

2003 SESSION

INTRODUCED

033381500

SENATE BILL NO. 982

Offered January 8, 2003

Prefiled January 7, 2003

A BILL to amend and reenact §§ 15.2-2650 and 15.2-2651 of the Code of Virginia, relating to the Public Finance Act; bond validity proceedings.

Patrons—Mims; Delegate: Albo

Referred to Committee on Local Government

Be it enacted by the General Assembly of Virginia:

1. That §§ 15.2-2650 and 15.2-2651 of the Code of Virginia are amended and reenacted as follows:

§ 15.2-2650. Article controlling as to proceedings involving validity.

The provisions of this article apply to all suits, actions and proceedings of whatever nature involving the validity of bonds of any locality or other political subdivision, agency or instrumentality of the Commonwealth *or of any locality*, whether the bonds are to be issued following an election on the question of their issuance or without necessity of an election. These provisions supersede all other acts and statutes on the subject and are controlling in all cases, notwithstanding the provisions of any other law or charter to the contrary.

§ 15.2-2651. Proceeding by political subdivision to establish validity; procedure; parties defendant.

The governing body of any locality or other political subdivision, agency or instrumentality of the Commonwealth *or of any locality* proposing to issue bonds may bring at any time a proceeding in any court of the county or city having general jurisdiction and in which the issuer is located to establish the validity of the bonds, the legality of all proceedings taken in connection with the authorization or issuance of the bonds, the validity of the tax or other means provided for the payment of the bonds, and the validity of all pledges of revenues and of all covenants and provisions which constitute a part of the contract between the issuer and the owners of the bonds. The proceeding shall be brought by filing a motion for judgment describing the bonds and the proceedings taken in connection with their issuance and alleging that the bonds when issued shall be valid and legal obligations of the issuer. In the motion for judgment the taxpayers, property owners and citizens of the jurisdiction where the issuer is located, including nonresidents owning property in or subject to taxation by it, and all other persons interested in or affected in any way by the issuance of the bonds shall be made parties defendant.

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