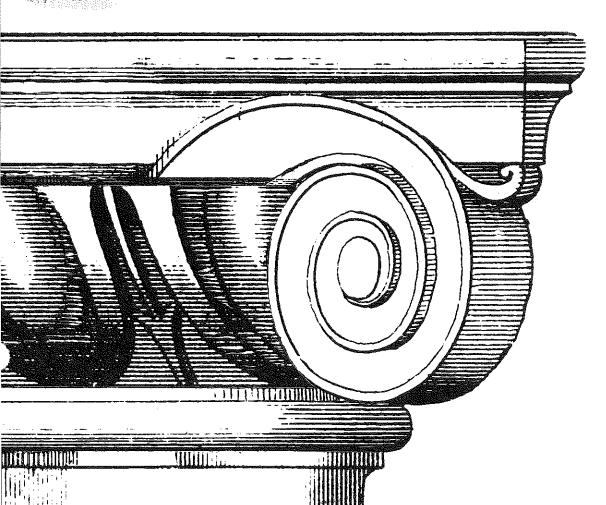
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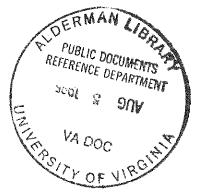
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# **FINAL REGULATIONS**

For information concerning Final Regulations, see information page.

#### Symbol Key

Roman type indicates existing text of regulations. *Italic type* indicates new text. Language which has been stricken indicates text to be deleted. [Bracketed language] indicates a substantial change from the proposed text of the regulations.

#### VIRGINIA HOUSING DEVELOPMENT AUTHORITY

Note: The Virginia Housing Development Authority is exempted from the Administrative Process Act (§ 9-6.14:4 of the Code of Virginia); however, under the provisions of § 9-6.14:22, it is required to publish all proposed and final regulations.

<u>Title of Regulation:</u> VR 400-02-0003. Procedures, Instructions and Guidelines for Single Family Mortgage Loans to Persons of Low and Moderate Income.

Statutory Authority: § 36-55.30:3 of the Code of Virginia.

Effective Date: July 16, 1985

#### NOTICE

Documents and forms referred to as exhibits have not been adopted by the authority as a part of the Procedures, Instructions and Guidelines for Single Family Mortgage Loans to Persons and Families of Low and Moderate Income but are attached thereto for reference and informational purposes. Accordingly, such documents and forms have not been included in the amendments to Procedures, Instructions and Guidelines for Single Family Mortgage Loans to Persons and Families of Low and Moderate Income. Copies of such documents and forms are available upon request at the office of the authority.

## Summary:

Under the current provisions of the authority's Procedures, Instructions and Guidelines, maximum allowable adjusted incomes are established for the Northern Virginia Planning District. The regulation adopts the federal designation of the Washington, DC-MD-VA MSA and, in accordance with such federal designation, includes Stafford County therein. Accordingly, the maximum allowable sales prices and maximum allowable adjusted incomes of Stafford County are increased to those previously authorized for the Northern Virginia Planning District. In order to facilitate the full and prompt use of funds available from certain prior bond issues of the authority, the regulation increases the maximum allowable sales prices and maximum allowable adjusted incomes for mortgage loans to finance residences in the Washington, DC-MD-VA MSA from such funds. In recognition of the additional construction costs of providing energy saving improvements under the authority's Solar Home Grant Program, the maximum allowable sale price applicable to a residence is

increased by the amount of any grant made for the residence under such program.

VR 400-02-0003. Procedures, Instructions and Guidelines for Single Family Mortgage Loans to Persons of Low and Moderate Income.

#### PART I. GENERAL.

 $\S$  1.1. The following procedures, instructions and guidelines will be applicable to mortgage loans which are made or financed or are proposed to be made or financed by the authority to persons and families of low and moderate income for the acquisition (and, where applicable, rehabilitation), ownership and occupancy of single family housing units.

In order to be considered eligible for a mortgage loan hereunder, a "person" or "family" (as defined in the authority's rules and regulations) must have an "adjusted family income" (as determined in accordance with the authority's rules and regulations) which does not exceed the applicable income limitation established by the authority. Furthermore, the sales price of any single family unit to be financed hereunder must not exceed the applicable sales price limit established by the authority. Such income and sales price limitations shall be set forth in the Processing and Disbursing Guide described in Section  $4 \ \ 1.2 \ \ C$  hereof.

Notwithstanding anything to the contrary herein, the executive director is authorized with respect to any mortgage loan hereunder to waive or modify any provisions of these procedures, instructions and guidelines where deemed appropriate by him for good cause, to the extent not inconsistent with the authority's act, rules and regulations, and covenants and agreements with the holders of its bonds.

"Executive director" as used herein means the executive director of the authority or any other officer or employee of the authority who is authorized to act on behalf of the authority pursuant to a resolution of the board.

All reviews, analyses, evaluations, inspections, determinations and other actions by the authority pursuant to the provisions of these procedures, instructions and guidelines shall be made for the sole and exclusive benefit and protection of the authority and shall not be construed to waive or modify any of the rights, benefits, privileges, duties, liabilities or responsibilities of the authority or the mortgagor under the agreements and documents executed in connection with the mortgage loan.

The procedures, instructions and guidelines set forth herein are intended to provide a general description of the authority's processing requirements and are not intended to include all actions involved or required in the processing and administration of mortgage loans under the authority's single family housing program. These procedures, instructions and guidelines are subject to change at any time by the authority and may be supplemented by policies, procedures, instructions and guidelines adopted by the authority from time to time.

## B. § 1.2. Processing/Disbursing/Servicing Agents.

- A. The processing of applications for the making or financing of mortgage loans hereunder, the disbursement of proceeds of mortgage loans and the servicing of mortgage loans shall be performed through commercial banks, savings and loan associations and private mortgage bankers approved as Processing/Disbursing/Servicing Agents ("PDS agents") of the authority. To be initially approved as PDS agents, the applicant must meet the following qualifications:
  - 1. Be authorized to do business in the Commonwealth of Virginia;
  - 2. Have a satisfactory rating from any state and/or federal agencies responsible for the regulation of the applicant;
  - 3. Have a net worth equal to or in excess of \$100,000 or, in the case of a savings and loan association, have its deposits insured by the Federal Savings and Loan Insurance Corporation;
  - 4. Have aggregate servicing and originating volume during the preceding five years at least equal to ten 10 times the principal amount of loans expected to be initially serviced and originated for the authority;
  - 5. Have a staff with demonstrated ability and experience in mortgage loan origination and servicing;
  - 6. Each branch office of the applicant that is to originate mortgage loans must have demonstrated experience in the origination of mortgage loans;
  - 7. Have a delinquency rate on its portfolio of serviced mortgage loans not in excess of 5% five percent;
  - 8. Have a foreclosure rate on portfolio of serviced mortgage loans not in excess of 1% per annum one percent annually;
  - 9. Have reasonable business hours i.e. be open to the public at least 5 five hours every banking day; and
  - 10. Such other qualifications as the executive director shall deem to be related to the performance of its duties and responsibilities.

If the applicant is to originate (but not service) mortgage loans, the applicant must satisfy the qualification set forth in (4) and (5) above only with respect to the origination of mortgage loans.

All PDS agents approved by the authority shall enter into Processing/Disbursing/Servicing Agreements ("PDS agreements") with the authority containing such terms and conditions as the executive director shall require with respect to the processing, disbursing and servicing of mortgage loans hereunder. The PDS agents shall maintain adequate books and records with respect to such mortgage loans, shall permit the authority to examine such books and records, and shall submit to the authority such reports (including annual financial statements) and information as the authority may require. The fees payable to the PDS agent for originating and servicing mortgage loans hereunder shall be established from time to time by the executive director and shall be set forth in the PDS agreements.

#### C. B. Allocation of funds.

The executive director shall allocate funds for the making or financing of mortgage loans hereunder in such manner, to such persons and entities, in such amounts, for such period, and subject to such terms and conditions as he shall deem appropriate to best accomplish the purposes and goals of the authority. Without limiting the foregoing, the executive director may allocate funds (a) (i) to mortgage loan applicants on a first-come, first-serve or other basis, (b) (ii) to PDS agents and state and local government agencies and instrumentalities for the origination of mortgage loans to qualified applicants and/or (e) (iii) to builders for the permanent financing of residences constructed or rehabilitated or to be constructed or or rehabilitated by them and to be sold to qualified applicants. In determining how to so allocate the funds, the executive director may consider such factors as he deems relevant, including any of the following:

- 1. The need for the expeditious commitment and disbursement of such funds for mortgage loans;
- 2. The need and demand for the financing of mortgage loans with such funds in the various geographical areas of the Commonwealth;
- 3. The cost and difficulty of administration of the allocation of funds;
- 4. The capability, history and experience of any PDS agents, state and local governmental agencies and instrumentalities, builders, or other persons and entities (other than mortgage loan applicants) who are to receive an allocation; and
- 5. Housing conditions in the Commonwealth.

In the event that the executive director shall determine to make allocations of funds to builders as described above, the following requirements must be satisfied by each such builder:

- 1. The builder must have a valid contractor's license in the State of Virginia Commonwealth;
- 2. The builder must have at least 3 three years' experience of a scope and nature similar to the proposed construction or rehabilitation; and
- 3. The builder must submit to the authority plans and specifications for the proposed construction or rehabilitation which are acceptable to the authority.

The executive director may from time to time take such action as he may deem necessary or proper in order to solicit applications for allocation of funds hereunder. Such actions may include advertising in newspapers and other media, mailing of information to prospective applicants and other members of the public, and any other methods of public announcement which the executive director may select as appropriate under the circumstances. executive director may impose requirements, limitations and conditions with respect to the submission of applications as he shall consider necessary or appropriate. The executive director may cause market studies and other research and analyses to be performed in order to determine the manner and conditions under which funds of the authority are to be allocated and such other matters as he shall deem appropriate relating thereto. The authority may also consider and approve applications for allocations of funds submitted from time to time to the authority without any solicitation therefor on the part of the authority.

# $\Phi_{r}$ C. Processing and Disbursing Guide and Servicing Guide.

The Processing and Disbursing Guide attached hereto as Addendum A PART II is incorporated into and made a part of these procedures, instructions and guidelines. The executive director is authorized to prepare and from time to time revise a Servicing Guide which shall set forth the accounting and other procedures to be followed by the PDS agents in the servicing of the mortgage loans under the PDS agreements. Copies of the Servicing Guide shall be available upon request. The executive director shall be responsible for the implementation and interpretation of the provisions of the Processing and Disbursing Guide and the Servicing Guide.

#### E. D. Making and purchase of new mortgage loans.

The authority may from time to time (a) (i) make mortgage loans directly to mortgagors with the assistance and services of its PDS agents and (b) (ii) agree to purchase individual mortgage loans from its PDS agents upon the consummation of the closing thereof. The review and processing of applications for such mortgage loans, the issuance of mortgage loan commitments therefor, the closing and servicing (and, if applicable, the purchase) of

such mortgage loans, and the terms and conditions relating to such mortgage loans shall be governed by and shall comply with the provisions of the PDS agreement, the Processing and Disbursing Guide, the Servicing Guide and the authority's act and rules and regulations.

#### F. E. Purchase of existing mortgage loans.

The authority may purchase from time to time existing mortgage loans with funds held or received in connection with bonds issued by the authority prior to January 1, 1981, or with other funds legally available therefor. With respect to any such purchase, the executive director may request and solicit bids or proposals from the authority's PDS agents for the sale and purchase of such mortgage loans, in such manner, within such time period and subject to such terms and conditions as he shall deem appropriate under the circumstances. The executive director may take such action as he deems necessary or appropriate to solicit offers to sell mortgage loans, including mailing of the request to PDS agents, advertising in newspapers or other publications and any other method of public announcement which he may select as appropriate under the circumstances. After review and evaluation by the executive director of the bids or proposals, he shall select those bids or proposals that offer the highest yield to the authority on the mortgage loans (subject to any limitations imposed by law on the authority) and that best conform to the terms and conditions established by him with respect to the bids or proposals. Upon selection of such bids or proposals, the executive director shall issue commitments to the PDS agents to purchase the mortgage loans, subject to such terms and conditions as he shall deem necessary or appropriate and subject to the approval or ratification by the board. Upon satisfaction of the terms of the commitments, the executive director shall execute such agreements and documents and take such other action as may be necessary or appropriate in order to consummate the purchase and sale of the mortgage loans. The mortgage loans so purchased shall be serviced in accordance with the PDS agreement and the Servicing Guide. Such mortgage loans and the purchase thereof shall in all respects comply with the authority's act and rules and regulations.

#### G. F. Delegated underwriting.

The executive director may, in his discretion, delegate to one or more PDS agents the responsibility for issuing commitments for mortgage loans and disbursing the proceeds hereof without prior review and approval by the authority. The issuance of such commitments shall be subject to ratification thereof by the board of the authority. If the executive director determines to make any such delegation, he shall establish criteria under which PDS agents may qualify for such delegation. If such delegation has been made, the PDS agents shall submit all required documentation to the authority after closing of each mortgage loan. If the executive director determines that a mortgage loan does not comply with the Processing and Disbursing Guide, the PDS agreement or the

authority's act or rules and regulations, he may require the PDS Agents to purchase such mortgage loan, subject to such terms and conditions as he may prescribe.

#### PART II. VIRGINIA HOUSING DEVELOPMENT AUTHORITY PROCESSING AND DISBURSING GUIDE

Section I. Article I. Eligibility Requirements.

#### 1.1 + 5 = 2.1. Eligible persons and families.

- 1. A. Person: A one-person household is eligible, but the authority will restrict the number of loans that the PDS agent can originate for such persons and has established sales price limits for such households. An individual who is 62 or more years of age or who is handicapped or disabled shall not be deemed a one-person household for these purposes.
- 2. B. Family: A single family loan can be made to more than one person only if all such persons to whom the loan is made are related by blood, marriage or adoption and are living together in the dwelling as a single nonprofit housekeeping unit.
  - 1. Allocation to one-person households.

The maximum number of one-person households will be limited to 17% of all units financed. Units will be allocated by planning district with each planning district to receive funds based on its relative need. Allocation of one-person households to PDS agents and builders will be made based upon the dollar amount of their allocation and geographical location. The maximum number of one-person households allowed will be specified in the Forward Commitment Agreement and Builder Commitment Agreement.

# $\frac{1.2}{2}$ § 2.2. Compliance with certain requirements of the Mortgage Subsidy Bond Tax Act of 1980.

The federal Mortgage Subsidy Bond Tax Act of 1980 imposes certain new requirements and restrictions on the eligibility of mortgagors and residences for financing with the proceeds of tax-exempt bonds. In order to compy with this federal law, VHDA is establishing certain procedures which must be performed by the PDS agent in order to determine such eligibility. The eligibility requirements for the borrower and the dwelling are described below as well as the procedures to be performed. The PDS agent will certify to the performance of these procedures and evaluation of a borrower's eligibility by completing, initialling and signing the "Checklist for certain requirements of the Mortgage Subsidy Bond Tax Act of 1980" (the "checklist") (Section II, Exhibit A) prior to VHDA approval of each loan. No loan will be approved by VHDA unless all of the federal eligibility requirements are met as well as the usual VHDA requirements set forth in other parts of this guide.

1.2.1 § 2.2.1 Eligible borrowers.

#### A. General.

An applicant will be considered an eligible borrower for a VHDA mortgage loan, if the applicant meets all of the following federal criteria:

- 1. Has not had a present ownership interest in his /her principal residence within the three years preceding the date of execution of the mortgage loan. (See B. Three-year requirement);
- 2. Agrees to occupy and use the residential property to be purchased as his  $\frac{1}{100}$  permanent, principal residence within 60 days (90 days in the case of a rehabiliation loan as defined in section 1.16 § 2.17) after the date of the closing of the mortgage loan. (See C. Principal residence requirement);
- 3. Will not use the proceeds of the mortgage loan to acquire or replace an existing mortgage or debt, except in the case of certain types of temporary financing. (See D. New mortgage requirement);
- 4. Has contracted to purchase an eligible dwelling. (See 1.2.2 § 2.2.2. Eligible dwelling);
- 5. Has executed a borrower affidavit at the time of loan application (to be confirmed on the date of loan closing); and
- 6. Agrees not to sell, lease of otherwise transfer an interest in the residence or permit the assumption of his <del>/her</del> mortgage loan without the prior written consent of VHDA.

## B. Three-year requirement.

An eligible borrower does not include any borrower who, at any time during the three years preceding the date of execution of the mortgage loan, had a "present ownership interest" (as hereinafter defined) in his /her principal residence. Each borrower must certify on the borrower affidavit that at no time during the three years preceding the execution of the mortgage loan has he /she has a present ownership interest in his /her principal residence. This requirement does not apply to residences located in "targeted areas" (see 1.2.3 § 2.3. "Targeted areas"); however, even if the residence is located in a "targeted area," the prior tax returns described in 3 below must be obtained for the purpose of determining compliance with other requirements.

- 1. Definition of present ownership interest. "Present ownership interest" includes:
  - a. A fee simple interest,
  - b. A joint tenancy, a tenancy in common, or a tenancy by the entirety,

- c. The interest of a tenant shareholder in a cooperative,
- d. A life estate,
- e. A land contract, under which possession and the benefits and burdens of ownership are transferred although legal title is not transferred until some later time, and
- f. An interest held in trust for the eligible borrower (whether or not created by the eligible borrower) that would consitute a present ownership interest if held directly by the eligible borrower.

Interests which do not constitute a "Present ownership interest" include:

- a. A remainder interest,
- b. An ordinary lease with or without an option to purchase,
- c. A mere expectancy to inherit an interest in a principal residence,
- d. The interest that a purchaser of a residence acquires on the execution of an accepted offer to purchase real estate, and
- e. An interest in other than a principal residence during the previous three years.
- 2. Persons covered. This requirement applies to any person who will execute the mortgage or note and will have a present ownership interest (as defined above) in the eligible dwelling.
- 3. Prior tax returns. To verify that the eligible borrower meets the three-year requirement, the PDS agent must obtain copies of signed federal income tax returns filed by the eligible borrower for the three years preceding execution of the mortgage or certified copies of the returns. If the eligible borrower was not required by law to file a federal income tax return for any of these three years and did not so file, and so states on the borrower affidavit, the requirement to obtain a copy of the federal income tax return for such year is waived.

The PDS agent shall examine the tax returns particularly for any evidence that the eligible borrower may have claimed deductions for property taxes or for interest on indebtedness with respect to real property constituting his /her principal residence.

4. Review by PDS agent. The PDS agent must, with due diligence, verify the representations in the borrower affidavit regarding the applicant's prior residency by reviewing any information including the credit report and the tax returns furnished by the

eligible borrower for consistency, and certify to VHDA that on the basis of its review, it is of the opinion that each borrower has not had present ownership interest in a principal residence at any time during the 3-three- year period prior to the anticipated date of the loan closing.

#### C. Principal residence requirement.

- 1. General. An eligible borrower must intend to occupy the eligible dwelling as a principal residence within 60 days (90 days in the case of rehabilitation loan) after the closing of the mortgage loan. Unless the residence can reasonably be expected to become the principal residence of the eligible borrower within 60 days (90 days in the case of a rehabilitation loan) of the mortgage loan closing date, the residence will not be considered an eligible dwelling and may not be financed with a mortgage loan from VHDA. An eligible borrower must covenant to intend to occupy the eligible dwelling as a principal residence within 60 days (90 days in the case of rehabilitation loan) after the closing of the mortgage loan on the borrower affidavit and as part of the attachment to the deed of trust.
- 2. Definition of principal residence. A principal residence does not include any residence which can reasonably be expected to be used: (a) (i) primarily in a trade or business, (b) (ii) as an investment property, or (e) (iii) as a recreational or second home. A residence may not be used in a manner which would permit any portion of the costs of the eligible dwelling to be deducted as a trade or business expense for federal income tax purposes or under circumstances where any portion of the total living area is to be used primarily in a trade or business.
- 3. Land not to be used to produce income. The land financed by the mortgage loan may not provide, other than incidentally, a source of income to the eligible borrower. The eligible borrower must indicate on the borrower affidavit that, among other thing:
  - a. No portion of the land financed by the mortgage loan provides a source of income (other than incidental income);
  - b. He does not intend to farm any portion (other than as a garden for personal use) of the land financed by the mortgage loan; and
  - c. He does not intend to subdivide the property.
- 4. Lot size. Only such land as is reasonably necessary to maintain the basic livability of the residence may be financed by a mortgage loan. The financed land must not exceed the customary or usual lot in the area. Generally, the financed land will not be permitted to exceed two acres even in rural areas.

- 5. Review by PDS agent. The borrower affidavit must be reviewed by the PDS agent for consistency with the eligible borrower's federal income tax returns and the credit report in order to support an opinion that the eligible borrower is not engaged in any employment activity or trade or business which has been conducted in his /her principal residence. Also, the PDS agent shall review the appraiser report of a VHDA-approved appraiser and the required photographs to determine based on the location and the structural design and other characteristics of the dwelling that the residence is suitable for use as a permanent residence and not for use primarily in a trade or business or for recreational purposes. Based on such review, the PDS agent shall certify to its opinions in the checklist at the time the loan application is submitted to VHDA for approval.
- 6. Post-closing procedures. The PDS agent shall establish procedures to (a) (i) review correspondence, checks and other documents received from the borrower during the 120-day period following the loan closing for the purpose of ascertaining that the address of the residence and the address of the borrower are the same and (b) (ii) notify VHDA if such addresses are not the same. Subject to VHDA's approval, the PDS agent may establish different procedures to verify compliance with this requirement.

#### D. New mortgage requirement.

Mortgage loans may be made only to persons who did not have a mortgage (whether or not paid off) on the eligible dwelling at any time prior to the execution of the mortgage. Mortgage loan proceeds may not be used to acquire or replace an existing mortgage or debt for which the eligible borrower is liable or which was incurred on behalf of the eligible borrower, except in the case of construction period loans, bridge loans or similar temporary financing which has a term of twenty-four 24 months or less.

- 1. Definition of mortgage. For purposes of applying the new mortgage requirement, a mortgage includes deeds of trust, conditional sales contracts (i.e. generally a sales contract pursuant to which regular installments are paid and are applied to the sales price), pledges, agreements to hold title in escrow, a lease with an option to purchase which is treated as an installment sale for federal income tax purposes and any other form of owner-financing. Conditional land sale contracts shall be considered as existing loans or mortgages for purposes of this requirement.
- 2. Temporary financing. In the case of a mortgage loan made to refinance a loan for the construction of an eligible dwelling, VHDA shall not make such mortgage loan until it has determined that such construction has been satisfactorily completed.
- 3. Review by PDS agent. Prior to closing the mortgage

loan, the PDS agent must examine the borrower affidavit, the seller affidavit, and related submissions, including (i) the eligible borrower's federal income tax returns for the preceding three years, and (ii) credit report, in order to determine whether the eligible borrower will meet the new mortgage requirements. Upon such review, the PDS agent shall certify to VHDA that the agent is of the opinion that the proceeds of the mortgage loan will not be used to repay or refinance an existing mortgage debt of the borrower and that the borrower did not have a mortgage loan on the eligible dwelling prior to the date hereof, except for permissible temporary financing described above.

#### E. Multiple loans.

Any eligible borrower may not have more than one outstanding VHDA mortgage loan.

1.2.2 § 2.2.2. Eligible dwellings.

#### A. General.

In order to qualify as an eligible dwelling for which a VHDA loan may be made, the residence must:

- 1. Be located in the Commonwealth;
- 2. Be a one-family detached residence, a townhouse or one unit of a VHDA approved condominium; and
- 3. Satisfy the acquistion cost requirements set forth below.
- B. Acquisition cost requirements.
  - 1. General. The acquisition cost of an eligible dwelling may not exceed certain limits established by the U.S. Department of the Treasury in effect at the time of the application. Note: In all cases such federal limits equal or exceed the VHDA sales price limits shown in Section 1.3 § 2.4 . Therefore, the residence is an eligible dwelling if the acquisition cost is not greater than the VHDA sales price limit. In the event that the acquisition cost exceeds the VHDA sales price limit, the PDS agent must contact VHDA to determine if the residence is an eligible dwelling.
  - 2. Definition of acquisition cost. Acquisition cost means the cost of acquiring the eligible dwelling from the seller as a completed residence.
    - a. Acquisition cost includes:
    - (1) All amounts paid, either in cash or in kind, by the eligible borrower (or a related party or for the benefit of the eligible borrower) to the seller (or a related party or for the benefit of the seller) as consideration for the eligible dwelling. Such amounts include amounts paid for items constituting fixtures

under state law, but not for items of personal property not constituting fixtures under state law. (See Exhibit R for examples of fixtures and items of personal property.)

