

## Research Update:

# Bell County, TX Series 2026 Combination Tax And Revenue Certificates Of Obligation Assigned 'AA+' Rating

January 28, 2026

## Overview

- S&P Global Ratings assigned its 'AA+' long-term rating to [Bell County](#), Texas' proposed \$22.56 million series 2026 combination tax and revenue certificates of obligation.
- At the same time, we affirmed our 'AA+' long-term rating on the county's limited-tax debt outstanding.
- The outlook is stable.

## Rationale

### Security

The county's limited-tax bonds and certificates of obligation are payable from the receipts of a direct and continuing annual ad valorem tax levied, within the limits prescribed by law, on all taxable property within the county. Counties in Texas are limited to a maximum allowable ad valorem tax rate of 80 cents per \$100 of assessed value for general fund, jury fund, road and bridge fund, and permanent improvement fund purposes, with the portion dedicated to debt service limited to 40 cents of the total 80 cents maximum tax rate. The tax rate for fiscal 2025 is 34.45 cents, 4.55 cents of which is dedicated to debt service. Based on the application of our "[Issue Credit Ratings Linked To U.S. Public Finance Obligors' Creditworthiness](#)," criteria, Nov. 20, 2019, we view the limited-tax pledge as on par with the county's general creditworthiness. We do not notch off the general creditworthiness rating because the ad valorem taxes are not collected from a narrower or distinctly different tax base and there are no limitations on the fungibility of the county's resources, which supports our view of Bell County's overall ability and willingness to pay debt service. Proceeds of the series 2026 certificates will be used to fund various capital improvements.

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The series 2015, 2021, and 2026 certificates are additionally secured by a limited pledge of revenues from the Bell County Juvenile Justice Center, in an amount not to exceed \$10,000.

## **Credit highlights**

Our rating is supported the county's growing economic metrics in one of the fastest-developing areas of Texas, stable budgetary performance, very strong reserves, and manageable debt burden. Our view of the general creditworthiness is offset by economic metrics that are weaker than those of higher-rated peers.

Located between Austin and Waco, Bell County has seen rapid growth for more than a decade, leading to a variety of new industries and rapid residential growth. In addition, the county is further supported by the presence of Fort Hood, one of the largest military installations in the U.S., which is currently garrisoned with nearly 50,000 troops. In addition to Fort Hood, officials report significant expansions in distribution with Amazon, manufacturing with Samsung and Tesla just to the south, and data center growth.

Officials expected to finish fiscal 2026 with a slight improvement in fund balances, following a drawdown of fund balances in fiscal 2025 for one-time projects as directed by the county commissioners. Moving forward, the county will continue to manage fund balances to its four-to-six month target, potentially drawing down fund balances in 2027 as the county's intent is to keep fund balances above at least four months, but use excess fund for public purposes when opportunities arise.

The rating also reflects the following credit factors:

- Per capita gross county product for Bell County is 73.5% of the U.S. level, and per capita personal income is 75.9%, both of which are lower for 'AA+' medians. However, we positively adjust our score for the local economy with the presence of Fort Hood, one of the largest military installations in the U.S. Officials do not expect any significant changes to base troop levels and staffing, adding they expect additions in the near future. In addition to Fort Hood, a variety of industries have built developments in the area, with companies such as Amazon, Meta, and Rowan Digital infrastructure building large facilities in the area, solar farm developments, and other energy storage and generating facilities in the county.
- Operating results are typically positive, with the fiscal 2025 drawdown due to the county commission managing fund balances levels out of a desire to not maintain too high of a fund balance and to use funds for taxpayer purposes. In 2026, management expects surplus results, but potentially another spend down in 2027 as county commissioners manage fund balances to four-to-six months of expenditures.
- Reserves are supported by a three-month formal target, and the county commission targets between four and six months of fund balance. Officials project \$63 million in fiscal 2025, compared to \$60.9 million (assigned and unassigned), or 43.0% of general fund revenues, in fiscal 2024 .
- The county's debt burden is manageable, especially when compared with those of other Texas municipalities. Officials may issue debt in 12-18 months, depending on which projects they expect to pursue. Although no specific amount has been determined as this time, we do not expect the issuance will materially change the county's debt metrics.
- The management team employs conservative revenue and expenditure assumptions by incorporating historical trend analysis with the assistance of outside resources. Furthermore, officials can amend the budget when appropriate and regularly monitor budget-to-actual

trends with monthly reports provided to council and also maintain a multiyear financial projection. In conjunction with the annual capital planning process, officials update the five-year capital improvement plan, which identifies future capital projects with corresponding sources and uses of funding. Bell County maintains a written investment and debt management policy. It has a formal target to maintain at least three months of expenditures in reserve to provide sufficient working capital and a margin of safety to address potential contingencies without borrowing.

