WEST VIRGINIA SECRETARY OF STATE

KRIS WARNER

ADMINISTRATIVE LAW DIVISION

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Office of West Virginia Secretary Of State

NOTICE OF PUBLIC COMMENT PERIOD

AGENCY: Hospital Finance Authority

TITLE-SERIES: 116-01

RULE TYPE: Legislative

Amendment to Existing Rule: Yes

Repeal of existing rule: No

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

CITE STATUTORY AUTHORITY: 16-29A-5(e)

COMMENTS LIMITED TO:

Written

DATE OF PUBLIC HEARING:

LOCATION OF PUBLIC HEARING:

DATE WRITTEN COMMENT PERIOD ENDS: 07/14/2025 4:00 PM

COMMENTS MAY BE MAILED OR EMAILED TO:

NAME: Bryan W. Archer

ADDRESS: Box 2B, Albert T. Summers Center, 1124 Smith Street

Charleston, WV 25301

EMAIL: bryan.w.archer@wv.gov

PLEASE INDICATE IF THIS FILING INCLUDES:

RELEVANT FEDERAL STATUTES OR REGULATIONS: No

(IF YES, PLEASE UPLOAD IN THE SUPPORTING DOCUMENTS FIELD)

INCORPORATED BY REFERENCE: No

(IF YES, PLEASE UPLOAD IN THE SUPPORTING DOCUMENTS FIELD)

PROVIDE A BRIEF SUMMARY OF THE CONTENT OF THE RULE:

This Legislative Rule provides for the establishment of the fee schedule and cost allocations applicable to the issuance of bonds by the West Virginia Hospital Finance Authority (the Authority). The Authority does not receive an appropriation from the States General Fund. Accordingly, it relies on special revenues which are the fees it charges in connection with the issuance of bonds by the Authority for hospitals to pay its operating expenses.

SUMMARIZE IN A CLEAR AND CONCISE MANNER CONTENTS OF CHANGES IN THE RULE AND A STATEMENT OF CIRCUMSTANCES REQUIRING THE RULE:

The Authority has not changed the initial fee for refunding bonds of the Authority since it was added to the Authoritys fee schedule in 1987. The change to the subject Legislative Rule would increase such initial fee for refunding bonds of the Authority from $2,000.00 to $7,500.00. The Authority has never increased the amounts of its initial fees for new bond issues since those are based on the amount of bonds issued, which new bond issue amounts have increased because of inflation. However, the initial fee for refunding bonds of the Authority is currently fixed at $2,000.00. Accordingly, it has not increased to reflect inflation. The Board of the Authority has determined that the appropriate amount of such initial fee for refunding bonds is now $7,500.00. The Board is very conservative with its spending and requests this increase to keep up with the amount of inflation that has occurred since 1987.
In addition, a Sunset Provision was added to this Legislative Rule since it does not currently have one.

SUMMARIZE IN A CLEAR AND CONCISE MANNER THE OVERALL ECONOMIC IMPACT OF THE PROPOSED RULE:

A. ECONOMIC IMPACT ON REVENUES OF STATE GOVERNMENT:

There will be an increase in the revenue for the Authority by $5,500.00 for each bond issue for refunding bonds of the Authority. This increase will help offset the impact of inflation on the operating expenses of the Authority.

B. ECONOMIC IMPACT ON SPECIAL REVENUE ACCOUNTS:

As stated in A above, there will be an increase in the revenue for the Authority by $5,500.00 for each bond issue for refunding bonds of the Authority. This increase will help offset the impact of inflation on the operating expenses of the Authority. The exact amount of such increase in revenue cannot be ascertained at this time since the number of future refunding bond issues of the Authority cannot be determined.

C. ECONOMIC IMPACT OF THE RULE ON THE STATE OR ITS RESIDENTS:

A hospital will pay an additional $5,500.00 for the issuance of refunding bonds of the Authority for the benefit of such hospital.

D. FISCAL NOTE DETAIL:

Effect of Proposal	Fiscal Year		
	2025 Increase/Decrease (use "-")	2026 Increase/Decrease (use "-")	Fiscal Year (Upon Full Implementation)
1. Estimated Total Cost			
Personal Services			
Current Expenses			
Repairs and Alterations			
Assets			
Other			
2. Estimated Total Revenues			5,500 per issuance of refunding bonds of the Authority

E. EXPLANATION OF ABOVE ESTIMATES (INCLUDING LONG-RANGE EFFECT):

The long-range effect is to provide the Authority with additional revenues to pay its operating expenses that are increasing because of inflation.

BY CHOOSING 'YES', I ATTEST THAT THE PREVIOUS STATEMENT IS TRUE AND CORRECT.

Yes

Bryan W Archer -- By my signature, I certify that I am the person authorized to file legislative rules, in accordance with West Virginia Code §29A-3-11 and §39A-3-2.

TITLE 116
LEGISLATIVE RULE
HOSPITAL FINANCE AUTHORITY

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. -- ~~May 7, 2007~~.

1.4. Effective Date. -- ~~May 7, 2007~~.

1.5. Sunset Provision. -- This rule shall terminate and have no further force or effect on August 1, 2031.

§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 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

$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

$375.00 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

For Refunding Bonds of the Authority:

Initial Fee

$~~2,000.00~~ 7,500.00

Annual Fee

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

2.2. The initial fees will be applied in proportion to any fraction of a million dollars issued.

2.3. The annual fees may be waived or reduced by the Authority as provided for in Section 2.5 of this Rule.

2.4. The initial fees are payable at closing out of the proceeds of the bond issue.

2.5. The Authority may waive or reduce the annual fees if the Authority determines that the 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 the issue's proportionate share of the projected operating expenses of the Authority for the year of assessment as the expenses are shown in the proposed budget adopted by the Authority for the year of assessment: Provided however, That in no event shall the annual fee established in this Section for an issue exceed 1/20th of 1% of the bonds outstanding for that issue.

2.6. The annual fees are payable annually on or about September 30 of each year, the date to be as determined by the Authority.

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

3.1. The Authority may allocate any or all costs incurred by the Authority that can be directly attributed to a bond issue pending before the Authority to that bond issue and the allocated costs shall be paid at closing out of the proceeds of that bond issue. All allocated costs are 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, the Authority may allocate any or all legal and other professional fees incurred by the Authority that can be directly attributed to a bond issue to that bond issue and the legal and other professional fees allocated shall be paid at closing out of the proceeds of that bond issue. All costs 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, the Authority may allocate any or all costs incurred by the Authority that can be directly attributed to the bond issue, including any legal and other professional fees, to that bond issue and the costs allocated shall be paid by the hospital, corporation, association or other entity, if any, that proposed or requested the 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 amendment shall be binding and applicable to all issues outstanding at the time of the 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 the 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 the issue.