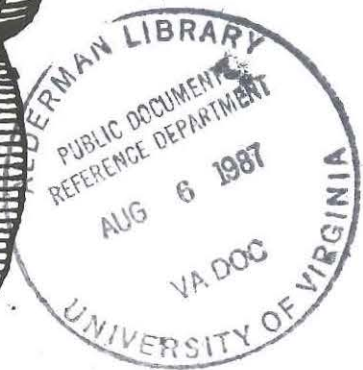
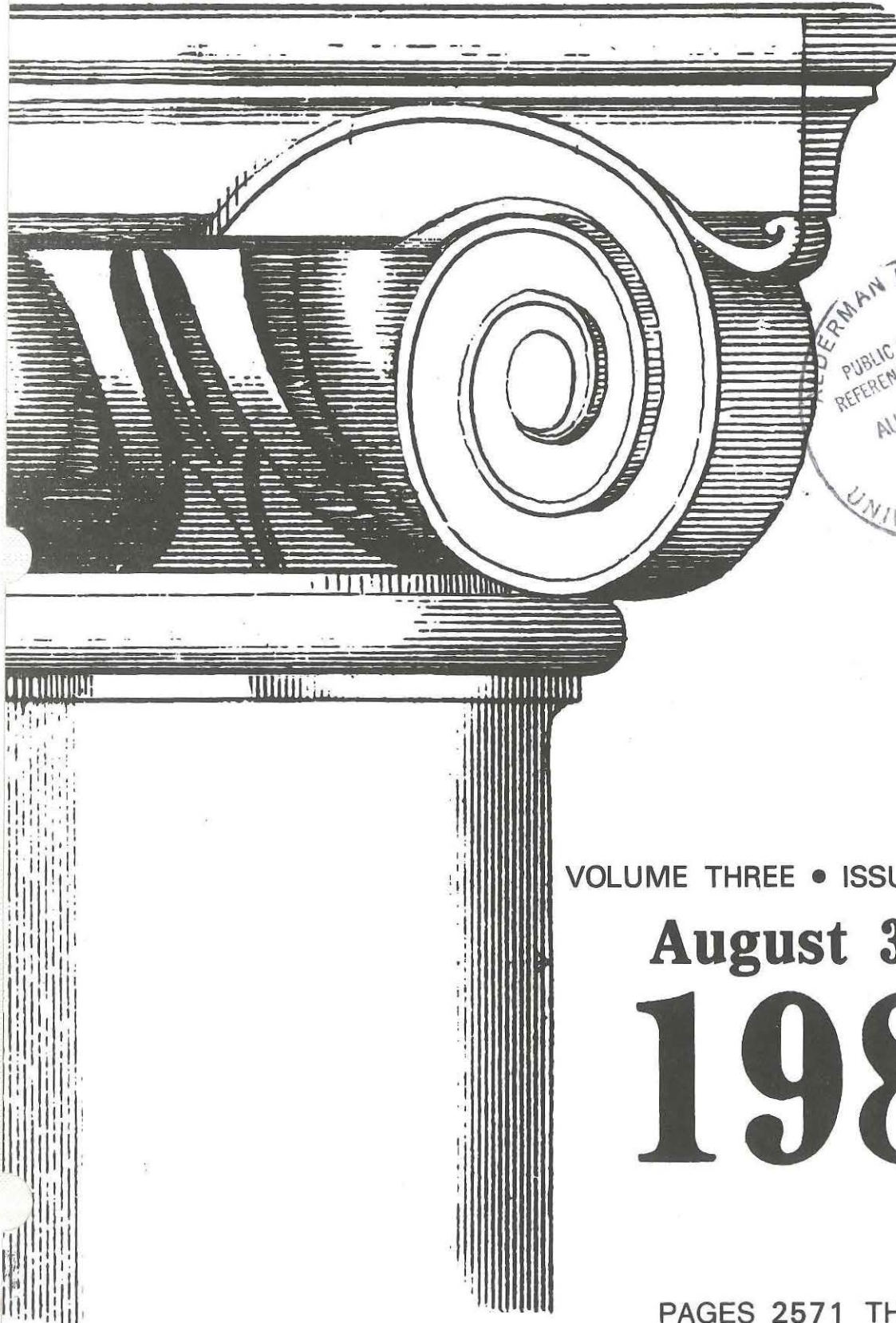


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# VIRGINIA REGISTER

OF REGULATIONS



VOLUME THREE • ISSUE TWENTY-TWO

August 3, 1987

# 1987

PAGES 2571 THROUGH 2659

# INFORMATION ABOUT THE VIRGINIA REGISTER OF REGULATIONS

## VIRGINIA REGISTER

The *Virginia Register* is an official state publication issued every other week throughout the year. Indexes are published quarterly, and the last index of the year is cumulative.

The *Virginia Register* has several functions. The full text of all regulations, both as proposed and as finally adopted or changed by amendment are required by law to be published in the *Virginia Register of Regulations*.

In addition, the *Virginia Register* is a source of other information about state government, including all Emergency Regulations issued by the Governor, and Executive Orders, the Virginia Tax Bulletin issued monthly by the Department of Taxation, and notices of all public hearings and open meetings of state agencies.

## ADOPTION, AMENDMENT, AND REPEAL OF REGULATIONS

An agency wishing to adopt, amend, or repeal regulations must first publish in the *Virginia Register* a notice of proposed action; a basis, purpose, impact and summary statement; a notice giving the public an opportunity to comment on the proposal, and the text of the proposed regulations.

Under the provisions of the Administrative Process Act, the Registrar has the right to publish a summary, rather than the full text, of a regulation which is considered to be too lengthy. In such case, the full text of the regulation will be available for public inspection at the office of the Registrar and at the office of the promulgating agency.

Following publication of the proposal in the *Virginia Register*, sixty days must elapse before the agency may take action on the proposal.

During this time, the Governor and the General Assembly will review the proposed regulations. The Governor will transmit his comments on the regulations to the Registrar and the agency and such comments will be published in the *Virginia Register*.

Upon receipt of the Governor's comment on a proposed regulation, the agency (i) may adopt the proposed regulation, if the Governor has no objection to the regulation; (ii) may modify and adopt the proposed regulation after considering and incorporating the Governor's suggestions, or (iii) may adopt the regulation without changes despite the Governor's recommendations for change.

The appropriate standing committee of each branch of the General Assembly may meet during the promulgation or final adoption process and file an objection with the *Virginia Registrar* and the promulgating agency. The objection will be published in the *Virginia Register*. Within twenty-one days after receipt by the agency of a legislative objection, the agency shall file a response with the Registrar, the objecting legislative Committee, and the Governor.

When final action is taken, the promulgating agency must again publish the text of the regulation, as adopted, highlighting and explaining any substantial changes in the final regulation. A thirty-day final adoption period will commence upon publication in the *Virginia Register*.

The Governor will review the final regulation during this time and if he objects, forward his objection to the Registrar and the agency. His objection will be published in the *Virginia Register*. If the Governor finds that changes made to the proposed regulation are substantial, he may suspend the regulatory process for thirty days and require the agency to solicit additional public comment on the substantial changes.

A regulation becomes effective at the conclusion of this thirty-day final adoption period, or at any other later date specified by the promulgating agency, unless (i) a legislative

objection has been filed, in which event the regulation, unless withdrawn, becomes effective on the date specified, which shall be after the expiration of the twenty-one day extension period; or (ii) the Governor exercises his authority to suspend the regulatory process for solicitation of additional public comment, in which event the regulation, unless withdrawn, becomes effective on the date specified which date shall be after the expiration of the period for which the Governor has suspended the regulatory process.

Proposed action on regulations may be withdrawn by the promulgating agency at any time before final action is taken.

## EMERGENCY REGULATIONS

If an agency determines that an emergency situation exists, it then requests the Governor to issue an emergency regulation. The emergency regulation becomes operative upon its adoption and filing with the Registrar of Regulations, unless a later date is specified. Emergency regulations are limited in time and cannot exceed a twelve-months duration. The emergency regulations will be published as quickly as possible in the *Virginia Register*.

During the time the emergency status is in effect, the agency may proceed with the adoption of permanent regulations through the usual procedures (See "Adoption, Amendment, and Repeal of Regulations," above). If the agency does not choose to adopt the regulations, the emergency status ends when the prescribed time limit expires.

## STATEMENT

The foregoing constitutes a generalized statement of the procedures to be followed. For specific statutory language, it is suggested that Article 2 of Chapter 1.1:1 (§§ 9-6.14:6 through 9-6.14:9) of the Code of Virginia be examined carefully.

## CITATION TO THE VIRGINIA REGISTER

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Staff of the Virginia Register: Joan W. Smith, Registrar of Regulations; Ann M. Brown, Deputy Registrar of Regulations.

VIRGINIA REGISTER OF REGULATIONS

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# PROPOSED REGULATIONS

For information concerning Proposed Regulations, see information page.

## Symbol Key

Roman type indicates existing text of regulations. *Italic type* indicates proposed new text. Language which has been stricken indicates proposed text for deletion.

## VIRGINIA HOUSING DEVELOPMENT AUTHORITY

NOTE: The Virginia Housing Development Authority is exempted from the Administrative Process Act (§ 9-6.14.4:1 of the Code of Virginia); however, under the provisions of § 9-6.14.22, it is required to publish all proposed and final regulations.

**Title of Regulation:** VR 400-02-0012. Virginia Housing Fund Procedures, Instructions and Guidelines.

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

**Public Hearing Date:** N/A  
(See Calendar of Events section for additional information)

### Summary:

*These regulations establish procedures, instructions and guidelines applicable to loans or loan programs made or financed, or proposed to be made or financed, by the authority from the Virginia Housing Fund (the "fund").*

*The fund was established to create new housing opportunities for lower income Virginians through operation of the fund as a special purpose revolving loan fund. The proposed regulations set forth the purposes and principles of the fund and the procedures and requirements for processing of applications.*

VR 400-02-0012. Virginia Housing Fund Procedures, Instructions and Guidelines.

### PART I. PURPOSE AND APPLICABILITY.

#### § 1.1. Definitions.

"Act" means the Virginia Housing Development Authority Act as set forth in Chapter 1.2 (§ 36-55.24 et seq.) of the Code of Virginia.

"Applicant" means an individual, corporation, partnership, limited partnership, joint venture, trust, firm, association, public body or other legal entity or any combination thereof, making an application or proposal under these procedures, instructions and guidelines.

"Application" or "proposal" means a written request to the authority by a prospective borrower for a loan or a written request to the authority by an applicant requesting

*the establishment of a loan program or other assistance under the procedures, instructions and guidelines.*

"Authority" means the Virginia Housing Development Authority.

"Board of commissioners" means the board of commissioners of the authority.

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

"Fund" means the housing fund created by the authority from moneys in its general fund for the purposes set forth herein.

"Loan" means any extension of credit which is made or financed or is to be made or financed pursuant to these procedures, instructions and guidelines.

"Loan program" means any program requested to be developed or implemented by the authority for the purpose of providing loans pursuant to these procedures, instructions and guidelines.

"U.S. government or agency security" means direct general obligations of the United States of America; obligations the payments of the principal of and interest on which, in the opinion of the Attorney General of the United States in office at the time such obligations were issued, are unconditionally guaranteed by the United States of America; or bonds, debentures, participation certificates or notes issued by any other agency or corporation which has been or may hereafter be created by or pursuant to an act of the Congress of the United States as an agency or instrumentality thereof the bonds, debentures, participation certificates or notes of which are unconditionally guaranteed by the United States of America.

#### § 1.2. Applicability and purpose.

The procedures, instructions and guidelines that follow will be applicable to loans or programs for loans which are made or financed or are proposed to be made or financed by the authority to borrowers who have presented proposals or applications for loans or loan programs from the fund.

# Proposed Regulations

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The purpose of the fund is to create new housing opportunities for lower income Virginians through its operation as a special purpose revolving loan fund. The highest priority is placed upon serving the elderly, disabled, and homeless as well as families in need of affordable housing. The fund will also seek to provide support for comprehensive programs of neighborhood revitalization.

There will be special emphasis placed upon using the fund to attract and leverage other housing aid of all kinds including, but not limited to, financial, in kind, tax incentives and subsidies. The fund shall be used to encourage partnerships with both public and private interests including state agencies, localities and nonprofit organizations. The goal is to maximize the participation in, and resources devoted to, solving housing problems of lower income Virginians.

There will be an emphasis on creative uses of the fund which will result in the most effective use of its resources and advancement of the state of the art in providing decent housing at an affordable cost to lower income Virginians.

Notwithstanding anything to the contrary herein, the executive director is authorized to waive or modify any provision herein, where deemed appropriate by him, for good cause, to the extent not inconsistent with the Act and the authority's rules and regulations.

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, the borrower, any contractors or any other parties under any agreements or documents relating to the loan.

These procedures, instructions and guidelines are intended to provide a general description of the authority's processing requirements for loans or loan programs under the fund and are not intended to include all actions involved or required in the processing and administration of such loans or loan programs. Because the fund is an experimental venture, in order to refine and improve its implementation, it is the intention of the authority to be flexible in its interpretation of the principles set forth herein for loans or loan programs of special merit. These procedures, instructions and guidelines are subject to change at any time by the authority and may be supplemented by additional policies, procedures, instructions and guidelines adopted by the authority from time to time. The authority reserves the right to change the size of the fund or its uses as circumstances may reasonably dictate.

## PART II. PRINCIPLES GOVERNING THE FUND.

### § 2.1. General principles.

A. The fund is a revolving loan fund. It is the authority's intent that repaid principal plus interest, less any loss of interest or principal in the event of default sustained by the fund, will be recycled and loaned to additional projects up to the full amount of the fund as approved by the board of commissioners.

B. Project and program proposals will be given preference in the selection process to the extent they address the following:

1. Needs of the user group, which shall be primary;
2. Partnerships which maximize leveraging of fund loans;
3. Extent to which the project is either innovative or demonstrates a possible "breakthrough" idea for serving lower income households or both;
4. Potential for the project to be replicable (i.e., demonstration);
5. Financial soundness and experience of the sponsor.

C. Proposals should seek to maximize the number of persons or projects which are served. Projects which highly leverage fund moneys by attracting external subsidies and capital are encouraged.

D. The authority will seek an equitable geographic distribution of loans made from the fund.

E. All loans to be made from the fund shall comply with all applicable laws and regulations to which the authority is subject and with any procedures, instructions and guidelines applicable or to be applicable thereto and such other underwriting criteria as the executive director deems necessary to protect the interests of the authority as lender.

## PART III. TERMS OF LOANS AND INTEREST RATES.

### § 3.1. Terms of loans.

Ten years shall be the maximum loan term, although longer amortization schedules may be utilized.

### § 3.2. Interest rates.

The interest rate on loans shall generally not be lower than the rate on U.S. government or agency security for an equivalent term. Such policy should provide interest rates significantly lower to borrowers from the fund than those which would be available from other sources and, at the same time, will provide continuing support for the authority's currently outstanding and future bond issues. The authority realizes that loans will have significantly

higher risks than alternative investments and will have little or no liquidity. If deemed necessary, all or a portion of the interested payments on loans may be deferred by the authority.

## PART IV. PROPOSALS AND LOAN APPLICATIONS.

### § 4.1. Solicitation of applications and proposals.

The executive director may from time to time take such action as he may deem necessary or proper in order to solicit proposals or applications for the fund. 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. The executive director may impose requirements, limitations and conditions with respect to the submission and selection of applications and proposals 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 available moneys in the fund are to be allocated and such other matters as he shall deem appropriate relating to the selection of applications and proposals or the establishment of programs. The authority may also consider and approve applications and proposals submitted from time to time to the authority without any solicitation therefor on the part of the authority.

### § 4.2. Authority programs under the fund.

Programs may be designed and operated by the authority if they are innovative, cannot currently be conventionally funded, or may serve as models for future state or bond funding.

### § 4.3. Application and selection for processing.

Application for a loan or loan program shall be commenced by filing with the authority an application or proposal on such form or forms as the executive director may from time to time prescribe, together with such documents and additional information as may be requested by the authority.

Based on the applications, proposals, documents and any additional information submitted by applicants or obtained from other sources by the authority, a subcommittee of the board of commissioners shall select for processing those applications and proposals which it determines may best satisfy the purposes and principles of the fund set forth in §§ 1.2 and 2.1 hereof.

Nothing contained herein shall require the authority to select any application or proposal which, in the judgment of the subcommittee of the board of commissioners, does not adequately satisfy the purposes and principles of the fund set forth in §§ 1.2 and 2.1 hereof.

The selection by the subcommittee of the board of commissioners shall be based only on the documents and information received or obtained by it at that time and shall be subject to modification or reversal upon receipt and further analysis of additional documents or information at a later time.

After selection of an application or proposal for a loan has been made by the subcommittee of the board of commissioners, such application will then be processed by the authority in accordance with the authority's applicable procedures, instructions and guidelines or, if no such procedures, instructions and guidelines are applicable, in accordance with such written agreement or agreement with the applicant as the executive director may require to effect the purposes and principles hereof and to protect the authority's interest as lender.