- The reasonable costs of completing or rehabilitating the residence (whether or not the cost of completing construction or rehabilitation is to be financed with the mortgage loan) if the eligible dwelling is incomplete or is to be rehabilitated. As an example of reasonable completion cost, costs of completing the eligible dwelling so as to permit occupancy under local law would be included in the acquisition cost. A residence which includes unfinished areas (i.e. an area designed or intended to be completed or refurbished and used as living space, such as the lower level of a tri-level residence or the upstairs of a Cape Cod) shall be deemed incomplete, and the costs of finishing such areas must be included in the acquisition cost. (See Acquisition Cost Worksheet, Section II Exhibit G, Item 4).
- (3) Where the eligible dwelling is subject to a ground rent, the capitalized value of any ground rent calculated using a discount rate equal to the yield of the VHDA bonds from which the mortgage loan was made. VHDA will supply bond yield information to PDS agents on request for the purpose of calculating capitalized ground rent.
- (4) The cost of land on which the eligible dwelling is located and which has been owned by the eligible borrower for a period no longer than 2 two years prior to the construction of the structure comprising the eligible dwelling.
- b. Acquisition cost does not include:
- (1) Usual and reasonable settlement or financing costs. Such excluded settlement costs include title and transfer costs, title insurance, survey fees and other similar costs. Such excluded financing costs include credit reference fees, legal fees, appraisal expenses, points which are paid by the eligible borrower, or other costs of financing the residence. Such amounts must not exceed the usual and reasonable costs which otherwise would be paid. Where the buyer pays more than a pro rata share of property taxes, for example, the excess is to be treated as part of the acquisition cost.
- (2) The imputed value of services performed by the eligible borrower or members of his family (brothers and sisters, spouse, ancestors and lineal descendants) in constructing or completing the residence.
- 3. Acquisition cost worksheet. The PDS agent is required to obtain from each eligible borrower a completed acquisition cost worksheet which shall

specify in detail the basis for the purchase price of the eligible dwelling, calculated in accordance with this Section Subsection B. The PDS agent shall assist the eligible borrower in the correct completion of the worksheet. The acquisition cost worksheet of the eligible borrower shall constitute part of the borrower affidavit required to be submitted with the loan submission. The seller affidavit shall also certify as to the acquisition cost of the eligible dwelling on the worksheet.

- 4. Review by PDS agent. The PDS agent shall determine that the acquisition cost of the eligible dwelling does not exceed the authority's sales price limit shown in Section 1.3  $\S$  2.4 . If the acquisition cost exceeds such limit, the PDS agent must contact VHDA to determine if the residence is an eligible dwelling. As part of its review, the PDS agent must review the acquisition cost worksheet submitted by each mortgage loan applicant, and the appraiser report, and must certify to VHDA that it is of the opinion that the acquisition cost of the eligible dwelling has been calculated in accordance with this Section Subsection B. In addition, the PDS agent must compare the information contained in the acquisition cost worksheet with the information contained in the seller affidavit and other sources and documents such as the contract of sale for consistency of representation as to acquisition cost.
- 5. Independent appraisal. VHDA reserves the right to obtain an independent appraisal in order to establish fair market value and to determine whether a dwelling is eligible for the mortgage loan requested.

1.2.3 § 2.3. Targeted areas.

#### A. General.

In accordance with the Mortgage Subsidy Bond Tax Act of 1980, VHDA will make a portion of the proceeds of an issue of its bonds available for financing eligible dwellings located in targeted areas for at least one year following the issuance of a series of bonds. VHDA will exercise due diligence in making mortgage loans in targeted areas by advising PDS agents and certain localities of the availability of such funds in targeted areas and by advising potential eligible borrowers of the availability of such funds through advertising and/or news releases. The amount, if any, allocated to a PDS agent exclusively for targeted areas will be specified in the Forward Commitment Agreement.

#### B. Eligibility.

Mortgage Loans for eligible dwellings located in targeted areas must comply in all respects with the requirements in Section 1.2 § 2.2 and elsewhere in this guide for all mortgage loans, except for the three-year requirement in Section 1.2.1(B) § 2.2.1 B.

#### 1. Definition of targeted areas.

- a. A targeted area is an area which is a qualified census tract, as described in A. I. below, or an area of chronic economic distress, as described in B. 2. below.
- A. b. A qualified census tract is a census tract in the Commonwealth in which 70% or more of the families have an income of 80% or less of the state-wide median family income based on the most recent "safe harbor" statistics published by the U.S. Treasury. Maps indicating the location of current qualified census tracts will be supplied to the PDS agents by VHDA.
- B. c. An area of chronic economic distress is an area designated as such by the Commonwealth and approved by the Secretaries of Housing and Urban Development and the Treasury under criteria specified in the Mortgage Subsidy Bond Tax Act of 1980. PDS agents will be informed by VHDA as to the location of areas so designated.

#### 1.3 § 2.4. Sales price limits.

The authority's maximum allowable sales price limits are shown on the following page prices shall be as follows:

MAXIMUM ALLOWABLE SALES PRICES

Applicable to all bond issues except 1981A (13.7%), 1982A (13.85%) and "blend" of 1982A and 1982B (11.75%)\* Substantial

Construction Rehabilitation Existing

Northern-Virginia

Płanning-Bistrict

Washington, DC-MD-

VA MSA

2/

\$ 79,700<u>\*</u>\* \$ 85,600\*\* \$ 85,600\*\*

Norfolk-Virginia Beach

Newport News MSA

3/

\$ 73,100

Remainder of State

\$ 56,500 \$ 51,600 \$ 61,100

1/ Includes: Alexandria City, Fairfax City, Falls Church City, Manassas City, Manassas Park City, Arlington County, Fairfax County, Loudoun County, Prince William County, Stafford County.

\$ 68,300

s 58,500

2/ Includes: Chesapeake City, Norfolk City, Portsmouth City, Suffolk City, Virginia Beach City, Hampton City, Newport News City, Poquoson City, Williamsburg City, Gloucester County, James City County, York County.

- 3/ Any jurisdiction not a part of the Norther Virginia Planning District Washington, DC-MD-VA MSA or the Norfolk-Virginia Beach-Newport News MSA.
- NOTE: For information regarding maximum allowable sales prices of residences financed by the 1981A (13.7%), 1982A (13.85%) or "blend" of 1982A and 1982B (11.75%), please contact the VHDA Staff.
- \*\* For mortgage loans to be financed by 1980 Series B Bonds (12.5%) or by any of the Residential Mortgage Bonds (10.42%, 10.67%, 10.84%, 10.77% and 10.61%) issued prior to 1985, the maximum allowable sales prices for new construction and substantial rehabilitation shall be \$104,200 and for existing shall be \$90,300.

The applicable maximum allowable sales price for new construction shall be increased by the amount of any grant to be received by a mortgagor under the authority's Solar Home Grant Program in connection with the acquisition of a residence."

#### 1.4 § 2.5. Net worth.

To be eligible for VHDA financing, an applicant cannot have a net worth exceeding \$20,000 plus an additional \$1,000 of net worth for every \$5,000 of adjusted income over \$20,000.

Any income producing assets needed as a source of income in order to meet the minimum income requirments for an authority loan will not be included in the applicant's net worth for the purpose of determining whether this net worth limitation has been violated.

#### 1.5 § 2.6. Income requirements.

#### A. Maximum income.

The maximum adjusted incomes for eligible borrowers are shown on the following page shall be as follows:

MAXIMUM ALLOWABLE ADJUSTED INCOMES

Applicable to all bond issues except 1981A (13.7%), 1982A (13.85%) and

"blend" of 1982A and 1982B (11.75%)\*

Substantial

Construction Rehabilitation Existing

Northern-Virginia

Planning-District

Washington, DC-MD-VA

MSA

17 \$ 40,000\*\* \$ 40,000\*\* \$ 37,300 \*\* Norfolk-Virginia Beach Newport News MSA

2/

\$ 34,300 \$ 34,300 Remainder of State \$ 27,200 \$ 29,400 \$ 29,400

Monday, August 5, 1985

\$ 28,400

- 1/ Includes: Alexandria City, Fairfax City, Falls Church City, Manassas City, Manassas Park City, Arlington County, Fairfax County, Loudoun County, Prince William County, Stafford County.
- 2/ Includes: Chesapeake City, Norfolk City, Portsmouth City, Suffolk City, Virginia Beach City, Hampton City, Newport News City, Poquoson City, Williamsburg City, Gloucester County, James City County, York County.
- 3/ Any jurisdiction not a part of the Northern Virginia Planning District Washington, DC-MD-VA-MSA or the Norfolk-Virginia Beach-Newport News MSA.
- \* NOTE: For information regarding the maximum allowable adjusted incomes of persons or families acquiring residences financed by 1981 Series A (13.7%), 1982 Series A (13.85%) and "blend" of 1982A and 1982B (11.75%), please contact the VHDA staff.
- \*\* For mortgage loans to be financed by 1980 Series B Bonds (12.5%) or by any of the Residential Mortgage Bonds (10.42%, 10.67%, 10.84%, 10.77%, and 10.61%) issued prior to 1985, the maximum allowable adjusted incomes for new construction and substantial rehabilitation shall be \$49,200 and for existing shall be \$43,400.

#### B. Minimum income.

An applicant is eligible for VHDA financing if the monthly principal and interest, tax, insurance (PITI) and other additional monthly fees such as condominium assessments, townhouse assessments, etc. do not exceed 32% of monthly gross income. Also, the applicant is eligible when monthly PITI plus outstanding monthly installment loans with more than 6 six months duration do not exceed 40% of monthly gross income. (See Section II, Exhibit B)

#### 1.6 § 2.7. Calculation of loan amount.

Single family detached residence and townhouse (fee simple ownership) - Maximum of 95% of the lesser of the sales price or appraised value, except as may otherwise be approved by the authority.

Condominiums - 95% of the sales price or appraised value, whichever is less.

For the purpose of the above calculations, the value of personal property to be conveyed with the residence shall be deducted from the sales price. (See Exhibit R for examples of personal property.) Also, the value of personal property included in the appraisal must be deducted from the appraised value. (See Appraiser Report, Section II, Exhibit H.)

#### 1.7 § 2.8. Mortgage insurance requirements.

Unless the loan is insured or guaranteed by FHA or VA,

the borrower is required to purchase at time of loan closing full private mortgage insurance (25% to 100% coverage, as the authority shall determine) on all loans which exceed 80% of the lesser of sales price or appraised value. The PDS agent is required to escrow for annual payment of mortgage insurance. If VHDA requires FHA or VA insurance, the loan will be closed in the PDS agent's name and purchased by VHDA once the FHA Certificate of Insurance or VA Guaranty has been obtained. In the event VHDA purchases an FHA or VA insured loan, the PDS agent must enter into a purchase and sale agreement. (See Section II, Exhibit C.)

#### 1.8 § 2.9. Underwriting.

- A. Employment and income.
- B. Length of employment.
  - 1. The applicant must be employed a minimum of six months with present employer. An exception to the six-month requirement can be granted by VHDA if it can be determined that the type of work is similar to previous employment and previous employment was of a stable nature.
- C. Self-employed applicants.
  - 1. Any self-employed applicant must have a minimum of two years of self-employment with the same company and in the same line of work. The following information is required at the time of application:
    - $\pm$  a. Federal income tax returns for the two most recent tax years.
    - 2. b. Balance sheets and profit and loss statements prepared by an independent public accountant.

In determining the income for a self-employed applicant, income will be averaged for the two-year period.

- D. Income derived from sources other than primary employment.
  - E. Alimony and child support.
    - I. A copy of the legal document and sufficient proof must be sumitted to VHDA verifying that alimony and child support are court ordered and are being received.
  - F. Social security and other retirement benefits.

Social Security Form No. SSA 2458 must be submitted to verify that applicant is receiving social security benefits. Retirement benefits must be verified by receipt or retirement schedules. VA disability benefits must be verified by the VA educational benefits and social security benefits for dependents 15 years or older are not accepted as income in qualifying an applicant for a loan.

#### G. Part-time employment.

Part-time employment must be continuous for a minimum of 6 six months. Employment with different employers is acceptable so long as it has been uninterrupted for a minimum of six months. Part-time employment as used in this section means employment in addition to full-time employment.

Part-time employment as the primary employment will also be required to be continuous for six months.

NOTE: Under the Mortgage Subsidy Bond Tax Act of 1980, no part of the residence may be used in a trade or business.

#### H. Overtime, commission and bonus.

Overtime earnings must be guaranteed by the employer or verified for a minimum of two years. Bonus and commissions must be reasonably predictable and stable and the applicant's employer must submit evidence that they have been paid on a regular basis and can be expected to be paid in the future.

#### I. Credit.

VHDA requires that an applicant's previous credit experience be satisfactory. Poor credit references without an acceptable explanation will cause a loan to be rejected. Satisfactory credit references are considered to be one of the most important requirements in order to obtain a VHDA loan.

#### J. Bankruptices.

An applicant will not be considered for a loan if the applicant has been adjudged bankrupt within the past two years. If longer than two years, the applicant must submit a written explanation giving details surrounding the bankruptcy. VHDA has complete discretion to decline a loan when a bankruptcy is involved.

#### K. Judgments.

An applicant is required to submit a written explanation for all judgments. Judgments must be paid before an applicant will be considered for a VHDA loan.

1.9 § 2.10. Funds necessary to close.

#### A. Cash.

Funds necessary to pay the downpayment and closing costs must be deposited at the time of loan application. VHDA does not permit the applicant to borrow funds for this purpose. If the funds are being held in an escrow account by the real estate broker, builder or closing attorney, the source of the funds must be verified. A verification of deposit from the parties other than financial institutions authorized to handle deposited funds is not

acceptable.

#### B. Gift letters.

A gift letter is required when an applicant proposes to obtain funds from a third party. The gift letter must confirm that there is no obligation on the part of the borrower to repay the funds at any time. The party making the gift must submit proof that the funds are available. This proof should be in the form of a verification of deposit.

#### C. Housing expenses.

Proposed monthly housing expenses compared to current monthly housing expenses will be reviewed carefully to determine if there is a substantial increase. If there is a substantial increase, the applicant must demonstrate his ability to pay the additional expenses.

 $\frac{1.10}{5}$  § 2.11. Loan assumptions, leasing, terms and owner occupancy.

#### A. Loan assumptions.

VHDA does not currently permit loan assumptions, except that loan assumptions shall be permitted with respect to mortgage loans financed from the proceeds of the authority's single-family bonds issued on or after December 17, 1981, (loans numbered 40,000 and on) if the requirements set forth in Sections 1.2.1.B § 2.2.1 B and C and 1.2.2.B § 2.2.2. B herein are satisfied and if the assumption satisfies the VHDA underwriting criteria set forth herein. Such policy of permitting loan assumptions is subject to change at any time without notice by the authority in its discretion.

## B. Leasing.

The owner may not lease the property without VHDA's prior written consent.

#### C. Loan term.

Loan terms may not exceed 30 years.

#### D. Owner occupancy.

No loan will be made unless the residence is to be occupied by the owner as the owner's principal residence.

#### 1.11 § 2.12. Preparation of application package.

- A. The application package submitted to VHDA for approval must contain the following:
  - 1. Reservation card.
  - 2. Application the application must be made on Virginia Housing's approved application form.

# **Final Regulations**

- 3. Preliminary underwriting form.
- 4. Credit report issued by local credit bureau and miscellaneous information as applicable explanation of bankruptcies, etc., (and any additional documentation).
- 5. Verification of employment (and any additional documentation).
- 6. Verification of other income.
- 7. Verification of deposits (and any additional documentation).
- 8. Gift letters (and verification).
- 9. Sales contract contract must be signed by seller and all parties entering into the contract and state which parties are paying points and closing costs.
- 10. Appraisal (FHLMC # No. 70) form should be FNMA or FHLMC and should be completed by an appraiser who has been approved by FHLMC or a private mortgage insurer acceptable to Virginia Housing or who has a certification from a trade organization approved by Virginia Housing (photos and required supporting documentation).
- 11. Loan submission cover letter.
- 12. Appraiser's report.
- 13. Acquisition cost worksheet.
- 14. Affidavit of seller.
- 15. Affidavit of borrower.
- 16. Federal income tax returns copy of borrower's federal income tax returns to the extent required by Item 10 in the affidavit of borrower. (NOTE: If a letter from the IRS is to be delivered pursuant to paragraphs 1.2.1.83 § 2.2.1 B3 of the Processing, Disbursing Guide, such letter must be enclosed herewith).
- 17. Checklist for certain requirements of the Mortgage Subsidy Bond Tax Act of 1980.
- 18. Signed request for copy of tax returns ( # No. 4506).
- 19. HUD information booklet acknowledgement by applicant of receipt of HUD information booklet and estimate of the charges the borrower is likely to incur as required by the Real Estate Settlement Procedures Act of 1974, the Real Estate Settlement Procedures Act Amendments of 1975 (RESPA), and Regulations Z (Truth-In-Lending) as amended April 1, 1981. Acknowledgement can be made part of the application

- or can be a separate statement. Applicant must receive HUD information book the day application is made.
- 20. ECOA notice statement to borrower of provisions of the Equal Credit Opportunity Act, with borrower's acknowledgement of receipt.
- 21. Truth-in-lending disclosure.

After the application package has been completed, it should be forwarded to:

Single Family Division Virginia Housing Development Authority 13 South 13th Street Richmond, VA. 23219

#### 1.12 § 2.13. Commitment.

Upon approval of the applicant, VHDA will send a mortgage loan commitment (see Section II, Exhibit J) to the borrower in care of the agent. Also enclosed in this package will be other documents necessary for closing. The PDS agent shall ask the borrower to indicate his acceptance of the mortgage loan commitment by signing and returning it to the agent. A commitment must be issued in writing by an authorized officer of VHDA and signed by the applicant before a loan may be closed.

## § 2.13.1. Loan rejection.

If the borrower fails to meet VHDA underwriting criteria or if the property fails to meet VHDA property standards, a loan rejection letter will be issued by VHDA (see Section II, Exhibit L). If the application is resubmitted, the credit documentation cannot be more than 90 days old and the appraisal more than six months old.

#### 1.13 § 2.14. Loan settlement.

## A. Loan closing.

Upon the borrower's acceptance of the mortgage loan commitment, the PDS agent will send VHDA's letter of closing instructions (see Section II, Exhibit N) and the closing papers to the closing attorney. The PDS agent should thoroughly familiarize himself with the closing instructions and should fill in all blanks such as per diem interest, appraisal fee, credit report charges to be collected at closing, and any special requirements of the commitment before the closing instructions are forwarded to the closing attorney. VHDA will provide the PDS agent with the documents which the closing attorney is required to complete. After VHDA reviews the closing attorney's preliminary work and approves closing, a loan proceeds check will be sent to the the closing attorney or firm named in the commitment or binder as approved under the issuing company's insured closing service, along with additional closing instructions (see Section II, Exhibit M). Closing attorneys may use loan proceeds checks when in a position to conduct the loan closing and disburse proceeds in accordance with Virginia Housing's letter authorizing the closing and instructions previously issued by the PDS agent. It is the PDS agent's responsibility to see that all documents and checks are received immediately after loan closings and that they are completed in accordance with Virginia Housing's requirements, Regulation Z and ECOA. A certified or cashier's check is to be provided at loan closing for the buy-down points, if any. The check is to be payable to VHDA. Under the applicable federal regulations the original proceeds of the bond issue may not exceed the amount necessary for the "governmental purpose" thereof by more than 5% five percent . Payment of buy-down points out of mortgage loan proceeds would be using bond proceeds to pay interest rather than the proper "governmental purpose" of making mortgage loans. Therefore, it is required that buy-down fees be paid from the seller's own funds. Buy-down points may not be deducted from loan proceeds.

#### B. Post-closing requirements.

In accordance with Section § 9 of the PDS agreement, all post-closing documents, including the post-closing cover letter (see Section II, Exhibit P), should be forwarded as follows to:

Single Family Division
Post-Closing Section
Virginia Housing Development Authority
13 South 13th Street
Richmond, VA. 23219

Within (5) five days after the closing of the loan, the PDS agent must forward the fees, interest and any other money due VHDA, a repayment of VHDA's outstanding construction loan, if any, PMI affidavit and all closing documents except the original recorded deed of trust and title insurance policy.

Within forty-five (45) days after loan closing, the PDS agent shall forward to VHDA the originial recorded deed of trust and title insurance policy.

During the 120-day period following the loan closing the agent shall review correspondence, checks and other documents received from the borrower for the purpose of ascertaining that the address of the property and the address of the borrower are the same, and also to ascertain any change of address during such period and shall notify VHDA if such addresses are not the same or if there is any such change of address. Subject to VHDA's approval, the PDS agent may establish different procedures to verify compliance with the principal residence requirement in 1.2.1C. § 2.2.1.C. In the event the agent at any time otherwise becomes aware of the fact that any item noted on the checklist for certain requirements of the Mortgage Subsidy Bond Tax Act may not be correct or proper, the agent shall immediately notify the authority.

1.14 § 2.15. Property guidelines - existing housing.

All existing houses must meet the following minimum requirements; however, each house will be reviewed on a case-by-case basis with regard to marketability and security of the loan:

- 1. 100 amp electrical service is required.
- 2. No space heaters or circulators are allowed; however, a floor furnace or wall furnace is acceptable in a one-story house if such a furnace adequately heats the house.
- 3. Pier foundations are considered on a case-by-case basis.
- 4. All property must be located on a state-maintained road with a minimum frontage of 30 feet. No easements or right-of-ways are allowed as access to properties. House should not be located more than 200 feet from the state-maintained road.
- 5. Joint ownership of well and septic is not allowed and the well must be on the subject property.
- 6. Any easements which will adversely affect the marketability of the property, such as high-tension power lines, drainage or other utility easements will be considered on a case-by-case basis.
- 7. The floor plan must be acceptable with bathrooms and bedrooms centrally located and providing maximum privacy. Primary bathroom locations are not acceptable if the traffic patterns require entrance through another living area (e.g. a bathroom which opens directly into the kitchen).
- 8. The house must have a sufficient number of bedrooms to properly serve the borrower. Only bedrooms will be used as sleeping quarters, with each bedroom to be occupied by no more than two persons.
- 9. Mobile homes are not acceptable.

1.15 § 2.16. Property guidelines - New construction.

- A. All new homes must meet the Uniform Statewide Building Code (the "Code") and the Department of Housing and Urban Development Minimum Property Standards (MPS) in addition to the following VHDA underwriting requirements:
  - 1. Minimum of 4/12 pitch roof.
  - 2. Storm windows or double glazed windows are required.
  - 3. Insulated exterior doors or storm doors are required.

- 4. All property must be located on state-maintained roads.
- 5. Energy package in conformance with FHMA energy standards.
- 6. Mobile homes are not acceptable.
- B. Also, the following standards are preferred:
  - 1. All ceilings and 75% of the walls be 1/2 " inch drywall or plaster.
  - 2. Kitchen cabinets should comply with the following: doors should be a minimum of 5/8 " inch and end panels should be a minimum of 1/2 " inch thick. Materials should be wood or plywood. All stiles and rails should be of wood. Drawer fronts should be a minimum of 5/8 " inch and sides should be a minimum of 3/8 " inch wood or plywood, bottoms should be 1/4 " inch plywood. Shelves should be a minimum of 5/8 " inch wood, plywood or particle board. Plywood and particle board shelves should have edging.
  - 3. Ceiling height of 8 eight feet or greater.
  - 4. Pier foundations are discouraged except where brick or block curtain wall completely covers piers.
  - 5. Insulated sheathing.
  - 6. If vertical siding is used, fir, cedar or redwood is preferred.
  - 7. Fiberglass insulation in ceiling, floor and wall.
  - 8. The use of wood foundations is discouraged unless the type of construction results in substantial savings to be passed on to the buyer.
  - 9. Hardwood floors unless a 30 ounce carpet is used.
- 1.16 § 2.17. Substantially rehabilitated.
- A. For the purpose of qualifying as substantially rehabilitated housing under Virginia Housing's maximum sales price limitations, the housing unit must meet the following definition definitions:
  - I. Substantially rehabilitated means improved to a condition which meets VHDA underwriting/property standard requirements from a condition requiring more than routine or minor repairs or improvements to meet such requirements. The term includes repairs or improvements varying in degree from gutting and extensive reconstruction to cosmetic improvements which are coupled with the cure of a substantial accumulation of deferred maintenance, but does not mean cosmetic improvements alone.

