Contents

Acknowledgments ix
About the Authors xi

1 Introduction: Overview of Municipal Finance 1

2 Borrowing Instruments 7
   Introduction 7
   Traditional Types of Bonds 8
   Creative State and Local Financing 15
   Insuring against Natural Disasters:
   Catastrophe, Disaster, and Resilience Bonds 18
   Insuring against Bond Defaults: Credit Default Swaps
   and the Financial Crisis of 2008 19

3 Key Players in the Issuance of Municipal Bonds 23
   Elected Officials and Appointed Staff Members 24
   Financial Advisors 25
   Bond Counsel 26
   Underwriters 27
   Other Parties 31
The Federal Statutory Tax Exemption: § 103 of the Internal Revenue Code 97
General Rules Applying to All Tax-Exempt Bonds 102
Public Purpose and Private Activity Debt Obligations 103

8 Issues and Procedures in Municipal Finance Litigation 121
Introduction 121
Legal Bases for Municipal Bond Lawsuits 122
Jurisdictional Issues 124
Venue 127
Justiciability and Related Questions 128
Pleading 131
Motion Practice 132
Class Actions 133
Discovery 138
Trial 141
Remedies 143

Index 149