FILED

1986 JUN 10 PM 3:07

OFFICE OF WEST VIRGINIA
SECRETARY OF STATE

NOTICE OF AGENCY APPROVAL

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

The attached legislative rule constitutes the official rule approved by the West Virginia Hospital Finance Authority on 9th day of May, 1986 and filed pursuant to law with the West Virginia Secretary of State and the Legislative Rule-Making Review Committee.

Robert A. Durbin

Robert A. Durbin
Executive Director

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: XX 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	ANNUAL Decrease	FISCAL YEAR Current 86	FISCAL YEAR Next 87	FISCAL YEAR Thereafter 88
Estimated Total Cost	$ 200	$ 0	$ 200	$ 200	$ 200
Personal Services	$ 150		$ 150	$ 150	$ 150
Current Expense	$ 50	0	$ 50	$ 50	$ 50
Repairs and Alterations	0		0	0	0
Equipment	0		0	0	0
Other	0		0	0	0

2. Explanation of above estimates.

We estimate $150 of Personal Services would be devoted to billing, handling and recording during the course of one fiscal year. Constant volume of financings is assumed using FY 1986 as a base year.

3. Objectives of these rules:

The Agency is a Special Revenue Account. The monies received from this rule will be used to compensate operating overhead.

4. Explanation of Overall Economic Impact of Proposed Rule.

A. Economic Impact on State Government.

The Authority provides services that reduce the cost of capital to hospitals. Therefore, the fees that are assessed are used to provide a means by which hospitals may lower their cost base. This results in a positive economic impact on state government.

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

The savings on cost of capital will more than offset the fees assessed. All health care consumers and providers will benefit.

C. Economic Impact on Citizens/Public at Large.

The functioning of the agency and its operation will provide a means of lowering the cost of capital to individual hospitals. By lowering a hospital's cost, the public will benefit by either lower hospital charges or a reduction in the rate of increase of charges.

Date June 9, 1986

Signature of Agency Head or Authorized Representative

Robert A. Durbin

EXECUTIVE DIRECTOR/SECRETARY-TREASURER

DATE: June 9, 1986

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OFFICE OF WEST VIRGINIA SECRETARY OF STATE

TO: LEGISLATIVE RULE-MAKING REVIEW COMMITTEE

FROM: WEST VIRGINIA HOSPITAL FINANCE AUTHORITY

LEGISLATIVE RULE TITLE:

1. Authorizing statute(s) citation § 16-29A-5

West Virginia Hospital Finance Authority Act

2. a. Date filed in State Register with Notice of Hearing:

February 10, 1986

b. What other notice, including advertising, did you give of the hearing?

Notice to Capitol Press Room.

c. Date of Hearing(s): March 14, 1986 and May 9, 1986

d. Attach list of persons who appeared at hearing, comments received, amendments, reasons for amendments.

Attached ______ No comments received XX

e. Date you filed in State Register the agency approved proposed Legislative Rule following public hearing: (be exact)

June 9, 1986

f. Name and phone number of agency person to contact for additional information:

ROBERT A. DURBIN

Executive Director

348-0549

3. If the statute under which you promulgated the submitted rules requires certain findings and determinations to be made as a condition precedent to their promulgation:

a. Give the date upon which you filed in the State Register a notice of the time and place of a hearing for the taking of evidence and a general description of the issues to be decided.

N/A ______________________________

____

b. Date of Hearing: ______________________________

c. On what date did you file in the State Register the findings and determinations required together with the reasons therefor?

____

d. Attach findings and determinations and reasons:

Attached ____________

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.

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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 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. 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:

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:

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. Amendment of Fee Schedule.

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.