- 2. For these purposes a substantially rehabilitated housing unit means a dwelling unit which has been substantially rehabilitated and which is being offered for sale and occupancy for the first time since such rehabilitation. The value of the rehabilitation must equal at least 25% of the total value of the rehabilitated housing unit.
- 3. The appraisal submitted with the loan application, must list the improvements and estimate the value of the improvements. Virginia Housing's staff will inspect each house submitted as substantially rehabilitated to ensure compliance with our underwriting-property standards.
- 4. VHDA will only approve rehabilitation loans to eligible borrowers who will be the first resident of the residence after the completion of the rehabilitation. As a result of the Mortgage Subsidy Bond Tax Act of 1980, the proceeds of VHDA cannot be used to refinance an existing mortgage, as explained in Section 1.2.1(D. § 2.2.1.D. (New mortgage requirement). VHDA will approve loans to cover the purchase of a residence, including the rehabilitation:
  - 1. a. Where the eligible borrower is acquiring a residence from a builder or other seller who has performed a substantial rehabilitation of the residence; and
  - 2. b. Where the eligible borrower is acquiring an unrehabilitated residence from the seller and the eligible borrower contracts with others to perform a substantial rehabilitation or performs the rehabilitation work himself prior to occupancy.
- 1.17 § 2.18. Condominium requirements.
  - A. Policy on condominiums.
    - 1. The PDS agent must provide evidence that the condominium is approved by any two of the following: FNMA, FHLMC or VA. The PDS agent must submit evidence at the time the borrower's application is submitted to Virginia Housing for approval.
    - 2. At the time the borrower's loan application is submitted for the financing of a unit in any condominium in which Virginia Housing has not previously financed the purchase of any units, Exhibit U providing basic information about the condominium must be completed by the Unit Owners Association. The most recent financial statement and operating budget of the condominium (or, in the case of a newly constructed or converted condominium, a copy of the projected operating budget and a copy of the most recent financial statement, if any) must also be submitted. Virginia Housing will review the above described form and financial information. If on the basis of such review Virginia Housing finds the condominium to be acceptable, the condominium will

be approved and the individual loan application will be processed. Exhibit U requires that the Unit Owners Association agree to submit to Virginia Housing upon its request, the condominium's annual financial statements, operating budget and other information as Virginia Housing may require. The association is also required to agree that Virginia Housing shall have a right to inspect the condominium and its records. The form states that failure to comply with the foregoing shall be grounds for Virginia Housing's termination of its approval of the condominium.

- 3. Each year Virginia Housing will send Exhibit V to the Unit Owners Association requesting information concerning the condominium including a statement as to the status of the VA, FNMA and/or FHLMC approvals and a copy of the condominium's financial statement and operating budget. The association will be advised that if the request for information is not received within 90 days from the date of the request. Virginia Housing may terminate its approval of the condominium. Virginia Housing will review the financial statement and operating budget and the questionnaire and if the condominium remains in satisfactory condition, Virginia Housing will continue to make mortgage loans on the units subject to the limitations in paragraph 4 below. In the event Virginia Housing determines a condominium is not in satisfactory condition, the Unit Owners Association will be given 60 days to correct the deficiencies. If the deficiencies are not corrected to the satisfaction of Virginia Housing, the condominium will no longer be approved for financing. The requirements and procedures in this section will also apply to condominiums previously approved by Virginia Housing.
- 4. If a condominium is approved by FNMA, Virginia Housing will make mortgage loans on no more than 50% of the units in the condominium. If the condominium is not approved by FNMA, Virginia Housing will make mortgage loans on no more than 25% of the units in the condominium. If a condominium is to be phased, the foregoing percentage limits will be applied to each phase until all phases are completed. If the condominium has been previously approved by Virginia Housing and exceeds the foregoing percentage limitations, Virginia Housing will make no further mortgage loans for the purchese of the units in the condominium until such time as its percentage limits are no longer violated.

# **GOVERNOR**

# GOVERNOR'S COMMENTS ON PROPOSED REGULATIONS

(Required by § 9-6.14:9.1 of the Code of Virginia)

Title of Regulation: Rules and Regulations of the State Board of Architects, Professional Engineers, Land Surveyors and Certified Landscape Architects (VR 130-01-2).

Agency: State Board of Architects, Professional Engineers, Land Surveyors and Certified Landscape Architects

Governor's Comment:

I have no objections to the proposed regulations as presented.

/s/ Charles S. Robb Date: July 3, 1985

Title of Regulation: Public Participation Guidelines (VR 364-01-1).

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Agency: Virginia Commission of Health Regulatory Boards

Governor's Comment:

I have no objections to the proposed public participation guidelines as presented.

/s/ Charles S. Robb Date: July 7, 1985

Title of Regulation: Public Participation Guidelines (VR 365-01-1).

Agency: Department of Health Regulatory Boards

Governor's Comment:

I have no objections to the proposed public participation guidelines as presented.

/s/ Charles S. Robb Date: July 7, 1985

#### COMMONWEALTH OF VIRGINIA

Office of the Governor

July 11, 1985

Mr. O. Gene Dishner, Director

Department of Mines, Minerals and Energy 2201 West Broad Street Richmond, Virginia 23220

I'm writing to provide my comments on the proposed Chapter 19, Coal Surface Mining Reclamation Regulations (VR 480-03-19) as required under the procedures of the Administrative Process Act. The proposed regulations were reviewed by my office as provided in Executive Order 52 (84) under the regulatory review process for existing regulations.

As established in the April 24, 1985, memorandum from my office, I am withholding final comment on these rules pending review of the public comments received and the department's response to the issues raised during the established public comment period. Upon receipt and review of these materials, I will provide final comment for your consideration prior to final adoption of these regulations.

/s/ Charles S. Robb

Title of Regulations: Virginia Fuel Assistance Program: Fuel Assistance, Energy Crisis Assistance Program and Administrative Costs (VR 615-08-1).

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Agency: Department of Social Services Virginia Fuel Assistance Program

Governor's Comment:

I have no objections to the proposed regulations as presented.

/s/ Charles S. Robb Date: July 3, 1985

#### **EXECUTIVE ORDER NUMBER 57 (85)**

# DECLARATION OF A STATE OF EMERGENCY FOR THE CITY OF CLIFTON FORGE, VIRGINIA

During the morning hours of May 4, 1985, a mud slide occurred which created permanent disruption of water service to approximately 1,500 residents of the City of Clifton Forge, Virginia. The cause of the slide was a leaking water line at the top of the slide area which supersaturated the soil to the point that it could not sustain its own weight. The resulting slide destroyed a light pole, city water system pumping station and water pipe, and caused considerable damage to a city recreational park. Temporary measures for providing potable water to the affected populace have been utilized since the event, causing a great financial burden to the

city. Permanent restoration of the water pumping facilities will also be quite costly.

The health and general welfare of the citizens of the affected jurisdiction require that state action be taken to help alleviate the conditions brought about by this situation, which constitutes an emergency as contemplated under the provisions of § 44-146.16, of the Code of Virginia.

Now, therefore, I, Charles S. Robb, pursuant to § 44-146.17, do hereby proclaim a state of emergency to exist in the affected area of the Commonwealth and direct that appropriate assistance be rendered by agencies of state and local government to alleviate these conditions.

This Executive Order will terminate on June 30, 1986, unless otherwise extended by the Governor.

Given under my hand and under the seal of the Commonwealth of Virginia, at Richmond, this 11th day of July, 1985.

/s/ Charles S. Robb Governor

# GENERAL NOTICES/ERRATA

Symbol Key † † Indicates entries since last publication of the Virginia Register

# NOTICES OF INTENDED REGULATORY ACTION

# VIRGINIA DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES

#### Notice of Intended Regulatory Action

Notice is hereby given in accordance with this agency's public participation guidelines that the Virginia Department of Agriculture and Consumer Services intends to consider amending regulations entitled: Cotton Bollweevil Quarantine. The proposed regulations will amend the current quarantine so Virginia can participate in a continued multistate cooperative effort to monitor and eradicate, if necessary, cotton bollweevil from Virginia, North Carolina, and South Carolina by requiring (i) cotton growers to declare intentions of acreage in cotton to be grown each year, and (ii) require a payment of \$10 per acre of cotton grown to defray the cost of the program.

The requested amendments were part of the original bollweevil quarantine adopted December 14, 1977, but were deleted on February 26, 1981, when eradication was achieved. Additional efforts are now needed to keep Virginia free of cotton bollweevil.

Statutory Authority: §§ 3.1-188.23 through 3.1-188.24 of the Code of Virginia.

Written comments may be submitted to Raymond D. Vaughan.

CONTACT: Raymond D. Vaughan, Secretary, State Board of Agriculture and Consumer Services, P. O. Box 1163, Richmond, Va. 23209, telephone (804) 786-3501.

#### **BOARD OF CORRECTIONS**

#### † Notice of Intended Regulatory Action

Notice is hereby given in accordance with this agency's public participation guidelines that the Board of Corrections intends to consider amending regulations entitled: Public Participation Guidelines. The proposed amendments set forth the procedures for public participation in the development of regulations and

standards for corrections. This amendment will bring the Public Participation Guidelines in compliance with changes in the Administrative Process Act effective July 1, 1985.

Statutory Authority: § 9-6.14:1 of the Code of Virginia.

Written comments may be submitted until August 15, 1985, to Department of Corrections, P. O. Box 26963, Richmond, Virginia 23261.

CONTACT: Robert E. Cousins, Agency Regulatory Coordinator, 4615 W. Broad St., Room 305, Richmond, Va. 23261, telephone (804) 257-1943.

#### CRIMINAL JUSTICE SERVICES BOARD

#### Notice of Intended Regulatory Action

Notice is hereby given in accordance with this agency's public participation guidelines that the Criminal Justice Services Board intends to consider amending regulations entitled: Rules and Regulations Relating to Criminal History Record Information - Part I. The proposed amendment to § 4.0 of current regulations will permit criminal justice agencies to establish a fee for copying and search time expended when criminal history record information is requested.

Statutory Authority: § 9-170(1) of the Code of Virginia.

Written comments may be submitted until August 9, 1985, to J. W. Matthews, Department of Criminal Justice Services, 805 East Broad Street, Richmond, Virginia 23219.

CONTACT: Joe Marshall, Executive Assistant, 805 E. Broad St., Richmond, Va. 23219, telephone (804) 786-8730.

# **DEPARTMENT OF GENERAL SERVICES Division of Consolidated Laboratory Services**

## † Notice of Intended Regulatory Action

Notice is hereby given in accordance with this agency's public participation guidelines that the Department of General Services, Division of Consolidated Laboratory Services intends to consider amending regulations entitled:

Regulations for Breath Alcohol Testing. The proposed amendments will prescribe methods for the determination of alcohol content in the blood by chemical analyses of the breath of a person arrested or detained for suspicion of driving a motor vehicle while under the influence of alcohol; to establish procedures for licensing of persons to perform such analyses; and, to establish criteria for approval of breath test instruments.

Statutory Authority: §§ 18.2-267 and 18.2-268 of the Code of Virginia.

Written comments may be submitted until September 3, 1985, to Dr. Paul Ferrara, Department of General Services, Division of Consolidated Laboratory Services, 1 North 14th Street, Richmond, Virginia 23219.

CONTACT: Peter Marone, Breath Alcohol Test Coordinator, Department of General Services, Division of Consolidated Laboratory Services, 1 N. 14th St., Richmond, Va. 23219, telephone (804) 225-3192

# BOARD OF HOUSING AND COMMUNITY DEVELOPMENT

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#### Notice of Intended Regulatory Action

Notice is hereby given in accordance with this agency's public participation guidelines that the Board of Housing and Community Development intends to consider amending regulations entitled: Uniform Statewide Building Code. The proposed regulations will prohibit the use of 50/50 lead solder or lead-containing fluxes in plumbing that supplies drinking water in buildings, as proposed by the state health commissioner based on a study that showed a significant number of instances of lead levels exceeding the present standard. The state health commissioner's report is available for inspection at the address below.

Statutory Authority: § 36-98 of the Code of Virginia.

Written comments may be submitted until September 16, 1985.

CONTACT: C. S. Mullen, Deputy Director, Department of Housing and Community Development, 205 N. 4th St., 4th Floor, Richmond, Va. 23219, telephone (804) 786-4751

## Notice of Intended Regulatory Action

Notice is hereby given in accordance with this agency's public participation guidelines that the Board of Housing and Community Development intends to consider amending regulations entitled: Urban Enterprise Zone Program Regulations. The purpose of the proposed regulations is to

bring the Urban Enterprise Zone Program Regulations in line with the 1985 amendments to the Code of Virginia.

Statutory Authority: § 59.1-278 of the Code of Virginia.

Written comments may be submitted until September 16, 1985, to Neal J. Barber, Acting Director, Department of Housing and Community Development, 205 N. 4th St., Richmond, Virginia 23219.

CONTACT: Stanley S. Kidwell, Jr., Associate Director, Virginia Department of Housing and Community Development, 205 N. 4th St., Richmond, Va. 23219, telephone (804) 786-4966.

#### DEPARTMENT OF MEDICAL ASSISTANCE SERVICES

# Notice of Intended Regulatory Action

Notice is hereby given in accordance with this agency's public participation guidelines that the Department of Medical Assistance Services intends to consider amending regulations entitled: Inpatient Hospital Reimbursement Rates. The purpose of the proposed amendments is to establish the methods by which the agency determines reimbursement rates for inpatient hospitals.

Statutory Authority: §§ 32.1 - 32.5 of the Code of Virginia.

Written comments may be submitted until August 30, 1985.

CONTACT: Ray T. Sorrell, Director, Department of Medical Assistance Services, 109 Governor St., 8th Floor, Richmond, Va. 23219, telephone (804) 786-7933.

#### VIRGINIA BOARD OF PROFESSIONAL COUNSELORS

# Notice of Intended Regulatory Action

Notice is hereby given in accordance with this agency's public participation guidelines that the Virginia Board of Professional Counselors intends to promulgate regulations entitled: **Public Participation Guidelines.** The purpose of the proposed regulations is to establish guidelines for soliciting participation of interested parties in the revision and adoption of regulations.

Statutory Authority:  $\S\S$  9-6.14:7.1 and 54-929 of the Code of Virginia.

Written comments may be submitted until August 8, 1985.

CONTACT: John W. Braymer, Ph.D., Executive Director,

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Monday, August 5, 1985

517 W. Grace St., P. O. Box 27708, Richmond, Va. 23261, telephone (804) 786-7702.

#### VIRGINIA BOARD OF PSYCHOLOGY

#### Notice of Intended Regulatory

Notice is hereby given in accordance with this agency's public participation guidelines that the Virginia Board of Psychology intends to consider promulgating regulations entitled: Public Participation Guidelines. The purpose of the proposed regulations is to establish guidelines for soliciting participation of interested parties in the revision and adoption of regulations.

Statutory Authority:  $\S\S$  9-6.14:7.1 and 54-929 of the Code of Virginia.

Written comments may be submitted until August 8, 1985.

CONTACT: John W. Braymer, Ph.D., Executive Director, 517 W. Grace St., P. O. Box 27708, Richmond, Va. 23261, telephone (804) 786-7702.

## VIRGINIA BOARD OF SOCIAL WORK

#### Notice of Intended Regulatory Action

Notice is hereby given in accordance with this agency's public participation guidelines that the Virginia Board of Social Work intends to consider promulgating regulations entitled: **Public Participation Guidelines.** The purpose of the proposed regulations is to establish guidelines for soliciting participation of interested parties in the revision and adoption of regulations.

Statutory Authority: §§ 9-6.14:7.1 and 54-929 of the Code of Virginia.

Written comments may be submitted until August 8, 1985.

CONTACT: John W. Braymer, Ph.D., Executive Director, 517 W. Grace St., P. O. Box 27708, Richmond, Va. 23261, telephone (804) 786-7702.

# VIRGINIA SUBSTANCE ABUSE CERTIFICATION COMMITTEE

#### Notice of Intended Regulatory Action

Notice is hereby given in accordance with this agency's public participation guidelines that the Virginia Substance Abuse Certification Committee intends to consider promulgating regulations entitled: **Public Participation Guidelines.** The purpose of the proposed regulations is to establish guidelines for soliciting participation of interested parties in the revision and adoption of regulations.

Statutory Authority: §§ 9-6.14:7.1 and 54-929 of the Code of Virginia.

Written comments may be submitted until August 8, 1985.

CONTACT: John W. Braymer, Ph.D., Executive Director, 517 W. Grace St., P. O. Box 27708, Richmond, Va. 23261, telephone (804) 786-7702.

#### DEPARTMENT OF TAXATION

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## † Notice of Intended Regulatory Action

Notice is hereby given in accordance with this agency's public participation guidelines that the Department of Taxation intends to consider amending regulations entitled: Virginia Individual Income Tax — VR 630-2-325: Taxable Income of Nonresidents; VR 630-2-332: Credit for Income Taxes Paid Another State. The purpose of the proposed amendments is to conform to the change made by the 1985 General Assembly to § 58.1-332 of the Code of Virginia (Chapter 466, Senate Bill 651). This code section was amended to provide an individual income tax credit to individual shareholders of a S corporation which has paid corporation income tax to a state which does not recognize the federal S election.

Statutory Authority: § 58.1-203 of the Code of Virginia.

Written comments may be submitted until September 9, 1985.

CONTACT: Danny M. Payne, Director, Tax Policy Division, Virginia Department of Taxation, P. O. Box 6-L, Richmond, Va. 23282, telephone (804) 257-8010.

#### Notice of Intended Regulatory Action

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Notice is hereby given in accordance with this agency's public participation guidelines that the Department of Taxation intends to consider amending regulations entitled: VR 630-10-3, Virginia Retail Sales and Use Tax Regulations: Advertising. The purpose of the proposed regulations is to reflect the 1985 legislative changes concerning the application of the Virginia Retail Sales and Use Tax to advertising, and any other changes necessary

to clarify the regulations. An informal meeting with interested persons will be held on August 28, 1985.

Statutory Authority: § 58.1-203 of the Code of Virginia.

Written comments may be submitted until August 26, 1985.

CONTACT: Danny M. Payne, Director, Tax Policy Division, P. O. Box 6-L, Richmond, Va. 23282, telephone (804) 257-8011.

#### Notice of Intended Regulatory Action

Notice is hereby given in accordance with this agency's public participation guidelines that the Department of Taxation intends to consider amending regulations entitled: VR 630-10-86, Virginia Retail Sales and Use Tax Regulations: Printing. The purpose of the revised regulations will be to incorporate a 1985 legislative change relating to the printing of certain materials for use outside the state and to make other changes as needed to clarify or improve the existing regulation. See meeting notice in the Calendar of Events section in this edition of The Virginia Register.

Statutory Authority: § 58.1-203 of the Code of Virginia.

Written comments may be submitted until August 27, 1985.

CONTACT: Danny M. Payne, Director, Tax Policy Division, Department of Taxation, P. O. Box 6-L, Richmond, Va. 23282, telephone (804) 257-8010.

#### Notice of Intended Regulatory Action

Notice is hereby given in accordance with this agency's public participation guidelines that the Department of Taxation intends to promulgate regulations entitled: VR 630-28-796.25, Virginia Cattle Tax. The purpose of the proposed regulations is to relect the 1985 legislative changes concerning the transfer of authority for collecting and recording the Virginia Cattle Tax from the Virginia Cattle Industry Commission to the Department of Taxation.

Statutory Authority: § 58.1-203 of the Code of Virginia.

Written comments may be submitted until August 23, 1985.

CONTACT: Danny M. Payne, Director, Tax Policy Division, Department of Taxation, P. O. Box 6-L, Richmond, Va. 23282, telephone (804) 257-8010.

#### STATE WATER CONTROL BOARD

#### † Notice of Intended Regulatory Action

Notice is hereby given in accordance with this agency's public participation guidelines that the State Water Control Board intends to consider amending regulations entitled: Water Quality Standards, § 1.10 B2 - Mercury in Freshwater. The purpose of the proposed amendments is to amend the agency's water quality standard for mecury to require reporting levels of mercury in edible fish tissue in freshwater as methyl rather than total mercury in order to comply with the Food and Drug Administration changes in the basis of mercury action level.

Statutory Authority: § 62.1-44.15(3)(a) of the Code of Virginia.

Written comments may be submitted until September 4, 1985.

CONTACT: Jean W. Gregory, Water Resource Ecology Supervisor, State Water Control Board, P. O. Box 11143, Richmond, Va. 23230, telephone (804) 257-6985.

#### GENERAL NOTICES

#### NOTICE TO STATE AGENCIES

Re: Forms for filing material on dates for publication in The Virginia Register of Regulations.

All agencies are required to use the appropriate forms when furnishing material and dates for publication in <u>The Virginia Register of Regulations</u>. The forms are supplied by the office of the Registrar of Regulations. If you do not have any forms or you need additional forms, please contact: Ann M. Brown, Assistant Registrar of Regulations, Virginia Code Commission, P. O. Box 3-AG, Richmond, Va. 23208, telephone (804) 786-3591.

#### FORMS:

Proposed (Transmittal Sheet) RR01 Final (Transmittal Sheet) RR02 Notice of Meeting RR03 Notice of Intended Regulatory Action RR04 Notice of Comment Period RR05 Agency Response to Legislative or Gubernatorial Objections RR06

#### NOTICE TO STATE AGENCIES

A list of major meetings of various trade associations and organizations is maintained in the office of the Registrar of Regulations. Upon request, this list will be made available to you in order that you can avoid conflicts when setting up meetings and hearings.

# General Notices/Errata

# NOTICE TO TRADE ASSOCIATIONS AND ORGANIZATIONS

The 1985-1986 listing of major meetings of certain organizations and associations is being updated. If you would like your organization's annual or semi-annual meeting listed, please advise the office of the Registrar of Regulations, Virginia Code Commission, P. O. Box 3-AG, Richmond, Virginia 23208, telephone (804) 786-3591.

# CALENDAR OF EVENTS

Symbol Key † † Indicates entries since last publication of the Virginia Register

NOTICE: Only those meetings which are filed with the Registrar of Regulations by the filing deadline noted at the beginning of this publication are listed. Since some meetings are called on short notice, please be aware that this listing of meetings may be incomplete. Also, all meetings are subject to cancellation and the Virginia Register deadline may preclude a notice of such cancellation.

For additional information on open meetings and public hearings held by the Standing Committees of the Legislature during the interim, please call Legislative Information at (804) 786-6530.

THE VIRGINIA CODE COMMISSION

#### **EXECUTIVE**

#### VIRGINIA DEPARTMENT FOR THE AGING

September 24, 1985 - 1:30 p.m. - Public Hearing State Capitol, Capitol Square, House Room 1, Richmond, Virginia. (Location accessible to handicapped.)

Notice is hereby given in accordance with § 9-6.14:7.1 of the Code of Virginia that the Virginia Department for the Aging intends to repeal regulations entitled: Regulations Concerning Area Plans for Aging Services.

#### **STATEMENT**

Description: The regulations (i) set forth methods for designating planning and service areas and area agencies on aging in Virginia, (ii) describes the process of allocating funds among the planning and service areas, and (iii) provides guidance to the area agencies on aging in the development and implementation of their area plans for aging services.

Subject, Substance, Issues, Basis, and Purpose: The Virginia Department for the Aging is taking this action because some sections of the regulations are outdated and other sections duplicate provisions in the State Plan for Aging Services approved by the Governor.

