WEST VIRGINIA
SECRETARY OF STATE
BETTY IRELAND
ADMINISTRATIVE LAW DIVISION

Form #1

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FILED
2006 MAY 18 P 3:50
OFFICE WEST VIRGINIA SECRETARY OF STATE

NOTICE OF A PUBLIC HEARING ON A PROPOSED RULE

AGENCY: West Virginia Hospital Finance Authority TITLE NUMBER: 116

RULE TYPE: Legislative CITE AUTHORITY: 16-29A-5(e)

AMENDMENT TO AN EXISTING RULE: YES X NO ___

IF YES, SERIES NUMBER OF RULE BEING AMENDED: I

TITLE OF RULE BEING AMENDED: Establishment of Fee Schedule and Costs Allocations Applicable to the Issuance of Bonds by the Hospital Finance Authority

IF NO, SERIES NUMBER OF RULE BEING PROPOSED: ___

TITLE OF RULE BEING PROPOSED: ___

DATE OF PUBLIC HEARING: Thursday, June 29 2006 TIME: 11:00 a.m.

LOCATION OF PUBLIC HEARING: Treasurer's Conference Room
First Floor at One Players Club Drive
Charleston, West Virginia 25311

COMMENTS LIMITED TO: ORAL ___, WRITTEN ___, BOTH X

COMMENTS MAY ALSO BE MAILED TO THE FOLLOWING ADDRESS:

West Virginia Hospital Finance Authority
One Players Club Drive
Charleston, West Virginia 25311

The Department requests that persons wishing to make comments at the hearing make an effort to submit written comments in order to facilitate the review of these comments.

The issues to be heard shall be limited to the proposed rule.

ATTACH A **BRIEF** SUMMARY OF YOUR PROPOSAL

Authorized Signature
James R. Christie, Chairman

#3.40

SUMMARY TO
NOTICE OF A PUBLIC HEARING ON A PROPOSED RULE

WEST VIRGINIA HOSPITAL FINANCE AUTHORITY, TITLE NUMBER: 116
WEST VIRGINIA CODE SECTION 16-29A-5(e)

The West Virginia Hospital Finance Authority (the "Authority") proposes to amend its Legislative Rule entitled "Establishment of Fee Schedule and Costs Allocations Applicable to the Issuance of Bonds by the West Virginia Hospital Finance Authority" (the "Rule") to: (i) put a cap of $45,000 on its initial fee for Single Projects, as defined in the Rule, (ii) remove the minimum fee of $2,000 for Single Projects, as defined in the Rule, and (iii) make discretionary the allocation of certain costs to bond issues of the Authority.

APPENDIX B

FISCAL NOTE FOR PROPOSED RULES

Rule Title: **Establishment of Fee Schedule and COst Allocations Applicable to the Issuance of Bonds by the West Virginia Hospital Finance Authority**

Type of Rule: [xxxx] Legislative [ ] Interpretive [ ] Procedural

Agency: **West Virginia Hospital Finance Authority**

Address: **One Players Club Drive**

Charleston, West Virginia 25311

Phone Number: **304.558.0549** Email: **sarah.hamrick@wvsto.com**

Fiscal Note Summary

Summarize in a clear and concise manner what impact this measure will have on costs and revenues of state government.

The proposed amendment to the subject Legislative Rüle will not increase any of the costs of the West Virginia Hospital Finance Authority. It will increase the revenues of the Authority because of the fees that will be payable to the Authority with respect to bonds of the Authority that would not have been issued if the proposed amendment was not adopted.

Fiscal Note Detail

Show over-all effect in Item 1 and 2 and, in Item 3, give an explanation of Breakdown by fiscal year, including long-range effect.

FISCAL YEAR			
Effect of Proposal	Current Increase/Decrease (use "-")	Next Increase/Decrease (use "-")	Fiscal Year (Upon Full Implementation)
1. Estimated Total Cost	**-- 0 --**	**-- 0 --**	**-- 0 --**
Personal Services			
Current Expenses			
Repairs & Alterations			
Assets			
Other			
2. Estimated Total Revenues	**$25,000**	**$6,000**	**$6,000**

Rule Title: **Establishment of Fee Schedule and Cost Allocations Applicable to the Issuance of Bonds by th West Virginia Hospital Finance Authority**

Rule Title: Establishment of Fee Schedule and Cost Allocations Applicable to the Issuance of Bonds by the West Virginia Hospital Finance Authority

3. **Explanation of above estimates (including long-range effect):**
Please include any increase or decrease in fees in your estimated total revenues.

The estimate for the current fiscal year includes the Initial Fee (less certain expenses payable from said fee) on hospital revenue bonds that would not otherwise be issued by the West Virginia Hospital Finance Authority if the proposed amendment was not adopted. The increased revenues for subsequent years includes the annual fees on said hospital revenue bonds.

