APPENDIX A

NOTICE OF PUBLIC HEARING OR COMMENT PERIOD ON A PROPOSED RULE

PUBLIC HEARING

AGENCY: WEST VIRGINIA HOSPITAL FINANCE AUTHORITY

RULE TYPE: Legislative Rule

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

A PUBLIC HEARING ON THE ABOVE PROPOSED RULE WILL BE HELD AT 10:00 a.m.

ON March 14, 1986 AT 100 Dee Drive Suite 201

Charleston, West Virginia 25311

COMMENTS ARE LIMITED TO: ORAL ______ WRITTEN ______ BOTH X

COMMENTS MAY ALSO BE MAILED TO: WEST VIRGINIA HOSPITAL FINANCE AUTHORITY 100 Dee Dr. (address) Suite 201

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 A REVIEW OF THESE COMMENTS.

THE ISSUES TO BE HEARD SHALL BE LIMITED TO THE PROPOSED RULE.

Robert A. Durbin

ROBERT A. DURBIN, Executive Director

EMERGENCY
WEST VIRGINIA LEGISLATIVE RULE
WEST VIRGINIA HOSPITAL FINANCE AUTHORITY
CHAPTER 16-29A
SERIES 1

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

WEST VIRGINIA LEGISLATIVE RULE
WEST VIRGINIA HOSPITAL FINANCE AUTHORITY
CHAPTER 16-29A
SERIES 1

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

Section 1. <u>General</u>.

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

1.2. Authority - West Virginia Code §16-29A-5(e).

1.3. Filing Date -

1.4. Effective Date -

Section 2. <u>Establishment of Fee Schedule for the Issuance of Bonds of West Virginia Hospital Finance Authority</u>.

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:

<u>Fee Schedule</u>

For Single Projects:

<u>Initial Fee</u>

$400.00 per million dollars issued
$2,000.00 minimum fee

Annual Fee

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

For Financing Pools and Multi-County Projects:

Initial Fee

$800.00 per million dollars issued for the first ten million dollars of an issue
$500.00 per million dollars issued over the first ten million dollars of an issue
$5,000.00 minimum fee

Annual Fee

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

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

(NOTE: The aforesaid annual fees may be waived or reduced by the Authority as further discussed hereinbelow in 2.3.)

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

2.3. The aforesaid 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, 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, in no event shall the annual fee established herein for an issue exceed 1/20th of 1% of the bonds outstanding for such issue.

2.4. The aforesaid 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.

Section 3. Allocation of Costs Applicable to Issuance of Bonds by 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 be allocated to that bond issue and such costs shall be paid at closing out of the proceeds of that bond issue. All such costs shall be in addition to the fees established in Section 2 hereinabove.

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

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 attributed to such bond issue, including any legal and other professional fees, shall be paid by the hospital, corporation, association or other entity, if any, that proposed or requested such bond issue.

Section 4. <u>Amendment of Fee Schedule</u>.

The Authority may amend, in accordance with law, the aforesaid fee schedule by the affirmative vote of four (4) board members and any such amendent shall be binding and applicable to all issues outstanding at the time of such action and to all subsequent issues. Provided, the annual fees established hereinabove shall 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.

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: X Legislative ____ Interpretive ____ Procedural

Agency West Virginia Hospital Finance Authority Address 100 Dee Drive, Suite 201 Charleston, West Virginia 25311

1. Effect of Proposed Rule	ANNUAL Increase	Decrease	FISCAL YEAR Current	Next	Thereafter
Estimated Total Cost	$	$	$	$	$
Personal Services					
Current Expense	NO COST INCURRED DUE TO NEW RULE				
Repairs and Alterations					
Equipment					
Other					

2. Explanation of above estimates:

   N/A

3. Objectives of these rules:

   To generate revenue to compensate operating overhead of agency.

4. Explanation of Overall Economic Impact of Proposed Rule.

A. Economic Impact on State Government.

None

B. Economic Impact on Political Subdivisions; Specific Industries; Specific groups of citizens.

The rule will cause an assessment to be placed on hospitals that borrow capital from the Authority.