Statutory Authority: § 2.1-373(7) of the Code of Virginia.

Written comment may be submitted until September 27,

1985.

Contact: Betty J. Reams, Assistant Commissioner, Virginia Department for the Aging, 101 N. 14th St., 18th Floor, Richmond, Va. 23219, telephone (804) 225-2271

# DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES

August 6, 1985 - 2 p.m. - Public Hearing Board of Agriculture and Consumer Services, Washington Building, 1100 Bank Street, Board Room, Second Floor, Richmond, Virginia. (Location accessible to handicapped.)

Notice is hereby given in accordance with § 9-6.14:7.1 of the Code of Virginia that the Department of Agriculture and Consumer Services intends to amend the following regulations:

1. Reporting Requirements for Contagious and Infectious Diseases of Livestock in Virginia. (VR 115-02-01) This regulation requires practicing veterinarians in Virginia to report the existence of certain livestock diseases to the State Veterinarian.

#### **STATEMENT**

<u>Subject and Substance:</u> The proposed regulation replaces AHD 1 (Prevention, Control and Eradication of Contagious and Infectious Diseases of Livestock in Virginia). No change is made in policy.

Basis: Communicable diseases of animals are a direct economic menace to the producer. Some of these diseases constitute a direct threat to human health. The prompt notification of the disease, species and numbers involved and location(s) affected are necessary for the prevention and control of disease.

<u>Purpose:</u> To require veterinarians practicing in Virginia to report to the State Veterinarian the existence of certain contagious or infectious diseases among livestock.

Impact: 1,722 practicing veterinarians are affected by this regulation.

Statutory Authority:  $\S$  3.1-726 of the Code of Virginia.

2. Rules and Regulations Governing the Prevention, Control and Eradication of Bovine Tuberculosis in Virginia. (VR 115-02-02) This regulation prescribes requirements and methods for the prevention, control and eradication of bovine tuberculosis in Virginia.

Monday, August 5, 1985

#### **STATEMENT**

<u>Subject and Substance:</u> The proposed regulation replaces AHD 2 (Prevention, Control and Eradication of Contagious and Infectious Diseases of Livestock in Virginia - Regulation 2). No change is made in policy.

Basis: Bovine tuberculosis is a highly infectious and debilitating disease and it is transmissible from infected animals to man; therefore, its prevention, control and eradication is of paramount interest to the cattle producer and to the general public. Virginia has maintained a bovine tuberculosis free status for more than 10 years, thereby permitting interstate and international trade of its cattle without restrictions due to this disease. This regulation is essential in continuing a bovine tuberculosis free status in Virginia.

<u>Purpose:</u> To prescribe the method of reporting and testing bovine tuberculosis, the means of identifying animals passing and reacting to the test, the handling and disposition of reactor animals and the disposition of tuberculosis infected herds.

Impact: 1,722 practicing veterinarians and 39,000 cattle owners are affected by this regulation.

Statutory Authority: §§ 3.1-724, 3.1-730 and 3.1-749 of the Code of Virginia.

3. Rules and Regulations Govering the Control and Eradication of Brucellosis of Cattle in Virginia. (VR 115-02-03) This regulation prescribes requirements and methods for preventing, controlling and eradicating bovine brucellosis in Virginia.

#### **STATEMENT**

<u>Subject and Substance:</u> This regulation replaces regulation AHD 3 (Prevention, Control and Eradication of Contagious and Infectious Diseases of Livestock in Virginia - Regulation 3 (Brucellosis of Cattle)) and incorporates Limited General Quarantine Order No. 1981-1. No change is made in policy.

Basis: Brucellosis in cattle is a highly infectious disease and causes substantial economic losses for producers whose herds are affected. It is transmissible to man in whom its effects can be devastating. Accordingly, its prevention, control and eradication is of major interest to cattle breeders/producers and to the general public. Interstate and international trade in cattle from Virginia could be severely impacted if this disease were permitted to progress unchecked in the Commonwealth. The regulatory authority and actions expressed in this regulation are necessary if the cattle industry of Virginia is to continue to experience success with its animals in the market place.

<u>Purpose:</u> To prescribe the method of testing of bovine brucellosis, the means of indentifying animals passing and

reacting to the test, the handling and movement of tested cattle within the Commonwealth, the procedures for the vaccination of calves and adult cattle and the identification of same, the definition of brucellosis-free certified herds and the classification status of brucellosis in Virginia, and the method for depopulating brucellosis infected herds in the Commonwealth.

Impact: 1,722 practicing veterinarians and 39,000 cattle owners are affected by this regulation.

Statutory Authority: §§ 3.1-724, 3.1-725 and 3.1-749 of the Code of Virginia.

4. Rules and Regulations Governing the Operation of Livestock Markets. (VR 115-02-04) This regulation prescribes requirements for handling animals at livestock markets, acceptable standards of livestock markets, and procedures employed when inspecting markets to determine compliance.

#### **STATEMENT**

<u>Subject and Substance:</u> This regulation replaces regulation AHD 4 (Operation of Livestock Markets) and incorporates Livestock Market Brucellosis Testing Order No. 1981-2. No change is made in policy.

Basis: When animals are subjected to common collection points, such as livestock markets, the risk of pooling and interchanging infectious agents is enhanced considerably if these facilities are not maintained in acceptably clean and sanitary conditions. The requirements of this regulation must be enforced to minimize and control the spread of animal diseases among animals passing through the 38 livestock markets located in Virginia.

<u>Purpose:</u> To prescribe the regulatory procedures for handling animals passing through Virginia livestock markets and to establish sanitary standards for these facilities and methods for their enforcement.

Impact: Thiry-eight operators of livestock markets in Virginia are affected on a direct basis. Also affected are the numerous buyers and sellers who utilize these markets as places to exchange ownership of animals.

Statutory Authority:  $\S\S$  3.1-724, 3.1-730 and 3.1-757 of the Code of Virginia.

5. Health Requirements Governing the Control or Equine Infectious Anemia in Virginia. (VR 115-02-05) This regulation prescribes testing for intrastate and interstate shipment of horses and prescribes disposition of test reactors.

#### **STATEMENT**

<u>Subject</u> and <u>Substance</u>: This regulation replaces regulations AHD 10 of the same title. No changes are made in policy.

Basis: Equine infectious anemia is a debilitating viral disease which can terminate in the death of the infected animal. Its ready transmission by biting insects or other blood-letting procedures permits its easy spread from infected to noninfected individuals. Regulatory control of horses in intrastate, interstate and international shipments and the identification and control of horses infected with this disease is highly desirable in preventing and controlling this disease in the equine population of Virginia.

<u>Purpose:</u> To specify Virginia's testing requirements for equine infectious anemia (EIA) for intrastate and interstate shipments of horses, and to define those regulatory actions to be taken for those animals which react positively to the official EIA test.

<u>Impact:</u> The provisions of this regulation directly affect 36,469 Virginia breeders and owners of horses.

Statutory Authority: §§ 3.1-724 through 3.1-730 of the Code of Virginia.

6. Requirements Governing the Branding of Cattle in Virginia. (VR 115-02-06) This regulation prescribes a program for branding of cattle by owners who voluntarily subscribe and register as participants under the program.

#### **STATEMENT**

Subject and Substance: This regulation replaces AHD 11 of the same title. No change is made in policy.

Basis: Positive life-time indentification for legal ownership is highly desirable when property is easily lost, strayed or stolen as exemplified by farm or range cattle. Establishment of a workable and creditable indentification system for this purpose on a statewide basis is possible only if permitted under the auspices of the government of the Commonwealth.

<u>Purpose:</u> To establish within state government a voluntary cattle branding system which provides for the design, registration, application and administration of unique identifying brands to Virginia cattle owners who desire to be participants in this statewide indetification system.

Impact: 39,000 cattle owners are eligible to participate in this branding system. Thirty-eight operators of livestock markets in Virginia are required to maintain a copy of the register of brands in their places of business.

Statutory Authority: § 3.1-796.36 of the Code of Virginia.

7. Control and Eradication of Pullorum Disease and Fowl Typhoid Flocks and Hatcheries and Products in Virginia. (VR 115-02-07) This regulation prescribes requirements for control and eradication of pullorum disease and fowl typhoid in poultry flocks and hatcheries in Virginia.

#### STATEMENT

<u>Subject and Substance:</u> This regulation replaces an unnumbered AHD regulation of the same title. No change is made in policy.

Basis: Pullorum disease and fowl typhoid have the proven capabilities to devastate any poultry industry. An in-place program to guard against and to take immediate steps to eradicate these diseases, when and if they appear in Virginia, is required to protect the interests of producers and consumers of poultry products in the Commonwealth.

<u>Purpose:</u> To require flocks of poultry in Virginia to be maintained in a U. S. Pullorum-Typhoid Clean status at all times thus qualifying products of these flocks for movement within and without the Commonwealth in conformance with established national and international standards.

Impact: This regulation affects 6,948 breeders and owners of poultry in Virginia.

Statutory Authority: §§ 3.1-724 and 3.1-730 of the Code of Virginia.

8. Rules and Regulations Governing the Qualifications for Humane Investigators. (VR 115-02-08) This regulation prescribes eligibility, training, examination and appointment for becoming a certified humane investigator in Virginia.

#### **STATEMENT**

<u>Subject and Substance:</u> This regulation replaces regulation AHD 13 (Qualifications for Humane Investigators). No change is made in policy.

Basis: Animals in Virginia recurringly are subjected to treatment or conditions that are, or are interpreted to be, inhumane. When investigations of inhumane treatment or conditions are made, they should be performed in an objective, efficient, effective and uniform manner. The features of a desirable investigation can be obtained only through training of investigators using uniform methods and guidelines to qualify them to perform this work.

<u>Purpose:</u> To prescribe the eligibility, training, examination and appointment requirements for individuals who desire to be certified as humane investigators in Virginia.

Impact: This regulation affects approximately 50 persons annually who desire to become humane investigators.

Statutory Authority: § 29-213.75 of the Code of Virginia.

9. Guidelines Pertaining to A Pound or Enclosure To Be Maintained By Each County or City. (VR 115-02-09) This regulation prescribes a uniform set of standards to follow for the construction and operation of pounds and enclosures in Virginia.

#### **STATEMENT**

<u>Subject and Substance:</u> This regulation replaces regulation ADH 15 of the same title. No change is made in policy.

Basis: Guidelines for the construction and operation of humanely suitable pounds and enclosures to confine stray animals are required to ensure the uniform humane treatment of these animals in Virginia.

<u>Purpose</u>: In addition to providing a uniform set of standards to follow, the regulation also outlines acceptable sanitary practices at these facilities, the euthanasia methods to be used and the proper disposal of dead animals from these establishments.

Impact: 135 counties and municipal governments in the Commonwealth are affected by this regulation.

Statutory Authority: § 29-213.66 of the Code of Virginia.

10. Rules and Regulations Governing the Recordkeeping By Virginia Cattle Dealers For the Control or Eradication of Brucellosis of Cattle. (VR 115-02-10) This regulation prescribes records to be kept by registered cattle dealers in Virginia which will assist in tracing diseased animals to their points of origin.

#### **STATEMENT**

<u>Subject and Substance:</u> This regulation replaces regulation AHD 16 (Recordkeeping by Virginia Cattle Dealers for the Control or Eradication of Brucellosis of Cattle). No change is made in policy.

Basis: Brucellosis in cattle is a highly infectious disease which causes substantial economic losses for producers whose herds are affected. It is transmissible to man in whom its effects can be devastating. Because livestock dealers operate on an intrastate and interstate basis, and because state and interstate highways readily facilitate the movement of cattle by these dealers, it is imperative that controls of dealer actions through the requirement of mandatory records of purchases, sales and movement of cattle be established by state regulations. These records can provide vital information in the tracing of a diseased animal through dealers and markets to its point of origin. Once the latter is known, proper prevention, control and eradication actions for the disease can be initiated with greater possibility of success.

<u>Purpose:</u> To prescribe the records that are to be maintained by cattle dealers in Virginia when cattle are bought, sold or moved by them for breeding or replacement purposes.

<u>Impact:</u> 354 cattle dealers in Virginia are affected by this regulation.

Statutory Authority: §§ 3.1-724 and 3.1-730 of the Code of Virginia.

11. Rules and Regulations Governing Laboratory Fees For Services Rendered or Performed. (VR 115-02-11) This regulation provides certain laboratory diagnostic services to practicing veterinarians on a fee-for-services basis.

#### STATEMENT

<u>Subject and Substance:</u> This regulation replaces ADH 14 (Rules and Regulations Pertaining to Laboratory Fees for Services Rendered or Performed). No change is made in policy.

Basis: Current state statute provides diagnostic laboratory service for livestock and poultry only. Diagnostic laboratory services provided in state operative laboratories for companion animals, exotic birds, or animals other than livestock or poultry, are furnished as prescribed by the Board of Agriculture and Consumer Services.

<u>Purpose:</u> To make laboratory diagnostic disciplines for companion animals and birds and exotic animals and birds available to practicing veterinarians in Virginia on a fee-for-service basis.

<u>Impact:</u> 1,722 practicing veterinarians licensed by the Virginia Board of Veterinary Medicine are affected by this regulation.

Statutory Authority: § 3-1-725 of the Code of Virginia.

12. Health Requirements Governing the Admission of Livestock, Poultry, Companion Animals and Other Animals or Birds Into Virginia. (VR 115-02-12) This regulation prescribes qualifications and requirements that animals must meet upon admission into Virginia.

#### **STATEMENT**

Subject and Substance: This regulation replaces AHD 5 (Health Requirements Governing the Admission of Livestock Into Virginia) and incorporates the requirements for specified testing of stallions and mares being imported into the Commonwealth from countries where contagious equine metritis has occurred (Limited General Orders No. 1980-1 and 1981-3). This regulation also incorporates the requirements which prohibit the importation of hatching eggs and poultry into Virginia unless they originate from flocks that are designated as being free of Mycoplasma Gallisepticum (Limited Quarantine Order No. 1983-1).

Basis: Preventing and controlling communicable diseases within an animal population among other considerations is dependent upon the status of health of any new individual(s) introduced into that population. For this reason, it is necessary to establish and maintain a monitoring system that will provide a continual flow of information to regulatory authorities about the health status and origin of any animal(s) being brought into the Commonwealth.

Purpose: To prescribe the qualifications and requirements

that animal(s) must meet upon admission to Virginia, and to prescribe a monitoring system of official certificates issued by other states or by foreign countries of origin which provide a description of the health status and the place of origin of any animal(s) brought into the Commonwealth.

Impact: This regulation affects all persons in Virginia who, for reasons other than that of slaughter, transport an animal(s) into the Commonwealth.

Statutory Authority:  $\S\S$  3.1-724 and 3.1-730 of the Code of Virginia.

Written comments on any of the above listed regulations may be submitted until July 5, 1985, to Raymond D. Vaughan, P. O. Box 1163, Richmond, Virginia 23219.

Contact: Dr. A. J. Roth, Veterinary Program Coordinator, Department of Agriculture and Consumer Services, Division of Animal Health, Washington Bldg., Suite 600, 1100 Bank St., Richmond, Va. 23219, telephone (804) 786-2483

Notice is hereby given in accordance with § 9-6.14:7.1 of the Code of Virginia that the Department of Agriculture and Consumer Services intends to repeal the following regulations:

1. LIMITED GENERAL QUARANTINE ORDER NO. 1981-3. This quarantine prescribes specified testing to qualify stallions and mares for quarantine release when originating from countries where contagious equine metritis has occurred.

Statutory Authority: § 3.1-734 of the Code of Virginia.

2. LIMITED GENERAL QUARANTINE ORDER NO. 1980-1. This quarantine prescribes specified testing to qualify stallions for quarantine release when originating from countries where contagious equine metritis has occurred.

Statutory Authority: §§ 3.1-726 and 3.1-734 of the Code of Virginia.

3. LIMITED QUARANTINE ORDER NO. 1983-1. This quarantine prohibits the importation into Virginia of hatching eggs and poultry from other than designated disease-free areas.

Statutory Authority: §§ 3.1-723 through 3.1-741 of the Code of Virginia.

(The provisions of the above three quarantines have been incorporated into proposed VR 115-02-12, Health Requirements Governing the Admission of Livestock, Poultry, Companion Animals and Other Animals and Birds in Virginia, which is anticipated to become effective October 15, 1985.)

4. LIMITED GENERAL QUARANTINE ORDER NO. 1981-1. This quarantine prescribes specified testing of adult breeding cattle for brucellosis upon change of ownership in Virginia. The provisions of this quarantine have been incorporated into proposed VR 115-02-03, Rules and Regulations Governing the Prevention, Control and Eradication of Brucellosis of Cattle in Virginia, which is anticipated to become effective on October 15, 1985.

Statutory Authority: §§ 3.1-726 and 3.1-727 of the Code of Virginia.

5. LIVESTOCK MARKET BRUCELLOSIS TESTING ORDER NO. 1981-2. This Order prescribes specified testing at livestock markets for brucellosis when breeding and replacement cattle are returned to the farm. The provisions of the Order have been incorporated into proposed VR 115-02-04, Rules and Regulations Governing the Operations of Livestock Markets, which is anticipated to become effective on October 15, 1985.

Statutory Authority: § 3.1-737 of the Code of Virginia.

6. AHD 7, ARTIFICIAL INSEMINATION. This regulation prescribes controls on health status of bull studs used for artificial insemination; also specifies qualifications of individuals certified as inseminators. This regulation is being repealed because the livestock industry has developed satisfactory standards that are in use and replace those contained in this regulation.

Statutory Authority: §§ 3.1-723 through 3.1-741.1 of the Code of Virginia.

Written comments on the repeal of the above listed regulations may be submitted until August 6, 1985, to Raymond D. Vaughan, P. O. Box 1163, Richmond, Virginia 23219.

Contact: Dr. A. J. Roth, Veterinary Program Coordinator, Washington Bldg., 1100 Bank St., Suite 600, Richmond, Va. 23219, telephone (804) 786-2483

August 7, 1985 - 10 a.m. — Public Hearing
Department of Agriculture and Consumer Services,
Washington Building, 1100 Bank Street, Board Room 204,
Richmond, Virginia. (Location accessible to handicapped.)

Notice is hereby given in accordance with § 9-6.14:7.1 of the Code of Virginia that the Department of Agriculture and Consumer Services intends to amend regulations entitled: Regulation III of the Rules and Regulations Governing the Production, Processing and Sale of Ice Cream, Frozen Desserts and Similar Products. (VR 115-05-03) This regulation governs the production, processing, labeling and distribution of ice cream and similar products within the Commonwealth.

#### **STATEMENT**

<u>Basis:</u> The Board of Agriculture and Consumer Services promulgates rules to govern the production, processing, labeling and distribution of ice cream and similar products within the Commonwealth.

The board has been petitioned by two firms to amend Regulation III which would allow the sale of their products in the Commonwealth.

<u>Purpose:</u> There are two proposed amendments to the regulation. One will allow the use of dry whey, reduced minerals whey, whey protein concentrate and reduced lactose whey as ingredients in the formulation of powder or dry imitation frozen dessert mixes and require that these wheys used in the formation of these mixes shall have been pasteurized or subjected to any other method of process demonstrated to be equally efficient.

The second proposed amendment pertains to a standard of identity for lowfat parevine. The proposed standard is the same as the existing standard for parevine except that the fat content shall not be more than 6.0%.

Impact: The amendments will require no additional expenditure of funds for the department. One amendment will allow powdered or dry imitation frozen dessert mixes containing whey ingredients either to be used by or compete with other products in the market place. The parevine amendment would enable the manufacture and sale of this product in Virginia.

Statutory Authority: § 3.1-562.1 of the Code of Virginia.

Written comments may be submitted until August 26, 1985. Contact: William R. Crump, Jr., Chief, Bureau of Dairy Services, Department of Agriculture and Consumer Services, Division of Dairy and Foods, P. O. Box 1163, Richmond, Va. 23209, telephone (804) 786-1452

Notice is hereby given in accordance with § 9-6.14:7.1 of the Code of Virginia that the Department of Agriculture and Consumer Services intends to adopt regulations entitled: Rules and Regulations Pertaining to the Registration and Certification of Grape Nursery Stock. (VR 115-04-17) This regulation would establish a procedure to allow for virus testing and subsequent certification of grape nursery stock found free from virus on a voluntary basis.

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#### **STATEMENT**

<u>Purpose:</u> The proposed rules and regulations would permit the Department of Agriculture and Consumer Services to plan, develop and implement a program to certify grape nursery stock, including vines, rooted cuttings, cuttings, grafts, or buds, as apparently virus free, and would provide for voluntary participation by applications.

Basis: The Virginia wine industry is expanding and, consistent with this expansion is the demand for quality grape nursery stock to establish vineyards. Viral diseases have been shown to be one of the most destructive pests or grapes, and once infected, there are no curative pesticides presently available. Costs to establish a vineyard are high and additional costs for replacement of virus-infected vines would economically retard the growth of the wine industry. The supply of certified virus-free grape plants is limited. In the eastern United States, only the state of New York has a certification program for grape nursery stock and they are unable to meet the demand for certified virus-free grape nursery stock in the East. It is essential to Virginia's growing industry to make quality virus-free vines available for vineyard establishment.

Statutory Authority: § 3.1-188.35 of the Code of Virginia.

Written comments may be submitted until August 5, 1985. Contact: Raymond D. Vaughan, Secretary, State Board of Agriculture and Consumer Services, P. O. Box 1163, Richmond, Va. 23209, telephone (804) 786-3501

#### VIRGINIA AGRICULTURAL FOUNDATION

August 26, 1985 - 9 a.m. — Open Meeting Holiday Inn - Airport, 5203 Williamsburg Road, Sandston, Virginia

A regular business meeting.

Contact: Henry H. Budd, P. O. Box 1163, Richmond, Va. 23209, telephone (804) 786-3506

### STATE AIR POLLUTION CONTROL BOARD

† August 14, 1985 - 7 p.m. — Open Meeting Valley of Virginia Regional Office, 5338 Peters Creek Road, Roanoke, Virginia. (Location accessible to handicapped; interpreter for deaf provided if requested.)

A meeting to consider two applications from Roanoke Electric Steel. The first is to request an amendment to the April 2, 1984 merged SAPCB/PSD permit increasing the permitted 220,000 T/yr production rate to 365,000 tons/year production. The second application is to install a 110 ton per hour steel rolling mill billet reheat furnace.

Contact: Donald L. Shephard, Director, Valley of Virginia Instrastate Air Quality Control Region, State Air Pollution Control Board, Executive Office Park - Suite A, 5338 Peters Creek Rd., Roanoke, Va., telephone (703) 982-7328

† October 7, 1985 - 9 a.m. - Open Meeting Holiday Inn on the Ocean, 39th Street and Oceanfront, Virginia Beach, Virginia A regular business meeting of the board.

Contact: Dick Stone, State Air Pollution Control Board,
Ninth Street Office Bldg., Room 801, Richmond, Va.
23219, telephone (804) 786-5478

## ALCOHOLIC BEVERAGE CONTROL COMMISSION

August 13, 1985 - 9:30 a.m. — Open Meeting

Rugust 27, 1985 - 9:30 a.m. — Open Meeting

September 10, 1985 - 9:30 a.m. — Open Meeting

September 24, 1985 - 9:30 a.m. — Open Meeting

2901 Hermitage Road, Richmond, Virginia. (Location accessible to handicapped.)

The commission will meet to receive and discuss reports on activities from staff members. They will consider other matters not yet determined.

Contact: Larry E. Gilman, 2901 Hermitage Rd., Richmond, Va. 23220, telephone (804) 257-0616

## VIRGINIA APPRENTICESHIP COUNCIL

† September 12, 1985 - 10 a.m. - Open Meeting General Assembly Building, Capitol Square, House Room C, Richmond, Virginia. (Location accessible to handicapped.)

A quarterly meeting of the council.

Contact: R. S. Baumgardner, Director of Apprenticeship,
Department of Labor and Industry, P. O. Box 12064,
Richmond, Va. 23241, telephone (804) 786-2381

## VIRGINIA AVIATION BOARD

August 14, 1985 - 9:30 a.m. — Open Meeting Lynchburg Radisson Hotel, 601 Main Street, Lynchburg, Virginia. (Location accessible to handicapped.)