After selection of an application or proposal for a loan program has been made by the subcommittee of the board of commissioners, the authority may implement such program by (i) applying any then existing procedures, instructions and guidelines of the authority, (ii) promulgating new procedures, instructions and guidelines therefor, or (iii) entering into such written agreement or agreements with the applicant or proposed borrowers or both as the executive director may require consistent with the purposes and principles hereof and the authority's interest as lender.

These procedures, instructions and guidelines shall be effective as of August 18, 1987.

## VIRGINIA BOARD OF OPTOMETRY

Title of Regulation: VR 510-01-1. Regulations of the Virginia Board of Optometry.

Statutory Authority: § 54-376 of the Code of Virginia.

Public Hearing Date: October 3, 1987  
(See Calendar of Events section  
for additional information)

### Summary:

The proposed amendment to §§ 1.3 and 6.1 of the regulation deletes a fee of \$10 per credit hour charged by the Virginia Board of Optometry for the review of continuing education courses. Optometrists in Virginia must obtain 24 hours of approved continuing education each biennium for license renewal.

The severability section (Part VII) has been deleted since HB 984 was passed during the 1987 Session of the General Assembly. HB 984 added a blank severability provision to the Administrative Process Act making it redundant to include such a provision within a regulation.



# Proposed Regulations

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VR 510-01-1. Regulations of the Virginia Board of Optometry.

## PART I. GENERAL PROVISIONS.

### § 1.1. Public participation guidelines.

#### A. Mailing list.

The executive director of the board will maintain a list of persons and organizations who will be mailed the following documents as they become available.

1. "Notice of intent" to promulgate regulations.
2. "Notice of public hearing" or "informational proceedings", the subject of which is proposed or existing regulations.
3. Final regulation adopted.

#### B. Being placed on list: deletion.

Any person wishing to be placed on the mailing list may have their name added by writing the board. In addition, the board may, at its discretion, add to the list any person, organization, or publication it believes will serve the purpose of responsible participation, in the formation or promulgation of regulations. Those on the list will be provided all information stated in subsection A. of this section. Those on the list may be periodically requested to indicate their desire to continue to receive documents or to be deleted from the list. When mail is returned as undeliverable, or when no timely response is forthcoming, they will be deleted from the list.

#### C. Notice of intent.

At least 30 days prior to publication of the notice of intent, an informational proceeding as required by § 9-6.14:7.1 of the Code of Virginia, the board will publish a "notice of intent." This notice will contain a brief and concise statement of the possible regulation and will address and invite any person to provide written comment on the subject matter. Such notice shall be transmitted to the Registrar for inclusion in the Virginia Register of Regulations.

#### D. Information proceedings or public hearings for existing rules.

At least once each biennium, the board will conduct an informational proceeding, which may take the form of a public hearing, to receive public comment on existing regulations. The purpose of the proceeding will be to solicit public comment on all existing regulations as to their effectiveness, efficiency, necessity, clarity, and cost of compliance. Notice of such proceeding will be transmitted to the Registrar for inclusion in the Virginia Register. Such proceeding may be held separately or in conjunction with

other informational proceedings.

#### E. Petition for rulemaking.

Any person may petition the board to adopt, amend, or delete any regulation. Any petition received in a timely manner shall appear on the next agenda of the board. The board shall have sole authority to dispose of the petition.

#### F. Notice of formulation and adoption.

Prior to any meeting of the board or subcommittee of the board at which the formulation or adoption of regulations is to occur, the subject matter shall be transmitted to the Registrar for inclusion in the Virginia Register.

#### G. Advisory committees.

The board may appoint advisory committees as it may deem necessary to provide for adequate citizen participation in the formation, promulgation, adoption and review of regulations.

### § 1.2. Applicants.

A. The applicant, in order to be qualified to be examined by the board for licensure to practice optometry in the Commonwealth, shall:

1. Be a graduate of a school of optometry approved by the Council on Optometric Education; have the registrar of the school provide an official transcript to the board;
2. File at least 30 days prior to the date of examination, on a form supplied by the board, a completed application which shall have affixed securely in the space provided, one recent passport-type photograph of himself, not less than 2 1/2 by 2 1/2 inches in size;
3. Submit an official report from the National Board of Examiners in Optometry of the scores received on all parts of the examination of the National Board of Examiners in Optometry.
4. Submit the prescribed examination fee;

B. If any applicant withdraws from the examination at least 30 days prior to the examination date, all but the prescribed administrative fee will be refunded. If the applicant withdraws in 30 days or fewer prior to the examination date, only the licensure fee will be refunded. If an applicant is unsuccessful in passing the examination, the applicant shall receive upon request a refund of the licensure fee.

### § 1.3. Fees.

The following fees are required:

# Proposed Regulations

Examination fee .....	\$100
Initial Licensure Fee	
First Examination after Renewal .....	\$200
Second Examination after Renewal .....	\$150
Third Examination after Renewal .....	\$100
Fourth Examination after Renewal .....	\$50
Examination fee, certification to use diagnostic pharmaceutical agents .....	\$50
Licensure fee (renewed biennially) .....	\$200
Late fee .....	\$30
Administrative Fee .....	\$25
Professional Designation Application Fee .....	\$100
Biennial Professional Designation Registration Fee .....	100/location
Continuing Education Course Review Fee .....	10/credit hour
.....	over 2 credits
.....	(\$100 maximum)
Reinstatement fee .....	\$200

## PART II. EXAMINATIONS.

### § 2.1. Examinations.

A. For the purpose of § 54-380 of the Code of Virginia, the board adopts all parts of the examination of the National Board of Examiners in Optometry as its written examination for licensure. In addition, upon receiving a passing score on all parts of the examination of the National Board of Examiners in Optometry, an applicant shall successfully complete a practical examination administered by the Virginia Board of Optometry.

B. A candidate may take or retake the practical examination upon payment of the prescribed fee. A candidate failing the practical examination shall retake the entire examination, except that a candidate who fails one section may retake the failed portion at the next administration of the examination only, upon payment of the examination fee. Otherwise the full examination shall be retaken.

## PART III. UNPROFESSIONAL CONDUCT.

### § 3.1. Unprofessional conduct.

It shall be deemed unprofessional conduct for any licensed optometrist in the Commonwealth to:

1. Fail to use in connection with the optometrist's name wherever it appears relating to the practice of optometry one of the following: the word "optometrist," the abbreviation "O.D.," or the words "doctor of optometry."
2. Practice optometry under a name other than the optometrist's own name, except to the extent authorized by § 4.1., "Professional Designations."
3. Fail to maintain records on each patient for not less than five years from the date of the most recent service rendered. Such records shall include, but not be limited to (i) all the examinations made of the patient; (ii) the results of such examinations; and (iii) all treatments and drugs used or procedures performed on, all materials dispensed to, and all prescriptions written for, the patient, and the name of the attending optometrist.
4. Fail to include the following information on a prescription for ophthalmic goods:
  - a. The printed name of the prescribing optometrist;
  - b. The address and telephone number at which the patient's records are maintained and the optometrist can be reached for consultation;
  - c. The name of the patient;
  - d. The signature of the optometrist;
  - e. The date of the examination, and, if appropriate, expiration date of the prescription;
  - f. Any special instructions.
5. Refuse to provide a written prescription for spectacle lenses upon the request of the patient once all fees have been paid.
6. Refuse to provide a written prescription for contact lenses upon the request of the patient once all fees have been paid and the prescription has been established and the follow-up care completed. Follow-up care will be presumed to have been completed if there is no reappointment scheduled within 30 days after the last visit.
7. Advertise in a manner that is false, misleading, or deceptive. False, misleading and deceptive advertising shall include, but not be limited to, when the price of ophthalmic goods or services (or both) is advertised, to fail to state what goods and services the advertised price includes.
8. Administer any diagnostic pharmaceutical agents,

# Proposed Regulations

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specified in § 54-386.2 of the Code of Virginia, without certification of the Board of Optometry to use such agent.

9. Fail to post conspicuously in the entrance or reception area of the optometric office, a chart or directory listing the names of all optometrists practicing at that particular location.

10. Violate any provision of these regulations pertaining to professional designations.

## PART IV. PROFESSIONAL DESIGNATIONS.

### § 4.1. Professional designations.

A. An optometrist may practice in an office that uses any of the following professional designations, provided that the name of at least one licensed optometrist, associated with the office appears in conjunction with any advertisement or other use of that description:

1. The full name of the optometrist as it appears on his license and renewal certificate; or
2. The name of an optometrist who employs him and practices in the same office; or
3. A partnership name composed of some or all names of optometrists practicing in the same office; or
4. A fictitious name, if the conditions set forth in subsection B. of this section are fulfilled.

B. Optometrists licensed in this Commonwealth who practice as individuals, partnerships, associations, or other group practices may use a fictitious name for the optometric office in which they conduct their practices, provided the following conditions are met:

1. Each fictitious name shall be registered with the board by a licensed optometrist, who must be associated with the optometric office and who shall assume responsibility for compliance with this section. Each fictitious name shall be approved by the board and a fee shall be paid as prescribed by board regulations prior to use of the name. Names which, in the judgment of the board, are false, misleading, or deceptive will be prohibited.
2. No licensed optometrist may, at any time, register to practice optometry under more than one fictitious name.
3. All advertisements, including but not limited to signs, printed advertisements, and letterheads, shall contain the following:
  - a. The name of at least one licensed optometrist associated with the optometric office who shall, in

conjunction with the licensed optometrists referred to in paragraph 1 of this subsection, assume responsibility for the advertisement:

b. Lettering in which the name of the optometrist appears of at least half the size of the lettering in which the fictitious name appears.

4. No fictitious name may be used that does not contain the word "optometry" or reasonably recognizable derivatives thereof.

5. In the entrance or reception area of the optometric office, a chart or directory listing the names of all optometrists practicing at that particular location shall be kept at all times prominently and conspicuously displayed.

6. The names of all optometrists who practice under the fictitious name shall be maintained in the records of the optometric office for five years following their departure from the practice.

7. Subsequent to the administration of any optometric service, the optometrist of record shall place his name in the record of the patient following a description of the service rendered. If the treatment is rendered by an optometrist other than the optometrist of record, the name of that optometrist shall be placed in the record of the patient.

8. The name of the licensed optometrist providing care shall appear on the initial statement of charges and on the receipts given to patients.

9. No fictitious name may be used which contains the name of an inactive, retired, removed, or deceased optometrist, except that for a period of no more than one year from the date of succession to a practice, an optometrist may list the name of the inactive, retired, removed, or deceased optometrist, so long as he does so in conjunction with his own name, together with the words, "succeeded by," "succeeding," or "successor to."

## PART V. RENEWAL OF LICENSURE; REINSTATEMENT.

### § 5.1. Renewal fees.

A. Every person authorized by the board to practice optometry shall, on or before October 31 of every even-numbered year, pay to the executive director of the Board of Optometry the prescribed biennial licensure fee.

B. It shall be the duty and responsibility of each licensee to assure that the board has the licensee's current address. All notices required by law or by these rules and regulations are to be deemed to be validly tendered when mailed to the address given.

C. It shall be the duty of each person so licensed to return the renewal application with the prescribed fee prior to the expiration of their license. The license of every person who does not return the completed form and fee by October 31 of the renewal year shall automatically become invalid. Upon expiration of the license, the executive director of the board shall notify the licensee of expiration and reinstatement procedures. The board shall reinstate the lapsed license, provided that the applicant can demonstrate continuing competence; that the applicant has satisfied requirements for continuing education during the lapsed period; and that the applicant has paid the prescribed late fees, all unpaid renewal fees from the time the license lapsed, and the prescribed reinstatement fee.

D. The board may, in its discretion, require an applicant who cannot satisfy the requirement of subsection C of § 5.1 of these regulations, to pass all parts of the examination of the National Board of Examiners in Optometry or the state practical examination, or both.

## PART VI. CONTINUING EDUCATION.

### § 6.1. Continuing education.

A. Each license renewal shall be conditioned upon submission of evidence to the board of 24 hours of continuing education taken by the applicant during the previous license period.

B. It shall be the responsibility of each licensee to submit evidence substantiating attendance of continuing education courses, as required by subsection A. of this section, no later than the last day of each license period.

C. The board will review courses for acceptability for purposes of continuing education requirements upon payment of a fee as prescribed by board regulations if the following information is provided:

1. The title of the course;
2. The sponsoring organization(s);
3. The name of the lecturer;
4. The qualifications of the lecturer;
5. An outline of the course's content;
6. The length of the course in clock hours;
7. The method of certification of attendance; and
8. Number of credit hours requested.

D. The titles of all courses approved by the board will be kept on a list maintained by the board. All courses approved by the board shall pertain directly to the care of

the patient.

Courses excluded by the board shall include:

1. Courses which are designed to promote the sale of specific instruments or products;
2. Courses offering instruction on augmenting income; and
3. Courses which are neither advertised nor in fact available to all optometrists or any courses for which there is no independent assurance that no part of the educational session is devoted to the promotion of specific instruments, products, or marketing philosophies.

E. When the biennial license fee is submitted to the executive director of the board, the licensee shall enclose with it the required forms to indicate fulfillment of the continuing education requirements for the previous period. In the event such form, with proper substantiation, is not filed by October 31, the executive director of the board shall notify the licensee that their license has lapsed. The board may reinstate the license, upon showing of disability or undue hardship, or upon showing that the licensee has complied with the requirements of subsection B. of this section.

## PART VII. SEVERABILITY.

### § 7.1. Severability clause.

Contained herein are the regulations of the Virginia Board of Optometry. These regulations repeal and supersede all other regulations adopted, promulgated, revised, or amended by the board.

If any provision of these regulations or the application thereof to any person or circumstances is held invalid, this invalidity shall not affect other provisions or applications, and to this end the provisions of the regulations are declared severable.

## DEPARTMENT OF SOCIAL SERVICES (BOARD OF)

Title of Regulation: VR 615-01-20. Lump Sum Payments in the Aid to Dependent Children (ADC) Program.

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

Public Hearing Date: N/A  
(See Calendar of Events section for additional information)

### Summary:

Section 63.1-25 of the Code of Virginia delegates authority to the State Board of Social Services to

# Proposed Regulations

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*promulgate rules and regulations necessary for operation of public assistance programs in Virginia. The proposed regulations set forth will amend ADC program policy on lump sum payments to clarify the types of payments to be considered lump sums and, in regard to casualty property loss payments, allow 12 months to expend such payments for replacing or repairing the resource.*

*Under current program requirements, casualty property loss payments are considered a resource. Also, there is no period to expend casualty property loss payments for replacing or repairing the resource. The proposed amendment to consider a windfall as lump sum income is based on the premise that the income should be considered available to meet the ongoing needs of an ADC family.*

VR 615-01-20. Lump Sum Payments in the Aid to Dependent Children (ADC) Program.

## PART I. DEFINITIONS.

§ 1.1. The following words and terms, when used in these guidelines, shall have the following meaning, unless the context clearly indicates otherwise:

*“Assistance unit”* means those persons who have been determined categorically and financially eligible to receive assistance.

*“Prospective cycle”* means the initial two months of eligibility.

*“Standard of need”* means the dollar amount, based on the family size, which has been established to cover predetermined monthly maintenance.

*“Windfall”* means a sum that is not earned, does not occur on a regular basis, and does not represent accumulated monthly income received in a single sum.

## PART II. LUMP SUM PAYMENTS.

§ 2.1. The receipt or expected receipt (during the prospective cycle) of a nonrecurring lump sum payment by a member of the assistance unit such as the accumulation of benefits for a prior period, *including social security and workman's compensation benefits; earned income tax credit refund refunds; an insurancee settlement; payments in the nature of a windfall, e.g., inheritances or lottery winnings; personal injury awards; casualty property loss payments for replacement or repair of resources; life insurance settlements, regardless of whether the policy is owned by the client or another individual, loans for current living expenses, refunds, or overcollected child support identified as payments paid in excess of public assistance, or income from any other unearned nonrecurring source must shall* be prorated and

reflected as income when the lump sum plus all other net countable income exceeds the standard of need ~~(100%)~~ at 100% in the month of receipt.

2.2. *In situations involving casualty property loss payments for replacement or repair of resources, such payments will not be considered as income or resources if the client initiates action to replace or repair the resource within 30 days after receipt of the lump sum payment and expends the payment for such replacement or repair within the 12 months after receipt; the use of the payment shall be documented. If the client does not initiate action to replace or repair the resource within 30 days or does not expend the payment for such replacement or repair, within 12 months, a period of ineligibility will be calculated beginning with the first full month following the 30-day period or the month following the end of the 12-month period, respectively.*

§ 2.3. A period of ineligibility will be calculated by dividing the countable lump sum payment plus other countable income by the standard of need for the assistance unit which will establish the number of months the unit will be ineligible for assistance; any remainder will be considered as income to the assistance unit in the first month following the period of ineligibility.