C. Economic Impact on Citizens/Public at Large.

If borrowing costs are offset by lower cost of capital or increases in operating efficiency, the impact will be positive. Otherwise, the public may compensate the fee through an increase in charges.

Date: February 10, 1986

Signature of Agency Head or Authorized Representative

Robert A. Durbin

ROBERT A. DURBIN, Executive Director

PROPOSED
WEST VIRGINIA LEGISLATIVE RULE
WEST VIRGINIA HOSPITAL FINANCE AUTHORITY
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Title: Establishment of Fee Schedule and Cost Allocations Applicable to the Issuance of Bonds by the West Virginia Hospital Finance Authority.

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PROPOSED
WEST VIRGINIA LEGISLATIVE RULE
WEST VIRGINIA HOSPITAL FINANCE AUTHORITY
CHAPTER 16-29A
SERIES 1

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

Section 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 - West Virginia Code §16-29A-5(e).

1.3. Filing Date -

1.4. Effective Date -

Section 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 hospital in only one county):

Initial Fee

$400.00 per million dollars issued
$2,000.00 minimum fee

Annual Fee

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

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

Initial Fee

$800.00 per million dollars issued for the first ten million dollars of an issue
$500.00 per million dollars issued over the first ten million dollars of an issue
$5,000.00 minimum fee

Annual Fee

Maximum of 1/20th 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 fee established herein for an issue exceed 1/20th 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.

Section 3. Allocation of Costs Applicable 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 be allocated to that bond issue and such costs shall be paid at closing out of the proceeds of that bond issue. All such costs shall be in addition to the fees established in Section 2 of this Rule.

3.2. Without limiting in any manner the costs that can be allocated pursuant to Section 3.1 of this Rule, all legal and other professional fees incurred by the Authority that can be attributed to a bond issue shall be allocated to that bond issue and such legal and other professional fees shall be paid at closing out of the proceeds of that bond issue. All such costs 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 attributed to such bond issue, including any legal and other professional fees, shall be paid by the hospital, corporation, association or other entity, if any, that proposed or requested such bond issue.

Section 4. Amendment of Fee Schedule.

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.

LAW OFFICES
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P. O. BOX 1386
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AREA CODE (304) 347-1100
WRITER'S DIRECT DIAL NUMBER IS 347-1130
TELECOPIER (304) 343-2867

November 20, 1986

HAND DELIVER

Richard Hartman
Office of the Secretary of State
Capitol Building
Charleston, West Virginia 25305

Re: West Virginia Hospital Finance Authority -- Proposed Amendment to Emergency West Virginia Legislative Rule

Dear Mr. Hartman:

As discussed in our recent telephone conversation, I have enclosed a copy of the Proposed Amendment to the West Virginia Hospital Finance Authority's Emergency Legislative Rule regarding the establishment of a fee schedule and cost allocations for the Authority. Please take whatever action is necessary to make this Proposed Amendment effective immediately.

Also enclosed, please find a copy of the Proposed Legislative Rule as approved by the West Virginia Legislature's Legislative Rule-Making Review Committee. The enclosed Proposed Rule incorporates certain minor changes suggested by counsel to the Rule-Making Review Committee. The enclosed Proposed Amendment to the Rule is being submitted to the Rule-Making Review Committee to further amend the Proposed Rule before it is adopted by the Legislature during the next Legislative Session. If the Proposed Amendment is adopted by the Legislature, we will forward to you the Rule in final form for filing in your office.

If you have any questions or comments regarding the foregoing, please contact the undersigned at your convenience. Thank you for your cooperation.

Sincerely yours,

Camden P. Siegrist

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Enclosures
cc: Debra A. Graham, Esq.

