



Texas Association of School Boards

Legal Services

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Serving Texas Schools Since 1949

Players in a School District Bond Issuance

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- **Issuer:** The school district issuing the bonds; legally responsible for all obligations related to the issuance.
- **School Attorney:** Advises the district on general legal issues affecting the bond election and issuance, such as compliance with the Open Meetings Act, political advertising and campaign speech issues, procurement requirements once bonds are sold and projects to be funded with proceeds are commenced, and Truth-in-Taxation requirements related to the district's tax rate adoption.
- **Election Attorney:** Advises the district on compliance with all bond election requirements and prepares election order, notices, propositions, ballot language, and voter information; in some instances, this may be the district's school attorney or bond counsel.
- **Bond Counsel:** Certifies the issuer's authority to issue bonds; provides legal guidance to ensure the bond issue meets all federal and state securities laws and that the debt is tax exempt; prepares and reviews required documents; obtains approval of the bond issue from the Office of the Attorney General (OAG); provides continued guidance on authorized use of bond proceeds.
- **Financial Advisor:** Advises on matters pertaining to a proposed bond issue, such as structure, timing, marketing, pricing, terms, and debt ratings; prepares or reviews various documents associated with the offer and sale; assists with the sale, including selection of the underwriter(s).
- **Underwriter (Investment Banking Firm):** Buys the bonds from the issuer for resale to investors.
- **Underwriter's Counsel:** Represents the underwriter(s) and works toward accurate disclosure in the offering documents; works in conjunction with bond counsel to prepare bond purchase agreements and other documents.
- **Credit Rating Agency:** Assigns a credit rating to the issuer based on the probability of timely repayment of the principal and interest of the bonds.
- **Paying Agent:** Remits principal and interest payments to bondholders.
- **Permanent School Fund Bond Guarantee Program (PSF BGP):** Upon approval by the commissioner of education, guarantees bonds issued by school districts, thereby enhancing the issuer's credit rating and eliminating the need for private bond insurance.

- **Office of the Attorney General, Public Finance Division:** Reviews proceedings for all bonds and similar obligations issued by school districts and other governmental entities to determine whether the bonds have been authorized in accordance with law; if so, the OAG approves the bonds.
- **Bond Review Board (BRB):** For local governments, receives bond transcript information from the OAG and compiles local government data regarding debt issuance, finance, and debt management for presentation on the BRB website.

This document is continually updated, and references to online resources are hyperlinked, at tasb.org/services/legal-services/tasb-school-law-esource/business/documents/players-in-a-school-district-bond-issuance.pdf. For more information on this and other school law topics, visit TASB School Law eSource at schoollawesource.tasb.org.

This document is provided for educational purposes only and contains information to facilitate a general understanding of the law. It is not an exhaustive treatment of the law on this subject nor is it intended to substitute for the advice of an attorney. Consult with your own attorneys to apply these legal principles to specific fact situations.