# 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.

## DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES (COMMISSIONER OF)

Title of Regulation: VR 115-03-05. Virginia Grade Standards for Breeder Swine.

Statutory Authority: § 3.1-338 of the Code of Virginia.

Effective Date: September 3, 1987

### Summary:

*This revision clarifies wording and updates the Virginia standards for breeder swine to more closely align them with recent changes in the related USDA Grade Standards for Slaughter Swine.*

VR 115-03-05. Virginia Grade Standards for Breeder Swine.

### VIRGINIA GRADE STANDARDS FOR BREEDER SWINE

§ 1. Minimum requirements shall be met before swine are eligible to be graded for breeding stock. ~~These minimums are as follows~~ *The swine shall:*

~~A. 1.~~ Have 12 or more well spaced functional teats on the underline, with a minimum of six on each side.

~~B. 2.~~ Be free of physical defects.

### § 2. Fancy grade.

A. Fancy swine closely approach the ideal of the meat-type animal in conformation and quality. They are large and exceptionally well developed for their age, and demonstrate exceptional thrift and vitality. The entire body demonstrates balance and correctness.

B. Swine of this grade stand on ample bone with very sound, strong feet, and legs that are properly placed. When walking, they should be very free-moving, showing flexibility in their joints.

C. Fancy swine ~~shall have exceptional~~ *thick* heavy muscling throughout. The shoulders are ~~heavily~~ *thick* muscled, ~~but~~ yet free of coarseness. The back is ~~well~~ *arched level*, showing evidence of a ~~very~~ large loin eye muscle.

D. They show ~~very~~ *heavy* ~~thick~~ muscling through the rump, with a high tail setting. The hams are ~~very~~ *heavily* ~~thick~~ muscled ~~with the thickest point of the body being through the center of the ham.~~ *The body is uniform in*

*thickness through the ham, loin and shoulder.*

E. Fancy swine are trim in the jowl and underline, and show no evidence of excess fat over the shoulder or at the base of the ham. The maximum backfat ~~over the last rib~~ at ~~220~~ 230 pounds will be ~~1-1~~ .9 inches on a gilt and ~~1~~ .8 inch on a boar.

F. Fancy swine are ~~very modern~~ *moderate* in length of leg. They are ~~very~~ long-bodied, and must be a minimum of ~~30~~ 31 inches at ~~220~~ 230 pounds.

G. Fancy gilts must be feminine-headed and show evidence of broodiness. Fancy boars must be rugged and masculine. The testicles should be well developed ~~and exhibit a clean sheath.~~

### § 3. Choice grade.

A. Choice swine approach the ideal of the meat-type animal in conformation and quality. They are large and well developed for their age, and demonstrate thrift and vitality. The entire body demonstrates moderate balance and correctness. Swine of this grade stand on ample bone with sound, strong feet, and legs that are properly placed. When walking, they should be free-moving, showing some flexibility in their joints.

B. Choice swine have ~~heavy~~ *moderately thick* muscling throughout. The shoulders are ~~heavily~~ *moderately thick* muscled, ~~but~~ yet relatively free of coarseness. The back is ~~arched level~~, showing evidence of a *moderately* large loin eye muscle. They show ~~heavy~~ *moderately thick* muscling through the rump, with a high tail setting. The hams are ~~heavily~~ *moderately thick* muscled. ~~The body is moderately uniform in thickness through the ham, loin and shoulder.~~

C. Choice swine are fairly trim in the jowl and underline, and show little evidence of excess fat over the shoulder or at the base of the ham. The maximum backfat ~~over the last rib~~ at ~~220~~ 230 pounds will be ~~1-3~~ 1.2 inches on a gilt, and ~~1-2~~ 1.1 inches on a boar. Choice swine are ~~modera~~ *moderate* in length of leg. They are *moderately* long-bodied, and must be a minimum of ~~29~~ ~~1-2~~ 30 inches at ~~220~~ 230 pounds.

D. Choice gilts should be feminine-headed and show evidence of broodiness. Choice boars should be rugged and masculine. The testicles should be well developed ~~and exhibit a clean sheath.~~

### § 4. Good grade.

# Final Regulations

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A. Good swine are fair in conformation and quality. They are fairly large and fairly well developed for their age, and show evidence of thriftiness. Swine of this grade stand on moderate bone with sound feet and legs. Good swine have a moderate amount of *slightly thin* muscling throughout. The shoulders may show some coarseness or may be slightly thin. The back should have some arch be *slightly level*, with at least a moderate *slightly thin* amount of muscling in the loin eye. The hams show evidence of *slightly thin* muscling.

B. Good swine may show some wasteness about the jowl and underline, and may show some evidence of excess fat over the shoulder and at the base of the ham. The maximum backfat over the last rib at ~~220~~ 230 pounds will be ~~1.5~~ 1.4 inches on a gilt, and ~~1.4~~ 1.3 inches on a boar.

C. Good swine are ~~moderately~~ *slightly* long-bodied, and must be a minimum of 29 inches at ~~220~~ 230 pounds.

D. Good gilts should be feminine-headed and show some evidence of broodiness. Good boars should be masculine. The testicles should be well developed.

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# EMERGENCY REGULATION

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## DEPARTMENT OF SOCIAL SERVICES (BOARD OF)

Title of Regulation: VR 615-22-03. Regulations Governing Semi-Mobile Residents in Homes for Adults.

Statutory Authority: § 63.1-174 of the Code of Virginia.

Effective Date: July 1, 1986 through July 23, 1987

**Registrar's Notice:** These emergency regulations were published in the Virginia Register of Regulations on July 21, 1986 (Vol 2., issue 21, page 2097). The Board of Social Services requested approval from the Governor to extend the regulations through July 23, 1987.

Office of the Governor

June 4, 1987

Mr. William L. Lukhard  
Commissioner  
Department of Social Services  
Blair Building  
8007 Discovery Drive  
Richmond, Virginia 23229-8699

I have reviewed the Board of Social Services' request for an extension of emergency regulations governing semi-mobile residents in homes for adults (VR 615-22-03) under the procedures of Executive Order Number Five (86).

I concur that extension of these emergency regulations is necessary to ensure that there is no lapse in regulatory enforcement in this area. Because of the need to ensure continuity in regulation, I approve the Board's request to extend these standards through July 23, 1987.

/s/ Gerald L. Baliles  
Governor



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# VIRGINIA TAX BULLETIN

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## VIRGINIA DEPARTMENT OF TAXATION

DATE: July 6, 1987

SUBJECT: Processing of Nonresident Individual Income Tax Returns by Commissioners of the Revenue.

Attached to this tax bulletin is a recent order of the Tax Commissioner setting forth the policy of the Department of Taxation when a nonresident individual and his spouse both have income from Virginia sources. The attached order also provides instructions to Commissioners of the Revenue for the processing of nonresident individual income tax returns.

The policy and instructions set forth in the attached order should be followed by all Commissioners of the Revenue in their processing of all nonresident individual income tax returns.

### ORDER SETTING FORTH THE POLICY OF THE DEPARTMENT

Pursuant to the authority vested in the Tax Commissioner by §§ 58.1-202 and 58.1-3105 of the Code of Virginia,

IT IS ORDERED that the policy set forth below be followed by all Commissioners of the Revenue:

A nonresident individual and his spouse both of whom have income from Virginia sources may file separate income tax returns. In filing such separate returns, the nonresident individual and his spouse may each claim as a standard deduction the lesser of:

\$650, or  
15% of the total of line 5 and line 25 on Form 763, not to exceed \$1,000.

The nonresident individual and his spouse may not proportionally allocate the standard deduction based on each's respective share of total joint income.

IT IS FURTHER ORDERED that the policy set forth above has been and shall be effective for all income tax returns filed by nonresident individuals.

IT IS FINALLY ORDERED that income tax returns filed by nonresident individuals shall not be detained by a Commissioner of the Revenue, but shall be processed in accordance with departmental policy. Such returns shall be forwarded to the department by the Commissioner of the Revenue for processing in the same manner as returns for resident individuals.

ENTER: VIRGINIA DEPARTMENT OF TAXATION

/s/ W. H. Forst  
Tax Commissioner  
Date: April 21, 1987

# STATE CORPORATION COMMISSION

## STATE CORPORATION COMMISSION

AT RICHMOND, July 1, 1987

COMMONWEALTH OF VIRGINIA, ex rel.

STATE CORPORATION COMMISSION

CASE NO. SEC870042

Ex parte, in re: Amendment of  
rules adopted pursuant to Va.  
Code § 13.1-523 (Securities Act)

### ORDER REPEALING AND READOPTING RULE 602 OF SECURITIES ACT RULES

On or about May 13, 1987, the Division of Securities and Retail Franchising of the State Corporation Commission of Virginia began disseminating to interested persons and to the public generally notice of the proposed repeal and re-adoption of Securities Act Rule 602 - "Rules for Real Estate Programs." Among other things, the notice stated that written comments or requests for a hearing in regard to the proposed new rule must be filed by June 15, 1987. No comments or requests for a hearing were filed as of such date.

The Commission, upon consideration of the proposal, is of the opinion and finds that it should be adopted and became effective as of July 1, 1987; it is, therefore,

#### ORDERED:

(1) That Securities Act Rule 602 as currently in effect be, and it hereby is, repealed as of July 1, 1987;

(2) That proposed Securities Act Rule 602, a copy of which is attached hereto and made a part hereof, be, and it hereby is, adopted and shall become effective as of July 1, 1987; and

(3) That proof of dissemination and of publication of notice of the proposed repeal and re-adoption of Rule 602 be filed with the other papers of this case.

ATTESTED COPIES hereof, including Rule 602, shall be sent to Securities Regulation and Law Report, c/o The Bureau of National Affairs, Inc., 1231 25th Street, N.W., Washington, D. C., 20037 and to Blue Sky Law Reporter, c/o Commerce Clearing House, Inc., 4025 W. Peterson Avenue, Chicago, Illinois 60646.

Title of Regulation: Rules for Real Estate Programs: Rule 602

#### APPENDIX III.

##### I. INTRODUCTION.

###### A. Application.

1. The rules apply to registrations of real estate programs in the form of limited partnerships (herein sometimes called "PROGRAMS" or "partnerships") and will be applied by analogy to real estate programs in other forms. While applications not conforming to the standards contained herein shall be looked upon with disfavor, where good cause is shown the Commission may allow exceptions to certain requirements of these rules where it is shown such exceptions are in the public interest and consistent with the objective of these rules.

2. Where the individual characteristics of specific PROGRAMS warrant modification from these standards they will be accommodated, insofar as possible, while still being consistent with the spirit of these rules. The Cross Reference Sheet in the form set forth in IX.H of this rule, "Real Estate Rules Cross Reference Sheet" shall be furnished with the application.

3. Where these rules conflict with requirements of the Securities and Exchange Commission, the rules will not apply.

##### B. Definitions.

1. ACQUISITION EXPENSES—expenses including but not limited to legal fees and expenses, travel and communications expenses, costs of appraisals, nonrefundable option payments on property not acquired, accounting fees and expenses, title insurance, and miscellaneous expenses related to selection and acquisition of properties, whether or not acquired.

COMMENT: The definition utilized in IV.C of this rule makes clear that all expenses incurred in acquiring properties for the PROGRAM be included in FRONT-END FEES.

2. ACQUISITION FEE—the total of all fees and commissions paid by any party in connection with the purchase or development of property by a PROGRAM, except a development fee paid to a PERSON not affiliated with a SPONSOR in connection with the actual development of a project after acquisition of the land by the PROGRAM. Included in the computation of such fees or commissions shall be any real estate commission, selection fee, development fee, nonrecurring management fee, or any fee of a similar nature, however designated.

3. ADMINISTRATOR—the entity administering the securities laws of the Commonwealth of Virginia.

4. AFFILIATE—means (i) any PERSON directly or indirectly controlling, controlled by or under common control with another PERSON (ii) any PERSON owning or controlling 10% or more of the outstanding voting securities of such other PERSON (iii) any officer, director, partner of such PERSON and (iv) if such other PERSON is an officer, director or partner,

# State Corporation Commission

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any company for which such PERSON acts in any such capacity.

5. **ASSESSMENTS**—additional amounts of capital which may be mandatorily required of or paid at the option of a PARTICIPANT beyond his subscription commitment, excluding MANDATORY DEFERRED PAYMENTS.

6. **AUDITED FINANCIAL STATEMENTS**—financial statements (balance sheet, statement of income, statement of partners' equity and statement of changes in financial position) prepared in accordance with generally accepted accounting principles and accompanied by an auditor's report containing an unqualified opinion or an opinion containing no material qualification of an independent certified public accountant.

7. **CAPITAL CONTRIBUTION**—the gross amount of investment in a PROGRAM by a PARTICIPANT, or all PARTICIPANTS as the case may be. Unless otherwise specified, CAPITAL CONTRIBUTION shall be deemed to include principal amounts to be received on account of mandatory deferred payments.

8. **CARRIED INTEREST**—is an equity interest taken in a program by a PERSON other than the promotional interest provided for in IV.C.3(a), IV.E.1 and IV.E.2 of this rule, for which full consideration is not paid or to be paid.

9. **CASH FLOW**—PROGRAM cash funds provided from operations, including lease payments on net leases from builders and sellers, without deduction for depreciation, but after deducting cash funds used to pay all other expenses, debt payments, capital improvements and replacements.

10. **CASH AVAILABLE FOR DISTRIBUTION**—CASH FLOW less amount set aside for restoration or creation of reserves.

11. **COMPETITIVE REAL ESTATE COMMISSION**—that real estate or brokerage commission paid for the purchase or sale of property which is reasonable, customary and competitive in light of the size, type and location of the property.

12. **CONSTRUCTION FEE**—a fee for acting as general contractor to construct improvements on a PROGRAM's property either initially or at a later date.

13. **CROSS REFERENCE SHEET**—a compilation of the rule sections, referenced to the page of the PROSPECTUS, partnership agreement, or other exhibits, and justification of any deviation from the rule.

14. **DEVELOPMENT FEE**—a fee for the packaging of

a PROGRAM's property, including negotiating and approving plans, and undertaking to assist in obtaining zoning and necessary variances and necessary financing for the specific property, either initially or at a later date.

15. **FINANCING**—shall be defined as: The indebtedness encumbering PROGRAM properties, the principal amount of which is scheduled to be paid over a period of not less than 48 months, and not more than 50 percent of the principal amount of which is scheduled to be paid during the first 24 months. Nothing in this definition shall be construed as prohibiting a bona-fide pre-payment provision in the financing agreement.

16. **FRONT-END FEES**—fees and expenses paid by any party for any services rendered during the PROGRAM's organizational or acquisition phase including ORGANIZATION AND OFFERING EXPENSES, ACQUISITION FEES, ACQUISITION EXPENSES, and any other similar fees, however designated by the SPONSOR.

17. **INVESTMENT IN PROPERTIES**—the amount of CAPITAL CONTRIBUTIONS actually paid or allocated to the purchase, development, construction or improvement of properties acquired by the PROGRAM (including the purchase of properties, working capital reserves allocable thereto (except that working capital reserves in excess of 5% shall not be included), and other cash payments such as interest and taxes but excluding FRONT-END FEES).

18. **MANDATORY DEFERRED PAYMENTS**—shall be payments on account of the purchase price of PROGRAM INTERESTS offered in accordance with 17 CFR 240.3a12-9.

19. **NET WORTH**—the excess of total assets over total liabilities as determined by generally accepted accounting principles, except that if any of such assets have been depreciated, then the amount of depreciation relative to any particular asset may be added to the depreciated cost of such asset to compute total assets, provided that the amount of depreciation may be added only to the extent that the amount resulting after adding such depreciation does not exceed the fair market value of such asset.

20. **NON-SPECIFIED PROPERTY PROGRAMS**—shall be PROGRAMS other than SPECIFIED PROPERTY PROGRAMS.

21. **ORGANIZATION AND OFFERING EXPENSES**—those expenses incurred in connection with and in preparing a PROGRAM for registration and subsequently offering and distributing it to the public, including sales commissions paid to broker-dealers in connection with the distribution of the PROGRAM and all advertising expenses.

COMMENT: All advertising expenses, except those related to PROGRAM property management, charged to a PROGRAM are included within the definition. Fees paid by the PROGRAM, directly or indirectly, to persons for acting as surety, guarantor or in some similar capacity in regard to MANDATORY DEFERRED PAYMENTS shall also be included within this definition.

22. PARTICIPANT—the holder of a PROGRAM INTEREST.

23. PERSON—any natural PERSON, partnership, corporation, association or other legal entity.

24. PROGRAM—a limited or general partnership, joint venture, unincorporated association or similar organization other than a corporation formed and operated for the primary purpose of investment in and the operation of or gain from an interest in real property.

25. PROGRAM INTEREST—the limited partnership unit or other indicia of ownership in a PROGRAM.

26. PROGRAM MANAGEMENT FEE—a fee paid to the SPONSOR or other PERSONS for management and administration of the PROGRAM.

27. PROPERTY MANAGEMENT FEE—the fee paid for day-to-day professional property management services in connection with a PROGRAM's real property projects.