MEMORANDUM

Please identify any areas of vagueness, technical defects, reasons the proposed rule **would not** have a fiscal impact, and/or any special issues **not** captured elsewhere on this form.

NONE.

Date: May 18, 2006

Signature of Agency Head or Authorized Representative

James R. Christie, Chairman

TITLE 116
LEGISLATIVE RULE
HOSPITAL FINANCE AUTHORITY

FILED

2006 MAY 18 P 3:54

OFFICE WEST VIRGINIA
SECRETARY OF STATE

SERIES 1
ESTABLISHMENT OF FEE SCHEDULE AND COST ALLOCATIONS
APPLICABLE TO THE ISSUANCE OF BONDS BY THE WEST VIRGINIA
HOSPITAL FINANCE AUTHORITY

§116-1-1. General.

1.1. Scope. -- This legislative rule establishes the fee schedule and the allocation of costs applicable to the issuance of bonds of the West Virginia Hospital Finance Authority.

1.2. Authority. -- W. Va. Code §16-29A-5(e).

1.3. Filing Date. --

1.4. Effective Date --

§116-1-2. Establishment Of Fee Schedule For The Issuance Of Bonds Of West Virginia Hospital Finance Authority.

2.1. Pursuant to the provisions of West Virginia Code §16-29A-5(e), the West Virginia Hospital Finance Authority hereby adopts and establishes the following fee schedule for the issuance of the bonds of the Authority:

Fee Schedule

For Single Projects (projects involving only one (1) hospital in only one (1) county):

Initial Fee

$ 300.00 per million dollars issued

~~$2,000.00 minimum fee~~$45,000.00 maximum fee

Annual Fee

Maximum of 1/20th of 1% of bonds outstanding

For Financing Pools and Multi-County Projects (projects involving more than one (1) hospital or involving one (1) hospital in more than one (1) county:

Initial Fee

\$600.00 per million dollars issued for the first ten million dollars (\$10,000,000) of an issue

\$375.000 per million dollars issued over the first ten million dollars of an issue

\$5,000.00 minimum fee

Annual Fee

Maximum of $1/20^{th}$ of 1% of bonds outstanding

For Refunding Bonds of the Authority:

Initial Fee

\$2,000.00

Annual Fee

Maximum of $1/20^{th}$ of 1% of bonds outstanding.

(NOTE: The initial fees will be applied in proportion to any fraction of a million dollars issued.)

(NOTE: The annual fees may be waived or reduced by the Authority as provided for in Section 2.3 of this Rule.)

2.2. The initial fees shall be payable at closing out of the proceeds of the bond issue.

2.3. The annual fees may be waived or reduced by the Authority if the Authority determines that said fees are not needed for the payment of the operating expenses of the Authority: **Provided,** That in no event shall the annual fee of an issue exceed such issue's proportionate share of the projected operating expenses of the Authority for the year of assessment as such expenses are shown in the proposed budget adopted by the Authority for said year of assessment: **Provided further,** That in no event shall the annual established herein for an issue exceed $1/20^{th}$ of 1% of the bonds outstanding for such issue.

2.4. The annual fees shall be payable on the anniversary date of the respective issues, as calculated as of the date thirty (30) days immediately preceding said anniversary date.

§116-1-3. Allocation Of Costs Application To Issuance Of Bonds Of West Virginia Hospital Finance Authority

3.1. All costs incurred by the Authority that can be directly attributed to a bond issue pending before the Authority ~~shall~~ may be allocated by the Authority, in the discretion of the Authority, to that bond issue and such costs so allocated shall be paid at closing out of the proceeds of that bond issue. All such costs so allocated shall be in addition to the fees established in Section 2 of this Rule.

3.2. Without limiting in any manner the costs that may be allocated pursuant to Section 3.1 of this Rule, all legal and other professional fees incurred by the Authority that can be directly attributed to a bond issue may be allocated by the Authority to that bond issue and such legal and other professional fees so allocated shall be paid at closing out of the proceeds of that bond issue. All such costs so allocated shall be in addition to the fees established in Section 2 of this Rule.

3.3. In the event that a bond issue is not consummated for any reason, whether by action of the Authority or otherwise, all costs incurred by the Authority that can be directly attributed to such bond issue, including any legal and other professional fees, may be allocated by the Authority to that bon disuse and such costs so allocated shall be paid by the hospital, corporation, association or other entity, if any, that proposed or requested such bond issue.

§116-1-4. Amendment Of Fee Schedule.

4.1. The Authority may amend, in accordance with law, the fee schedule by the affirmative vote of four (4) board members and any such amendment shall be binding and applicable to all issues outstanding at the time of such action and to all subsequent issues: **Provided,** That in no event shall the annual fees established in this Rule exceed an issue's proportionate share of the projected operating expenses of the Authority for the year of assessment as shown in the proposed budget adopted by the Authority for said year of assessment: **Provided further,** That in no event shall the annual fee established in this Rule for an issue exceed 1/20th of 1% of the bonds outstanding for such issue.

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