Presentation of fiscal year '86 airport funding applications and tentative allocations. (This board meeting is being held in conjunction with the Virginia Aviation Conference.)

## 12th Annual Virginia Aviation Conference

August 14, 1985 - 9:30 a.m. — Open Meeting
August 15, 1985 - 9 a.m. — Open Meeting
August 16, 1985 - 9:15 a.m. — Open Meeting
Lynchburg Radisson Hotel, 601 Main Street, Lynchburg,
Virginia. (Location accessible to handicapped.)

This conference is being held to update Virginia's aviation community on aviation matters.

Contact: Kenneth A. Rowe, Director, Department of Aviation, 4508 S. Laburnum Ave., P. O. Box 7716,

Richmond, Va. 23231, telephone (804) 786-6284

#### GOVERNOR'S COMMISSION ON CHILD SUPPORT

August 14, 1985 - 9 a.m. — Open Meeting General Assembly Building, Capitol Square, House Room C, Richmond, Virginia. (Location accessible to handicapped; interpreter for deaf provided if requested.)

A regular commission meeting.

The subcommittees will convene at 9 a.m. and 11 a.m. on the 4th, 5th, and 7th floors of the General Assembly Building after initially meeting in House Room C for brief instructions.

At 1 p.m. the full commission will reconvene in House Room C for a full commission meeting.

The nature of business is to review the information obtained at the public hearings and to finalize the recommendations to be included in the report for the Governor.

Contact: Linda Hence, Staff Assistant to the Commission, Division of Support Enforcement, 8004 Franklin Farms Dr., Lee Bldg., Suite 201, Richmond, Va. 23229-8699, telephone (804) 281-9632

## VIRGINIA DEPARTMENT FOR THE CHILDREN

† August 21, 1985 - 7 p.m. — Public Hearing Virginia Western Community College, 3095 Colonial Avenue, Brown Library, Top Flcor, Roanoke, Virginia. (Location accessible to handicapped.)

† August 27, 1985 - 7 p.m. — Public Hearing Maury School Auditorium, George & Barton Streets, Fredericksburg, Virginia

A series of public hearings to receive comments on the State Plan for Child Day Care to be submitted annually beginning January 1, 1986, in accordance with §§ 2.1-553.2 and 2.1-553.3 of the Code of Virginia. The department is specifically interested in comments on the affordability of services and financial incentives and barriers to services across the Commonwealth. Speakers should limit their presentations to no more than five minutes. Written comments will be accepted at the hearings and may also be sent to the Virginia Department of Children, 805 East Broad Street, Richmond, Virginia 23219.

Contact: Marty Gravett, Coordinator, Virginia Department for Children, 805 E. Broad St., 11th Floor, Richmond, Va. 23219, telephone (804) 786-5507

# DEPARTMENT OF CONSERVATION AND HISTORIC RESOURCES

#### Division of Historic Landmarks

August 13, 1985 - 10 a.m. - Open Meeting 221 Governor Street, Richmond, Virginia

A meeting to consider the addition of the following properties to the Virginia Landmarks Register and their nomination to the National Register of Historic Places:

Fan Area Historic District, Richmond (city); Holland House Apartments, Suffolk; Locust Grove, Culpeper County; Saint Stephens Episcopal Church, Bedford County; Seaboard Coastline Building, Portsmouth.

#### Historic Landmarks Commission

August 13, 1985 - 2 p.m. — Open Meeting 221 Governor Street, Richmond, Virginia

A general business meeting.

Contact: Margaret T. Peters, 221 Governor St., Richmond,
Va. 23219, telephone (804) 786-3143

### **BOARD OF CORRECTIONS**

August 14, 1985 - 10 a.m. - Open Meeting † September 11, 1985 - 10 a.m. - Open Meeting † October 16, 1985 - 10 a.m. - Open Meeting 4615 West Broad Street, Richmond, Virginia. (Location accessible to handicapped.)

A regular monthly meeting to consider such matters as may be presented to the Board of Corrections.

Contact: Vivian Toler, Secretary to the Board, 4615 W. Broad St., P. O. Box 26963, Richmond, Va. 23261, telephone (804) 257-6274

#### CRIMINAL JUSTICE SERVICES BOARD

October 2, 1985 - 9:30 a.m. — Public Hearing General Assembly Building, Capitol Square, House Room C, Richmond, Virginia. (Location accessible to handicapped.)

Notice is hereby given in accordance with § 9-6.14:7.1 of the Code of Virginia that the Criminal Justice Services Board intends to amend regulations entitled: Rules Relating to Compulsory Minimum Training Standards for Courthouse and Courtroom Security Officers. The proposed amendments will effect existing training standards for deputy sheriffs and

other law-enforcement and designated personnel to provide security for the courthouse and courtroom.

#### **STATEMENT**

Basis and Purpose: The rules, as proposed, are being considered for amendment pursuant to the provisions of § 9-170(5) of the Code of Virginia. The protection of property and persons during the judicial process is a specialized function requiring certain knowledge, skills and abilities. The purpose of the proposed rules is to provide training necessary for effective protection of the courthouse and courtroom.

<u>Subject and Substance:</u> The proposed amendments to the rules mandate minimum training standards for those criminal justice personnel designated to provide courthouse and courtroom security.

Impact: This proposal is an amendment to existing rules. The review and proposed amendments resulted from the cyclical review process previously established by the department. No fiscal impact is anticipated.

<u>Compliance</u> <u>Cost:</u> Rules pertaining to this subject matter currently exist. No additional compliance costs are anticipated.

Implementation Cost: Implementation cost to the Department of Criminal Justice Services is not expected to exceed those costs associated with compliance with the requirements of the Administrative Process Act, Executive Order No. 51 and the board's Public Participation Guidelines. No additional costs are anticipated.

Statutory Authority: § 9-170(1)(5) of the Code of Virginia.

Written comments may be submitted until September 3, 1985 to Mr. L. T. Eckenrode, Department of Criminal Justice Services, 805 East Broad Street, Richmond, Virginia 23219

Contact: Mr. J. R. Marshall, Administrative Assistant, 805 E. Broad St., Richmond, Va. 23219, telephone (804) 786-4000

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October 2, 1985 - 9:30 a.m. — Public Hearing General Assembly Building, Capitol Square, House Room C, Richmond, Virginia. (Location accessible to handicapped.)

Notice is hereby given in accordance with § 9-6.14:7.1 of the Code of Virginia that the Criminal Justice Services Board intends to adopt regulations entitled: Rules Relating to Compulsory Minimum Training Standards for Deputy Sheriffs Designated to Serve Process. This regulation establishes compulsory minimum training standards for deputy sheriff designated to serve process.

#### **STATEMENT**

Basis and Purpose: The rules, as proposed, are being considered for adoption pursuant to the provisions of § 9-170(1)(5a) of Code of Virginia. The service of legal process is a specialized function requiring certain knowledge, skills and abilities. The purpose of the proposed rules is to provide training necessary for the safe, efficient and effective service of legal documents.

<u>Subject and Substance:</u> The proposed rules mandate minimum training standards for deputy sheriffs designated to serve process and sets forth requirements and procedures for schools requesting approval to conduct such training.

Impact: These rules will impact those deputies designated by a sheriff to serve legal process. Further, those schools approved to conduct such training will be required by participating localities to schedule and conduct sufficient training offerings to meet their needs.

Compliance Cost: Sheriffs with the legal responsibility to serve process will be required to send designated deputies to approved training sessions. The cost to those departments will vary, dependent upon the number of personnel so designated and the amount of turnover of such personnel annually.

Implementation Cost: Implementation cost to the Department of Criminal Justice Services is not expected to exceed those costs associated with compliance with the requirements of the Administrative Process Act, Executive Order No. 51 and the board's Public Participation Guidelines. Additional responsibilities and duties are expected to be absorbed by existing staff and in concert with existing duties of the same nature.

Statutory Authority: § 9-170(1)(5a) of the Code of Viriginia.

Written comments may be submitted until September 3, 1985, to Mr. L. T. Eckenrode, Department of Criminal Justice Services, 805 East Broad Street, Richmond, Virginia 23219.

Contact: Mr. J. R. Marshall, Administrative Assistant, 805 E. Broad St., Richmond, Va. 23219, telephone (804) 786-4000

October 2, 1985 - 1:30 p.m. — Public Hearing General Assembly Building, Capitol Square, House Room C, Richmond, Virginia. (Location accessible to handicapped.)

Notice is hereby given in accordance with § 9-6.14:7.1 of the Code of Virginia that the Criminal Justice Services Board intends to amend regulations entitled: Rules Relating to the Compulsory Minimum Training Standards for Private Security Services Business Personnel. These regulations mandate and prescribe compulsory Minimum Training Standards and

Procedures for Private Security Services Business Personnel.

#### STATEMENT

<u>Basis</u> <u>and</u> <u>Purpose:</u> The rules, as proposed, are being considered for amendment pursuant to the provisions of § 9-182 of the Code of Virginia. The purpose of these rules is to protect the public safety and welfare against incompetent or unqualified persons performing private security duties.

<u>Subject and Substance:</u> The proposed rules mandate minimum training requirements for private security services business personnel and set forth standards and procedures for schools conducting private security services training.

Impact: These regulations will apply directly to all persons registering with the Department of Commerce as private security services business personnel (approximately 7,000 persons annually), all schools that are approved to provide mandated private security services training (approximately 92), and all private security services business personnel who carry a firearm in the performance of duty (estimated 7,000). Indirectly, these regulations will affect the approximate 300 private security services business licensees, their clients and individuals who may come in contact with licensees or their employees.

<u>Compliance</u> <u>Cost</u>: It is anticipated that there will be no material increase in compliance cost to the public or this agency; however, since private security services is part of an agency that generates operating funds from licensees, any increase in cost would be borne by the licensees.

Implementation Cost: It is anticipated that there will be no substantial increase in cost to the regulated entities for implementation. The implementation cost to this agency should not exceed \$2,000. This amount includes the cost of informational meetings, mailing services, and the publication of notices of intent to promulgate regulations.

Statutory Authority: § 9-182 of the Code of Virginia.

Written comments may be submitted until September 3, 1985, to Mr. L. T. Eckenrode, Department of Criminal Justice Services, 805 East Broad Street, Richmond, Virginia 23219.

Contact: Mr. J. R. Marshall, Administrative Assistant, 805 E. Broad St., Richmond, Va. 23219, telephone (804) 786-4000

# STATE BOARD OF ELECTIONS

† August 13, 1985 - 10 a.m. - Open Meeting State Capitol, Capitol Square, Senate Room 4, Richmond, Virginia. (Location accessible to handicapped.) A meeting to consider new voting equipment.

Contact: M. Debra Mitterer, 101 Ninth Street Office Bldg.,
Richmond, Va. 23219, telephone (804) 786-6551

#### DEPARTMENT OF GENERAL SERVICES

#### Art and Architectural Review Board

September 6, 1985 - 10 a.m. - Open Meeting Virginia Museum of Fine Arts, Boulevard and Grove Avenue, Main Conference Room, Richmond, Virginia. (Location accessible to handicapped.)

The board will advise the Director of the Department of General Services and the Governor on architecture of state facilities to be constructed and works of art to be accepted or acquired by the Commonwealth.

Contact: Dorothy D. Ivankoe, Department of General Services, Ninth Street Office Bldg., Suite 209, Richmond, Va. 23219, telephone (804) 786-3311

#### State Insurance Advisory Board

October 11, 1985 - 9:30 a.m. - Open Meeting Department of General Services, Ninth Street Office Building, Suite 209, Conference Room of the Director, Richmond, Virginia. (Location accessible to handicapped.)

A quarterly meeting of the State Insurance Advisory Board.

Contact: Charles F. Scott, Director, Department of General Services, Division of Risk Management, 805 E. Broad St., Room 117, Richmond, Va. 23219, telephone (804) 786-5968

# GOVERNOR'S REGULATORY REFORM ADVISORY BOARD

September 10, 1985 - 10 a.m. - Public Hearing General Assembly Building, Capitol Square, House Room C, Richmond, Virginia. (Location accessible to handicapped.)

A public hearing on the draft legislation proposed at the July 25th meeting; and adoption for introduction at 1986 session.

Contact: Philip F. Abraham, State Capitol, Governor's Office, Richmond, Va. 23219, telephone (804) 786-2211

#### DEPARTMENT OF HEALTH

August 23, 1985 - 10 a.m. - Public Hearing James Madison Building, 109 Governor Street, Main Floor Auditorium, Richmond, Virginia. (Location accessible to handicapped.)

Notice is hereby given in accordance with § 9-6.14:7.1 of the Code of Virginia that the Department of Health intends to amend regulations entitled: Virginia Voluntary Formulary. A list of drugs of accepted therapeutic value, commonly prescribed and available from more than one source of supply.

#### **STATEMENT**

Subject, Substance, Issues, Basis and Purpose:

The purpose of the Virginia Formulary is to provide a list of drugs of accepted therapeutic value, commonly prescribed within the state which are available from more than one source of supply, and a list of chemically and therapeutically equivalent drug products which have been determined to be interchangeable. Utilization of the Formulary by practitioners and pharmacists enables citizens of Virginia to obtain safe and effective drug products at a reasonable price consistent with high quality standards.

The proposed revision to the Virginia Voluntary Formulary deletes drug products from the Formulary. These deletions are based upon recommendations of the Virginia Voluntary Formulary Council following its review of scientific data submitted by pharmaceutical manufacturers. The council makes its recommendations to the State Board of Health.

The Virginia Voluntary Formulary is needed to enable citizens of Virginia to obtain safe and effective drug products at a reasonable price consistent with high quality standards. Without the Formulary, physicians, dentists, and pharmacists in Virginia would not have the assurance that those generic drug products that may be substituted for brand name products have been evaluated and judged to be interchangeable with the brand name products.

Statutory Authority:  $\S\S$  32.1-12 and 32.1-79 et seq. of the Code of Virginia.

Written comments may be submitted no later than 5 p.m., August 23, 1985.

Contact: James K. Thomson, Director, Bureau of Pharmacy Services, Department of Health, James Madison Bldg., 109 Governor St., Richmond, Va. 23219, telephone (804) 786-4326

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September 16, 1985 - 7 p.m. - Public Hearing
Roanoke County Administrative Complex, 3738 Brambleton
Avenue, S.W., Community Room, Roanoke, Virginia
September 17, 1985 - 7 p.m. - Public Hearing
Harrisonburg Electric Commission, 89 West Bruce Street,
Community Room, Harrisonburg, Virginia
September 18, 1985 - 7 p.m. - Public Hearing
Mary Washington College, 104 Monroe Hall,
Fredericksburg, Virginia

Virginia Register of Regulations

September 19, 1985 - 7 p.m. — Public Hearing Peninsula Health District, Newport News City, Health Department, 416 J. Clyde Morris Boulevard, (US 17 South), Main Auditorium, Newport News, Virginia

Notice is hereby given in accordance with § 9-6.14:7.1 of the Code of Virginia that the Department of Health intends to amend regulations entitled. Sewage Handling and Disposal Regulations. The Sewage Handling and Disposal Appeals Review Board adjudicates all appeals of denials of on-site sewage disposal system permits. This regulation establishes an \$800 fee to be charged to applicants in order to cover direct cost of their hearing before the review board.

#### **STATEMENT**

<u>Purpose</u>: The purpose of this regulation is to establish an \$800 fee to be charged applicants for each appearance before the review board.

Summary and Analysis: The Sewage Handling and Disposal Advisory Committee, at their April 15, 1985, meeting, passed a motion that the appeals fee should be set at \$800 per appeal (which is based upon average direct cost of hearing) unless the Health Department is willing to absorb some portion of the costs.

Direct costs per appeal are estimated to be as follows:

Travel: 20.5//mile/7 members	. \$258.30
Meals: \$20/day/person	70.00
Lodging: \$40/night	120.00
Misc: parking, phone calls, etc	35.00
Court Reporter	327.00
Totaling	. <b>\$</b> 810.30

Impact: Applicants for formal hearing in the past paid no fee in order to have a formal adjudicatory hearing before an administrative law judge. The adoption of an \$800 fee will financially impact future applicants, however, the cost to taxpayers will be reduced due to the adoption of this fee.

Evaluation: The department will track actual costs for each appeal and evaluate direct costs on an annual basis. If fees are too high or too low, then the department will suggest the appropriate modification.

Statutory Authority: § 32.1-164 of the Code of Virginia.

Written comments may be submitted until September 20, 1985

Contact: P.M. Brooks, Public Health Engineer C, 109 Governor St., 502 James Madison Bldg., Richmond, Va. 23219, telephone (804) 786-1931

# VIRGINIA HEALTH SERVICES COST REVIEW COMMISSION

August 28, 1985 - 9:30 a.m. — Open Meeting Blue Cross and Blue Shield of Virginia, 2015 Staples Mill Road, Virginia Room, Richmond, Virginia. (Location accessible to handicapped.)

A monthly business meeting of the commission for the purpose of addressing financial, policy or technical matters which may have arisen since last meeting.

Contact: Ann Y. McGee, Director, 805 E. Broad St., 9th Floor, Richmond, Va. 23219, telephone (804) 786-6371

# VIRGINIA DEPARTMENT OF HIGHWAYS AND TRANSPORTATION

† August 15, 1985 - 10 a.m. - Open Meeting Virginia Department of Highways and Transportation, 1221 East Broad Street, Board Room, Richmond, Virginia. (Location accessible to handicapped; interpreter for deaf provided if requested.)

A monthly meeting of the State Highway and Transportation Board to vote on proposals presented regarding bids, permits, additions and deletions to the highway system, and any other matters requiring board approval.

Contact: J. T. Warren, Director of Operations, Virginia Department of Highways and Transportation, 1221 E. Broad St., Richmond, Va. 23219, telephone (804) 786-2711

#### VIRGINIA HOUSING DEVELOPMENT AUTHORITY

#### **Board of Commissioners**

† August 26, 1985 - 10 a.m. - Open Meeting 13 South 13th Street, Richmond, Virginia. (Location accessible to handicapped.)

A regular monthly meeting of the Board of Commissioners of the Virginia Housing Development Authority to (i) review and, if appropriate, approve the minutes from the prior monthly meeting; (ii) consider for approval and ratification mortgage loan commitments under its various programs; (iii) review the authority's operations for the prior month; and (iv) consider such other matters and take such other actions as they may deem appropriate. The planned agenda of the meeting will be available at the offices of the authority one week prior to the date of the meeting.

Contact: Judson McKellar, Jr., General Counsel, 13 South 13th St., Richmond, Va. 23219, telephone (804) 782-1986

# BOARD OF HOUSING AND COMMUNITY DEVELOPMENT

† August 19, 1985 - 1 p.m. — Open Meeting 205 North 4th Street, 7th Floor, Richmond, Virginia. (Location accessible to handicapped; interpreter for deaf provided if requested.)

A formal business meeting of the board to (i) review and approve the minutes from the previous meeting; (ii) provide an opportunity for public comments; (iii) review the report of the director on the operation of the Department of Housing and Community Development since the last board meeting; (iv) hear reports of the committees of the board; and (v) consider other matters as they may deem necessary. The planned agenda of the meeting will be available at the above address of the board meeting one week prior to the date of the meeting.

Contact: Neal J. Barber, 205 N. 4th St., 7th Floor, Richmond, Va. 23219-1747, telephone (804) 786-1575

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September 16, 1985 - 11 a.m. — Public Hearing State Capitol, Capitol Square, House Room 4, Richmond, Virginia. (Location accessible to handicapped.)

Notice is hereby given in accordance with § 9-6.14:7.1 of the Code of Virginia that the Board of Housing and Community Development intends to amend regulations entitled: Virginia Industrialized Building Unit and Mobile Home Safety Regulations/1984.

#### **STATEMENT**

<u>Subject and Substance:</u> Proposed change to the plumbing requirements in the previously proposed adoption of a 1984 edition of the Virginia Industrialized Building Unit and Mobile Home Safety Regulations to amend and replace the 1981 edition thereof. The change will prohibit the use of lead bearing solders and fluxes in water service and distribution piping.

<u>Issues:</u> 1. Estimated impact with respect to number of persons affected: all citizens of Virginia who use buildings hereafter constructed will be affected.

2. Projected costs for implementation somewhat less expensive than acceptable substitutes. However, the overall increase in costs of plumbing systems for water service and distribution will apparently be small. Discussions with industry sources indicate that the added cost is not a matter of material concern.

Basis: §§ 36-70 and 36-85.1 of the Code of Virginia.

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<u>Purpose:</u> To prevent unsafe levels of lead in drinking water in buildings, as recommended by the State Health Commissioner.

Statutory Authority: §§ 36-70 and 36-85.1 of the Code of Virginia.

Written comments may be submitted until September 16, 1985.

Contact: C. S. Mullen, Deputy Director, Department of Housing and Community Development, 205 N. 4th St., Richmond, Va. 23219, telephone (804) 786-4751

September 16, 1985 - 11 a.m. — Public Hearing State Capitol, Capitol Square, House Room 4, Richmond, Virginia. (Location accessible to handicapped.)

Notice is hereby given in accordance with § 9-6.14:7.1 of the Code of Virginia that the Board of Housing and Community Development intends to amend regulations entitled: Virginia Uniform Statewide Building Code - Volume I - New Construction Code/1984.

#### **STATEMENT**

<u>Subject</u> <u>and</u> <u>Substance:</u> Proposed change to the plumbing requirements in the previously proposed adoption of a 1984 edition of the Virginia Uniform Statewide Building Code - Volume I - New Construction Code to amend and replace the 1981 edition thereof. The change will prohibit the use of lead bearing solders and fluxes in water service and distribution piping.

<u>Issues:</u> 1. Estimated impact with respect to number of persons affected: all citizens of Virginia who own buildings hereafter constructed will be affected.

2. Projected costs for implementation and compliance: the lead bearing solders which are in current use are somewhat less expensive that acceptable substitutes. However, the overall increase in costs of the plumbing system for water service and distribution will apparently be very small, and discussions with industry sources indicate that the added cost is not a matter of material concern.

Basis: §§ 36-97 - 36-107 of the Code of Virginia.

<u>Purpose:</u> To prevent unsafe levels of lead in drinking water in buildings, as recommended by the State Health Commissioner.

Statutory Authority: §§ 36-97 - 36-107 of the Code of Virginia.

Written comments may be submitted until September 16, 1985.

Contact: C. S. Mullen, Deputy Director, Department of Housing and Community Development, 205 N. 4th St., Richmond, Va. 23219, telephone (804) 786-4751

Virginia Register of Regulations

September 16, 1985 - 10 a.m. — Public Hearing State Capitol, Capitol Square, House Room 4, Richmond, Virginia. (Location accessible to handicapped.)

Notice is hereby given in accordance with § 9-6.14:7.1 of the Code of Virginia that the Board of Housing and Community Development intends to amend regulations entitled: Urban Enterprise Zone Program Regulations. The proposed regulations set forth the administrative procedures for implementing the Urban Enterprise Zone Act and requirements for business firms in applying for state tax credits.

#### **STATEMENT**

<u>Subject:</u> Revision of the Urban Enterprise Zone Program Regulations to follow 1985 amendments to the Urban Enterprise Zone Act.

<u>Substance</u>: The 1985 amendments allow a locality to ask for permission to enlarge the boundaries of its enterprise zone. This proposed amendment establishes procedures for a locality to follow in requesting permission to enlarge its zone.

Issues and Impact: This proposed amendment could impact no more than the 14 localities which have enterprise zones or portions of enterprise zones within their boundaries. The total population within the state's enterprise zone is 130,000. Jurisdictions that seek to enlarge their enterprise zones would incur relatively small staff costs in preparing the application for changing zone boundaries. The state costs which would also be small would result from staff time spent in reviewing applications to enlarge enterprise zones.

Basis: § 59.1-278 of the Code of Virginia.

<u>Purpose:</u> To bring the Urban Enterprise Zone program regulations in line with recent amendments to the Code of Virginia.

Statutory Authority: § 59.1-278 of the Code of Virginia.

Written comments may be submitted until September 16, 1985 to Neal J. Barber, Acting Director, Department of Housing and Community Development, 205 North Fourth Street, Richmond, Virgnia 23219.

