

Practice Groups

Municipal Finance

A Look Back. Municipal bonds were first issued in the late 1880s as a way of financing large-scale public projects. Specially trained attorneys, called bond counsel, were summoned to render an opinion that the bonds were lawfully issued and that the obligations of the issues could be enforced.

Forty years later, Congress made municipal bonds more attractive to investors by exempting interest on municipal bonds from federal income taxation. This altered the role of bond counsel, who thereafter issued opinions on the tax exemption, as well as the validity of the bonds themselves.

Rhoads & Sinon LLP first assumed the role of bond counsel in 1950, at a time of unprecedented growth in the construction of schools and municipal utility systems. The firm quickly gained respect for its legal opinions concerning water, sewer, school and general purpose bonds.

In the late 1960s, Rhoads & Sinon LLP's involvement in public financing expanded when legislation allowed the issuance of industrial development bonds and hospital revenue bonds in Pennsylvania. Acting as bond counsel, the firm successfully structured many hospital revenue bond issues and industrial and commercial development bond issues for a wide array of projects.

In 1968, Pennsylvania amended its constitution to broaden the power of local governments and school districts to issue their own general obligation bonds, thereby reducing the need to finance essential governmental projects and school building projects through independent authorities. Again, Rhoads & Sinon LLP was at the forefront, assisting general obligation bond issuers in the implementation of the structures and methodologies still used today.

School District Bonds. Rhoads & Sinon LLP has counseled hundreds of public school districts throughout the Commonwealth of Pennsylvania in connection with financing the construction of school buildings. Having participated as bond counsel in over 1,000 public school financings, the firm is very familiar with all aspects of the approval process of the Pennsylvania Departments of Education and Community and Economic Development. Rhoads & Sinon LLP has also developed many innovative refinancing programs to assist school districts in the alleviation of the budgetary impact of debt service and is knowledgeable and experienced with the use of new financial products, such as interest rate swap agreements.

Our ideal location in downtown Harrisburg, Pennsylvania, ensures frequent



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contact with officials of the Pennsylvania Department of Education and the Pennsylvania Department of Community and Economic Development.

General Obligation Bonds. Historically, counties and municipalities, as well as school districts, have relied on general obligation bonds to finance large-scale projects. The general obligation bond opinions of Rhoads & Sinon LLP have always been readily accepted by the major rating agencies, bond insurers and underwriters.

Water, Sewer & Utility Revenue Bonds. Rhoads & Sinon LLP is well-known for its experience and ability in structuring bond issues for local municipal utilities through municipal authorities and, where possible, through the elected local government. Our municipal finance attorneys have acted as bond counsel or counsel to the underwriter or lender in the financing of municipal utility projects through publicly-issued bonds, privately-placed bank loans and state and federal government loan programs such as those administered by PennVest and the Rural Utility Service of the United States Department of Agriculture. Many of the projects our clients have financed include grants-in-aid from the Environmental Protection Agency, or other federal and state agencies.

At Rhoads & Sinon LLP, we pride ourselves in our ability to study and assess the needs of local municipalities and authorities. Our goal is to design legal structures for utility bonds that minimize the charges to utility customers.

Hospital & Health Care Financing. Acting as bond counsel, Rhoads & Sinon LLP structured one of the first two hospital authority bond issues in Pennsylvania. Since then, the firm has served numerous hospitals, nursing homes and continuing care retirement communities in the financing and refinancing of various capital projects. Our municipal finance attorneys have experience with the preparation and utilization of master trust indentures and the issuance of tax-exempt bonds for qualified section 501(c)(3) organizations.

College Revenue Bonds. Rhoads & Sinon LLP attorneys are well known for their experience in local and state authority bond financing for college and university projects. We are knowledgeable in the various types of college financing, including the public issuance of tax-exempt college revenue bonds and privately-placed loans.

Industrial & Commercial Development Revenue Bonds. Rhoads & Sinon LLP has helped numerous industrial and commercial development authorities -- as well as developers and lenders -- to finance a wide variety of projects with tax-free bonds, as permitted under state law and federal tax regulations.

Parking Revenue Bonds and Bonds for other Specialized Projects. Our municipal finance group's experience includes serving as bond counsel, underwriter's counsel, lender's counsel or special counsel for the financing of a variety of special purpose projects, including parking facilities, recreational facilities and mixed-use facilities.

Bonds Issued For Pennsylvania. Rhoads & Sinon LLP has acted as bond counsel in the issuance of general obligation bonds, student loan revenue

bonds, public school building bonds and private college revenue bonds for the Commonwealth of Pennsylvania and its agencies.

Refunding Bonds. A substantial portion of our practice each year is devoted to structuring refundings for municipal issuers in compliance with the federal tax-exempt bond regulations.

Federal Regulation of Municipal Bonds. Each of the firm's municipal finance lawyers is well-versed in the interpretation and application of federal tax regulations and securities regulations pertaining to municipal bonds, including the federal arbitrage and arbitrage rebate regulations and the continuing disclosure requirements of the Securities and Exchange Commission.

Innovation. We draw upon our innovative and creative abilities to seek practical solutions that consider both present and future needs of the client, as well as demands of the financial markets. We adapt to the changing requirements of the municipal tax-free bond market and adopt the innovative financing techniques that have changed the character of the municipal bond market in recent years.

Our ability to develop and apply innovative financial structures and new financial products maximizes the benefits of tax-exempt financing within the scope of current tax regulations. We take the extra steps to ensure that our clients get the most market-receptive financing packages possible. We are proud of Rhoads & Sinon LLP's long and successful history in municipal finance.

Personnel. Many of our attorneys devote their time to municipal bonds and other forms of tax-free public financing. Each of our municipal finance attorneys has served many years of apprenticeship with more experienced members of the firm, and most are career attorneys with Rhoads & Sinon LLP. Our Municipal Finance group also includes a full complement of specially-trained support personnel, legal assistants and secretaries. Our office is equipped with advanced word processing and telecommunications equipment, as well as other technological devices that enhance our ability to meet our clients' needs in the fast-paced financial market.

Credentials. With more than 50 years of experience in municipal finance, Rhoads & Sinon LLP is listed as recognized bond counsel in the "Red Book". Our bond attorneys are members of the American, Pennsylvania and/or Florida Bar Associations, the Pennsylvania Association of Bond Lawyers and the National Association of Bond Lawyers.

Municipal Finance Online Articles

[Using a Neighborhood Improvement District in the Financing of Your Next Project](#)

[Real Estate Tax Exemption For Assisted Living Facilities](#)

[Article 9 - Where to File Termination Statements for Pre-Effective Date Filings](#)

[Theories of Liability of Corporate Trustees; Standard of Care; Negligence versus Gross Negligence](#)

Amendments to the Municipality Authorities Act Spark Controversy over Authority
Board Membership



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