



WEST VIRGINIA LEGISLATURE  
Legislative Rule-Making Review Committee

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FILED

Senator Mike Ross, Cochair  
Delegate Virginia Mahan, Cochair  
Debra A. Graham, Counsel

September 17, 2001

Joseph A. Altizer, Associate Counsel  
Rita Pauley, Associate Counsel  
Teri Anderson, Administrative Assistant

NOTICE OF ACTION TAKEN BY THE LEGISLATIVE RULE-MAKING REVIEW COMMITTEE

TO: Joe Manchin, Secretary of State, State Register

TO: Paul Mollohan  
Auditor, Office of the State  
Capitol Complex  
Building 1, Room W-100

FROM: Legislative Rule-Making Review Committee

Proposed Rule: **Transaction Fee and Rate Structure, 155CSR4**

The Legislative Rule-Making Review Committee recommends that the West Virginia Legislature:

- 1. Authorize the agency to promulgate the Legislative rule
  - (a) as originally filed
  - (b) as modified by the agency
- 2. Authorize the agency to promulgate part of the Legislative rule; a statement of reasons for such recommendation is attached.
- 3. Authorize the agency to promulgate the Legislative rule with certain amendments; amendments and a statement of reasons for such recommendation is attached.
- 4. Authorize the agency to promulgate the Legislative rule as modified with certain amendments; amendments and a statement of reasons for such recommendation is attached.
- 5. Recommends that the Legislative rule be withdrawn; a statement of reasons for such recommendation is attached.

SCANNED

ANALYSIS OF PROPOSED LEGISLATIVE RULES

**Agency:** Office of the State Auditor

**Subject:** Transaction Fee and Rate Structure, 155CSR4

PERTINENT DATES

Filed for public comment: June 11, 2001

Public comment period ended: July 12, 2001

Filed following public comment period: July 24, 2001

Filed LRMRC: July 24, 2001

Filed as emergency:

Fiscal Impact: None

ABSTRACT

The proposed rule amends a current legislative rule. Under the current rule, the transaction fee continues in effect until December 31, 2002. The proposed rule would extend the effect of the fee until December 31, 2007.

AUTHORITY

Statutory authority: W.Va. Code, §12-3-10c, which provides, in part, as follows:

(a) In order to promote and enhance the use of the state purchasing card program established by the provisions of section ten-a of this article and in order to maintain and develop the fiscal operations and accounting systems of the state, the auditor and the treasurer may assess joint transaction fees for all financial documents that will be processed on the central accounting system. Such transaction fees shall be prescribed by legislative rule proposed in accordance with

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article three, chapter twenty-nine-a of this code...

ANALYSIS

- I. HAS THE AGENCY EXCEEDED THE SCOPE OF ITS STATUTORY AUTHORITY IN APPROVING THE PROPOSED LEGISLATIVE RULE?

No.

- II. IS THE PROPOSED LEGISLATIVE RULE IN CONFORMITY WITH THE INTENT OF THE STATUTE WHICH THE RULE IS INTENDED TO IMPLEMENT, EXTEND, APPLY, INTERPRET OR MAKE SPECIFIC?

Yes.

- III. DOES THE PROPOSED LEGISLATIVE RULE CONFLICT WITH OTHER CODE PROVISIONS OR WITH ANY OTHER RULE ADOPTED BY THE SAME OR A DIFFERENT AGENCY?

No.

- IV. IS THE PROPOSED LEGISLATIVE RULE NECESSARY TO FULLY ACCOMPLISH THE OBJECTIVES OF THE STATUTE UNDER WHICH THE PROPOSED RULE WAS PROMULGATED?

Yes.

- V. IS THE PROPOSED LEGISLATIVE RULE REASONABLE, ESPECIALLY AS IT AFFECTS THE CONVENIENCE OF THE GENERAL PUBLIC OR OF PERSONS AFFECTED BY IT?

Finance Subcommittee C is studying the reasonableness of this rule during the current Interim.