Contact: Stanley S. Kidwell, Jr., Associate Director, Virginia Department of Housing and Community Development, 205 N. 4th St., Richmond, Va. 23219, telephone (804) 786-4966

#### **Building Codes and Standards Committee**

† August 19, 1985 - 10 a.m. — Open Meeting Department of Housing and Community Development, 205 North 4th Street, 7th Floor Conference Room, Richmond, Virginia. (Location accessible to handicapped; interpreter for deaf provided if requested.)

A meeting to consider comments received pursuant to a public hearing, June 17, 1985, for the purpose of amending and updating the building regulations of the Board of Housing and Community Development.

Contact: C. S. Mullen, Deputy Director, Department of Housing and Community Development, 205 N. 4th St., Richmond, Va. 23219, telephone (804) 786-4751

#### SECRETARY OF HUMAN RESOURCES

† August 13, 1985 - 7:36 p.m. — Public Hearing Lewis-Gale Medical Foundation Auditorium, 3000 Keagy Road, Salem, Virginia

† August 15, 1985 - 7:30 p.m. - Public Hearing Eastern Virginia Medical School, 700 Olney Road, Lewis Hall, Room 1033, Norfolk, Virginia

† August 29, 1985 - 7:30 p.m. — Public Hearing George Mason University, 3401 North Fairfax Drive, Metro Campus Professional Center, Room 318, Arlington, Virginia

Public hearings on the Task Force on Roles and Responsibilities for the Health Professional Regulatory System to provide the general public with (i) an opportunity to testify on the current system for regulating the health professions, focusing on the roles and responsibilities of the different entities involved in the process, e.g., (ii) the ten health regulatory boards, (iii) the Department of Health Regulatory Boards, (iv) the Commission of Health Regulatory Boards, and (v) the office of the Attorney General. Testimony should be directed at the impact of current policies on the parties testifying. Written copies of testimony will be requested for submission at the hearing.

Contact: Sybil K. Goldman, Alpha Center, 1100 17th Street, N.W., Suite 901, Washington, D.C. 20036, telephone (202) 296-1818

## STATE LAND EVALUATION ADVISORY COMMITTEE

August 12, 1985 - 10 a.m. — Open Meeting
Department of Taxation, 2220 West Broad Street,
Commissioner's Conference Room, Richmond, Virginia.
(Location accessible to handicapped.)

A meeting to select ranges of value to be suggested to local government for eligible land used for agricultural, horticultural, forest and open-space purposes.

If necessary, a follow-up meeting will be held at 10 a.m. on August 26, at the same location.

Contact: Otho C. W. Fraher, Director, Property Tax Division, Department of Taxation, 2220 W. Broad St., Richmond, Va. 23220, telephone (804) 257-8020

### STATE BOARD FOR CERTIFICATION OF LIBRARIANS

† August 15, 1985 - 10 a.m. - Open Meeting Department of Commerce, Travelers Building, 3600 West Broad Street, Conference Room 1, Richmond, Virginia. (Location accessible to handicapped.)

The board will meet to review proposed regulations.

Contact: Geralde W. Morgan, Assistant Director, 3600 W.

Broad St., Richmond, Va. 23230-4917, telephone (804) 257-8508

#### MARINE RESOURCES COMMISSION

October 22, 1985 - 9:30 a.m. — Open Meeting 2401 West Avenue, Newport News, Virginia

The Marine Resources Commission normally meets on the fourth Tuesday each month, at 9:30 a.m., at the agency office, 24th Street and West Avenue, Newport News, Virginia. It hears and decides cases on fishing licensing; oyster ground leasing, environmental permits in wetlands, bottomlands, coastal sand dunes, and beaches. It hears and decides appeals made on local wetlands board decisions.

Fishery Management and Conservation measures are discussed by the commission. The commission is empowered to exercise general regulatory power within 15 days, and is empowered to take specialized marine life harvesting and conservation measures within five days.

Contact: Virginia S. Chappell, Secretary to the Commission, Marine Resources Commission, P. O. Box 756, Newport News, Va. 23607, telephone (804) 247-2208

#### DEPARTMENT OF MEDICAL ASSISTANCE SERVICES

September 24, 1985 - 9 a.m. — Public Hearing James Madison Building, 109 Governor Street, Main Floor Conference Room, Richmond, Virginia. (Location accessible to handicapped.)

Notice is hereby given in accordance with § 9-6.14:7.1 of the Code of Virginia that the Department of Medical Assistance Services intends to adopt regulations entitled: Intermediate Care Criteria for the Mentally Retarded. This regulation establishes criteria for care provided to eligible mentally retarded persons in intermediated care situations which would then qualify for Medicaid reimubursement.

#### **STATEMENT**

Basis and Authority: Section 32.1-325 of the Code of Virginia gives the State Board of Medical Assistance the authority to promulgate regulations subject to the

Governor's approval. Section 1902 of the Social Security Act and federal regulations in 42 CFR 456.432 and 456.435 requires that there be written criteria for admission and continued stay in intermediate care facilities for the mentally retarded.

Purpose; The purpose of the proposed regulations is to establish an intermediate care criteria for the mentally retarded that can be applied to all recipients when Medicaid payment has been requested for institutional or noninstitutional services.

Summary and Analysis: In 1972, federal regulations allowed for the inclusion of federal financial payment for care in intermediate care facilities for the mentally retarded. At that time broadly defined criteria were developed and continues in use today.

Estimated Impact: Approximately 3,600 Medicaid recipients in state and private facilities will be affected by these new criteria. No appreciable negative impact is expected as the result of the implementation of this proposed criteria since the criteria redefinition will not result in a change in the number of eligible recipients. No new staff will be required to implement or enforce these regulations. There should be no impact on Medicaid funding.

Statutory Authority: § 32.1-325 of the Code of Virginia.

Written comments may be submitted until September 22,

Contact: Tinnie B. Conover, Manager, Institutional Services Section, Department of Medical Assistance Services, 109 Governor St., Room 817, Richmond, Va. 23219, telephone (804) 786-7986

# VIRGINIA STATE BOARD OF MEDICINE

† September 13, 1985 - 8:30 a.m. - Open Meeting † September 14, 1985 - 8:30 a.m. - Open Meeting Richmond Hyatt House, I-64 West, 6624 West Broad Street, Richmond, Virginia. (Location accessible to handicapped.)

A meeting to interview and review credentials of applicants applying for licensure.

Contact: Eugenia K. Dorson, Executive Secretary, 517 W. Grace St., P. O. Box 27708, Richmond, Va. 23261, telephone (804) 786-0575

# STATE MENTAL HEALTH AND MENTAL RETARDATION BOARD

† August 28, 1985 - 10 a.m. — Open Meeting Mental Health Services/Roanoke Valley, Roanoke, Virginia. (Location accessible to handicapped.)

A regular monthly meeting. The agenda will be

published on August 21, and may be obtained by calling Jane Helfrich.

Contact: Jane V. Helfrich, State Mental Health and Mental Retardation Board Secretary, Department of Mental Health and Mental Retardation, P. O. Box 1797, Richmond, Va. 23214, telephone (804) 786-3921

# DEPARTMENT OF MENTAL HEALTH AND MENTAL RETARDATION

† August 14, 1985 - noon — Open Meeting Division of Motor Vehicles, 2300 West Broad Street, Cafeteria, Richmond, Virginia. (Location accessible to handicapped; interpreter for deaf provided if requested.)

Fiscal meeting of the Youth Alcohol Abuse Prevention Project sponsored by Department of Mental Health and Mental Retardation, the Department of Education and the Division of Motor Vehicles.

Contact: Marcia Penn, Prevention Office, Department of Mental Health and Mental Retardation, 203 Governor St., Richmond, Va. 23219, telephone (804) 786-1530

September 10, 1985 - 7 p.m. — Public Hearing
Mary Washington College, Fredericksburg, Virginia.
(Location accessible to handicapped.)
September 11, 1985 - 11 a.m. — Public Hearing
Western State Hospital, Staff Development Building, Rooms

86 and 87, Staunton, Virginia. (Location accessible to handicapped.)

**September 12, 1985 - 1 p.m.** — Public Hearing Senior Citizen's Center, 307 Park Street, Marion, Virginia. (Location accessible to handicapped.)

A public hearing on proposed Community Rules and Regulations to invite comment from those interested persons who will be affected by these regulations.

Contact: Elsie D. Little, A.C.S.W., P. O. Box 1797, Richmond, Va. 23214, telephone (804) 786-3988

September 13, 1985 - 11 a.m. — Public Hearing Southeastern Virginia Training Center, Building 3, Inservice Training Room, Chesapeake, Virginia

Notice is hereby given in accordance with § 9-6.14:7.1 of the Code of Virginia that the Department of Mental Health and Mental Retardation intends to adopt regulations entitled: Rules and Regulations to Assure the Rights of Clients in Community Programs. (VR 470-03-03) The purpose of the regulations is to delineate the rights of clients of community programs licensed or funded by the Department of Mental Health and Mental Retardation.

#### **STATEMENT**

<u>Subject, Basis and Purpose: The Rules and Regulations to Assure the Rights of Clients in Community Programs Licensed or Funded by the Department of Mental Health</u>

and Mental Retardation are to delineate the rights of clients of community programs licensed or funded by the Department of Mental Health and Mental Retardation. The Community Rules and Regulations identify those fundamental rights which may not be restricted by a community program. The regulations define those client rights which may be restricted for therapeutic reasons, aid in the assurance of client participation in treatment for therapeutic reasons, aid in the assurance of client participation in treatment decision making, and define client participation in work activities. An administrative review process for review of alleged violations of rights is established. That mechanism delineated the roles and responsibilities of the persons involved. These regulations will be more appropriate to meet the requirements and scope of community programs.

The <u>Community Rules and Regulations</u> are needed in order to comply with § 37.1-84.1, of the Code of Virginia. Since protection of individual rights in funded or licensed programs by the Department of Mental Health and Mental Retardation is a mandate, not providing regulations for clients in community programs was considered an acceptable alternative. Without the <u>Community Rules and Regulations</u>, the Department of Mental Health and Mental Retardation could not offer consistent rights protection of those clients. Rights violations might go undetected or be inadequately handled by the community program staff. Rights violations that could be quickly and fairly handled by means set forth in these rules and regulations might be handled by complicated, costly and time consuming court procedures instead if the rules and regulations are not established.

Substance and Issues: A 16 member task force, established by the Department of Mental Health and Mental Retardation has been working on the Community Rules and Regulations for the past three years. The membership represented a wide variety of public and private professional and consumer interests in all three disability areas. The task force focused its efforts on developing rules and regulations that would present the least burden on regulated programs while still ensuring the protection of client rights.

In May, 1983, October, 1984, and December, 1984, the Department of Mental Health and Mental Retardation mailed out copies of the <u>Community Rules and Regulations</u> to agencies and interested individuals for comments and the rules and regulations were rewritten in response to comments received.

In considering alternative approaches to meet the need, the proposed regulations address a number of options. One alternative approach to these regulations which was considered was to write separate rules and regulations for each of the disability areas (mental illness, mental retardation, and substance abuse) was considered. This idea was rejected because many programs provided services in two or all three of these areas and would, therefore, have to be familiar with two or three sets of

rules and regulations. Writing separate rules and regulations for residential and nonresidential programs was yet another alternative considered. This idea was rejected because many community services boards and agencies have both residential and nonresidential programs and would, therefore, have to operate with two sets of rules and regulations.

Statutory Authority: §§ 37.1-10 and 37.1-84.1 of the Code of Virginia.

Written comments may be submitted until September 15, 1985.

Contact: Elsie D. Little, A.C.S.W., State Human Rights Director, P. O. Box 1797, Richmond, Va. 23214, telephone (804) 786-3988

#### Mental Retardation Advisory Council

August 16, 1985 - 10 a.m. - Open Meeting James Madison Building, 109 Governor Street, 13th Floor, Board Room, Richmond, Virginia. (Location accessible to handicapped.)

A quarterly meeting to advise the State Mental Health and Mental Retardation Board on matters pertaining to mental retardation services across the state.

# Public Guardianship Task Force

August 9, 1985 - 10 a.m. — Open Meeting James Madison Building, 109 Governor Street, 13th Floor, Board Room, Richmond, Virginia. (Location accessible to handicapped.)

A meeting to explore alternatives to current Guardianship Legislation.

Contact: Carol Singer-Metz, Director, Mental Retardation Services, Department of Mental Health and Mental Retardation, P. O. Box 1797, Richmond, Va. 23214, telephone (804) 786-1746

# Interagency Committee on the Implementation of the Recommendations of the Task Force on the Mentally Ill in Virginia's Jails

† August 29, 1985 - 10 a.m. - Open Meeting James Monroe Building, 101 North 14th Street, Training Room 4, Mezzanine Level, Richmond, Virginia. (Location accessible to handicapped.)

The Interagency Committee will meet to refine its interim report to the Commissioners of Mental Health and Corrections. The report consists of sets or recommended strategies promulgated to provide effective cost efficient methods for the Implementation of the Recommendations of the Task Force on the Mentally Ill in Virginia's Jails.

Contact: Frank Patterson, Assistant Director/Justice System Services, Department of Mental Health and Mental Retardation, P. O. Box 1797, Richmond, Va. 23214, telephone (804) 786-4837

### Systemwide Training Workgroup

August 6, 1985 - 10 a.m. - Open Meeting Zincke Building, 203 Governor Street, Room 302, 3rd Floor, Richmond, Virginia. (Location accessible to handicapped.)

A meeting to discuss training issues related to facility and community programs.

Contact: Ken Macurik, Training Office, P. O. Box 1797, Richmond, Va. 23214, telephone (804) 786-6133

### DEPARTMENT OF MINES, MINERALS AND ENERGY

#### **Division of Mines**

September 12, 1985 - 9:30 a.m. - Public Hearing Mountain Empire Community College, Dalton-Cantrell Building, Big Stone Gap, Virginia

Notice is hereby given in accordance with § 9-6.14:7.1 of the Code of Virginia that the Department of Mines, Minerals and Energy, Division of Mines intends to amend regulations entitled: Rules and Regulations Governing the Use of Automated Temporary Roof Support Systems. The regulation provides for automated temporary roof support systems for the safety of the roof bolters.

### **STATEMENT**

<u>Basis:</u> The regulation has been in effect since April 1, 1983. The regulation was adopted as mandated by the General Assembly in § 45.1-41 (c1) of the Code of Virginia. The regulation was adopted pursuant to the provisions of § 45.1-104 (b1) of the Code of Virginia.

<u>Purpose:</u> The purpose of the regulation is to provide for the protection of "Roof Bolters" who go into the mine, beyond the area where roof support systems are in place, for the purpose of bolting unsupported mine roof.

<u>Issues:</u> The regulation is being reviewed as part of the Governor's Regulatory Review Process. The regulation is being reviewed for need, clarity, simplicity, effectiveness and conflict with other regulations.

Substance: The regulation was reviewed by the Division of Mines and selected persons in the mining industry were asked for comments through our public participation procedure. A public hearing was also held as part of the public participation procedure. There were no problems identified in the review and there were no changes other

than those required by the Virginia Register Form, Style and Procedure Manual.

Statutory Authority: §§ 45.1-41 (c1) and 45.1-104 (b1) of the Code of Virginia.

Written comments may be submitted until September 12, 1985

Contact: Harry D. Childress, Chief, Division of Mines, 219 Wood Ave., Big Stone Gap, Va. 24219, telephone (703) 523-0335/3401

September 12, 1985 - 9:30 a.m. - Public Hearing Mountain Empire Community College, Dalton-Cantrell Building, Big Stone Gap, Virginia

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Notice is hereby given in accordance with § 9-6.14:7.1 of the Code of Virginia that the Department of Mines, Minerals and Energy, Division of Mines intends to amend regulations entitled: Rules and Regulations Governing Disruption of Communication in Mines. The regulation establishes responsibility for periodic checks to determine if the communication system is operational and address steps to be taken during a disruption.

#### **STATEMENT**

Basis: The regulation has been in effect since May 1, 1980. The General Assembly recommended that the chief adopt a regulation regarding § 45.1-81(a) concerning communication facilities for underground coal mines. The regulation was adopted pursuant to § 45.1-104 (b1) of the Code of Virginia.

<u>Purpose:</u> The purpose of the regulation is to establish responsibility for periodic checks to determine that the required two-way communications system in underground coal mines is operational and set procedures to address situations when a disruption occurs in the system.

<u>Issue:</u> The regulation is being reviewed as part of the Governor's Regulatory Review Process. The regulation is being reviewed for need, clarity, simplicity, effectiveness and conflict with other regulations.

Substance: The regulation was reviewed by the Division of Mines and selected persons in the mining industry were asked for comments through our public participation procedure. A public hearing was also held as part of the public participation procedure. Based on review and analysis, it was determined that the regulation is effective as written. Suggestions for changes were not strong enough to justify modification of any of the regulation.

Statutory Authority: § 45.1-104 (bl) of the Code of Virginia.

Written comments may be submitted until September 12, 1985.

Contact: Harry D. Childress, Chief, Division of Mines, 219 Wood Ave., Big Stone Gap, Va. 24219, telephone (703) 523-0335/3401

September 12, 1985 - 9:30 a.m. — Public Hearing Mountain Empire Community College, Dalton-Cantrell Building, Big Stone Gap, Virginia

Notice is hereby given in accordance with § 9-6.14:7.1 of the Code of Virginia that the Department of Mines, Minerals and Energy, Division of Mines intends to amend regulations entitled: Rules and Regulations Governing Advanced First-Aid. The regulation sets specifications for training individuals to perform first-aid when an emergency medical technician is not available.

#### **STATEMENT**

<u>Basis:</u> The regulation has been in effect since March 15, 1980. The regulation was adopted as required by § 45.1-101.2 of the Code of Virginia.

<u>Purpose:</u> The regulation establishes specifications for mine first-aid and refresher training programs designed to train individuals to administer advanced first-aid when an Emergency Medical Technician is not available.

<u>Issue:</u> The regulation is being reviewed as part of the Governor's Regulatory Review Process. The regulation is being reviewed for need, clarity, simplicity, effectiveness and conflict with other regulations.

<u>Substance:</u> The regulation was reviewed by the Division of Mines and selected persons in the mining industry were asked for comments through our public participation procedure. A public hearing was also held as part of the public participation procedure. There were no problems identified with the regulation in regard to need, clarity, simplicity, or conflict with other regulations. Comments did indicate that the 50% personnel requirement was excessive and thus rendered the regulation ineffective. The regulation was changed to make compliance less burdensome.

Statutory Authority: § 45.1-101.2 of the Code of Virginia.

Written comments may be submitted until September 12, 1985.

Contact: Harry D. Childress, Chief, Division of Mines, 219 Wood Ave., Big Stone Gap, Va. 24219, telephone (703) 523-0335/3401

September 12, 1985 - 9:30 a.m. — Public Hearing Mountain Empire Community College, Dalton Cantrell Building, Big Stone Gap, Virginia

Vol. 1, Issue 22

Monday, August 5, 1985

Notice is hereby given in accordance with § 9-6.14:7.1 of the Code of Virginia that the Department of Mines, Minerals and Energy, Division of Mines intends to amend regulations entitled: Rules and Regulations Governing Vertical Mine Ventilation Holes. The regulation provides for safety in the drilling and use of vertical ventilation holes used to remove methane gas from lower measure coal seams.

#### **STATEMENT**

<u>Basis</u>: The regulation has been in effect since October 15, 1975. The regulation was adopted in accordance with § 45.1-104 (b1).

<u>Purpose:</u> The purpose of the regulation is to provide safety in the drilling and use of vertical ventilation holes designed to remove methane gas from lower measure coal seams that would otherwise be in the mine ventilation system. The regulation provides a better margin of safety for the worker engaged in mining these seams and in addition they provide a safeguard to protect workers in seams of coal being mined above to avoid any accidental penetration of the ventilation holes.

<u>Issues:</u> The regulation is being reviewed as part of the Governor's Regulatory Review Process. The regulation is being reviewed for need, clarity, simplicity, effectiveness and conflict with other regulations.

<u>Substance</u>: The regulation was reviewed by the Division of Mines and selected persons from the mining industry were asked for comments through our public participation procedure. A public hearing was also held as part of the public participation procedure. Through all the review and the comment period there were no real problems identified with the regulation. The only change was that reference to "Pocohontas No. 3 Seam" be changed to include all coal seams from which methane is to be drained.

Statutory Authority: § 45.1-104 (b1) of the Code of Virginia.

Written comments may submitted until September 12, 1985. Contact: Harry D. Childress, Chief, Division of Mines, 219 Wood Ave., Big Stone Gap, Va. 24219, telephone (703) 523-0335/3401

. . . . . . . .

September 12, 1985 - 9:30 a.m. - Public Hearing Mountain Empire Community College, Dalton-Cantrell Building, Big Stone Gap, Virginia

Notice is hereby given in accordance with § 9-6.14:7.1 of the Code of Virginia that the Department of Mines, Minerals and Energy, Division of Mines intends to amend regulations entitled: Rules and Regulations Governing Blasting in Surface Mining Operations. The regulation regulates the storage, handling and use of explosives to provide for the health and safety of

employees and the public to the extent they are affected by blasting.

#### **STATEMENT**

<u>Basis:</u> The regulation has been in effect since September 15, 1975. The regulation was adopted pursuant to § 45.1-104 (b1) of the Code of Virginia.

<u>Purpose</u>: The purpose of the regulation is to regulate the storage, handling and use of explosives at surface mining operations to provide for the safety and health of employees and to the public to the extent they would be affected by blasting.

<u>Issue:</u> The regulation is being reviewed as part of the Governor's Regulatory Review Process. The regulation is being reviewed for need, clarity, simplicity, effectiveness and conflict with other regulations

Substance: The regulation is being reviewed by the Division of Mines and selected persons in the mining industry were asked for comments through our public participation procedure. A public hearing was also held as part of the public participation procedure. The result of the review procedure indicated that the regulation is needed. Due to advancement in technology in the blasting area, some of the existing standards relating to airblast and vibration need to be modified. Other entities, both state and federal have already modified their regulation based on the U. S. Bureau of Mines' latest recommendations. To come abreast of technology and to be consistent with other regulations, changes in the airblast and vibration standards were made.

Statutory Authority: § 45.1-104 (b1) of the Code of Virginia.

Written comments may be submitted until September 12, 1985.

Contact: Harry D. Childress, Chief, Division of Mines, 219 Wood Ave., Big Stone Gap, Va. 24219, telephone (703) 523-0335/3401

September 12, 1985 - 9:30 a.m. - Public Hearing Mountain Empire Community College, Dalton Cantrell Building, Big Stone Gap, Virginia

Notice is hereby given in accordance with § 9-6.14:7.1 of the Code of Virginia that the Department of Mines, Minerals and Energy, Division of Mines intends to amend regulations entitled: Rules and Regulations Governing Installation and Use of Cabs and Canopies. The regulation addresses the safety criteria where cabs and canopies are used for protection of workers from roof falls and overhead obstructions.

### **STATEMENT**

Basis: The regulation has been in effect since February 15,

1977. The regulation was adopted pursuant to the provisions of § 45.1-104 (b1) of the Code of Virginia.

<u>Purpose</u>: The purpose of the regulation is to provide for the safety of equipment operators in coal mines from roof falls and from overhead obstructions.

<u>Issue:</u> The regulation is being reviewed as part of the Governor's Regulatory Review Process. The regulation is being reviewed for need, clarity, simplicity, effectiveness and conflict with other regulations.

Substance: The regulation was reviewed by the Division of Mines and selected persons in the mining industry were asked for comments through our public participation procedure. A public hearing was also held as part of the public participation procedure. An inconsistency with federal regulations was noted in the requirement in § II for testing for side load capacity. This requirement was deleted. The six inch clearance requirement in § IV was considered to be impractical. This requirement was also deleted. The 12 inches of clearance that the inspector may require in § IV was found to be redundant and was deleted. Section VI was deleted due to concerns over the design of cabs and canopies in regard to physical size of persons.

Statutory Authority: § 45.1-104 (b1) of the Code of Virginia.

Written comments may be submitted until September 12, 1985.