LAW OFFICES

BOWLES, McDAVID, GRAFF & LOVE

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November 20, 1986

HAND DELIVER

Debra A. Graham, Esq.
Associate Counsel
Legislative Rule-Making Review Committee
Room E-228 State Capitol
Charleston, West Virginia 25305

Re: West Virginia Hospital Finance Authority --
Proposed Amendment to Emergency Legislative Rule

Dear Ms. Graham:

As discussed in our telephone conversation, we would like to submit the enclosed Proposed Amendment for consideration by the Legislative Rule-Making Review Committee. On September 28, 1986, the Committee approved the Proposed Rule with your changes. We would like for the Committee to adopt the enclosed Proposed Amendment at its December meeting so that the Legislature can adopt this Rule in final form during the next Session.

If you have any questions or comments regarding this matter, please contact the undersigned at your convenience.

Thank you for your cooperation.

Sincerely yours,

Camden P. Siegrist

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Enclosure

cc: Richard Hartman

H. B. 2579

(By Delegate Knight)

(Introduced February 4, 1987; referred to the Committee on Finance then the Judiciary)

A BILL to amend article two, chapter sixty-four of the code of West Virginia, one thousand nine hundred thirty-one, as amended, by adding thereto a new section designated section sixteen (twenty-nine-a)(five), relating to authorizing the West Virginia hospital finance authority to promulgate legislative rules governing the establishment of fee schedule and cost allocation applicable to issuance of bonds by West Virginia hospital finance authority.

Be it enacted by the Legislature of West Virginia:

That article two, chapter sixty-two of the code of West Virginia, one thousand nine hundred thirty-one, as amended, be amended by adding thereto a new section, designated section sixteen (twenty-nine-a)(five), to read as follows:

ARTICLE 2. EXECUTIVE AGENCY AUTHORIZATION TO PROMULGATE LEGISLATIVE RULES.

§64-2-16(29a)(5). West Virginia hospital finance authority.

2579

The legislative rules filed in the state register on the tenth day of June, one thousand nine hundred eighty-six, modified by the West Virginia hospital finance authority to meet the objections of the legislative rule-making review committee and refiled in the state register on the ninth day of January, one thousand nine hundred eighty-seven, relating to the West Virginia hospital finance authority (establishment of fee schedule and cost allocation applicable to issuance of bonds) are authorized.

NOTE: The purpose of this bill is to authorize the West Virginia Hospital Finance Authority to promulgate legislative rules governing establishment of fee schedule and cost allocation applicable to issuance of bonds by the Authority.

This section is new; therefore, strike-throughs and underscoring have been omitted.

115

Senate Bill No. 340

(By Senator Tucker)

[Introduced February 4, 1987; referred to the Committee on BANKING AND INSURANCE ; then to the Committee on THE JUDICIARY .]

A BILL to amend article two, chapter sixty-four of the code of West Virginia, one thousand nine hundred thirty-one, as amended, by adding thereto a new section designated section sixteen (twenty-nine-a)(five), relating to authorizing the West Virginia hospital finance authority to promulgate legislative rules governing the establishment of fee schedule and cost allocation applicable to issuance of bonds by West Virginia hospital finance authority.

Be it enacted by the Legislature of West Virginia:

That article two, chapter sixty-two of the code of West Virginia, one thousand nine hundred thirty-one, as amended, be amended by adding thereto a new section, designated section sixteen (twenty-nine-a)(five), to read as follows:

ARTICLE 2. EXECUTIVE AGENCY AUTHORIZATION TO PROMULGATE LEGISLATIVE RULES.

§64-2-16(29a)(5). West Virginia hospital finance authority.

The legislative rules filed in the state register on the tenth day of June, one thousand nine hundred eighty-six, modified by the West Virginia hospital finance authority to meet the objections of the legislative rule-making review committee and refiled in the state register on the ninth day of January, one thousand nine hundred eighty-seven, relating to the West Virginia hospital finance authority (establishment of fee schedule and cost allocation applicable to issuance of bonds) are authorized.

NOTE: The purpose of this bill is to authorize the West Virginia Hospital Finance Authority to promulgate legislative rules governing establishment of fee schedule and cost allocation applicable to issuance of bonds by the Authority.

This section is new; therefore, strike-throughs and underscoring have been omitted.