28. PROSPECTUS—shall have the meaning given to that term by Section 2(10) of the Securities Act of 1933, including a preliminary PROSPECTUS; provided, however, that such term as used herein shall also include an offering circular as described in Rule 256 of the General Rules and Regulations under the Securities Act of 1933 or, in the case of an intrastate offering, any document by whatever name known, utilized for the purpose of offering and selling securities to the public.

29. PURCHASE PRICE OF PROPERTY—the price paid upon the purchase or sale of a particular property, including the amount of ACQUISITION FEES and all liens and mortgages on the property, but excluding points and prepaid interest.

30. SPONSOR—is any PERSON directly or indirectly instrumental in organizing, wholly or in part, a PROGRAM or any PERSON who will manage or participate in the management of a PROGRAM, and any AFFILIATE of any such person, but does not include a PERSON whose only relation with the PROGRAM is as that of an independent property manager, whose only compensation is as such. "SPONSOR" does not include wholly independent third parties such as attorneys, accountants, and underwriters whose only compensation is for

professional services rendered in connection with the offering of syndicate interests.

31. SPECIFIED PROPERTY PROGRAM—a PROGRAM where, at the time a securities registration is ordered effective, more than 75% of the net proceeds from the sale of PROGRAM INTERESTS is allocable to the purchase, construction, or improvement of specific properties. Reserves shall be included in the nonspecified portion. Net proceeds shall include principal amounts to be received on account of MANDATORY DEFERRED PAYMENTS.

## II. REQUIREMENTS OF SPONSORS.

A. Experience. The SPONSOR, the general partner or their chief operating officers shall have at least two years relevant real estate or other experience demonstrating the knowledge and experience to acquire and manage the type of assets being acquired, and any of the foregoing or any AFFILIATE providing services to the PROGRAM shall have had not less than four years relevant experience in the kind of service being rendered or otherwise must demonstrate sufficient knowledge and experience to perform the services proposed.

COMMENT: "Relevant real estate or other experience" should be interpreted to include actual direct experience by the chief executive officer, or other PERSONS at the management level, either as a principal or agent in performing the services to be provided to the PROGRAM. This would include acquiring and managing real estate for one's own account or acting as an agent in acquiring and managing real estate comparable to that which the PROGRAM will acquire. If the PROGRAM will be in the business of acquiring shopping centers and office buildings, "relevant real estate experience" would not include experience in buying or selling houses. It is apparent that a different level of sophistication and knowledge is required.

B. NET WORTH Requirement of SPONSOR. The financial condition of the SPONSOR liable for the debts of the PROGRAM must be commensurate with any financial obligations assumed in the offering and in the operation of the PROGRAM. As a minimum, such SPONSOR shall have an aggregate financial NET WORTH, exclusive of home, automobile and home furnishings, of the greater of either \$50,000 or an amount at least equal to 5% of the gross amount of all offerings sold within the prior 12 months plus 5% of the gross amount of the current offering, to an aggregate maximum NET WORTH of such SPONSOR of \$1,000,000. In determining NET WORTH for this purpose, evaluation will be made of contingent liabilities and the use of promissory notes, to determine the appropriateness of their inclusion in computation of NET WORTH.

COMMENT: The inclusion of promissory notes may be insufficient to satisfy the NET WORTH requirements where the maker of the notes is inadequately capitalized. The gross amount of offerings includes the principal

# State Corporation Commission

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amounts to be received on account of mandatory deferred payments.

C. Reports to ADMINISTRATOR. Each application for registration shall contain a commitment, executed by the SPONSOR, to submit to the ADMINISTRATOR upon request any report or statement required to be distributed to limited partners pursuant to VI.C.

COMMENT: The SPONSOR need not file with the ADMINISTRATOR all reports that will be filed with the limited partners, but should retain copies of such reports or information and make them available to the ADMINISTRATOR as required.

## D. Liability and Indemnification.

(a) The partnership agreement shall not provide for indemnification of the SPONSOR for any liability or loss suffered by the SPONSOR, nor shall it provide that the SPONSOR be held harmless for any loss or liability suffered by the partnership, unless all of the following conditions are met:

(1) The SPONSOR has determined, in good faith, that the course of conduct which caused the loss or liability was in the best interests of the partnership, and

(2) such liability or loss was not the result of negligence or misconduct by the SPONSOR, and

(3) such indemnification or agreement to hold harmless is recoverable only out of the assets of the partnership and not from the limited partners.

(b) Indemnification of the SPONSORS or their affiliates will not be allowed for any liability imposed by judgment, and costs associated therewith, including attorneys' fees, arising from or out of a violation of state or federal securities laws associated with the offer and sale of partnership units. Indemnification will be allowed for settlements and related expenses of lawsuits alleging securities law violations, and for expenses incurred in successfully defending such lawsuits, provided that a court either:

(1) approves the settlement and finds that indemnification of the settlement and related costs should be made, or

(2) approves indemnification of litigation costs if a successful defense is made.

Every application for registration must contain an undertaking that such parties seeking indemnification will apprise the court of the positions of the ADMINISTRATOR and the SEC with respect to indemnification for securities laws violations, before seeking court approval for indemnification.

The PROGRAM may not incur the cost of that portion of liability insurance which insures the SPONSOR for any liability as to which the SPONSOR is prohibited from being indemnified under this section.

E. Fiduciary Duty. The program agreement shall provide that the SPONSOR shall have fiduciary responsibility for the safekeeping and use of all funds and assets of the program, whether or not in the SPONSOR's possession or control, and that the SPONSOR shall not employ, or permit another to employ such funds or assets in any manner except for the exclusive benefit of the PROGRAM.

In addition, the PROGRAM shall not permit the PARTICIPANT to contract away the fiduciary duty owed to the PARTICIPANT by the SPONSOR under the common law.

F. Terminated SPONSOR. Upon the occurrence of a terminating event, the partnership may be required to pay to the terminated SPONSOR all amounts then accrued and owing to the terminated SPONSOR. Additionally, the partnership may terminate the SPONSOR's interest in partnership income, losses, distributions, and capital by payment of an amount equal to the then present fair market value of the terminated SPONSOR's interest determined by agreement of the terminated SPONSOR and the partnership, or, if they cannot agree, by arbitration in accordance with the then current rules of the American Arbitration Association. The expense of arbitration shall be borne equally by the terminated SPONSOR and the partnership.

The method of payment to the terminated SPONSOR must be fair, and must protect the solvency and liquidity of the partnership. Where the termination is voluntary, the method of payment will be deemed presumptively fair where it provides for a noninterest bearing unsecured promissory note with principal payable, if at all, from distributions which the terminated SPONSOR otherwise would have received under the partnership agreement had the SPONSOR not terminated. Where the termination is involuntary, the method of payment will be deemed presumptively fair where it provides for an interest bearing promissory note coming due in no less than 5 years with equal installments each year.

## III. SUITABILITY OF THE PARTICIPANT.

A. Standards to be Imposed. Given the limited transferability, the relative lack of liquidity, and the specific tax orientation of many real estate PROGRAMS, the SPONSOR and its selling representatives should be cautious concerning the PERSONS to whom such securities are marketed. Suitability standards for investors will, therefore, be imposed which are reasonable in view of the foregoing and of the type of PROGRAM to be offered. SPONSORS will be required to set forth in the PROSPECTUS the investment objectives as a PROGRAM, a description of the type of PERSON who could benefit from

the PROGRAM and the suitability standards to be applied in marketing it. The suitability standards proposed by the SPONSOR will be reviewed for fairness by the ADMINISTRATOR in processing the application. In determining how restrictive the standards must be, special attention will be given to the existence of such factors as high leverage, tax implications, MANDATORY DEFERRED PAYMENTS, balloon payment financing, excessive investments in unimproved land, and uncertain or no CASH FLOW from PROGRAM property. As a general rule, PROGRAMS structured to give deductible tax losses of 50% or more of the CAPITAL CONTRIBUTION of the PARTICIPANT in the year of investment should be sold only to PERSONS in higher income tax brackets considering both state and federal income taxes.

PROGRAMS which involve more than ordinary investor risk should emphasize suitability standards involving substantial NET WORTH of the investor.

B. Sales to Appropriate PERSONS. The SPONSOR and each PERSON selling PROGRAM interests on behalf of the SPONSOR or PROGRAM shall make every reasonable effort to assure that those PERSONS being offered or sold the PROGRAM INTERESTS are suitable, in light of the standards set forth as required above, and the PROGRAM INTERESTS are appropriate for the customer's investment objectives and financial situations.

The SPONSOR or his representatives shall ascertain that the investor can reasonably benefit from the PROGRAM, and the following shall be evidence thereof:

1. The investor has the capacity of understanding the fundamental aspects of the PROGRAM, which capacity may be evidenced by the following:
  - (a) The nature of employment experience;
  - (b) Educational level achieved;
  - (c) Access to advice from qualified sources, such as, attorney, accountant and tax advisor;
  - (d) Prior experience with investments of a similar nature.
2. The SPONSOR or his representatives shall ascertain that the investor has apparent understanding:
  - (a) of the fundamental risks and possible financial hazards of the investment;
  - (b) of the lack of liquidity of this investment;
  - (c) that the investment will be directed and managed by the SPONSOR; and
  - (d) of the tax consequences of the investment.
3. The PARTICIPANT can reasonably benefit from the

PROGRAM in view of his overall investment objectives and portfolio structure.

4. The PARTICIPANT is able to bear the economic risk of the investment. For purposes of determining the ability to bear the economic risk, unless the ADMINISTRATOR approves a lower suitability standard, PARTICIPANTS shall have a minimum annual gross income of \$30,000 and a NET WORTH of \$30,000, or in the alternative, a NET WORTH of \$75,000. In high risk or principally tax oriented offerings, higher suitability standards may be required. In the case of sales to fiduciary accounts, the suitability standards shall be met by the fiduciary or by the fiduciary account or by a donor who directly or indirectly supplies the funds to purchase the PROGRAM INTERESTS. NET WORTH shall be determined exclusive of home, home furnishings and automobiles.

COMMENT: A modified suitability standard may be used where it is demonstrated to the ADMINISTRATOR that the potential risk to the investor justifies a decrease or increase in one or more of the suitability standards contained in III.B.4 of this Rule. For a PROGRAM offering MANDATORY DEFERRED PAYMENTS, suitability standards for PARTICIPANTS shall ordinarily require, at a minimum, annual gross income of \$60,000 and a NET WORTH of \$60,000 or, in the alternative, a NET WORTH of \$225,000 with these amounts being increased or decreased as other circumstances indicate appropriate.

C. Maintenance of Records. The SPONSOR shall maintain a record of the information obtained to indicate that a PARTICIPANT meets the suitability standards employed in connection with the offer and sale of its interests and a representation of the PARTICIPANT that he is purchasing for his own account or, in lieu of such representation, information indicating that the PARTICIPANT for whose account the purchase is made meets such suitability standards. Such information may be obtained from the PARTICIPANT through the use of a form which sets forth the prescribed suitability standards in full and which includes a statement to be signed by the PARTICIPANT in which he represents that he meets such suitability standards and is purchasing for his own account. However, where the offering is underwritten or sold by a broker-dealer, the SPONSOR shall obtain a commitment from the broker-dealer to maintain the same record of information required of the SPONSOR.

#### IV. FEES—COMPENSATION—EXPENSES.

##### A. Fees, Compensation and Expenses to be Reasonable.

1. The total amount of consideration of all kinds which may be paid directly or indirectly to all parties shall be reasonable.
2. The PROSPECTUS must fully disclose and itemize all consideration which may be received from the

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PROGRAM directly or indirectly by the SPONSOR, its AFFILIATES and underwriters, what the consideration is for and how and when it will be paid. This shall be set forth in one location in tabular form.

## B. ORGANIZATION AND OFFERING EXPENSES.

All ORGANIZATION AND OFFERING EXPENSES incurred in order to sell PROGRAM interests shall be reasonable.

## C. INVESTMENT IN PROPERTIES.

1. The SPONSOR shall be required to commit a substantial portion of the PROGRAM'S CAPITAL CONTRIBUTIONS toward INVESTMENT IN PROPERTIES. The remaining CAPITAL CONTRIBUTIONS may be used to pay FRONT-END FEES. When ACQUISITION FEES are paid by the seller of properties, such fees shall not be included in satisfying the required minimum INVESTMENT IN PROPERTIES. Additionally, in determining the amount committed to INVESTMENT IN PROPERTIES, such calculation shall not take into account any FRONT-END FEES.

If CAPITAL CONTRIBUTIONS are paid on an installment basis, the FRONT-END FEE shall be paid to the SPONSOR pro rata as installments are paid.

2. At a minimum, the SPONSOR shall commit a percentage of the CAPITAL CONTRIBUTIONS to INVESTMENT IN PROPERTIES which is equal to the greater of:

(a) 80% of the CAPITAL CONTRIBUTIONS reduced by .1625% for each 1% of financing of PROGRAM properties; or

(b) 67% of the CAPITAL CONTRIBUTIONS.

3. If the SPONSOR enters into an INVESTMENT IN PROPERTIES commitment in excess of that specified in Section 2 above, the following mutually exclusive forms of compensation are viewed as not unreasonable alternatives to FRONT-END FEES:

(a) the SPONSOR may take an additional promotional interest in the net proceeds remaining from the sale or refinancing of the properties after payment of such proceeds to PARTICIPANTS in an amount equal to 100% of CAPITAL CONTRIBUTIONS, equal to 1% for each 1% of additional INVESTMENT IN PROPERTIES; or

(b) the SPONSOR may take a CARRIED INTEREST which participates in the net proceeds remaining from the sale or refinancing of properties only after payment of such proceeds to PARTICIPANTS in an amount equal to 100% of CAPITAL CONTRIBUTIONS, equal to 1% for the first 2% of

additional INVESTMENT IN PROPERTIES, plus 1% for the next 1.5% of additional INVESTMENT IN PROPERTIES, plus 1% for each 1% of additional INVESTMENT IN PROPERTIES thereafter; or

(c) the SPONSOR may take a fully participating CARRIED INTEREST equal to 1% for the first 2.5% of additional INVESTMENT IN PROPERTIES, 1% for the next 2% of additional INVESTMENT IN PROPERTIES, and 1% for each 1% of additional INVESTMENT IN PROPERTIES thereafter.

COMMENT: A CARRIED INTEREST may not be taken other than on the basis of the foregoing. In the case of PROGRAMS offering MANDATORY DEFERRED PAYMENTS, the compensation identified in IV.C.3 above as an alternative to FRONT-END FEES paid the SPONSOR shall be credited to the SPONSOR pro rata as installments are paid.

4. For PROGRAMS whose total CAPITAL CONTRIBUTIONS do not exceed \$2 million, the ADMINISTRATOR may reduce the required amount of INVESTMENT IN PROPERTIES to that permitted by 2(b) above notwithstanding the level of indebtedness encumbering the PROGRAM'S properties.

COMMENT: The purpose of the section is to require the SPONSOR to invest a specified percentage of CAPITAL CONTRIBUTIONS in the acquisition of properties and use the balance for FRONT-END FEES in any manner he wishes, or defer a portion of the FRONT-END FEES to a promotional interest.

This will avoid the necessity of having to attempt to establish the reasonableness of the various FRONT-END FEES on an individual basis. However, the formula continues the tradition of the Rules For Real Estate Programs by allowing the SPONSOR'S fee to increase as leverage is employed to acquire properties. The PROSPECTUS should include an example demonstrating the mechanics of the formula.

To calculate the percent of financing of PROGRAM properties in Section 2, divide the amount of financing by the PURCHASE PRICE OF PROPERTY, excluding FRONT-END FEES. The quotient is multiplied by .1625% to determine the percentage to be deducted from 80%.

The following are examples of application of the formula using CAPITAL CONTRIBUTIONS of \$1 million in each case:

(1) No financing—80% to be committed to INVESTMENT IN PROPERTIES.

(2) 50% financing— $50 \times .1625\% = 8.125\%$   
 $80\% - 8.125\% = 71.875\%$   
to be committed to INVESTMENT IN PROPERTIES.

(3)  $80\% \text{ financing} - 80 \times .1625\% = 13\%$   
 $80\% - 13\% = 67\%$  to be committed to  
INVESTMENT IN PROPERTIES.

Notwithstanding the language in sub. 4 above, the 2 million dollar limitation is intended to be a benchmark figure and may be adjusted upward or downward by an ADMINISTRATOR based on the marketplace in his jurisdiction.

#### D. PROGRAM MANAGEMENT FEE.

1. A general partner of a PROGRAM owning unimproved land shall be entitled to annual compensation not exceeding 1/4 of 1% of the cost of such unimproved land for operating the PROGRAM until such time as the land is sold or improvement of the land commences by the limited partnership. In no event shall this fee exceed a cumulative total of 2% of the original cost of the land regardless of the number of years held.

