

If a revenue bond issue is not secured by a trust indenture, bond counsel in drafting the bond ordinance or bond resolution may adapt and include many of the provisions otherwise contained in a trust indenture.

Following the initial preparation of the trust indenture, bond ordinance or bond resolution, such instrument is submitted for review by the interested parties. Conferences and discussions are usually required before bond counsel drafts in final form a legal instrument acceptable to all parties. When prepared in final form, the document is submitted for approval, adoption, and, if required, proper execution.

Bond counsel may also draft agreements of lease when rentals thereunder are pledged for the payment of revenue bonds and contracts for the purchase of existing facilities whose revenues are similarly pledged. Illustrative of bond counsel's expanded services under the complexities of modern day municipal financing are the services being performed by one firm of bond attorneys as "project attorney" on all the urban renewal projects in a State.

With respect to general obligation bonds payable from ad valorem taxes, the work of bond counsel generally is not as time consuming as that for revenue bonds. The forms of legal instruments therefor are not subject to the degree of continual revision typical for revenue bond issues and, moreover, general obligation bonds, unlike revenue bonds, offer little basis for discussions and agreements as to the security and other matters. Trust indentures usually are not involved. However, the constitutional and statutory limitations mentioned above are applicable and bond counsel must be satisfied that the general obligation bonds are within applicable debt limitations, that any applicable tax limitation as to rate or amount is observed and that any required elections respecting the bonds or the project financed thereby are called and held in conformity with law.

Special assessment bonds require a meticulous examination of a maze of technical legal requirements designed to protect property rights. Bond counsel must ascertain that the assessment or charges against the property benefited by the improvement financed have been duly assessed in conformity with the prescribed procedures, which may include the giving of due notice and the holding of public hearings. If such bonds under applicable law are additionally secured by ad valorem taxes, bond counsel must be assured that the legal requirements for the authorization and levy of such taxes are observed.

Bonds secured, in whole or in part, through pledges of excise taxes, such as motor fuel, cigarette or public utility taxes, or through rents payable from funds, appropriated periodically, present additional legal problems that must be resolved to the satisfaction of bond counsel.

Bond counsel's duties may also embrace the preparation of additional ordinances and resolutions, forms of minutes, certificates, affidavits, statements, and other legal instruments necessary or desirable to evidence the proper approval, authorization, and issuance of the bonds in conformity with applicable legal requirements and, if pertinent, the understandings or agreements of the interested parties, and to assure that the public agency can undertake, carry out, and finance the project in the manner proposed, that the bonds are issued and secured as permitted by law and will be marketable at reasonable rates