



**RATING ACTION COMMENTARY**

**Fitch Rates Williamson County, TX's Limited Tax Notes 'AAA'; Outlook Stable**

Fri 08 May, 2026 - 2:52 PM ET

Fitch Ratings - Austin - 08 May 2026: Fitch Ratings has assigned a 'AAA' rating to Williamson County, TX's \$135 million limited tax notes, series 2026, expected to price May 21st via competitive sale.

Fitch also affirmed the county's Issuer Default Rating (IDR), outstanding unlimited and limited tax bonds and limited tax notes at 'AAA.'

The Rating Outlook is Stable.

**RATING ACTIONS**

ENTITY / DEBT ↕	RATING ↕		PRIOR ↕
Williamson County (TX) [General Government]	LT IDR	AAA Rating Outlook Stable	AAA Rating Outlook Stable
	Affirmed		
Williamson County (TX) /General Obligation - Limited Tax/1 LT	LT	AAA Rating Outlook Stable	Affirmed AAA Rating Outlook Stable

Williamson County (TX) /General Obligation - Unlimited Tax/1 LT	LT	AAA Rating Outlook Stable	Affirmed	AAA Rating Outlook Stable
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## [VIEW ADDITIONAL RATING DETAILS](#)

The 'AAA' IDR rating reflects the county's 'aaa' financial resilience assessment. This is based on an ample level of budgetary flexibility, underpinned by a flexible labor framework and absence of collective bargaining. Fitch expects the county to maintain unrestricted general fund reserves of at least 7.5% of spending. Reserves have remained above 50% of spending since fiscal 2016. The rating also incorporates the county's 'Strong' demographic and economic level metrics and 'Strongest' population trend. The long-term liability burden composite is assessed at 'Weak' relative to Fitch-rated local governments.

## RATING SENSITIVITIES

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

- Sustained decline in available general fund reserves below 7.5% of spending, which would reduce the county's financial resilience assessment to below 'aaa';
- A weakening in demographic and economic metrics, particularly population trend and unemployment as a percentage of the national rate;
- An approximate 10% increase in the long-term liability burden, assuming current levels of personal income and governmental resources.

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

- Not applicable due to the 'AAA' rating.

## SECURITY

The limited tax notes are payable from the levy and collection of a direct and continuing ad valorem tax, within the limits prescribed by law, on all taxable property within the county.

## FITCH'S LOCAL GOVERNMENT RATING MODEL

The Local Government Rating Model generates Model Implied Ratings, which communicate the issuer's credit quality relative to Fitch's local government rating portfolio. (The Model Implied Rating will be the IDR except in certain circumstances explained in the applicable criteria.) The Model Implied Rating 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).

Model Implied Ratings reflect the combination of issuer-specific metrics and assessments to generate a Metric Profile and a structured framework to account for Additional Analytical Factors not captured in the Metric Profile that can either mitigate or exacerbate credit risks. Additional Analytical Factors are reflected in notching from the Metric Profile and are capped at +/-3 notches.

## **RATINGS HEADROOM & POSITIONING**

Williamson County Model Implied Rating: 'AAA' (Numerical Value: 10.06)

-- Metric Profile: 'AAA' (Numerical Value: 10.06)

-- Net Additional Analytical Factor Notching: 0.0

Williamson County's Model Implied Rating is 'AAA'. The associated numerical value of 10.06 is at the lower end of the range for a 'AAA' rating.

## **KEY RATING DRIVERS**

### **FINANCIAL PROFILE**

#### **Financial Resilience - 'aaa'**

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

-- Revenue control assessment: High

-- Expenditure control assessment: High

-- Budgetary flexibility assessment: Ample

-- Minimum fund balance for current financial resilience assessment:  $\geq 7.5\%$

-- Current year fund balance to expenditure ratio: 76.1% (2025)

-- Lowest fund balance to expenditure ratio for the fiscal-year period 2021-2025: 75.2% (2022)

### **Revenue Volatility - 'Strongest'**

Williamson County's weakest historic three-year revenue performance is neutral to 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): 5.3% increase for the three-year period ending fiscal 2013

-- Median issuer decline: -3.7% (2025)

## **DEMOGRAPHIC AND ECONOMIC STRENGTH**

### **Population Trend - 'Strongest'**

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

Population trend: 4.0% Analyst Input (98th percentile) (vs. 4.0% 2024 median of 10-year annual percentage change in population)

### **Unemployment, Educational Attainment and MHI Level - 'Strong'**

The overall strength of Williamson County's demographic and economic level indicators (unemployment rate, educational attainment, median household income [MHI]) in 2025 are assessed as 'Strong' on a composite basis, performing at the 76th 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 national rate: 90.0% Analyst Input (61st percentile), relative to the national rate of 4%
- Percent of population with a bachelor's degree or higher: 48.4% (2024) (86th percentile)
- MHI as a percent of the portfolio median: 136.7% (2024) (81st percentile)

### **Economic Concentration and Population Size - 'Strongest'**

Williamson County's population in 2024 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 Metric Profile are most pronounced for the least economically diverse issuers (in the 5th 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: 752,827 Analyst Input (above the 15th percentile) (vs. 729,013 2024 Actual)
- Economic concentration: 30.5% (2025) (above the 15th percentile)

### **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 analyst input reflects the use of the county's 2025 population for the trend and population size metrics along with the use of 2024 employment data due to the absence of 2025 data.

### **LONG-TERM LIABILITY BURDEN**

#### **Long-Term Liability Burden - 'Weak'**

Williamson County's liabilities to personal income remain strong while carrying costs to governmental expenditures and liabilities to governmental revenue remain weak. The long-term liability composite metric in 2025 is at the 30th percentile, indicating a somewhat elevated liability burden relative to the Fitch's local government rating portfolio.

-- Liabilities to personal income: 3.7% Analyst Input (67th percentile) (vs. 3.2% 2025 Actual)

-- Liabilities to governmental revenue: 273.1% Analyst Input (15th percentile) (vs. 214.2% 2025 Actual)

-- Carrying costs to governmental expenditures: 24.8% Analyst Input (6th percentile) (vs. 19.1% 2025 Actual)

Net direct debt was adjusted to reflect debt amortized through fiscal 2026, the current issuance, and expected debt issuance in fiscal 2027. Debt service was based on fiscal 2027 requirements, which represent maximum annual debt service, with an estimated additional debt service amount included for the expected fiscal 2027 issuance. Analyst adjustments also exclude Local Provider Participation Fund governmental revenues and expenditures from operations, as these flows are pass-through in nature.

## **PROFILE**

Williamson County, in central Texas north of Austin along Interstate 35, benefits from strong growth tied to the Austin MSA. Its economy is anchored by technology employers including Dell, Apple, and SpaceX, alongside manufacturing, government, education, healthcare, retail, and agribusiness.

## **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 Williamson County (TX) [General Government].

## **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 <https://www.fitchratings.com/topics/esg/products#esg-relevance-scores>.

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## **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**

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Williamson County (TX)

EU Endorsed, UK Endorsed

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