2. A general partner of a PROGRAM holding property in government subsidized projects shall be entitled to annual compensation not exceeding 1/2 of 1% of the cost of such property for operating the PROGRAM until such time as the property is sold.

3. PROGRAM MANAGEMENT FEES other than as set forth above shall be prohibited.

E. Promotional Interest. An interest in the PROGRAM will be allowed as a promotional interest and PROGRAM MANAGEMENT FEE, provided the amount or percentage of such interest is reasonable. Such an interest will be considered presumptively reasonable if it is within the limitations expressed below:

1. An interest equal to 25% of cash to be distributed from the net proceeds remaining from the sale or refinancing of properties after payment to investors from such proceeds, an amount equal to 100% of CAPITAL CONTRIBUTIONS, plus an amount equal to 6% of CAPITAL CONTRIBUTIONS per annum cumulative (the 6% cumulative return may be reduced, but not below zero, by the aggregate amount of prior distributions to investors from CASH AVAILABLE FOR DISTRIBUTION); or

COMMENT: The SPONSOR should not participate in sale or refinancing proceeds until the PARTICIPANTS have received a minimum return on their CAPITAL CONTRIBUTIONS.

However, the 6% subordination requirement may be waived in the situation where the PROGRAM invests more than 60% of its CAPITAL CONTRIBUTIONS in newly constructed or totally rehabilitated properties, including housing subsidized under the National Housing Act or similar such programs.

2. An interest equal to:

(i) 10% of distributions from CASH AVAILABLE FOR DISTRIBUTION; and

(ii) 15% of cash to be distributed from the net proceeds remaining from the sale or refinancing of properties after payment of investors from such proceeds, an amount equal to 100% of CAPITAL CONTRIBUTIONS, plus an amount equal to 6% of CAPITAL CONTRIBUTIONS per annum cumulative. The 6% cumulative return may be reduced, but not below zero, by the aggregate amount of prior distributions to investors from CASH AVAILABLE FOR DISTRIBUTION.

COMMENT: In addition to a 6% per annum cumulative return, investors in traditional equity real estate limited partnerships receive:

(i) Capital gains through product appreciation;

(ii) Federal income taxation deductions during the early years of property operations leading to all or a portion of cash distributions being treated as a return of capital for taxation purposes;

(iii) Equity buildup through a reduction of mortgage loans.

3. For purposes of this section, the CAPITAL CONTRIBUTION of the investors shall only be reduced by a cash distribution to investors of the proceeds from the sale or refinancing of properties. In addition, the cumulative return to each investor shall commence no later than the end of the calendar quarter in which his CAPITAL CONTRIBUTION is made.

4. Dissolution and liquidation of the partnership. The distribution of assets upon dissolution and liquidation of the partnership shall conform to the applicable subordination provisions of Sections 1 and 2(ii) herein, and appropriate language shall be included in the partnership agreement.

F. Real Estate Brokerage Commissions on Resale of Property. The total compensation paid to all PERSONS for the sale of a PROGRAM property shall be limited to a COMPETITIVE REAL ESTATE COMMISSION, not to exceed 6% of the contract price for the sale of the property. If the SPONSOR provides a substantial amount of the services in the sales effort, he may receive up to one-half of the COMPETITIVE REAL ESTATE COMMISSION, not to exceed 3%, and subordinated as in E above. If the SPONSOR participates with an independent broker on resale, the subordination requirement shall apply only to the commission earned by the SPONSOR.

COMMENT: If the SPONSOR provides a substantial amount of services in connection with the sale, he may then



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receive up to 1/2 of the brokerage commission, to a maximum of 3%, with the fee subordinated to a return of 100% of CAPITAL CONTRIBUTIONS plus a 6% annual cumulative return, regardless of the type of property acquired by the PROGRAM.

G. PROPERTY MANAGEMENT FEE. Should the SPONSOR or its AFFILIATES perform property management services permitted under section IV.A.1 of this rule, the fees paid to the SPONSOR or its AFFILIATES shall be the lesser of the maximum fees set forth in subsections 1 through 3 below or the fees which are competitive for similar services in the same geographic area. Included in such fees shall be bookkeeping services and fees paid to nonrelated persons for property management services.

1. In the case of a residential property, the maximum PROPERTY MANAGEMENT FEE (including all rent-up, leasing, and re-leasing fees and bonuses, and leasing related services, paid to any person) shall be 5% of the gross revenues from such property.

2. In the case of industrial and commercial property, except as set forth in 3 below, the maximum PROPERTY MANAGEMENT FEE from such leases shall be 6% of the gross revenues where the SPONSOR or its AFFILIATES includes leasing, re-leasing and leasing related services. Conversely the maximum PROPERTY MANAGEMENT FEE from such leases shall be 3% of the gross revenues where the SPONSOR or its AFFILIATES do not perform the leasing, re-leasing and leasing related services with respect to the property.

3. In the case of industrial and commercial properties which are leased on a long term (ten or more years) net (or similar) basis, the maximum PROPERTY MANAGEMENT FEE from such leases shall be 1% of the gross revenues, except for a one time initial leasing fee of 3% of the gross revenues on each lease payable over the first five full years of the original term of the lease.

COMMENT: This section provides a method to calculate the allowable fees for property management by the SPONSOR. The amount of the fee will be based upon, if competitive, the kinds of property management services performed by the SPONSOR for various types of rental properties and lease arrangements. This section prohibits the SPONSOR from receiving fees for the same service for which the project has incurred costs to any other PERSON. The salary and fringe benefits of the on-site property personnel may be separately charged, as an operating expense, so long as such manager is not an officer, director, or controlling person of the SPONSOR.

This section is not intended to preclude the charging of a separate competitive fee for the onetime initial rent-up or leasing-up of a newly constructed property if such service is not included in the PURCHASE PRICE OF

PROPERTY paid by the PROGRAM. New construction could include a total rehabilitation.

Under Section 3, the initial leasing fee may be taken during each of the first five years on any lease which may include exercised renewals during that period; however, no initial leasing fee may be collected beyond five years for renewals or extensions with the same tenant or tenant's assignee.

The fee limitation would be considered presumptively reasonable unless the SPONSOR can demonstrate, to the satisfaction of the ADMINISTRATOR, through empirical data that a higher competitive fee in the geographic area for the services rendered, the type of property to be acquired and the terms of the management contract is justified.

H. Insurance Services. The SPONSOR or its AFFILIATE may provide insurance brokerage services in connection with obtaining insurance on the PROGRAM'S property so long as the cost of providing such service, including cost of the insurance, is no greater than the lowest quote obtained from two unaffiliated insurance agencies and the coverage and terms are likewise comparable. In no event may such services be provided by the SPONSOR or his AFFILIATE unless he is independently engaged in the business of providing such services to other than AFFILIATES and at least 75% of his insurance brokerage service gross revenue is derived from other than AFFILIATES.

## V. CONFLICTS OF INTEREST AND INVESTMENT RESTRICTIONS.

### A. Sales, Leases and Loans.

#### 1. Sales and Leases to PROGRAM.

A PROGRAM shall not purchase or lease property in which a SPONSOR has an interest unless:

(a) The transaction occurs at the formation of the PROGRAM and is fully disclosed in its PROSPECTUS or offering circular, and

(b) The property is sold upon terms fair to the PROGRAM and at a price not in excess of its appraised value, and

(c) The cost of the property and any improvements thereon to the SPONSOR is clearly established. If the SPONSOR'S cost was less than the price to be paid by the program, the price to be paid by the PROGRAM will not be deemed fair, regardless of the appraised value, unless some material change has occurred to the property which would increase the value since the SPONSOR acquired the property. Material factors may include the passage of a significant amount of time (but in no event less than 2 years), the assumption by the promoter of

the risk of obtaining a re-zoning of the property and its subsequent re-zoning, or some other extraordinary event which in fact increases the value of the property.

(d) The provisions of this subsection notwithstanding, the SPONSOR may purchase property in its own name (and assume loans in connection therewith) and temporarily hold title thereto for the purpose of facilitating the acquisition of such property or the borrowing of money or obtaining of financing for the PROGRAM, or completion of construction of the property, or any other purpose related to the business of the PROGRAM, provided that such property is purchased by the PROGRAM for the price no greater than the cost of such property to the SPONSOR, except compensation in accordance with Section IV, above, of this rule, and provided there is no difference in interest rates of the loans secured by the property at the time acquired by the SPONSOR and the time acquired by the PROGRAM, no any other benefit arising out of such transaction to the SPONSOR apart from compensation otherwise permitted by this rule.

2. Sales and Leases to SPONSOR. The PROGRAM will not ordinarily be permitted to sell or lease property to the SPONSOR except that the PROGRAM may lease property to the SPONSOR under a lease-back arrangement made at the outset and on terms no more favorable to the SPONSOR than those offered other persons and fully described in the PROSPECTUS.

3. Loans. No loans may be made by the PROGRAM to the SPONSOR or an AFFILIATE.

4. Dealing with Related PROGRAMS. A PROGRAM shall not acquire property from a PROGRAM in which the SPONSOR has an interest.

COMMENT: This provision prohibits transactions among PROGRAMS where the SPONSOR has an interest whereas V.A.I, above, relates to properties where the SPONSOR has an interest.

B. Exchange of Limited Partnership Interests. The PROGRAM may not acquire property in exchange for limited partnership interests, except for property which is described in the PROSPECTUS which will be exchanged immediately upon effectiveness. In addition, such exchange shall meet the following conditions:

1. A provision for such exchange must be set forth in the partnership agreement, and appropriate disclosure as to tax effects of such exchange must be set forth in the PROSPECTUS;

2. The property to be acquired must come within the objectives of the PROGRAM;

3. The purchase price assigned to the property shall be no higher than the value supported by an appraisal prepared by an independent qualified appraiser;

4. Each limited partnership interest must be valued at no less than market value if there is a market or if there is no market, fair market value of the PROGRAM's assets as determined by an independent appraiser within the last 90 days, less its liabilities, divided by the number of interests outstanding;

5. No more than one-half of the interests issued by the PROGRAM shall have been issued in exchange for property;

6. No securities sales or underwriting commissions shall be paid in connection with such exchange.

C. Exclusive Agreement. A PROGRAM shall not give a SPONSOR an exclusive right to sell or exclusive employment to sell property for the PROGRAM.

D. Commissions on Reinvestment or Distribution. A PROGRAM shall not pay, directly or indirectly, a commission or fee (except as permitted under section IV) to a SPONSOR in connection with the reinvestment or distribution of the proceeds of the resale, exchange, or refinancing of PROGRAM PROPERTY.

COMMENT: This section clarifies that financing, refinancing, or servicing fees are subject to the limitations of IV.C, above.

E. Services Rendered to the PROGRAM by the SPONSOR.

1. Expenses of the PROGRAM.

(a) All expenses of the PROGRAM shall be billed directly to and paid by the PROGRAM. The SPONSOR may be reimbursed for the actual cost of goods and materials used for or by the PROGRAM and obtained from entities unaffiliated with the SPONSOR. The SPONSOR may be reimbursed for the administrative services necessary to the prudent operation of the PROGRAM provided that the reimbursement shall be at the lower of the SPONSOR'S actual cost or the amount the PROGRAM would be required to pay to independent parties for comparable administrative services in the same geographic location. No reimbursement shall be permitted for services for which the SPONSOR is entitled to compensation by way of a separate fee. Excluded from the allowable reimbursement (except as permitted under IV.C.1) shall be:

(i) rent or depreciation, utilities, capital equipment, other administrative items; and

(ii) salaries, fringe benefits, travel expenses, and other administrative items incurred or allocated to

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any controlling persons of the SPONSOR or AFFILIATES.

Controlling person, for purpose of this section, includes but is not limited to, any PERSON, whatever their title, who performs functions for the SPONSOR similar to those of:

- (1) Chairman or member of the Board of Directors;
- (2) Executive Management, such as the
  - (i) President,
  - (ii) Vice-President or Senior Vice-President,
  - (iii) Corporate Secretary,
  - (iv) Treasurer;
- (3) Senior Management, such as the Vice-President of an operating division who reports directly to Executive Management; or
- (4) Those holding 5% or more equity interest in the SPONSOR or a person having the power to direct or cause the direction of the SPONSOR, whether through the ownership of voting securities, by contract, or otherwise.

(b) The annual PROGRAM report must contain a breakdown of the costs reimbursed to the SPONSOR. Within the scope of the annual audit of the SPONSOR'S financial statement, the independent certified public accountants must verify the allocation of such costs to the PROGRAM. The method of verification shall at minimum provide:

- (1) A review of the time records of individual employees, the costs of whose services were reimbursed;
- (2) A review of the specific nature of the work performed by each such employee.

The methods of verification shall be in accordance with generally accepted auditing standards and shall accordingly include such tests of the accounting records and such other auditing procedures which the SPONSOR'S independent certified public accountants consider appropriate in the circumstances. The additional costs of such verification will be itemized by said accountants on a PROGRAM by PROGRAM basis and may be reimbursed to the SPONSOR by the PROGRAM in accordance with this subsection only to the extent that such reimbursement when added to the cost for administrative services rendered does not exceed the competitive rate for such services as determined above.

The PROSPECTUS must disclose in tabular form an estimate of such proposed expenses for the next fiscal year together with a breakdown by year of such expenses reimbursed in each of the last five public PROGRAMS formed by the SPONSOR.

COMMENT: This section permits the SPONSOR to be reimbursed for a portion of the costs incurred in performing certain administrative functions for the PROGRAM provided the SPONSOR is both qualified to perform such functions and does so at a cost no greater to the PROGRAM than that which an unaffiliated PERSON would charge the PROGRAM. Regardless of the capacity in which controlling persons of the SPONSOR serve the PROGRAM, their salaries may not be allocated to the PROGRAM.

2. Other Services. No other services may be performed by the SPONSOR for the PROGRAM except in extraordinary circumstances fully justified to the ADMINISTRATOR. As a minimum, self-dealing arrangements must meet the following criteria:

(a) The compensation, price or fee therefore must be comparable and competitive with the compensation, price or fee of any other PERSON who is rendering comparable services or selling or leasing comparable goods which could reasonably be made available to the PROGRAMS and shall be on competitive terms, and

(b) The fees and other terms of the contract shall be fully disclosed, and

(c) The SPONSOR must be previously engaged in the business of rendering such services or selling or leasing such goods, independently of the PROGRAM and as an ordinary and ongoing business, and

(d) All services or goods for which the SPONSOR is to receive compensation shall be embodied in a written contract which precisely describes the services to be rendered and all compensation to be paid, which contract may only be modified by a vote of the majority of the limited partners. Said contract shall contain a clause allowing termination without penalty on 60 days notice.

COMMENT: Where the services are available elsewhere from unaffiliated parties, there would be a presumption that there are no extraordinary circumstances. Extraordinary circumstances would only be presumed where there is an emergency situation requiring immediate action by the SPONSOR, and the service is not immediately available from unaffiliated parties. Extraordinary circumstances shall, in no event, include general and administrative expenses, except as otherwise provided herein.

F. Rebates, Kickbacks and Reciprocal Arrangements.

1. No rebates or give-ups may be received by the SPONSOR nor may the SPONSOR participate in any reciprocal business arrangements which would circumvent this rule. Furthermore, the PROSPECTUS and PROGRAM charter documents shall contain language prohibiting the above as well as language prohibiting reciprocal business arrangements which would circumvent the restrictions against dealing with AFFILIATES or promoters.

2. No SPONSOR shall directly or indirectly pay or award any commissions or other compensation to any PERSON engaged by a potential investor for investment advice as an inducement to such advisor to advise the purchaser of interests in a particular PROGRAM; provided, however, that this clause shall not prohibit the normal sales commissions payable to a registered broker-dealer or other properly licensed PERSON for selling PROGRAM INTERESTS.

G. **Commingling of Funds.** The funds of a PROGRAM shall not be commingled with the funds of any other PERSON. Nothing contained in this section however, shall prohibit a SPONSOR from establishing a master fiduciary account pursuant to which separate subtrust accounts are established for the benefit of affiliated limited partnerships, provided, that PROGRAM funds are protected from claims of such other partnerships and/or creditors. The prohibition of this section shall not apply to investments meeting the requirements of Section V.H.

#### H. Investments in Other PROGRAMS.

1. Investments in limited partnership interests of another PROGRAM shall be prohibited; however, nothing herein shall preclude the investment in general partnerships or ventures which own and operate a particular property provided the PROGRAM acquires a controlling interest in such other ventures or general partnerships (except as permitted by subsection 3). In such event, duplicate property management or other fees shall not be permitted.

2. Such prohibitions shall not apply to PROGRAMS participating in the subsidized housing provisions of the National Housing Act or any similar programs that may be enacted, but unless prohibited by the applicable federal statute, such partnership (herein referred to as lower tier partnership) shall provide for its limited partners all of the rights and obligations required to be provided by the original PROGRAM in Section VII of this rule.