- VI. CAN THE PROPOSED LEGISLATIVE RULE BE MADE LESS COMPLEX OR MORE READILY UNDERSTANDABLE BY THE GENERAL PUBLIC?

No.

- VII. WAS THE PROPOSED LEGISLATIVE RULE PROMULGATED IN COMPLIANCE WITH THE REQUIREMENTS OF CHAPTER 29A, ARTICLE 3 AND WITH ANY REQUIREMENTS IMPOSED BY ANY OTHER PROVISIONS OF THE CODE?

No. A summary of the rule was not filed with the Agency Approved rule.

ANALYSIS OF PROPOSED LEGISLATIVE RULES

Agency: Office of the State Auditor

Subject: State Purchasing Card Program, 148CSR7

PERTINENT DATES

Filed for public comment: August 29, 2001  
Public comment period ended: October 1, 2001  
Filed following public comment period: November 1, 2001  
Filed LRMRC: November 1, 2001  
Filed as emergency: August 29, 2001

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Fiscal Impact: None

ABSTRACT

The proposed rule amends a current legislative rule. The following is a synopsis of the substantive amendments.

Section 2 defines terms. The term "transactions" is defined to mean the purchase of and payment for goods and services, association dues and registration fees. The proposed rule deletes association dues from the definition. Under the current rule, services include maintenance with an annual transaction limit of \$15,000 for all colleges and universities and \$10,000 for all other spending units. The proposed rule removes these limitations.

Subsection 2.18 defines the term "transaction limit". The proposed rule removes the \$15,000 and \$10,000 limitations and requires that cumulative purchases not exceed state purchasing or higher education guidelines. It has also been amended to provide that for specified cards, the transaction limit may be \$5,000 for institutions of higher education.

Section 6 relates to purchasing methods. The proposed rule deletes the \$15,000 and \$10,000 limitations regarding the use of the purchase card.

AUTHORITY

Statutory authority: W.Va. Code, §12-3-10a, which provides, in part, as follows:

...The auditor and the director of the purchasing division of the department of administration shall jointly propose rules for promulgation in accordance with the provisions of article three, chapter twenty-nine-a of this code to govern the implementation of the purchase card program.

ANALYSIS

I. HAS THE AGENCY EXCEEDED THE SCOPE OF ITS STATUTORY AUTHORITY IN APPROVING THE PROPOSED LEGISLATIVE RULE?

No.

II. IS THE PROPOSED LEGISLATIVE RULE IN CONFORMITY WITH THE INTENT OF THE STATUTE WHICH THE RULE IS INTENDED TO IMPLEMENT, EXTEND, APPLY, INTERPRET OR MAKE SPECIFIC?

Yes.

III. DOES THE PROPOSED LEGISLATIVE RULE CONFLICT WITH OTHER CODE PROVISIONS OR WITH ANY OTHER RULE ADOPTED BY THE SAME OR A DIFFERENT AGENCY?

No.

IV. IS THE PROPOSED LEGISLATIVE RULE NECESSARY TO FULLY ACCOMPLISH THE OBJECTIVES OF THE STATUTE UNDER WHICH THE PROPOSED RULE WAS PROMULGATED?

Yes.

V. IS THE PROPOSED LEGISLATIVE RULE REASONABLE, ESPECIALLY AS IT AFFECTS THE CONVENIENCE OF THE GENERAL PUBLIC OR OF PERSONS AFFECTED BY IT?

Yes.

VI. CAN THE PROPOSED LEGISLATIVE RULE BE MADE LESS COMPLEX OR MORE READILY UNDERSTANDABLE BY THE GENERAL PUBLIC?

No.

VII. WAS THE PROPOSED LEGISLATIVE RULE PROMULGATED IN COMPLIANCE WITH THE REQUIREMENTS OF CHAPTER 29A, ARTICLE 3 AND WITH ANY REQUIREMENTS IMPOSED BY ANY OTHER PROVISIONS OF THE CODE?

Yes.

VIII. OTHER