Contact: Harry D. Childress, Chief, Division of Mines, 219 Wood Ave., Big Stone Gap, Va. 24219, telephone (703) 523-0335/3401

#### DEPARTMENT OF MOTOR VEHICLES

† August 21, 1985 - 10:30 a.m. - Open Meeting Department of Motor Vehicles, 2300 West Broad Street, Richmond, Virginia

A meeting to discuss the definitions for terms used in the Motor Vehicle Dealer Licensing Act, and to compile a list of statutory concerns.

Contact: Joe Chandler, Hearing Officer, Department of Motor Vehicles, Richmond, Va., telephone (804) 257-0463

### STATE BOARD OF OPTICIANS

September 6, 1985 - 9:30 a.m. - Open Meeting Department of Commerce, Travelers Building, 3600 West Broad Street, 5th Floor, Conference Room 3, Richmond, Virginia. (Location accessible to handicapped.)

A meeting to (i) review applications for reinstatement of licenses, (ii) review investigative reports of

complaints and determine disposition, and to (iii) consider general correspondance pertinent to the operation of the board.

Contact; Gale G. Moyer, Assistant Director, Virginia State Board of Opticians, 3600 W. Broad St., Richmond, Va. 23230, telephone (804) 257-8509

#### VIRGINIA BOARD OF PSYCHOLOGY

† August 13, 1985 - 9 a.m. - Open Meeting 517 West Grace Street, Richmond, Virginia

A meeting to (i) conduct general board business; (ii) review applications; and (iii) respond to correspondence.

Contact: John W. Braymer, Ph.D., Executive Director, 517 W. Grace St., Richmond, Va. 23220, telephone (804) 786-3434

#### VIRGINIA REAL ESTATE BOARD

† August 28, 1985 - 9 a.m. — Open Meeting Department of Commerce, Travelers Building, 3600 West Broad Street, 5th Floor, Conference Room 1, Richmond, Virginia. (Location accessible to handicapped.)

A meeting to (i) approve minutes of the July 23, 1985, meeting, (ii) review applications, and determination of cases.

Contact: Lucia Anna Trigiani, Interim Assistant Director, 3600 W. Broad St., 5th Floor, Room 523, Richmond, Va. 23230, telephone (804) 257-8516

# VIRGINIA RESOURCES AUTHORITY

† September 24, 1985 - 10 a.m. - Open Meeting The Mutual Building, 909 East Main Street, Authority Board Room, Suite 305, Richmond, Virginia

The board will meet to (i) approve minutes of the July 24, board meeting, (ii) review the authority's operations for the prior month, and (iii) consider other matters and take other actions as they may deem appropriate. The planned agenda of the meeting will be available at the offices of the authority one week prior to the date of the meeting.

Contact: Shockley D. Gardner, Jr., Executive Director, P. O. Box 1300, Richmond, Va. 23210, telephone (804) 644-3100

# STATE SEWAGE HANDLING AND DISPOSAL APPEALS REVIEW BOARD

August 14, 1985 - 10 a.m. - Open Meeting General Assembly Building, Capitol Square, Senate Room A, Richmond, Virginia. (Location accessible to handicapped.) The board will meet to hear and render a decision on all appeals of denials of On-Site Sewage Disposal System Permits.

September 11, 1985 - 10 a.m. - Open Meeting General Assembly Building, Capitol Square, Senate Room A, Richmond, Virginia. (Location accessible to handicapped.)

The board will meet to hear and render a decision on all appeals of denials of On-Site Sewage Disposal System Permits.

Contact: P. M. Brooks, 502 Madison Bldg., Richmond, Va. 23219, telephone (804) 786-1931

#### STATE BOARD OF SOCIAL SERVICES

Notice is hereby given in accordance with § 9-6.14:7.1 of the Code of Virginia that the Board of Social Services intends to amend regulations entitled: Lump Sum Income in the Aid to Dependent Children (ADC) Program. The proposed regulations allow local departments of social services to shorten the period of ineligibility caused by receipt of lump sum income under certain conditions. This provision is an option provided states in the federal Deficit Reduction Act of 1984 (§ 2632).

### **STATEMENT**

<u>Subject:</u> The proposed amendment to the Lump Sum Ineligibility Period in the Aid to Dependent Children (ADC) Program is being proposed for a 60-day comment period.

Substance: The State Board of Social Services proposes to allow local departments of social services to recalculate the period of ineligibility caused by receipt of a lump sum payment when (i) the standard of need increases and the amount the family would have received also changes, (ii) the lump sum or portion thereof becomes unavailable to the family for a reason beyond their control, or (iii) the family incurs medical expenses during the period of ineligibility and uses the lump sum moneys to cover the cost of medical expenses received.

For purposes of item (ii), "reasons beyond the control of the family" include a family member absconding with the lump sum moneys, the theft of such moneys, repayment of debts, or any other condition which, in the best judgement of the local agency, is deemed to meet this criterion for shortening the period of ineligibility. Under current regulations, the period of ineligibility may only be shortened in connection with a life threatening circumstance, incurred by the assistance unit.

Issues: As set forth in the federal Deficit Reduction Act of 1984 (P.L. 98-369), states may opt to shorten the lump sum ineligibility period under any, or all, of the above-mentioned conditions. Having carefully reviewed the impact of these conditions, the State Board has endorsed an amendment which will allow the period of ineligibility to be recalculated in all three of the above-mentioned situations.

Pursuant to P.L. 98-369, states which opt to implement conditions (ii) and (iii) set forth above must define the unavailability due to circumstances beyond control of the family, and which medical expenses incurred and paid by the family will be allowed when recalculating the period of ineligibility.

Due to the fact that local agencies are best suited to evaluate situations which may be beyond the family's control, the board has determined that final authority for such decisions will rest with the superintendent/director of each locality. Further, the department has developed a list of medical services which will be allowed when recalculating the period of ineligibility, if the cost of such services are paid from the proceeds of a lump sum payment.

Basis: The proposed amendment is an option made available to states in the federal Deficit Reduction Act of 1984 (P.L. 98-369). Section 63.1-25 of the Code of Virginia delegates authority to the State Board of Social Services to promulgate rules and regulations necessary for operation of public assistance programs in Virginia.

<u>Purpose:</u> The purpose of the proposed regulation is to allow for a reduction in the number of months a family is determined to be ineligible for assistance due to receipt of a lump sum payment. The proposed amendment will not penalize those recipients of lump sum payments in situations where the proceeds of such payments are depleted through no fault of their own.

Statutory Authority: § 63.1-25 of the Code of Virginia.

Written comment may be submitted until August 9, 1985, to I. Guy Lusk, Director, Division of Benefit Programs, Department of Social Services.

Contact: Carolyn Ellis, Supervisor, Economic Assistance Unit, Department of Social Services, 8007 Discovery Dr., Richmond, Va. 23229-8699, telephone (804) 281-9046

# DEPARTMENT OF SOCIAL SERVICES

August 8, 1985 - 2 p.m. — Public Hearing
Department of Social Services, Blair Building, 8007
Discovery Drive, Conference Room B, Richmond, Virginia.
(Location accessible to handicapped.)

Notice is hereby given in accordance with § 9-6.14:7.1 of the Code of Virginia that the Department of Social Services intends to amend regulations entitled: State Plan for Implementation of the Virginia Weatherization Assistance Program for Low-Income Persons. The state plan amendments will permit certain agencies to expand the program to certain localities.

#### **STATEMENT**

Subject, Substance, Issues, Basis and Purpose: The state plan is being amended to permit the following 2 agencies to administer the Weatherization Assistance for Low-Income Persons Program in localities where the program is not currently administered: Virginia Mountain Housing, Inc. proposes to expand into the counties of Clarke, Frederick, Page, Shenandoah, Warren and the City of Winchester; Eastern Shore Community Development Group proposes to serve the counties of Accomack and Northampton.

Statutory Authority: § 63.1-25 of the Code of Virginia.

Written comments may be submitted until August 8, 1985. Contact: Daniel W. Deane, Program Specialist, Department of Social Services, 8007 Discovery Dr., Richmond, Va. 23288, telephone (804) 281-9046

# Division of Benefit Programs

August 20, 1985 - 2 p.m. - Public Hearing August 20, 1985 - 7 p.m. - Public Hearing

Wytheville Community College, Bland Hall, Room 104,

Wytheville, Virginia

August 22, 1985 - 2 p.m. - Public Hearing

August 22, 1985 - 7 p.m. - Public Hearing

James Madison University, Duke Fine Arts Center, Lattimer-Shaeffer Theater, Main and Grace Streets, Harrisonburg, Virginia

August 29, 1985 - 2 p.m. - Public Hearing

August 29, 1985 - 7 p.m. - Public Hearing George Mason University, Rivanne Lane, Ballroom Student

Union 2. Fairfax, Virginia

September 4, 1985 - 2 p.m. - Public Hearing September 4, 1985 - 7 p.m. - Public Hearing

City Hall Building, 810 Union Street, Council Chambers, 11th Floor, Norfolk, Virginia

September 11, 1985 - 2 p.m. - Public Hearing

September 11, 1985 - 7 p.m. - Public Hearing

State Capitol, Capitol Square, Senate Room B, Richmond, Virginia. (Location accessible to handicapped.)

Notice is hereby given in accordance with § 9-6.14:7.1 of the Code of Virginia that the Department of Social Services, Division of Benefit Programs intends to amend regulations entitled: Standards of Assistance and Grouping of Localities in the Aid to Dependent Children (ADC) Program. The proposed regulation is intended to establish (i) new Standards of Assistance

(i.e. Standards of Need) to reflect current cost of living in Virginia, and (ii) a new group of localities into four payment groups, to reflect current differences in shelter cost from locality to locality across Virginia.

#### **STATEMENT**

Subject: Proposed amendments to the following regulations:

The Standard of Assistance (i.e. Standards of Need) in the Aid to Dependent Children (ADC) Program; and

The Grouping of Localities in the Aid to Dependent Children (ADC) Program.

Substance: The proposed regulations, as set forth in the accompanying Standards of Need and Locality Grouping tables, have been established to represent reasonable approximations of the current cost of living in Virginia in housing defined as "safe, decent and sanitary" by the Department of Housing and Urban Development. The standards are stratified into four different cost groups to reflect variations in the amount Aid to Dependent Children (ADC) recipients must pay for shelter in the locality in which they reside.

The first step of the Aid to Dependent Children Program eligibility determination process relates directly to these Aid to Dependent Children (ADC) Standards of Need. This step consists of screening total gross family income against 185% of the state's standard of need. (It should be noted that subsequent steps in the eligibility determination screening process are performed-and the actual payment to an eligible recipient is made-with respect to the payment levels established as a ratable reduction of the Standards of Need. No change to the payment levels is being proposed here, as state appropriations from the General Assembly drive the level of Aid to Dependent Children (ADC) payments that can be met (i.e. the ratable reduction from the Standards of Need) for the program.) Other effects of this change in the Standards of Need include a change is income deemed available from a step-parent to meet maintenance needs of the family; the duration that a lump sum received by an assistance unit can be considered available to meet the needs of the family-and thereby render the family ineligible, the test of whether there is financial deprivation (an eligibility requirement of the program); and the cash-equivalent value of food and/or clothing totally contributed to the program applicant/recipient.

I<u>ssues:</u> Federal regulations require that a state administering the Aid to Dependent Children program "specify a statewide standard, expressed in money amounts, to be used in determining (i) the need of applicants and recipients and (ii) the amount of assistance payment." A state may have multiple payment levels where justifiable by the range in costs of living across the state, provided the provisios of uniformity and equity continue to be served.

The State Board of Social Services is charged by state law with adopting "...rules and regulations governing the amount of assistance persons shall receive.... In making such rules and regulations, the board shall give due consideration to significant differences in living costs in various counties and cities and shall establish or approve such variations in monetary assistance standards for shelter allowance on a regional or local basis, as may be appropriate in order to achieve the highest practical degree of equity in public assistance grants.... The amount of assistance which any person shall be sufficient, when added to all other income and support of the recipient (exclusive of that not to be taken into account), to provide such person with a reasonable subsistence."

Basis: The proposed Standards of Need and Locality Grouping have been developed pursuant to §§ 63.1-25 and 63.1-110 of the Code of Virginia, and 45 CFR 233.20 of the Code of Federal Regulations.

Purpose: The purpose of proposing new Aid to Dependent Children Standards of Need is to provide Virginia with Standards of Need that more closely approximate the current cost of living in the Commonwealth. The standards in use now were established in 1973 (implemented in July 1974). Inflation since 1973 would appear to have severely eroded the current Standards of Need as a reflection of today's cost of living in Virginia since Standards of Need and payment levels have increased by a total of 30.9% (includes the 8% increase effective July 1, 1985). During this same period, the Consumer Price Index—All Urban Consumers (CPI) has increased by more than 110.6%.

The purpose of proposing a regrouping of localities is to recognize that the cost of living in one locality relative to the cost of living in other localities across Virginia may have changed. Therefore, by regrouping local agencies, the Commonwealth can again assure the most equitable distribution of public assistance grants.

We believe both the proposal to establish new Standards of Assistance and the proposal to regroup localities into new payment groups are consistent with the aforestated provisions and intent of federal regulations and state law.

Statutory Authority: § 63.1-25 of the Code of Virginia.

Written comments may be submitted until September 5, 1985, to I. Guy Lusk, Director, Division of Benefit Programs, Department of Social Services, 8007 Discovery Drive, Richmond, Virginia 23288.

Contact: Howard W. Reisinger, Jr., Chief, Research and Special Projects, Division of Benefit Programs, Department of Social Services, 8007 Discovery Dr., Richmond, Va. 23288, telephone (804) 281-9050 (toll-free number 1-800-552-7091)

Notice is hereby given in accordance with § 9-6.14:7.1 of the Code of Virginia that the Department of Social

**. . . . . . .** .

Services, Division of Benefit Programs intends to amend regulations entitled: Maximum Resource Limit in the Aid to Dependent Children (ADC) and General Relief (GR) Programs. (VR 615.01.3) The State Board of Social Services intends to increase the maximum resource limit for resources which can be retained by an applicant/recipient of assistance in the Aid to Dependent Children (ADC) and General Relief (GR) Programs from \$600 to \$1,000.

#### **STATEMENT**

Subject: Proposed amendment to the following regulation:

Maximum Resource Limit in the Aid to Dependent Children (ADC) and General Relief (GR) Programs.

This amendment is being proposed for a 60-day comment period.

Substance: Federal regulations limit eligibility for assistance in the Aid to Dependent Children (ADC) Program to those families with available resources, not specifically excluded, which do not exceed \$1,000, or such lower limit established at the discretion of each state. In Virginia, the State Board of Social Services has set the maximum limit for resources which may be retained by an applicant/recipient of Aid to Dependent Children (ADC) at \$600. Additionally, the board has also adopted this amount as the maximum which may be retained by an applicant/recipient of General Relief (GR).

As set forth herein, the board is proposing to increase the maximum resource limit in both the Aid to Dependent Children (ADC) and General Relief (GR) Programs from \$600 to \$1,000.

Issues: Resource limits in the Aid to Dependent Children (ADC) and General Relief (GR) Programs have not been increased since January 1, 1978. It is, therefore, felt that an increase in the resource limit will allow applicants/recipients to retain an amount which more accurately reflects the current cost of living.

Basis: Chapter 1, Title 63.1-25 of the Code of Virginia delegates authority to the State Board of Social Services to promulgate rules and regulations necessary for operation of public assistance programs in Virginia. Title IV-A, § 402(a)(7) of the Social Security Act has established the maximum resource limit for applicants/recipients in the Aid to Dependent Children (ADC) Program at \$1,000, or such lower limit established by each state.

<u>Purpose:</u> To establish a more reasonable limit on the maximum value of resources which may be retained by an applicant/recipient of assistance in the Aid to Dependent Children (ADC) and General Relief (GR) Programs.

Statutory Authority: § 63.1-25 of the Code of Virginia.

Written comments may be submitted until August 23, 1985, to I. Guy Lusk, Director, Division of Benefit Programs, Department of Social Services, 8007 Discovery Drive, Richmond, Virginia 23229-8699.

Contact: Carolyn C. Ellis, Supervisor, Economic Assistance Unit, Division of Benefit Programs, Department of Social Services, 8007 Discovery Dr., Richmond, Va. 23229-8699, telephone (804) 281-9046

Notice is hereby given in accordance with § 9-6.14:7.1 of the Code of Virginia that the Department of Social Services, Division of Benefit Programs intends to amend regulations entitled: Safeguarding Information in the Aid to Dependent Children (ADC) Program/Disclosure of Information to Law-Enforcement Officers. (VR 615.01.4) The proposed regulation is intended to allow local agencies to disclose to state or local law-enforcement officers the address of a recipient if: (i) such recipient is a fugitive felon; (ii) location/apprehension of the felon is within the officer's official duties; and (iii) the request is made in the proper exercise of those duties.

#### **STATEMENT**

Subject: Proposed amendment to the following regulation:

Disclosure of Information to Law-Enforcement Officers in the Aid to Dependent Children (ADC) Program. (VR 615-01.4).

This amendment is being proposed for a 60-day comment period.

<u>Substance</u>: The proposed regulation will allow local departments of social services to disclose the address of a current recipient of Aid to Dependent Children to a state or local law-enforcement officer if the recipient is a fugitive felon. The officer must provide the recipient's name, social security number, and demonstrate that the location or apprehension of such felon is within the officer's official duties.

<u>Issues:</u> 1) Federal regulations allow states to define a fugitive felon utilizing a state law, federal law or combination thereof. In conjunction with the Attorney General's office, the department has determined the most appropriate definition of a fugitive felon is as follows:

Any person charged with a crime punishable by death, or which is a felony under the law in the place from which the person flees, or which, in the case of New Jersey, is a high misdemeanor under the law of said state who flees to avoid prosecution, or custody or confinement after conviction.

2) To ensure the request for the recipient's address is within the officer's official duties, the department has mandated that in addition to the recipient's name and

social security number, the officer must provide evidence of an outstanding warrant for the fugitive felon's arrest.

- 3) The federal Deficit Reduction Act of 1984 (P.L. 98-369) allows states to disclose the address of a recipient who is a fugitive felon to a state or local law-enforcement officer regardless of whether the state has enacted legislation allowing public access to federal welfare records.
- 4) The federal law does not specify if disclosure of a recipient's current address is limited to state or local law-enforcement officers in the state from which the recipient is currently receiving assistance or is applicable to state or local law-enforcement officers from other states. The Attorney General's office has advised that disclosure of information need not be limited to state and local law-enforcement officers of the Commonwealth.

Basis: The proposed regulation has been developed pursuant to Chapter 1, Title 63.1-25 of the Code of Virginia and § 2636 of the federal Deficit Reduction Act of 1984 (P.L. 98-369).

Purpose: Prior to enactment of P.L. 98-369, states were prohibited from disclosing information regarding recipients to law-enforcement officers, except for public assistance related crimes, thereby, protecting such recipients who are fugitive felons from prosecution or confinement for crimes with which they have been charged or which they have committed. With passage of the Deficit Reduction Act, however, states may assist law-enforcement agencies in locating fugitive felons who are receiving Aid to Dependent Children.

As set forth is § 63.1-25 of the Code of Virginia, the State Board of Social Services has been delegated the authority to promulgate rules and regulations necessary to operate public assistance programs in Virginia. At the direction of the board, the proposed amendment to the Aid to Dependent Children (ADC) Program has been approved for a 60-day public comment period.

It is the intent of the board to allow local departments of social services to disclose the address of a current recipient of Aid to Dependent Children to a state or local law-enforcement officer if the recipient is a fugitive felon. Under current regulations, a recipient must be advised of each such request for information and must provide written authorization before the requested information may be released.

As set forth in the federal Deficit Reduction Act of 1984 (P.L. 98-369), states need not enact legislation relaxing privacy laws in order to adopt the regulation as described herein.

Statutory Authority: § 63.1-25 of the Code of Virginia.

Written comments may be submitted until August 23, 1985, to I. Guy Lusk, Director, Division of Benefit Programs, Department of Social Services, 8007 Discovery Drive,

Richmond, Virginia 23229-8699.

Contact: Carolyn C. Ellis, Supervisor, Economic Assistance Unit, Division of Benefit Programs, Department of Social Services, 8007 Discovery Dr., Richmond, Va. 23229-8699, telephone (804) 281-9046

Notice is hereby given in accordance with § 9-6.14:7.1 of the Code of Virginia that the Department of Social Services, Division of Benefit Programs intends to amend regulations entitled: Collection of Overpayments in the Aid to Dependent Children (ADC) and Refugee Other Assistance Programs. (VR 615.01.5) Allow waiver of overpayments to former recipients which are less then \$35 and overpayments are greater than \$35 if, after reasonable efforts to collect the overpayment, further efforts would not be cost effective, This provision does not apply to overpayments which are the result of fraud.

#### **STATEMENT**

Subject: Proposed amendment to the following regulation:

Collection of Overpayments in the Aid to Dependent Children (ADC) and Refugee Other Assistance Programs.

This amendment is being proposed for a 60-day comment period.

Substance: Current regulations in the Aid to Dependent Children (ADC) and Refugee Other Assistance Programs require states recover all overpayments of assistance which are the result of both agency and client error. The federal Deficit Reduction Act of 1984 (P.L. 98-369), however, allows states to waive recovery of outstanding overpayments to former Aid to Dependent Children (ADC) and Refugee Other Assistance recipients in situations where the total overpayments are less than \$35. Additionally, states may opt to waive recovery of overpayments to former recipients which are \$35, or more if, after reasonable efforts to collect the overpayments, it is determined that further efforts to collect the overpayment would not be cost-effective. The option to waive such overpayments is not applicable in situations involving fraud.

Issues: Federal regulations require that prior to determining if further efforts to collect an overpayment which is \$35, or more, would not be cost-effective, the agency must ensure "reasonable efforts" have been made to collect the overpayment from the former recipient. At minimum, the regulations require the agency to attempt to contact the former recipient to notify him of the amount of the overpayment, the reason the overpayment occurred, and that repayment is required. The department has expanded this requirement to ensure clarity and consistency. In situations where the former recipient cannot be located; or he refuses, in writing, to repay the

overpayment; or he has no means by which to repay the overpayment, the local agency must conduct an evaluation to determine if further action to collect the overpayment will be cost-effective.

Federal regulations are also unclear with regard to whether states may allow localities, at their discretion, to pursue collection of overpayments which are less than \$35. To ensure uniform procedures regarding overpayments are applied throughout the Commonwealth, the proposed regulation, as set forth herein, will mandate local agencies to forego collection of all overpayments less than \$35.

<u>Basis:</u> Section 63.1-25 of the Code of Virginia and § 2633 of P.L. 98-369 (the Deficit Reduction Act of 1984) established the basis for states to adopt the regulation as set forth herein.

Purpose: The intent of the proposed regulation is to reduce administrative costs incurred by the local social services agencies through collection of overpayments which are not deemed to be cost-effective. Additionally, adoption of this regulation will increase consistency between the Aid to Dependent Children (ADC), Refugee Other Assistance, and Food Stamp Programs with regard to collection of overpayments. Under current Food Stamp Program regulations, local agencies may forego collection of Food Stamp overissuances which are less than \$35 from former program participants.

Statutory Authority: § 63.1-25 of the Code of Virginia.

Written comments may be submitted until August 23, 1985 to I. Guy Lusk, Director, Division of Benefit Programs, Department of Social Services, 8007 Discovery Drive, Richmond, Virginia 23229-8699.

Contact: Carolyn C. Ellis, Supervisor, Economic Assistance Unit, Division of Benefit Programs, Department of Social Services, 8007 Discovery Dr., Richmond, Va. 23229-8699, telephone (804) 281-9046

Notice is hereby given in accordance with § 9-6.14:7.1 of the Code of Virginia that the Department of Social Services intends to amend regulations entitled: Protective Payments in the Aid to Dependent Children (ADC) and Refugee Other Assistance Programs. (VR 615.01.6) These regulations will allow local departments of social services to continue making assistance payments payable to a sanctioned caretaker relative for remaining eligible members of the assistance unit if, after all reasonable efforts, the local agency cannot locate an appropriate protective payee.