COMMENT: The investment by a limited partnership in another limited partnership is restricted to investment in those PROGRAMS which have been organized and are regulated pursuant to the subsidized housing provisions of the National Housing Act, or similar state law. This position is based on the recognition that these PROGRAMS have strict compensation parameters outlined by the applicable legislation, and historically have been organized

as multiple level limited partnerships. These PROGRAMS will continue to be monitored to determine that duplicative management or other fees are not being paid.

3. The PROGRAM shall be permitted to invest in joint venture arrangements with another PROGRAM formed by the SPONSOR if all the following conditions are met:

(a) The two PROGRAMS have substantially identical investment objectives.

(b) There are no duplicate property management or other fees.

(c) The SPONSOR compensation should be substantially identical in each PROGRAM.

(d) The PROGRAM must have a right of first refusal to buy if the other PROGRAM wishes to sell property held in the joint venture.

(e) The investment of each PROGRAM is on substantially the same terms and conditions.

(f) The PROSPECTUS must disclose the potential risk of impasse on joint venture decisions since neither PROGRAM controls and the potential risk that while one PROGRAM may buy the property from the other joint ventures, in the event of a sale, it may not have the resources to do so.

COMMENT: In certain situations, it would be to the advantage of the PROGRAM to be able to invest in a joint venture with another PROGRAM where neither PROGRAM has sufficient money to make the entire investment even if the PROGRAM does not acquire a controlling interest. However, in order to provide the necessary protections, there is a need to not only require full disclosure of the joint venture arrangements but also to set out substantive standards that must be adhered to in order to assure these protections.

For PROGRAMS which make or invest in mortgage loans, joint venture arrangements are permitted so long as joint venture arrangements with affiliates satisfy the requirements of V.A.3 herein.

#### I. Lending Practices.

1. On loans made available to the PROGRAM by the SPONSOR, the SPONSOR may not receive interest or similar charges or fees in excess of the amount which would be charged by unrelated lending institutions on comparable loans for the same purpose, in the same locality of the property if the loan is made in connection with a particular property. No prepayment charge or penalty shall be required by the SPONSOR on a loan to the PROGRAM secured by either a first or a junior or all-inclusive trust deed, mortgage or encumbrance on the property, except to the extent

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that such prepayment charge or penalty is attributable to the underlying encumbrance. The sponsor shall be prohibited from providing FINANCING for the PROGRAM, except as permitted by Section 2 of this section V.I.1.

2. An "all-inclusive" or "wrap-around" note and deed of trust (the "all-inclusive note" herein) may be used to finance the purchase of property by the PROGRAM only if the following conditions are complied with:

(a) The SPONSOR under the all-inclusive note shall not receive interest on the amount of the underlying encumbrance included in the all-inclusive note in excess of that payable to the lender on that underlying encumbrance;

(b) The PROGRAM shall receive credit on its obligation under the all-inclusive note for payments made directly on the underlying encumbrance, and

(c) A paying agent, ordinarily a bank, escrow company, or savings and loan, shall collect payments (other than any initial payment of prepaid interest or loan points not to be applied to the underlying encumbrance) on the all-inclusive note and make disbursements therefrom to the holder of the underlying encumbrance prior to making any disbursement to the holder of the all-inclusive note, subject to the requirements of subsection (a) above, or, in the alternative, all payments on the all-inclusive and underlying note shall be made directly by the PROGRAM.

J. Development or Construction Contract. The SPONSOR will not be permitted to construct or develop properties, or render any services in connection with such development or construction unless all of the following conditions are satisfied:

1. The transactions occur at the formation of the PROGRAM.

2. The specific terms of the development and construction of identifiable properties are ascertainable and fully disclosed in the PROSPECTUS.

3. The purchase price to be paid by the PROGRAM is based upon a firm contract price which in no event can exceed the sum of the cost of the land and the SPONSOR's cost of construction. For the purposes of this section, cost of construction includes the contractor or CONSTRUCTION FEE customarily paid for services as a general contractor, provided, however, that any overhead of the general contractor is not charged to the PROGRAM or included in the cost of construction.

4. In the case of construction, the only fees paid to the SPONSOR in connection with such project shall consist of a CONSTRUCTION FEE for action as a

general contractor, which fees must be comparable and competitive with the fees of disinterested PERSONS rendering comparable services (excluding, however, any overhead of the contractor) and a real estate commission in connection with the acquisition of the land, if appropriate under the circumstances. Any such real estate commission shall be subject to the provisions of IV.C, above.

5. The SPONSOR demonstrates the presence of extraordinary circumstances as required by Section 2 of V.E and otherwise complies with subsections (b), (c), and (d) thereunder.

K. Completion Bond Requirements.

(a) The completion of property acquired which is under construction shall be guaranteed at the price contracted by an adequate completion bond or other satisfactory arrangements.

(b) For purposes of this section, satisfactory arrangements include, but are not limited to, the following:

(1) A written guarantee of completion by a PERSON, supported by financial statements demonstrating sufficient net worth or adequately collateralized by other real or personal properties or other PERSONS' guarantees.

(2) A retention of a reasonable portion of the purchase consideration as a potential offset to such purchase consideration in the event the seller does not perform in accordance with the purchase and sale agreement.

(c) Other satisfactory arrangements to guarantee completion may be made, provided they are disclosed in the PROSPECTUS and the prior written approval of the ADMINISTRATOR has been obtained.

L. Requirement for Real Property Appraisal. All real property acquisitions must be supported by an appraisal prepared by a competent, independent appraiser. The appraisal shall be maintained in the SPONSOR's records for at least five years, and shall be available for inspection and duplication by any PARTICIPANT. The PROSPECTUS shall contain notice of this right.

VI. NON-SPECIFIED PROPERTY PROGRAMS. The following special provisions shall apply to NON-SPECIFIED PROPERTY PROGRAMS:

A. Minimum Capitalization. A NON-SPECIFIED PROPERTY PROGRAM shall provide for minimum cash gross proceeds from the offering of not less than \$1,000,000.00 to be available for INVESTMENT IN PROPERTIES.

B. Experience of SPONSOR. For NON-SPECIFIED PROPERTY PROGRAMS, the SPONSOR or at least one of its principals must establish that he has had the equivalent of not less than five years experience in the real estate business in an executive capacity and two years experience in the management and acquisition of the type of properties to be acquired or otherwise must demonstrate to the satisfaction of the ADMINISTRATOR that he has sufficient knowledge and experience to acquire and manage the type of properties proposed to be acquired by the NON-SPECIFIED PROPERTY PROGRAM.

C. Statement of Investment Objectives. A NON-SPECIFIED PROPERTY PROGRAM shall state types of properties in which it proposes to invest, such as first-user apartment projects, subsequent-user apartment projects, shopping centers, office buildings, unimproved land, etc., and the size and scope of such projects shall be consistent with the objectives of the PROGRAM and the experience of the SPONSORS. As a minimum the following restrictions on investment objectives shall be observed.

1. Unimproved or non-income producing property shall not be acquired except in amounts and upon terms which can be financed by the PROGRAM's proceeds or from cash available for distribution from operations. Investments in such property shall not exceed 10% of the gross proceeds of the offering. Properties which are expected to produce income within a reasonable period of time shall not be considered non-income producing. For purposes of this section, two years shall be deemed to be presumptively reasonable.
2. Investments in junior trust deeds and other similar obligations shall be prohibited, except for junior trust deeds which arise from the sale of PROGRAM properties.
3. The manner in which acquisitions will be financed including the use of an all-inclusive note or wrap-around, and the leveraging to be employed shall all be fully set forth in the statement of investment objectives.
4. The statement shall indicate whether the PROGRAM will enter into joint venture arrangements and the projected extent thereof.

D. Period of Offering and Expenditure of Proceeds. No offering of securities in a NON-SPECIFIED PROPERTY PROGRAM may extend for more than one year from the date of effectiveness. While the proceeds of an offering are awaiting investment in real property, the proceeds may be temporarily invested in short-term highly liquid investments where there is appropriate safety of principal, such as U.S. Treasury Bonds or Bills. Any proceeds of the offering of securities not invested within the later of two years from the date of effectiveness or, if allowed by the ADMINISTRATOR, six months from the last scheduled MANDATORY DEFERRED PAYMENT date (except for

necessary operating capital) shall be distributed pro rata to the partners as a return of capital so long as the adjusted INVESTMENT IN PROPERTIES is in compliance with IV.C, above.

E. Multiple Programs. The method for the allocation of the acquisition of properties by two or more PROGRAMS of the same SPONSOR seeking to acquire similar types of properties shall be reasonable. The method also shall be described in the PROSPECTUS.

## VII. RIGHTS AND OBLIGATIONS OF PARTICIPANTS.

A. Meetings. Meetings of the PROGRAM may be called by the SPONSOR or by the PARTICIPANTS holding more than 10% of the then outstanding limited partnership interests, for any matters for which the PARTICIPANTS may vote as set forth in the limited partnership agreement. A list of the names and addresses of all PARTICIPANTS shall be maintained as part of the books and records of the limited partnership and shall be made available on request to any PARTICIPANT or his representative at his cost. Upon receipt of a written request either in PERSON or by certified mail stating the purpose(s) of the meeting, the SPONSOR shall provide all PARTICIPANTS within ten days after receipt of said request, written notice (either in PERSON or by certified mail) of a meeting and the purpose of such meeting to be held on a date not less than fifteen nor more than sixty days after receipt of said request, at a time and place convenient to PARTICIPANTS.

### B. Voting Rights of Limited Partners.

To the extent the law of the state of the limited partnership's organization is not inconsistent, the limited partnership agreement must provide that a majority of the then outstanding limited partnership interests may, without the necessity for concurrence by the SPONSOR, vote to: (1) amend the limited partnership agreement, (2) dissolve the PROGRAM, (3) remove the SPONSOR and elect a new SPONSOR, and (4) approve or disapprove the sale of all or substantially all of the assets of the PROGRAM. The agreement should provide for a method of valuation of the SPONSOR interest, upon removal of the SPONSOR, that would not be unfair to the PARTICIPANTS. The agreement should also provide for a successor SPONSOR where the only SPONSOR of the PROGRAM is an individual.

C. Reports to Holders of Limited Partnership Interest. The partnership agreement shall provide that the SPONSOR shall cause to be prepared and distributed to the holders of PROGRAM INTERESTS during each year the following reports:

1. In the case of a PROGRAM registered under Section 12(g) of the Securities Exchange Act of 1934, within sixty days after the end of each quarter of the PROGRAM, a report containing:

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- (i) A balance sheet, which may be unaudited.
- (ii) A statement of income for the quarter then ended, which may be unaudited.
- (iii) A CASH FLOW statement for the quarter then ended, which may be unaudited.
- (iv) Other pertinent information regarding the PROGRAM and its activities during the quarter covered by the report.

2. In the case of all PROGRAMS, within 75 days after the end of each PROGRAM's fiscal year, all information necessary for the preparation of the limited partners' federal income tax returns;

3. In the case of all PROGRAMS, within 120 days after the end of each PROGRAM's fiscal year, an annual report containing: (i) a balance sheet as of the end of its fiscal year and statements of income, partners' equity, and changes in financial position and a CASH FLOW statement, for the year then ended, all of which, except the CASH FLOW statement, shall be prepared in accordance with generally accepted accounting principles and accompanied by an auditor's report containing an opinion of an independent certified public accountant, (ii) a report of the activities of the PROGRAM during the period covered by the report, and (iii) where forecasts have been provided to the holders of limited partnership interests, a table comparing the forecasts previously provided with the actual results during the period covered by the report. Such report shall set forth distributions to limited partners for the period covered thereby and shall separately identify distributions from: (a) CASH FLOW from operations during the period, (b) CASH FLOW from operations during a prior period which had been held as reserves, (c) proceeds from disposition of property and investments, (d) lease payments on net leases with builders and sellers, and (e) reserves from the gross proceeds of the offering originally obtained from the limited partners.

4. Where ASSESSMENTS have been made during any period covered by any report required by Sections 1, 2, and 3 hereof, then such report shall contain a detailed statement of such ASSESSMENTS and the application of the proceeds derived from such ASSESSMENTS.

5. Where PROGRAM INTERESTS have been purchased on a MANDATORY DEFERRED PAYMENT basis, on which there remains an unpaid balance during any period covered by any report required by Sections 1, 2, and 3, hereof, then such report shall contain a detailed statement of the status of all MANDATORY DEFERRED PAYMENTS, actions taken by the PROGRAM in response to any defaults, and a discussion and analysis of the impact on capital

requirements of the PROGRAM.

D. Access to Records. Every limited partner shall at all times have access to the records of the partnership and may inspect and copy any of them. A list of the names and addresses, of all of the limited partners shall be maintained as part of the books and records and shall be mailed to any limited partner upon request. A reasonable charge for copy work may be charged by the PROGRAM.

E. Admission of PARTICIPANTS. Admission of PARTICIPANTS to the PROGRAM shall be subject to the following:

1. Admission of Original PARTICIPANTS. Upon the original sale of partnership units by the PROGRAM, the purchasers should be admitted as limited partners not later than 15 days after the release from impound of the purchaser's funds to the PROGRAM, and thereafter purchasers should be admitted into the PROGRAM not later than the last day of the calendar month following the date their subscription was accepted by the PROGRAM. Subscriptions shall be accepted or rejected by the PROGRAM within 30 days of their receipt; if rejected, all funds should be returned to the subscribers within ten (10) business days thereafter.

2. Admission of Substituted Limited Partners and Recognition of Assignees. The PROGRAM shall amend the certificate of limited partnership at least once each calendar quarter to effect the substitution of substituted PARTICIPANTS, although the SPONSOR may elect to do so more frequently. In the case of assignments, where the assignee does not become a substituted limited partner, the PROGRAM shall recognize the assignment not later than the last day of the calendar month following receipt of notice of assignment and required documentation.

3. Except where deemed inappropriate by the ADMINISTRATOR, PERSONS holding PROGRAM INTERESTS by assignment from entities holding limited partnership interests in a PROGRAM for the purpose of assigning all or a portion of such interests to PERSONS investing in such PROGRAM (hereinafter the "Assignor") shall be expressly granted the same rights as if they were limited partners except as prohibited by applicable local law, including but not limited to, the rights enumerated under VII of this rule. The assignment agreement and PROSPECTUS shall provide that the Assignor's management shall have fiduciary responsibility for the safekeeping and use of all funds and assets of the assignees, whether or not in the Assignor management's possession or control, and that the management of the Assignor shall not employ, or permit another to employ, such funds or assets in any manner except for the exclusive benefit of the assignees. In addition, the agreement shall not permit the assignees to contract away the fiduciary duty owed to the assignees by the

Assignor's management under the common law of agency.

F. Redemption of PROGRAM INTERESTS. Ordinarily, the PROGRAM and the SPONSOR may not be mandatorily obligated to redeem or repurchase any of its PROGRAM INTERESTS, although the PROGRAM and the SPONSOR may not be precluded from purchasing such outstanding interests if such purchase does not impair the capital or the operation of the PROGRAM. Notwithstanding the foregoing, a real estate PROGRAM may provide for mandatory redemption rights under the following necessitous circumstances:

1. Death or legal incapacity of the PARTICIPANT, or

2. A substantial reduction in the PARTICIPANT's NET WORTH or income provided that: (i) the PROGRAM has sufficient cash to make the purchase, (ii) the purchase will not be in violation of applicable legal requirements, and (iii) not more than 15% of the outstanding units are purchased in any year. Where the purchase price is not mutually agreed upon, the matter shall be submitted to arbitration.

G. Transferability of PROGRAM INTERESTS. Restrictions on assignment of limited partnership interests will not be allowed. Restrictions on the substitution of a limited partner are generally disfavored and will be allowed only to the extent necessary to preserve the tax status of the partnership and any restriction must be supported by opinion of counsel.

H. ASSESSMENTS and Defaults.

1. ASSESSMENTS. ASSESSMENTS will not be allowed for NON-SPECIFIED PROGRAMS. In the case of SPECIFIED PROGRAMS, ASSESSMENTS shall be permitted only when specific circumstances demonstrate a need. If the anticipated CASH FLOW from property (after payment of debt service and all operating expenses) is not sufficient to pay taxes and/or special ASSESSMENTS imposed by governmental or quasi-governmental units, the PROGRAM agreement may include a provision for assessability to meet such deficiencies. Assessability must be limited to the foregoing obligations, and all amounts derived from such ASSESSMENTS must be applied only to satisfaction of said obligations.

2. Defaults on ASSESSMENTS. In the event of a default in the payment of ASSESSMENTS by a PARTICIPANT his interests shall not be subject to forfeiture, but may be subject to a reasonable penalty for failure to meet his commitment. Provided that the arrangements are fair, this may take the form of reducing his proportionate interest in the PROGRAM, subordinating his interest to that of nondefaulting partners, a forced sale complying with applicable procedures for notice and sale, the lending of the amount necessary to meet his commitment by the

other PARTICIPANTS or a fixing of the value of his interest by independent appraisal or other suitable formula with provision for a delayed payment to him for his interest not beyond a reasonable period, but a debt security issued for such interest should not have a claim prior to that of the other investors in the event of liquidation.