- For more information on our institutional framework assessment of Texas municipalities, see "[Institutional Framework Assessment: Texas Local Governments](#)," Sept. 9, 2024.

Environmental, social, and governance

We have analyzed the county's social and governmental factors and view all of them as neutral in our analysis. We note that environmental factors are slightly elevated, given water stress considerations in Texas. Officials state that they have carefully considered water rights and other supply issues and do not foresee any water concerns in the next 25-30 years and that no economic development opportunities have yet been limited by water shortages.

Outlook

The stable outlook reflects our view that the county will maintain a very strong reserve position even with one-time deficits for capital to manage to a specific fund target, given Bell County's stable economy and manageable debt burden.

Downside scenario

We could lower the rating if the county's budgetary performance were to materially deteriorate, causing reserves to decrease to levels no longer comparable with those of similarly rated peers.

Upside scenario

All else equal, we could raise the rating if continued economic expansion and diversification results in improved wealth and income indicators that are more comparable with those of higher-rated peers.

Bell County, Texas--credit summary

Institutional framework (IF)	1
Individual credit profile (ICP)	1.87
Economy	3.5
Financial performance	2
Reserves and liquidity	1
Management	1.35
Debt and liabilities	1.50

## Bell County, Texas--key credit metrics

	Most recent	2024	2023	2022
<b>Economy</b>				
Real GCP per capita % of U.S.	74	--	74	73
County PCPI % of U.S.	76	--	76	75
Market value (\$000s)	40,773,934	35,491,633	29,947,521	24,621,944
Market value per capita (\$)	102,783	89,467	77,152	65,590
Top 10 taxpayers % of taxable value	5.5	4.1	4.5	--
County unemployment rate (%)	4.6	4.4	4.3	4.4
Local median household EBI % of U.S.	87	87	86	--
Local per capita EBI % of U.S.	75	75	77	--
Local population	396,700	396,700	388,165	375,391
<b>Financial performance</b>				
Operating fund revenues (\$000s)	--	141,830	133,274	120,720
Operating fund expenditures (\$000s)	--	136,145	129,808	107,806
Net transfers and other adjustments (\$000s)	--	(14,943)	151	(7,504)
Operating result (\$000s)	--	(9,258)	3,617	5,410
Operating result % of revenues	--	(6.5)	2.7	4.5
Operating result three-year average %	--	0.2	5.4	8.0
<b>Reserves and liquidity</b>				
Available reserves % of operating revenues	--	43.0	51.8	54.3
Available reserves (\$000s)	--	60,941	69,098	65,525
<b>Debt and liabilities</b>				
Debt service cost % of revenues	--	7.7	8.0	9.6
Net direct debt per capita (\$)	391	327	366	396
Net direct debt (\$000s)	155,211	129,682	141,998	148,495
Direct debt 10-year amortization (%)	65	75	--	--
Pension and OPEB cost % of revenues	--	5.0	4.0	5.0
NPLs per capita (\$)	--	44	77	--
Combined NPLs (\$000s)	--	17,415	30,027	--

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\$22,565,000 Bell County, Texas, Combination Tax and Revenue Certificates of Obligation, Series 2026, dated: February 25, 2026, due: February 15, 2045

Long Term Rating AA+/Stable

#### New Rating

#### Local Government

Bell County TX Limited Tax and Juvenile Justice Center Revenues AA+/Stable

#### Ratings Affirmed

Bell County, TX Series 2026 Combination Tax And Revenue Certificates Of Obligation Assigned 'AA+' Rating

Ratings List

Local Government	
Bell Cnty, TX Limited Tax General Operating Pledge	AA+/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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