



The Authority
for Transportation in Northern Virginia

Frequently Asked Questions (FAQ's) NVTB Bond Validation suit (7/25/2013)

What is a Bond Validation suit?

The purpose of a bond validation suit is to get a court determination, before bonds are even sold, that they will be upheld as binding, valid and legally payable obligations. This process is used by governmental entities regularly both to enhance the attractiveness of their bonds as investments and to protect the taxpayers and bond investors. This also protects businesses and entities engaging in project work to be funded not only by the taxes and fees identified in HB2313, but also by the bonds to be sold under that legislation. Ultimately the Bond Validation suit protects the NVTB and its member jurisdictions by ensuring that the revenue stream identified to pay back the bonds is legal. This is essentially a legal test and eliminates years of costly court challenges that could impede the Authority's ability to do the work it was charged to do by the General Assembly. The suit also ensures that all procedures associated with the imposition and implementation of taxes and fees as well as the project selection process are lawful.

What happens if there are other lawsuits filed related to the Authority and the Bond Validation suit?

Virginia law allows for the staying or incorporating of related matters into the Bond Validation suit. Once legal questions about the validity of legislation, the revenue stream established by the legislation, or bonds sold under the legislation are settled in a bond validation suit, they cannot ordinarily be raised again in any court in the future.

Who are the parties in the typical Bond Validation suit?

The Authority is the "Plaintiff." Intervenors opposing the Bond Validation suit are considered the "Defendant."

How long does a Bond Validation suit take to resolve?

This is dependent on the workload of the courts but typically requires at least 6-9 months from the initial filing in a Circuit Court to the final resolution by the Virginia Supreme Court.

The suit is subject to an automatic expedited appeal to the Virginia Supreme Court if any party to the original suit objects, in a timely fashion, to the Circuit Court ruling.

Frequently Asked Questions (FAQ's) NVTA Bond Validation suit (Continued)

What is the Bond Validation process? What are the steps involved?

The Northern Virginia Transportation Authority (NVTA) would pass a series of project related and bond related resolutions.

- 1) The NVTA has developed a bond package which is a list of proposed multi-modal projects representing the entire region. These are projects that are capable of being funded by bonds and may be funded by bonds if the suit is affirmed. All of the projects must meet the legal and financial criteria established by HB2313.
- 2) After a package is developed the NVTA must vote to approve the bond list and then authorize the filing of a Bond Validation lawsuit with a Circuit Court.
- 3) Once the Bond Validation suit is heard and a final decision is issued by the courts then the process is complete.

How can I find out more about the process and see the lawsuit documents?

The NVTA will post all public documents related to the lawsuit on the NVTA website in a timely fashion. The NVTA web site is: www.thenovaauthority.org

How were the projects identified for the Bond Validation suit selected?

All projects considered by the Authority come from the TransAction 2040 regional long range transportation plan which was approved by the NVTA in November, 2012. The projects on the recommended FY 2014 bond list are derived from the advertised June 6, 2013 FY 2014 project list have been vetted by the Project Implementation Working Group (PIWG) and have considered public comments received verbally and in writing.

If the Bond Validation suit is successful will the bonded projects get funded first?

The bonds and “pay-as-you-go” funding are just different ways to finance the NVTA’s transportation projects in the FY 2014 Program. The intention is for all projects on those lists to be funded by one of these funding options in FY 2014.