COMMENT: A limited partner will be reinstated to his full status as a limited partner upon payment of the delinquent ASSESSMENT with interest at the maximum rate allowed by law, within 30 days of the date of default. Default would be the failure to pay the ASSESSMENT within 30 days of the date of notice requesting the ASSESSMENT.

I. Dividend Reinvestment Plans. A PROGRAM may offer participants the opportunity to elect to have cash distributions reinvested in the PROGRAM or subsequent PROGRAMS if the following conditions are met:

1. The PROGRAM and subsequent PROGRAMS in which the PARTICIPANTS reinvest are registered or exempted under Virginia's Securities Act.

2. Counsel for the PROGRAM submits an opinion that the pooling of the funds for reinvestment is not in itself a security.

3. The subsequent PROGRAM has substantially identical investment objectives as the original PROGRAM.

4. The PARTICIPANTS are free to elect or revoke reinvestment within a reasonable time and such right is fully disclosed in the offering documents.

5. Prior to each reinvestment the PARTICIPANTS receive a current updated disclosure document which contains at a minimum the following information:

(a) The minimum investment amount.

(b) The type or source of proceeds (e.g., cash distributions from operations or the sale or disposition of properties) which may be reinvested.

(c) The tax consequences of the reinvestment to the PARTICIPANTS.

6. The broker-dealer or the issuer assumes responsibility for blue sky compliance and performance of due diligence responsibilities and has contacted the PARTICIPANTS to ascertain whether they continue to meet Virginia's suitability standard for participation in each reinvestment.

7. If a broker-dealer is involved it shall obtain in writing an agreement from the PARTICIPANT by which the PARTICIPANT agrees to payment of compensation to the broker-dealer in connection with individual reinvestment.



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J. Within 60 days after the end of each quarter during which there has been real property acquisitions, a "Special Report" (which may be part of the quarterly report) shall be sent to all PARTICIPANTS until the proceeds of the offering are committed or returned to the investors. The report shall contain the following information:

(a) The location and a description of the general character of all materially important real properties acquired or presently intended to be acquired by or leased to the PROGRAM, during the quarter.

(b) The present or proposed use of such properties and their suitability and adequacy for such use.

(c) The terms of any material lease affecting the properties.

(d) The proposed method of financing, including estimated down payment, leverage ratio, prepaid interest, balloon payment(s), prepayment penalties, due-on-sale or encumbrance clauses and possible adverse effects thereof and similar details of the proposed financing plan.

(e) A statement that title insurance and any required construction, permanent or other financing and performance bonds or other assurances with respect to builders have been or will be obtained on all properties acquired.

## VIII. DISCLOSURE AND MARKETING REQUIREMENTS.

### A. Sales Promotional Efforts.

1. Sales Literature. Sales literature, sales presentations (including prepared presentations to prospective investors at group meetings) and advertising used in the offer or sale of partnership interests shall conform in all applicable respects to requirements of filing, disclosure and adequacy currently imposed on sales literature, sales presentations and advertising used in the sale of corporate securities.

2. Group Meetings. All advertisements of and oral or written invitations to "seminars" or other group meetings at which PROGRAM INTERESTS are to be described, offered or sold shall clearly indicate that the purpose of such meeting is to offer such PROGRAM INTERESTS for sale, the minimum purchase price thereof, and the name of the SPONSOR, underwriter or selling agent. No cash, merchandise or other item of value shall be offered as an inducement to any prospective PARTICIPANT to attend any such meeting. In connection with the offer or sale of PROGRAM INTERESTS, no general offer shall be made of "free" or "bargain price" trips to visit property in which the PROGRAM or proposed PROGRAM has invested or intends to invest.

All written or prepared audio-visual presentations

(including scripts prepared in advance for oral presentations) to be made at such meetings must be submitted in advance to the ADMINISTRATOR not less than three business days prior to the first use thereof. The foregoing Sections 1 and 2 shall not apply to meetings consisting only of representatives of securities broker-dealers.

B. Contents of PROSPECTUS. The PROSPECTUS shall meet the requirements of Guide 5 of the Securities and Exchange Commission. The description of the method for the allocation of the acquisition of properties by two or more programs of the same SPONSOR shall meet the requirements of V.I.E. The PROSPECTUS shall contain a full description of any terms, consequences, and risks to investors and the PROGRAM of any MANDATORY DEFERRED PAYMENTS. The ADMINISTRATOR may require additional disclosure if, in the ADMINISTRATOR's opinion, specific facts concerning the offering require it.

COMMENT: Where the ADMINISTRATOR deems it appropriate, offering materials may be required to comment on the ability of investors to rely on tax benefits and cash flow from the PROGRAM to satisfy future obligations on MANDATORY DEFERRED PAYMENTS, the inappropriateness of treating such obligations as options or warrants, possible liability to third-party creditors of the PROGRAM as a result of such unpaid obligations, and/or possible tax consequences of the use of such payment methods.

### C. Forecasts.

1. Use of Forecasts. The presentation of predicted future results of operations of real estate PROGRAMS shall be permitted but not required for specified property PROGRAMS investing primarily in improved property and shall be prohibited for NON-SPECIFIED PROPERTY PROGRAMS or specified property PROGRAMS investing primarily in unimproved land. The covers of the PROSPECTUS must contain in bold face language one of the following statements:

#### (i) For SPECIFIED PROPERTY PROGRAMS:

FORECASTS ARE CONTAINED IN THIS PROSPECTUS (OFFERING CIRCULAR). ANY PREDICTIONS AND REPRESENTATIONS, WRITTEN OR ORAL, WHICH DO NOT CONFORM TO THOSE CONTAINED IN THE PROSPECTUS (OFFERING CIRCULAR) SHALL NOT BE PERMITTED.

#### (ii) For NON-SPECIFIED PROPERTY and unimproved land programs:

THE USE OF FORECASTS IN THIS OFFERING IS PROHIBITED. ANY REPRESENTATIONS TO THE CONTRARY AND ANY PREDICTIONS, WRITTEN OR ORAL, AS TO THE AMOUNT OR CERTAINTY OF ANY PRESENT OR FUTURE CASH BENEFIT

OR TAX CONSEQUENCE WHICH MAY FLOW FROM AN INVESTMENT IN THIS PROGRAM IS NOT PERMITTED.

Forecasts for specified property PROGRAMS shall be included in the PROSPECTUS, offering circular or sales material of the PROGRAM only if they comply with the following requirements:

a. General. Forecasts shall be realistic in their predictions and shall clearly identify the assumptions made with respect to all material features of the presentation. Forecasts should be examined by an independent certified public accountant in accordance with the Guide for Prospective Financial Statements as promulgated by the American Institute of Certified Public Accountants, and that person or firm should be identified in the PROSPECTUS or offering circular as being responsible for the examination of the forecasts. No forecasts shall be permitted in any sales literature which do not appear in the PROSPECTUS or offering circular. If any forecasts are included in the sales literature, all forecasts must be presented.

COMMENT: If predicted future results of operations are used, they shall be prepared in the form of a forecast by an expert using standard criteria and format.

b. Material Information. Forecasts shall include all the following information:

- (1) Annual predicted revenue by source; including the occupancy rate used in predicting rental revenue;
- (2) Annual predicted expenses;
- (3) Mortgage obligation—annual payments for principal and interest, points and financing fees, shown as dollars, not percentages;
- (4) The required occupancy rate in order to meet debt service and all expenses;
- (5) Predicted annual CASH FLOW; stating assumed occupancy rate;
- (6) Predicted annual depreciation and amortization with full description of methods to be used;
- (7) Predicted annual taxable income or loss and a simplified explanation of the tax treatment of such results; assumed tax brackets may not be used;
- (8) Predicted construction costs—including disclosure regarding contracts;
- (9) Accounting policies—e.g., with respect to points, financing costs and depreciation.

c. Presentation.

(1) Caveat. Forecasts shall prominently display a statement to the effect that they represent a mere prediction of future events based on assumptions which may or may not occur and may not be relied upon to indicate the actual results which will be obtained.

(2) Additional Guidelines. Explanatory notes describing assumptions made and referring to risk factors should be integrated with tabular and numerical information.

(3) Sale-leasebacks. When a sale-leaseback is employed, the statement that the seller is assuming the operating risk and consequently may have charged a higher price for the property must be included.

d. Additional Disclosures and Limitations.

(1) Forecasts shall be for a period at least equivalent to the anticipated holding period for the property, or 10 years, whichever is shorter, and project a resale occurrence, including depreciation recapture, if applicable. The forecasted resale price must be reasonable.

(2) Adequate disclosure shall be made of the changing economic effects upon the limited partners resulting principally from federal income tax consequences over the life of the partnership property, e.g., substantial tax losses in early years followed by an increasing amount of taxable income in later years.

(3) Forecasts shall disclose all possible undesirable tax consequences of an early sale of the PROGRAM property (such as, depreciation recapture or the failure to sell the property at a price which would return sufficient cash to meet resulting tax liabilities of the PARTICIPANTS).

(4) In computing the return to investors, no appreciation, so called "equity buildup", or any other benefits from unrealized gains or value shall be shown or included.

2. Unimproved Land. Forecasts shall not be allowed for unimproved land. Instead, a table of deferred payments specifying the various holding costs, (i.e., interest, taxes, and insurance) shall be inserted. However, where the PROGRAM intends to develop and sell the land as its primary business, a detailed CASH FLOW statement showing the timing of expenditures and anticipated revenues shall be required. Additionally, the consequences of a delayed selling PROGRAM shall be shown.

## IX. MISCELLANEOUS PROVISIONS.

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A. Deferred Payments. Deferred payments or similar arrangements on account of the purchase price of PROGRAM INTERESTS shall not be allowed except as set forth below:

1. MANDATORY DEFERRED PAYMENTS may be allowed in the case of SPECIFIED PROPERTY PROGRAMS to the extent such payments bear a reasonable and demonstrable relationship to the capital needs and objectives of the PROGRAM as described in the presentation of the business development plan in the investor disclosure document, but in any event such arrangements shall be subject to the following conditions:

(a) A minimum of 50% of the purchase price of the PROGRAM INTERESTS must be paid by the investor at the time of sale, with the remainder to be paid within three years of the earlier of the completion of the offering or one year following the effective date of the offering or such shorter period as the ADMINISTRATOR, under the circumstances, deems appropriate.

(b) MANDATORY DEFERRED PAYMENTS shall be evidenced by a promissory note of the investor. Such notes shall be with recourse, shall not be negotiable and shall be assignable only subject to defenses of the maker. Such notes shall not contain a provision authorizing a confession of judgment. In any event, the notes shall provide for venue in the jurisdiction of the investor.

(c) The PROGRAM shall not sell or assign the MANDATORY DEFERRED PAYMENT note at a discount.

(d) Selling commissions for PROGRAM INTERESTS sold on a MANDATORY DEFERRED PAYMENT basis are payable pro rata only from cash payments made by the PARTICIPANT.

(e) In the event of default in the payment of MANDATORY DEFERRED PAYMENTS by a PARTICIPANT, the PARTICIPANT's interest may be subject to a reasonable reduction as set forth in the PROSPECTUS and as acceptable to the ADMINISTRATOR. Responses to defaults should be designed to protect the capital requirements of the PROGRAM and the best interests of the non-defaulting PARTICIPANTS while being fair to the defaulting PARTICIPANT.

(f) The PROGRAM may take a security interest in the PARTICIPANT's PROGRAM INTERESTS in the amount of the unpaid portion of the note provided that proceedings to enforce the security interest may not be commenced earlier than 30 days after default and notice of intent to foreclose on the security interest. Security interests on PROGRAM INTERESTS that have been fully paid up shall be

dissolved promptly.

(g) Unless MANDATORY DEFERRED PAYMENTS are guaranteed by the SPONSOR or by a surety bond or other arrangement satisfactory to the ADMINISTRATOR at the start of the offering, the SPONSOR shall not be allowed to purchase PROGRAM INTERESTS recovered as a result of default in MANDATORY DEFERRED PAYMENTS unless, after recovery, such PROGRAM INTERESTS have first been offered to the non-defaulting PARTICIPANTS.

(h) Any certificates evidencing PROGRAM INTERESTS purchased on a MANDATORY DEFERRED PAYMENT basis shall so indicate.

(i) Upon receipt of any request to assign or transfer PROGRAM INTERESTS purchased on a MANDATORY DEFERRED PAYMENT basis and having an unpaid balance, the SPONSOR, before the assignment or transfer, at its own cost, shall notify the proposed assignee/transferee of the material terms of the MANDATORY DEFERRED PAYMENT obligation, including: the schedule of payments, the status of payments, the status of any encumbrance held by the PROGRAM on the PROGRAM INTEREST, the terms of default, the consequences thereof, and the terms of curing the default. In lieu of such notification the SPONSOR may accept a written statement containing such information and signed by the assignee/transferee.

(j) A default would be the failure to make a scheduled payment on the MANDATORY DEFERRED PAYMENT obligation note before 30 days after its due date. A PARTICIPANT shall be allowed to cure a default and avoid any reduction in his interest in the PROGRAM if within a minimum of 30 days from default and notice thereof the PARTICIPANT makes the delinquent payment with interest at the rate set forth in the PROSPECTUS for the curing of defaulted payments.

COMMENT: Default provisions should have as a priority the integrity of the PROGRAM's capital. Depending on the circumstances, examples of arrangements which may be appropriate include: 1) a reduction in the PARTICIPANT's percentage interest in PROGRAM revenues based on the ratio of the cost to the PROGRAM of his unpaid MANDATORY DEFERRED PAYMENT obligation to all CAPITAL CONTRIBUTIONS; 2) a reallocation of the defaulting PARTICIPANT's right to receive revenues from the PROGRAM and application of such revenues to make up the cost to the PROGRAM of his unpaid MANDATORY DEFERRED PAYMENT obligations; 3) a reallocation of the defaulting PARTICIPANT's right to receive revenues from the PROGRAM to those non-defaulting PARTICIPANTS who have voluntarily paid the defaulting PARTICIPANT's obligation until such time as such non-defaulting PARTICIPANTS have recovered from this

reallocation 200% of the proportionate amount of the defaulted payment which they forwarded; 4) a forced sale of the PROGRAM INTEREST complying with applicable procedures for notice and sale; 5) a delayed buy-out of the defaulting PARTICIPANT's interest; or 6) a foreclosure on the security interest held by the PROGRAM. "Cost to the PROGRAM" shall be defined in the PROSPECTUS and may include the reasonable costs to the PROGRAM of collecting unpaid installments, reselling the interests, and/or additional financing costs caused by the default.

2. MANDATORY DEFERRED PAYMENTS shall not be allowed in the case of NON-SPECIFIED PROPERTY PROGRAMS except where the SPONSOR is able to satisfy the ADMINISTRATOR that the MANDATORY DEFERRED PAYMENTS bear a reasonable and demonstrable relationship to the capital needs and objectives of the PROGRAM as described in the business development plan in the investor disclosure document. In any event, such arrangements shall be subject to the following conditions:

(a) A minimum of 50% of the purchase price of the PROGRAM INTERESTS must be paid by the investor at the time of sale, with the remainder to be paid within two years of the earlier of the completion of the offering or one year following the effective date of the offering or such shorter period as the ADMINISTRATOR, under the circumstances, deems appropriate.

(b) The PROGRAM shall otherwise comply with the provisions of IX.A.1(b) through (j).

COMMENT: A plan that merely states that money will be invested as installments are received or at specified intervals will not be considered a sufficient business development plan.

3. Warrants or options (or their equivalents) to purchase PROGRAM INTERESTS will be allowed only at the discretion of the ADMINISTRATOR but, in any event, must be identified as such and be accompanied with a clear statement of their nature and effect. PROGRAM INTERESTS acquired by their exercise may not differ from the stated terms of PROGRAM INTERESTS otherwise acquired. Any penalty for non-exercise will ordinarily be viewed with disfavor.

B. Reserves. Provision should be made for adequate reserves in the future by retention of a reasonable percentage of proceeds from the offering and regular receipts for normal repairs, replacements and contingencies. Normally, not less than 3% of the offering proceeds will be considered adequate.

C. Reinvestment of CASH FLOW (excluding proceeds resulting from a disposition or refinancing of property) shall not be allowed. The partnership agreement and the PROSPECTUS shall set forth that reinvestment of proceeds resulting from a disposition or refinancing will not take

place unless sufficient cash will be distributed to pay any state or federal income tax (assuming investors are in a specified tax bracket) created by the disposition or refinancing of property. Such a prohibition must be contained in the PROSPECTUS.

D. Financial Information Required on Application. In any offering of interests by a PROGRAM, the PROGRAM shall provide as an exhibit to the application the following financial information:

1. Cash Flow Statement. If the PROGRAM has been formed and owns assets, an unaudited CASH FLOW statement for each of the last three fiscal years shall be part of the PROSPECTUS. If the PROGRAM has operated less than three fiscal years, the statement(s) shall cover the period from organization to a current date.