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#### **STATEMENT**

Subject: Proposed amendment to the following regulation:

Protective Payments in the Aid to Dependent Children

(ADC) and Refugee Other Assistance Programs (VR 615.01.6).

This amendment is being proposed for a 60-day comment period.

Substance: Under current regulations, there is no provision for continuing Aid to Dependent Children and Refugee Other Assistance payments to a caretaker relative who is sanctioned for failure to participate in the Employment Services Program, as well as for failure to assign rights to child/spousal support or cooperate in establishing paternity and securing such support. The caretaker relative who fails to fulfill these requirements not only has his needs removed from the grant, but is also replaced as the payee by a protective payee appointed by the local agency.

It is the intent of the State Board of Social Services to allow local agencies to continue Aid to Dependent Children and Refugee Other Assistance payments to the sanctioned caretaker relative for the remaining members of the assistance unit if, after making all reasonable efforts, the local agency is unable to locate an appropriate individual to whom protective payments can be made.

Issues: As set forth in the federal Deficit Reduction Act of 1984 (Public Law 98-369), states may opt to continue Aid to Dependent Children and Refugee Other Assistance payments to sanctioned caretaker relatives when they fail to meet the above-mentioned program requirements. Having carefully reviewed the impact of the above, the State Board has endorsed an amendment, as proposed herein, which will allow the continuation of assistance payments payable to the sanctioned caretaker relative for the remaining members of the assistance unit.

Pursuant to P.L. 98-369, states which opt to implement exceptions to requirements for protective payments will continue issuing payments to sanctioned caretaker relative only after making all reasonable efforts to locate an appropriate protective payee.

Due to the fact that local agencies are best suited to evaluate what constitutes "reasonable efforts," the board has determined that final authority for such decisions will rest with the superintendent/director of each locality. Such responsibility may be delegated by the superintendent/director to the most suitable party.

Basis: The proposed amendment is an option made available to state in § 2634 of the federal Deficit Reduction Act of 1984 (P.L. 98-369). Section 63.1-25 of the Code of Virginia, delegates authority to the State Board of Social Services to promulgate rules and regulations necessary for operation of public assistance programs in Virginia.

<u>Purpose</u>: The purpose of the proposed regulation is to allow for the continuation of assistance on behalf of eligible assistance unit members to the caretaker relative in situations where the caretaker relative has been

sanctioned and a protective payee cannot be reasonable located.

Statutory Authority: § 63.1-25 of the Code of Virginia.

Written comment may be submitted until September 6, 1985, to I. Guy Lusk, Director, Division of Benefit Programs, Department of Social Services, 8007 Discovery Drive, Richmond, Virginia 23229-8699.

Contact: Carolyn Ellis, Supervisor, Economic Assistance Unit, Department of Social Services, 8007 Discovery Dr., Richmond, Va. 23229-8699, telephone (804) 281-9046 (toll-free number 1-800-552-7091)

### **Division of Service Programs**

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Notice is hereby given in accordance with § 9-6.14:7.1 of the Code of Virginia that the Virginia Department of Social Services, Division of Service Programs intends to amend regulations entitled: Elimination of Eligibility Criteria for Direct Social Services. The proposed regulation would allow local Social Service agencies the option of eliminating financial eligibility criteria for all social services provided directly by local agency staff except for the Employment Services Program.

#### **STATEMENT**

<u>Basis:</u> This regulation is issued under authority granted by  $\S$  63.1-25 of the Code of Virginia.

<u>Subject:</u> This regulation would allow local social service agencies the option of eliminating financial eligibility criteria for all social services provided directly by local agency staff except for the Employment Services Program.

<u>Substance:</u> Current regulations for social services provided directly by local social service staff require financial eligibility determination for all persons needing Employment Services and certain individuals and families needing Family and Adult Services.

This regulation is offered as an option to local social service agencies. It would allow local social service agencies to either continue under current regulations or to eliminate financial eligibility determination for all social services when provided directly by agency staff except for services provided under the Employment Services Program.

Issues: This regulation should allow localities more flexibility in offering direct services to their communities. It will free up time now spent on eligibility determination for direct service delivery. In the absence of the regulation local agencies may have to deny services to some persons who truly need the service. This is particularly unfortunate in communities where the local

social service agency is the only service agency. Although an increase in service applications was thought to be an issue, a preliminary study of the impact of the regulation did not indicate that this was the case.

<u>Purpose</u>: The purpose of this regulation is to save staff time and to enable local agencies to better provide preventative and early interventive services prior to the need for protective services or substitute care.

<u>Summary:</u> Current regulations for social services provided directly by local social services staff require financial eligibility determination for all persons needing Employment Services and certain individuals and families needing Family and Adult Services. The proposed regulation would allow local service agencies the option of eliminating the financial eligibility determination for all social services when provided directly by agency staff except for services provided under the Employment Services Program.

Statutory Authority: § 63.1-25 of the Code of Virginia.

Written comments may be submitted until September 6, 1985.

Contact: Elaine F. Jefferson, Generic Services Specialist, Virginia Department of Social Services, 8007 Discovery Dr., Richmond, Va. 23229-8669, telephone (804) 281-9139 (toll-free number 1-800-552-7091)

# VIRGINIA BOARD OF SOCIAL WORK

August 9, 1985 - 9:30 a.m. — Open Meeting 517 West Grace Street, Richmond, Virginia. (Location accessible to handicapped.)

A meeting to conduct general board business; review applications; and respond to correspondence.

Contact: John W. Braymer, Ph.D., Executive Director, 517

Contact: John W. Braymer, Ph.D., Executive Director, 517 W. Grace St., Richmond, Va. 23261, telephone (804) 786-7703

# DEPARTMENT OF TAXATION

August 8, 1985 - 10 a.m. - Public Hearing General Assembly Building, Capitol Square, House Room C, Richmond, Virginia. (Location accessible to handicapped.)

Notice is hereby given in accordance with § 9-6.14:7.1 of the Code of Virginia that the Department of Taxation intends to adopt regulations entitled: Individual Income Tax: Net Operating Losses. (VR 630-2-322.1) This regulation sets forth and explains the procedures relating to the Virginia tax treatment of federal net operating losses.

### **STATEMENT**

Basis: This regulation is issued under authority granted by § 58.1-203 of the Code of Virginia.

<u>Purpose:</u> This regulation sets forth and explains the procedures relating to the Virginia tax treatment of federal net operating losses.

Issues: This is a previously unregulated area and the Virginia Code is silent on this subject. Federal law allows a deduction for net operating losses in the computation of federal adjusted gross income. Since the starting point on a Virginia individual income tax return is federal adjusted gross income, which would reflect any federal net operating loss, Virginia taxable income is indirectly affected.

Substance: This regulation specifies which Virginia modifications, and in what manner these modifications are to be considered in the recomputation of Virginia taxable income in years in which a federal net operating loss is utilized. To avoid ambiguity, the terms used in this regulation are defined and examples illustrating the computation of the Virginia modification in the loss year are provided. Furthermore, this regulation specificies the procedures for filing a Virginia refund claim in the event of a federal net operating loss. It also addresses such topics as when a claim must be filed, what supporting documents must accompany the claim, where the return must be filed, and how interest is to be computed on the overpayment resulting from the refund claim.

Statutory Authority: § 58.1-203 of the Code of Virginia.

Written comments may be submitted until August 8, 1985.
Contact: Danny M. Payne, Director, Tax Policy Division,
P. O. Box 6-L, Richmond, Va. 23282, telephone (804) 257-8010

† August 9, 1985 - 10 a.m. — Open Meeting Department of Taxation, 2220 West Broad Street, Richmond, Virginia. (Location accessible to handicapped.)

An informal meeting to solicit comments and suggestions on the proposed Cigarette Sales Below Wholesale Cost Act Regulations.

August 27, 1985 - 10 a.m. — Open Meeting
Department of Taxation, 2220 West Broad Street,
Richmond, Virginia. (Location accessible to handicapped.)

An informal meeting to solicit comments and suggestions on the proposed revision of VR 630-10-86 of the Virginia Retail Sales and Use Tax Regulations relating to printing.

August 28, 1985 - 3 p.m. - Open Meeting
Department of Taxation, 2220 West Broad Street,
Richmond, Virginia. (Location accessible to handicapped.)

An informal meeting to solicit comments and suggestions in the development of amendments to the

Virginia Sales and Use Tax Regulation VR 630-10-3.

Contact: Danny M. Payne, Director, Tax Policy Division, P. O. Box 6-L, Richmond, Va. 23282, telephone (804) 257-8010

### COMMISSION ON VETERANS' AFFAIRS

August 5, 1985 - 7:30 p.m. — Public Hearing Rockingham County Courthouse, 80 Courthouse Square, 2nd Floor, Board of Supervisors Meeting Room, Harrisonburg, Virginia

A public hearing on matters affecting the welfare of Virginia's veterans and their dependents. Individual veterans, representatives of veterans organizations, and concerned persons are invited to make comments or suggestions for consideration by the commission for transmittal to the 1986 session of the General Assembly.

Contact: Alan B. Wambold, Research Associate, Division of Legislative Services, P. O. Box 3-AG, Richmond, Va. 23208, telephone (804) 786-3591

# VIRGINIA DEPARTMENT FOR THE VISUALLY HANDICAPPED

# **Advisory Committee on Services**

September 14, 1985 - 10:30 a.m. — Open Meeting Administrative Headquarters, 397 Azalea Avenue, Richmond, Virginia. (Location accessible to handicapped; interpreter for deaf provided if requested.)

The committee meets quarterly to advise the Virginia Department for the Visually Handicapped on matters related to services for blind and visually handicapped citizens of the Commonwealth.

Contact: George A. Koger, Executive Assistant, 397 Azalea Ave., Richmond, Va. 23227, telephone (804) 264-3148

#### STATE WATER CONTROL BOARD

August 26, 1985 - 9 a.m. — Open Meeting August 27, 1985 - 9 a.m. — Open Meeting

General Assembly Building, Capitol Square, Senate Room B, Richmond, Virginia. (Location accessible to handicapped.)

September 19, 1985 - 9 a.m. — Open Meeting September 20, 1985 - 9 a.m. — Open Meeting

Ramada Inn, Duffield, Virginia

Regular board meetings.

Contact: Doneva A. Dalton, State Water Control Board,
Office of Policy Analysis, P. O. Box 11143, Richmond,

Va. 23230, telephone (804) 257-6829

September 5, 1985 - 2 p.m. — Public Hearing Virginia War Memorial, 621 South Belvidere Street, Auditorium, Richmond, Virginia

Notice is hereby given in accordance with § 9-6.14:7.1 of the Code of Virginia that the State Water Control Board intends to amend regulations entitled: Water Quality Standards, Section 2.02. Fecal Coliform Bacteria - Other Waters. This amendment allows for a case-by-case determination of sewerage disinfection requirements.

#### STATEMENT

<u>Subject:</u> Proposed Amendment to Virginia's Water Quality Standards.

Basis: Section 62.1-44.15(3) of the Code of Virginia authorizes the board to establish Water Quality Standards and Policies for any state waters consistent with the purpose and general policy of the State Water Control Law, and to modify, amend, or cancel any such standards or policies established. Such standards shall be adopted only after a hearing is held and the board takes into consideration the economic and social costs and benefits which can reasonably be expected to be obtained as a result of the standards as adopted, modified, amended, or cancelled.

Section 303 of the Federal Clean Water Act requires states to adopt water quality standards and to have them approved by the Environmental Protection Agency (EPA). Additionally, both state and federal law require triennial reviews of water quality standards, with adoption of new standards, amendments to existing standards, as appropriate. If EPA determines that Virginia's water quality standards are not appropriate, it will promulgate its own federal water quality standard for Virginia.

This standards amendment is proposed as a result of EPA review of Virginia's triennial review process.

Substance and Purpose of Proposed Amendment: The purpose of the proposed amendment is to revise § 2.02 Fecal Coliform Bacteria - Other Wastes of the Water Quality Standards to include a description of the protocol which must be followed in making a case-by-case determination of sewerage disinfection requirements, based on the actual and potential uses of the receiving waters, according to the board's Disinfection Policy. The current version of the standard allows for the case-by-case determination, but does not contain a standard protocol for conducting a site-specific beneficial use-attainability analysis on which decisions about sewerage disinfection would be based.

<u>Issues:</u> The proposed amendment to the Fecal Coliform Standard For Other Waters is needed to assure that all beneficial uses of a water body are considered before a decision is made on disinfection requirements in a discharge permit. The Environmental Protection Agnecy (EPA) expressed concern that the current wording of the standard might in some cases result in degradation of beneficial stream uses and be in violation of the Federal Water Quality Standards Regulation. In a March 1985, letter, EPA conditioned approval of this standard upon the Commonwealth's commitment to revise the standard by January 1, 1986. If this revision is not accomplished by that date, federal award of construction grants will be halted until such time as the appropriate revisions of § 2.02 are made.

Statutory Authority: § 62.1-44.15(3) of the Code of Virginia.

Written comments may be submitted until September 16, 1985, to Ms. Donnie Dalton, State Water Control Board, P. O. Box 11143, Richmond, Virginia 23230.

Contact: Jean W. Gregory, Water Resources Ecologist, State Water Control Board, P. O. Box 11143, Richmond, Va. 23230, telephone (804) 257-6985

### COMMISSION ON THE STATUS OF WOMEN

August 13, 1985 - 9:30 a.m. — Open Meeting State Capitol, Capitol Square, House Room 1, Richmond, Virginia. (Location accessible to handicapped.)

A regular meeting of the commission to conduct general business and receive reports from the commission committees.

Contact: Bonnie H. Robinson, Executive Director, 8007 Discovery Dr., Richmond, Va. 23229-8699, telephone (804) 281-9200

# **LEGISLATIVE**

# HOUSE APPROPRIATIONS JOINT SUBCOMMITTEE

† August 14, 1985 - 9:30 a.m. — Open Meeting Norfolk Community Hospital, 2539 Corprew Avenue, Norfolk, Virginia

A meeting to study alternative for a state indigent health care policy.

# HOUSE APPROPRIATIONS COMMITTEE AND SENATE FINANCE COMMITTEE JOINT MEETING

August 23, 1985 - 9:30 a.m. - Open Meeting

General Assembly Building, Capitol Square, House Room D, Richmond, Virginia. (Location accessible to handicapped.)

A joint regular monthly meeting.

Contact: Donna C. Johnson, House Appropriations

Committee Consul Assembly Building Oth Floor

Contact: Donna C. Johnson, House Appropriations Committee, General Assembly Buidling, 9th Floor, Richmond, Va. 23219, telephone (804) 786-1837

#### VIRGINIA CODE COMMISSION

† August 28, 1985 - 9:30 a.m. - Open Meeting General Assembly Building, Capitol Square, 6th Floor Conference Room, Richmond, Virginia. (Location accessible to handicapped.)

A meeting to continue the revision of Title 38.1 of the Code of Virginia, which sets forth the insurance laws of the Commonwealth.

Contact: Joan Smith, Registrar of Regulations, Virginia Code Commission, General Assembly Building, 9th and Broad Sts., Richmond, Va. 23219, telephone (804) 786-3591

# CHANGES IN VIRGINIA'S ELECTION LAWS JOINT SUBCOMMITTEE

September 10, 1985 - 10 a.m. — Public Hearing General Assembly Building, Capitol Square, Senate Room A, Richmond, Virginia. (Location accessible to handicapped.)

A public hearing for suggestions on changes in Virginia's Election Laws. <u>Deadline</u> for written comments to be submitted to Dr. Jack Austin by <u>August 1</u>, 1985. (SJR 92)

Contact: Dr. Jack Austin, Research Associate, Division of Legislative Services, P. O. Box 3-AG, Richmond, Va. 23208, telephone (804) 786-3591 or Thomas G. Gilman, Senate Clerk's Office, P. O. Box 396, Richmond, Va. 23203, telephone (804) 786-5742

# HOUSE OF DELEGATES GENERAL LAWS SUBCOMMITTEE

† August 22, 1985 - 2 p.m. — Open Meeting Pavilion-Virginia Beach Convention Center, Room 101, Virginia Beach, Virginia. (Location accessible to handicapped.)

A meeting of a special five-member House of Delegates General Laws Subcommittee which will study feasibility of providing incentives to owners of buildings for the installation of fire prevention systems.

Contact: Angela Bowser, Staff Attorney, Division of Legislative Services, P. O. Box 3-AG, Richmond, Va. 23208, telephone (804) 786-3591

#### **HUMAN RIGHTS STUDY COMMISSION**

† August 16, 1985 - 10 a.m. - Open Meeting General Assembly Building, Capitol Square, House Room C, Richmond, Virginia. (Location accessible to handicapped.)

An organizational meeting of the commission to review and make recommendations on establishing a comprehensive human rights act. (HB 900)

Contact: Dr. Jack Austin, Research Associate, Division of Legislative Services, P. O. Box 3-AG, Richmond, Va. 23208, telephone (804) 786-3591

# INFANT MORTALITY IN THE COMMONWEALTH JOINT SUBCOMMITTEE

September 9, 1985 - 10 a.m. — Public Hearing City Council Chambers, 418 Patton Street, Danville, Virginia

A public hearing on causes of, and prevention of, infant mortality in the Commonwealth. (SJR 106)

Contact: Brenda Edwards, Research Associate, Division of Legislative Services, P. O. Box 3-AG, Richmond, Va. 23208, telephone (804) 786-3591 or George Diradour, Senate Clerk's Office, P. O. Box 396, Richmond, Va. 23203, telephone (804) 786-5742

# MONITORING LONG-TERM CARE JOINT SUBCOMMITTEE

September 17, 1985 - 10 a.m. — Open Meeting General Assembly Building, Capitol Square, House Room C, Richmond, Virginia. (Location accessible to handicapped.)

The joint subcommittee will hear reports from task forces and agencies studying (i) housing needs of the disabled, (ii) post-educational transition services for the handicapped, (iii) reserve requirements for continuing care retirement communities, (iv) new methods of Medicaid reimbursement to nursing homes, and (v) assessment of public and private costs of maintaining the elderly in their communities.

Contact: Susan Ward, Staff Attorney, Division of Legislative Services, 2nd Floor, General Assembly Bldg., Richmond, Va., telephone (804) 786-3591

# NEEDS OF MACHINE-DEPENDENT INDIVIDUALS JOINT SUBCOMMITTEE

August 15, 1985 - 10 a.m. — Open Meeting General Assembly Building, Capitol Square, Senate Room A, Richmond, Virginia. (Location accessible to handicapped.)

A meeting of the joint subcommittee to study Senate Joint Resolution No. 99.

Contact: Norma Szakal, Staff Attorney, Division of Legislative Services, P. O. Box 3-AG, Richmond, Va. 23208, telephone (804) 786-3591

#### STATE WATER COMMISSION

† August 15, 1985 - 7:30 p.m. — Public Hearing City Hall, City Council Chamber, 715 Princess Anne Street, Fredericksburg, Virginia

† August 22, 1985 - 7:30 p.m. - Public Hearing Clarke County, Circuit Court House, 102 North Church Street, Circuit Court Room, 1st Floor, Berryville, Virginia

A public hearing on draft legislation dealing with the withdrawal of groundwater and surface water.

Contact: Michael D. Ward, Staff Attorney or Martin G. Farber, Research Associate, Division of Legislative Services, P. O. Box 3-AG, Richmond, Va. 23208, telephone (804) 786-3591

# WORKERS' COMPENSATION JOINT SUBCOMMITTEE

† August 7, 1985 - 10 a.m. - Open Meeting General Assembly Building, Capitol Square, House Room C, Richmond, Virginia. (Location accessible to handicapped.)

A Joint Subcommittee of House Labor & Commerce and Senate Commerce and Labor to review legislation assigned for study during the 1985 session of the General Assembly.

Contact: Anne R. Howard, House of Delegates, P. O. Box 406, Richmond, Va. 23203, telephone (804) 786-7681 OR C. William Cramme', Staff Attorney or Terry Barrett, Research Associate, Division of Legislative Services, P. O. Box 3-AG, Richmond, Va. 23208, telephone (804) 786-3591

# CHRONOLOGICAL LIST OPEN MEETINGS

August 6, 1985

Mental Health and Mental Retardation, Department of Systemwide Training Workshop

August 7

Workers' Compensation Joint Subcommittee

August 9

Mental Health and Mental Retardation, Department of Public Guardianship Task Force Social Work, Virginia Board of Taxation, Department of

August 12

Land Evaluation Advisory Commission, State

August 13

Alcoholic Beverage Control Commission Conservation and Historic Resources Division of Historic Landmarks Elections, State Board of Psychology, Virginia Board of Women, Commission on the Status of

August 14

Air Pollution Control Board, State
Appropriations, House
Joint Subcommittee
Aviation Board, Virginia
Aviation Conference, 12th Annual Virginia
Child Support, Governor's Commission on
Corrections, Board of
Mental Health and Mental Retardation, Department of
Sewage Handling and Disposal Appeals
Review Board, State

August 15

Aviation Conference, 12th Annual Virginia Highway and Transportation, Virginia Department of Librarians, State Board for Certification of Needs of Machine-Dependent Individuals Joint Subcommittee

August 16

Aviation Conference, 12th Annual Virginia
Human Rights Study Commission
Mental Health and Mental Retardation, Department of
Mental Retardation Advisory Council

August 19

Housing and Community Development, Board of Housing and Community Development, Board of Building Codes and Standards Committee

August 20

Housing and Devleopment Authority, Virginia

Board of Commissioners

August 21

Motor Vehicles, Department of

August 22

General Laws, House of Delegates Subcommittee

August 23

Appropriations Committee, House AND Finance Committee, Senate Joint Meeting

August 26

Agricultural Foundation, Virginia Water Control Board, State

August 27

Alcoholic Beverage Control Commission Taxation, Department of Water Control Board, State

August 28

Code Commission, Virginia
Health Services Cost Review Commission, Virginia
Mental Health and Mental Retardation Board
Real Estate Board, Virginia
Taxation, Department of

August 29

Mental Health and Mental Retardation, Department of Mentally Ill in Virginia's Jails

September 6

General Services, Department of Art and Architectural Review Board Opticians, State Board of

September 10

Alcoholic Beverage Control Commission

September 11

Corrections, Board of Sewage Handling and Disposal Appeals Review Board, State

September 12

Apprenticeship Council, Virginia

September 13

Medicine, Virginia State Board of

September 14

Medicine, Virginia State Board of Visually Handicapped, Virginia Department for the Advisory Committee on Services

September 17

Monitoring Long-Term Care Joint Subcommittee

September 19

Water Control Board, State

September 20

Water Control Board, State

September 24

Alcoholic Bevergae Control Commission Resources Authority, Virginia

October 7

Air Pollution Control Board, State

October 11

General Services, Department of State Insurance Advisory Board

October 16

Corrections, Board of

October 22

Marine Resources Commission

### PUBLIC HEARINGS

August 5, 1985

Veteran's Affairs, Commission on

August 6

Agriculture and Consumer Services, Department

August 7

Agriculture and Consumer Services, Department

August 8

Taxation, Department of Social Services, Department of

August 13

Human Resources, Secretary of

August 15

Human Resources, Secretary of Water Commission, State

August 20

Human Resources, Secretary of Social Services, Department of Division of Benefit Programs

August 21

Children, Virginia Department for

August 22

Social Services, Department of Division of Benefit Programs Water Commission, State August 23

Health, Department of

August 27

Children, Virginia Department for

August 29

Social Services, Department of Division of Benefit Programs

September 4

Social Services, Department of Division of Benefit Programs

September 5

Water Control Board, State

September 9

Infant Mortality in the Commonwealth Joint Subcommittee

September 10

Election Laws, Changes in Virginia's
Joint Subcommittee
Governor's Regulatory Reform Advisory Board
Mental Health and Mental Retardation, Department of

September 11

Mental Health and Mental Retardation, Department of Social Services, Department of Division of Benefit Programs

September 12

Mental Health and Mental Retardation, Department of Mines, Minerals and Energy, Department of Division of Mines

September 13

Mental Health and Mental Retardation, Department of

September 16

Health, Department of Housing and Community Development, Board of

September 24

Aging, Virginia Department for the Medical Assistance Services, Department of

October 2

Criminal Justice Services Board

Virginia	Register of	Regulations