



PRESS RELEASE

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CIRCUIT COURT UPHOLDS NEW REVENUES FOR THE NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

ARLINGTON, VIRGINIA – Today, Judge Benjamin N.A. Kendrick ruled in favor of the Northern Virginia Transportation Authority (NVTA) and the Commonwealth of Virginia on all counts in the Bond Validation suit filed on July 13, 2007. In doing so, he denied the motions and the counterclaims of the intervening defendants which include Delegate Bob Marshall (R-13) and others.

Judge Kendrick ruled on the following claims asserted by the intervening defendants:

- Violation of Single Object Rule;
- Unlawful Delegation of Taxing Authority by the General Assembly;
- Pledging Full Faith and Credit of the Commonwealth; and
- Revenues must be paid into the State Treasury.

Judge Kendrick's ruling included the following holdings:

- HB 3202 did not violate the single object rule of the Virginia Constitution.
- The General Assembly had the power to delegate the imposition of the taxes and fees to NVTA.
- NVTA is an independent political subdivision created for a special purpose, not a local or regional unit of general government; therefore, certain sections of the Virginia Constitution that apply to units of general government, such as requiring a referendum before the issuance of bonds, do not apply.
- NVTA's bonds are not debt of the Commonwealth or any of the local governments.

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Through his ruling, Judge Kendrick determined the validity of a number of things, including:

- The bonds NVTA plans to issue;
- The proceedings NVTA undertook to authorize the bonds;
- The intended uses of the proceeds from the sale of the bonds; and
- The taxes and fees imposed by NVTA that will go to repay the bonds.

The intervening defendants have 15 days from entry of a final order to note an appeal to the Supreme Court of Virginia, followed by an expedited briefing schedule. The final order is anticipated to be entered later this week.

“The Authority is pleased with Judge Kendrick’s ruling today. We anticipate the intervening defendants in this case to appeal to the Supreme Court of Virginia. We look forward to having this issue resolved to the benefit of the citizens of Northern Virginia,” said Chris Zimmerman (Arlington), Chairman of the Authority.

Mr. Zimmerman also reaffirmed that the Authority continues to work toward implementation of the new taxes and fees, to finalize the 22 “ready-to-go” projects, and begin development of a full six-year plan to be funded with the new revenues.

“Northern Virginians want solutions to the traffic and the gridlock, and the Authority is moving ahead with its work. We look forward to utilizing the tools that the General Assembly has made available to the Authority and to provide the real transportation solutions that Northern Virginians expect,” said Zimmerman.

The Arlington County Circuit Court ruling affirms the Authority’s ability to issue bonds and levy the seven taxes and fees authorized by the General Assembly in the Comprehensive Transportation and Funding Reform Act of 2007. The revenues will result in over \$300 million annually in new transportation funding for Northern Virginia.

At its July 12, 2007 meeting the Authority approved 22 “ready-to-go” transit, roadway and pedestrian improvements totaling \$102 million which would be funded by the initial bond issuance.

A transcript of the ruling will be posted to the Authority’s web site as soon as it is available at: www.TheNoVaAuthority.org.

The seven regional taxes and fees are:

- 2% Transient Occupancy Tax
- Grantor’s Tax of 40 Cents
- 2% Tax on Vehicle Rentals
- Safety Inspection Fee of \$10
- Initial Vehicle Registration Fee of 1%
- 5% Sales Tax on Auto Repair
- Regional Vehicle Registration Fee of \$10

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The NVTA jurisdictions also have the option of raising additional revenues locally. Each of the localities may choose to impose one of the following revenue sources:

- Local Vehicle Registration Fee
- Additional Commercial Real Estate Tax
- Impact Fees on new development

NVTA Who's Who

The voting members of the Authority include:

Hon. Christopher Zimmerman	NVTA Chairman; Arlington County
Hon. Martin Nohe	NVTA Vice Chairman; Prince William County
Hon. Gerry Connolly	Fairfax County
Hon. Scott York	Loudoun County
Hon. William D. Euille	City of Alexandria
Hon. Robert F. Lederer	City of Fairfax
Hon. David F. Snyder	City of Falls Church
Hon. Harry J. "Hal" Parrish, II	City of Manassas
Hon. Bryan Polk	City of Manassas Park
Hon. Jeff Frederick	Virginia House of Delegates
Hon. Vince Callahan	Virginia House of Delegates
Hon. Jeanne-Marie Devolites-Davis	Virginia Senate
Julia A. "Judy" Connally	Governor's Appointee, CTB Member
Margaret Vanderhye	Governor's Appointee

Non-voting members:

Matthew O. Tucker	Director, DRPT
Dennis Morrison	Administrator, Northern District Office, VDOT

For more information, contact the Northern Virginia Transportation Authority by going to www.TheNoVaAuthority.org.

NVTA