2025 and include the par amount of the general improvement bonds, series 2025A and the general improvement bonds, 2026 series A. Debt service was adjusted to reflect the 2026 budgeted amount.

Additional Key Rating Driver(s)

Fitch does not view the June 1, 2026 principal payment delinquency on the Nassau County Tobacco Settlement Corporation's Tobacco Settlement Asset-Backed Bonds, Series 2006, as relevant to Nassau County's general creditworthiness. The bonds are limited obligations of the corporation, secured solely by and payable solely from the collateral, as defined in the indenture, without recourse to the county.

PROFILE

Nassau County, just east of New York City, has a population of about 1.4 million, a diverse economy, and competitive housing market. Strengths include above-average income, low unemployment, healthcare expansion, and significant recreational, cultural, and entertainment assets.

Sources of Information

In addition to sources of information identified in Fitch's applicable criteria specified below, this action was informed by data from DIVER by Solve.

REFERENCES FOR SUBSTANTIALLY MATERIAL SOURCE CITED AS KEY DRIVER OF RATING

The principal sources of information used in the analysis are described in the Applicable Criteria.

Climate Vulnerability Signals

The results of our Climate.VS screener did not indicate an elevated risk for Nassau County (NY).

ESG Considerations

The highest level of ESG credit relevance is a score of '3', unless otherwise disclosed in this section. A score of '3' means ESG issues are credit-neutral or have only a minimal credit impact on the entity, either due to their nature or the way in which they are being managed by the entity. Fitch's ESG Relevance Scores are not inputs in the rating process; they are an observation on the relevance and materiality of ESG factors in the rating decision. For more information on Fitch's ESG Relevance Scores, visit www.fitchratings.com/topics/esg/products#esg-relevance-scores

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Rating Actions

ENTITY/DEBT	RATING		RECOVERY	PRIOR
Nassau County (NY) [General Government]	LT IDR	AA	Affirmed	AA

- Nassau
County
(NY)
/General
ObligatiobT
-
Limited
Tax/
1 LT

- Nassau
County
(NY)
/General
ObligatiobT
-
Unlimited
Tax/
1 LT

RATINGS KEY OUTLOOK WATCH

POSITIVE

NEGATIVE

RATINGS KEY OUTLOOK WATCH

EVOLVING



STABLE



Applicable Criteria

[U.S. Public Finance Local Government Rating Criteria \(pub.01 May 2026\) \(including rating assumption sensitivity\)](#)

Applicable Models

Numbers in parentheses accompanying applicable model(s) contain hyperlinks to criteria providing description of model(s).

U.S. Local Government Rating Model, v1.2.0 [\(1\)](#)

Additional Disclosures

[Solicitation Status](#)

Endorsement Status

Nassau County (NY) EU Endorsed, UK Endorsed

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The complete span of best- and worst-case scenario credit ratings for all rating categories ranges from 'AAA' to 'D'. Fitch also provides information on best-case rating upgrade scenarios and worst-case rating downgrade scenarios (defined as the 99th percentile of rating transitions, measured in each direction) for international credit ratings, based on historical performance. A simple average across asset classes presents best-case upgrades of 4 notches and worst-case downgrades of 8 notches at the 99th percentile. For more details on sector-specific best- and worst-case scenario credit ratings, please see [Best- and Worst-Case Measures](#) under the Rating Performance page on Fitch's website.

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