2. Financial Statements of Program. The PROSPECTUS shall include an audited balance sheet of the PROGRAM as of the end of its most recent fiscal year.

3. Balance Sheet of Corporate Sponsor. A balance sheet of any corporate SPONSORS as of the end of their most recent fiscal year, examined and reported upon by an independent certified public accountant and prepared in accordance with generally accepted accounting principles. An unaudited balance sheet as of a date not more than one hundred thirty-five days prior to the date of filing should also be prepared. Such statements shall be included in the PROSPECTUS.

4. Other SPONSORS. A balance sheet for each non-corporate SPONSOR (including individual partners or individual joint ventures of a SPONSOR) as of a time not more than one hundred thirty-five days prior to the date of filing an application; such balance sheet shall be examined and reported upon by an independent certified public accountant under the limited review standards set forth by the American Institute of Certified Public Accountants, and shall be signed and sworn to by such SPONSORS. A representation of the amount of such NET WORTH must be included in the PROSPECTUS, or in the alternative, a representation that such SPONSOR meets the NET WORTH requirements of II.B, above.

COMMENT: It is not intended that financial statements of affiliates of the SPONSOR be required to be disclosed unless appropriate in order to comply with the NET WORTH requirements of II.B.

COMMENT: IX.E.4 requires a balance sheet for each non-corporate SPONSOR prepared by an independent certified public accountant under the limited review standards set forth by the AICPA. This will add consistency to the form and structure of non-corporate SPONSOR balance sheets. Currently, unaudited financial

# State Corporation Commission

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statements for non-corporate SPONSORS vary in style and content, making consistent evaluation difficult. Applying limited review standards will give uniformity to such financial statements, making evaluation of a SPONSOR's financial condition more constant. More importantly, limited review standards offer a higher analysis of a non-corporate SPONSOR's financial condition. Concern has been expressed by ADMINISTRATORS over the validity and reliability of unaudited balance sheets currently being submitted by non-corporate SPONSORS. Limited review standards will allow for greater reliability of this financial information which is needed in determining whether a SPONSOR meets the NET WORTH requirements of II.B.

5. Interim Financial Information. Where the audited balance sheet is as of a date more than 90 days prior to the date of filing, an unaudited balance sheet as of a date not more than 90 days prior to the date of filing shall also be provided. Interim unaudited statements of income, partners' equity, and changes in financial position shall also be provided with the unaudited balance sheet in instances where such statements are required as part of the audited financial statements for the last fiscal year. When a program has operated less than one fiscal year, audited financial information is not required unless requested by the ADMINISTRATOR.

6. Filing of Other Statements. The ADMINISTRATOR may permit the omission of one or more of the statements referred to above and the filing (in substitution thereof) of appropriate statements verifying financial information having comparable relevance to an investor in determining whether to invest in the PROGRAM. Such substitution will only be allowed where the ADMINISTRATOR finds this would be consistent with the protection of investors.

E. Opinions of Counsel. The application for registration shall contain a favorable ruling from the Internal Revenue Service or an opinion of independent counsel to the effect that the issuer will be taxed as a "partnership" and not as an "association" for federal income tax purposes. An opinion of counsel shall be in form and substance satisfactory to the ADMINISTRATOR and shall be unqualified except to the extent permitted by the ADMINISTRATOR. However, an opinion of counsel may be based on reasonable assumptions, such as: (1) facts or proposed operations as set forth in the offering circular or PROSPECTUS and organizational documents; (2) the absence of future changes in applicable laws; (3) the securities offered are paid for; (4) compliance with certain procedures such as the execution and delivery of certain documents and the filing of a certificate of limited partnership or an amended certificate; and (5) the continued maintenance of or compliance with certain financial, ownership, or other requirements by the issuer or SPONSOR. The ADMINISTRATOR may request from counsel as supplemental information such supporting legal memoranda and an analysis as he shall deem appropriate under the circumstances. To the extent the opinion of

counsel or Internal Revenue Service ruling is based on the maintenance of or compliance with certain requirements or conditions by the issuer or SPONSOR, the offering circular or PROSPECTUS shall contain representations that such requirements or conditions will be met and the partnership agreement shall, to the extent practicable, contain provisions requiring such compliance.

This application shall also contain an opinion of independent counsel to the effect that the securities being offered are duly authorized or created and validly issued interests in the issuer, and that the liability of the public investors will be limited to their respective total agreed upon investment in the issuer.

The ADMINISTRATOR may request an opinion of counsel concerning tax aspects when this appears necessary for the protection of investors.

F. Provisions of Partnership Agreement. The requirements and/or provisions of appropriate portions of the following parts of this rule shall be included in a partnership agreement: II.C; II.D; II.E; II.F; IV.C; IV.D; IV.E; IV.F; IV.G; IV.H; IV.I; V.A; V.B; V.C; V.D; V.E; V.F; V.G; V.H; V.I; V.L; VI.C; VI.D; VII.A; VII.B; VII.C; VII.D; VII.E; VII.F; VII.H; VII.J; IX.A; IX.B; and IX.C.

G. Intentionally left blank.

H. General Instructions—Real Estate Rules Cross Reference Sheet

1. The Cross Reference Sheet must be submitted with the application for registration.

2. Provisions of this rule which are not applicable should be noted as such.

3. Provisions of the PROGRAM which vary from the provisions of this rule must be explained by footnote; for example, if the PROGRAM uses a defined term which is different from the rule definition, the variance must be explained. Footnotes should be numbered sequentially in the column designated "Footnotes" and should be presented on a rider identified as "Footnotes" with each footnote on the rider numerically corresponding to the footnote identified on the Cross Reference Sheet.

4. A section is provided at the bottom of each page of the Cross Reference Sheet for additional or supplemental Cross References. Lines are provided in the event additional Cross References are needed with respect to subsections of this rule not specifically identified on the top of the page, or in the event there were insufficient lines to present all relevant cross references with respect to an item appearing on that page.

5. The last page of the Cross Reference Sheet should be executed by the preparer.

6. These General Instructions should be removed before filing with the Administrator.

## REAL ESTATE RULES CROSS REFERENCE SHEET

Name of Applicant Firm Name See Instruction 3	Page Number Prospectus	Section Number Partnership Agreement	Guideline Section
_____	_____	_____	I. D. Definitions
_____	_____	_____	1. Acquisition expenses
_____	_____	_____	2. Acquisition fee
_____	_____	_____	5. Assessments
_____	_____	_____	7. Capital contribution
_____	_____	_____	9. Cash flow
_____	_____	_____	10. Cash available for distribution
_____	_____	_____	12. Construction fee
_____	_____	_____	14. Development fee
_____	_____	_____	16. Front-end fees
_____	_____	_____	17. Investment in properties
_____	_____	_____	18. Mandatory deferred payments
_____	_____	_____	20. Non-specified property program
_____	_____	_____	21. Organization and offering expenses
_____	_____	_____	25. Program interest
_____	_____	_____	26. Program management fee
_____	_____	_____	27. Property management fee
_____	_____	_____	29. Purchase price of property
_____	_____	_____	31. Specified property program
_____	_____	_____	II. Requirements of Sponsors
_____	_____	_____	A. Experience
_____	_____	_____	B. Net worth
_____	_____	_____	C. Reports to administrators
_____	_____	_____	D. Liability
_____	_____	_____	E. Fiduciary duty
_____	_____	_____	F. Termination
_____	_____	_____	III. Suitability of the Participant
_____	_____	_____	B. Standards
_____	_____	_____	C. Maintenance of records
_____	_____	_____	IV. Fees—Compensation—Expenses
_____	_____	_____	B. Organization & offering expenses
_____	_____	_____	C. Investment in properties
_____	_____	_____	D. Program management fee
_____	_____	_____	E. Promotional interest
_____	_____	_____	2. (i) Interest in cash available for distribution
_____	_____	_____	(ii) Interest in sale or re-financing proceeds
Additional or Supplemental Cross References			
_____	_____	_____	_____
_____	_____	_____	_____

# State Corporation Commission

[Page 2]

Name of applicant			
			3. Definition of capital contributions and date for commencement of calculating the preferred return
			4. Dissolution and liquidation
			F. Real estate brokerage commissions on resale of property
			G. Property management fee
			H. Insurance services
			V. Conflicts of Interest and Investment Restrictions
			A. 1. Sales and leases to program
			2. Sales and leases to sponsor
			3. Loans
			4. Dealing with related programs
			H. Exchange of limited partnership interests
			C. Exclusive agreements
			D. Commissions on reinvestment or distribution
			E. Services rendered to the program by the sponsor
			1. (a) Expenses billed to program
			(b) Annual program report
			2. Other services
			F. Rebates, kickbacks and reciprocal arrangements
			G. Commingling of funds
			H. Investments in other programs
			I. Lending practices
			J. Development or construction contracts
			K. Completion bond requirements
			L. Appraisals
			M. Mortgage loan programs
			Additional or Supplemental Cross References

			(Page 3)
_____	_____	_____	VI. <i>Non-Specified Property Programs</i>
_____	_____	_____	A. Minimum capitalization
_____	_____	_____	B. Sponsor experience
_____	_____	_____	C. Investment Objectives
_____	_____	_____	1. Unimproved or non-income producing property program
_____	_____	_____	2. Joint trust deeds
_____	_____	_____	3. Financing
_____	_____	_____	4. Joint ventures
_____	_____	_____	D. Offering period
_____	_____	_____	E. Multiple programs
_____	_____	_____	VII. <i>Rights and Obligations of Participants</i>
_____	_____	_____	A. Meetings
_____	_____	_____	B. Voting rights
_____	_____	_____	C. Reports
_____	_____	_____	1. 12(g) programs, quarterly reports
_____	_____	_____	2. Limited partners tax information
_____	_____	_____	3. Annual reports
_____	_____	_____	4. Assessment reports
_____	_____	_____	5. Mandatory deferred payment reports
_____	_____	_____	D. Access to records
_____	_____	_____	E. Admission of participants
_____	_____	_____	1. Original participants
_____	_____	_____	2. Substitute limited partners
_____	_____	_____	3. Assignor limited partnership
_____	_____	_____	F. Redemption of program interests
_____	_____	_____	G. Transferability of program interests
_____	_____	_____	H. 1. Assessments
_____	_____	_____	2. Defaults on assessments
_____	_____	_____	I. Dividend Reinvestment Plan
_____	_____	_____	J. Special reports
_____	_____	_____	(VIII. Not officially reflected.)
_____	_____	_____	IX. <i>Miscellaneous Provisions</i>
_____	_____	_____	A. Deferred payments
_____	_____	_____	B. Reserves
_____	_____	_____	C. Reinvestment of cash flow

*Additional or Supplemental Cross References*

_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

*Response to this cross reference sheet has been prepared by:*

Name \_\_\_\_\_  
 Title \_\_\_\_\_



# State Corporation Commission

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June 15, 1987

..... Administrative Letter 1987-11

**TO: ALL PROPERTY AND CASUALTY INSURANCE COMPANIES AND ALL RATE SERVICE ORGANIZATIONS LICENSED IN VIRGINIA**

**RE: IMPLEMENTATION OF HOUSE BILL 1235**

House Bill 1235, effective July 1, 1987, requires certain changes in the procedures for handling rule and rate filings which are subject to the provisions of Chapters 19 and 20.

Chapters 19 and 20

Legislative changes in subsections A and B of §§ 38.2-1904 and 38.2-2005 require that an insurer or a rate service organization, on behalf of its members or subscribers, consider certain factors when establishing rates for the classes of insurance to which Chapters 19 and 20 apply. In order to ensure compliance with the sections in question, the attached certification forms COF-1 (7/87) and COF-2 (7/87) have been designed for your use with rule and rate filings made pursuant to Chapters 19 and 20. If you are a member or subscriber of a rate service organization and have given that rate service organization authorization to file rules and rates on your behalf, then the rate service organization will certify such filing on your behalf. If you file a downward deviation from a filing made on your behalf which had already been certified by the rate service organization, then no additional certification is required for Chapter 19 lines or workers' compensation filings submitted pursuant to Chapter 20. However, when an upward deviation is filed, certification will be required for Chapter 19 lines. In addition, all other rule and rate filings will require individual company certification. A filing will not be considered complete without the proper certification. On a random basis, companies or rate service organizations will be required to submit the statistical data in question for review by the Commission in order to monitor compliance with these statutory requirements.

There are two major changes in § 38.2-1912 of the Code of Virginia regarding the delayed effect of rates. The rules and rates for any class, line, or subdivision of insurance subject to this section must be filed by the insurer with the Commission at least 60 days before the proposed effective date of the filing. The statute also requires an insurer or rate service organization filing any rate or supplementary rate information to which this section is applicable to give notice to the Division of Consumer Counsel of the Office of the Attorney General that such rate has been filed with the Commission. In addition, the insurer or rate service organization must certify to the Commission in its rate filing that appropriate notice has been given to the Attorney General. The same prior filing requirements for insurers and rate service organizations

and the same notice requirements to the Attorney General and the Commission are also contained in Chapter 20 (see §§ 38.2-2003.A and 38.2-2006).

Chapter 20

Subsections B and D of § 38.2-2003 require insurers and rate service organizations subject to Chapter 20 to submit certain information with each rate filing on standardized forms developed by the Commission. The attached forms Va. AIPSO-1 (7/87), Va. HP-1 (7/87), Va. NCCI-1 (7/87), Va. UM-1 (7/87), Va. VPIA-1 (7/87), Va. IR-1 (7/87) and Va. IR-2 (7/87) have been developed for that purpose. The Commission may, in addition to the information contained on the standardized forms in question, require additional information in support of your filing.

We suggest that you review House Bill 1235 closely in order to ensure compliance with these statutory changes. In addition, the attached forms should be reproduced for your use with future filings. Any questions concerning the contents of this letter may be addressed, in writing, to the Property and Casualty Division.

/s/ Steven T. Foster  
Commissioner of Insurance

Chapter 19 - Certification of

-----  
(Name of Insurance Company)

Filing Being Certified \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Proposed Effective Date \_\_\_\_\_

I, being a qualified actuary, certify that appropriate consideration has been given in this filing to the factors specified in subsections A. and B. of §38.2-1904 of the Code of Virginia. For the purpose of this certification, a qualified actuary is defined as (1) a member in good standing of the American Academy of Actuaries, or (2) a fellow or associate of the Casualty Actuarial Society, or (3) an individual who has both the educational background necessary for the practice of actuarial science and at least four years of property and casualty actuarial experience. I am a qualified actuary in accordance with (1)  , (2)  , or (3)  above.

-----  
NAME  
(Please Print or Type)

-----  
SIGNATURE

-----  
DATE

( )

-----  
TELEPHONE NUMBER

COF-1 (7/87)

# State Corporation Commission

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## Chapter 20 - Certification of

-----  
(Name of Insurance Company)

Filing Being Certified \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Proposed Effective Date \_\_\_\_\_

I, being a qualified actuary, certify that appropriate consideration has been given in this filing to the factors specified in subsections A. and B. of §38.2-2005 of the Code of Virginia. For the purpose of this certification, a qualified actuary is defined as (1) a member in good standing of the American Academy of Actuaries, or (2) a fellow or associate of the Casualty Actuarial Society, or (3) an individual who has both the educational background necessary for the practice of actuarial science and at least four years of property and casualty actuarial experience. I am a qualified actuary in accordance with (1)  , (2)  , or (3)  above.

-----  
NAME  
(Please Print or Type)

-----  
SIGNATURE

-----  
DATE

( )

-----  
TELEPHONE NUMBER

COF-2(7/87)

Loss and Loss Adjustment Expense Payout Pattern

Given the expected combined loss ratio for the requested rates, indicate below the approximate value of loss and loss adjustment expenses expected to be paid for policies sold at the beginning of year one where total premiums equal \$100,000. (Note: The total value of such expenses should equal the product of your anticipated combined loss ratio and \$100,000.) Please rely on Virginia data to the extent possible.

<u>Year</u>	<u>Loss and Loss Adjustment Expenses Paid</u>
1	_____
2	_____
3	_____
4	_____
5	_____
6	_____
7	_____
8	_____
9	_____
10	_____
11	_____
12	_____
13	_____
14	_____
15	_____
	_____
	Total= _____

NOTE: Attach any additional information that is necessary to explain how the above values were determined.

Va. IR-1 (7/87)

# State Corporation Commission

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## General Assumptions\*

<u>Item</u>	<u>Percent of Premium</u>
Combined Loss Ratio	_____
Commissions	_____
Other Expenses	_____
Underwriting Margin	_____
	100%

\*Based on requested rates.

---

Federal tax rate on underwriting profits	_____
Pre-tax rate of return on investments (current yield)	_____
Federal tax rate on investment income	_____
Reserves to surplus ratio (exclude unearned premiums)	_____

**NOTE:** Attach any additional information that is necessary to explain how the above values were determined.

Va. IR-2 (7/87)

# State Corporation Commission

## AUTOMOBILE INSURANCE PLANS SERVICE OFFICE RATE FILINGS

1. Complete the following information for Virginia:

	<u>Direct Premiums Earned</u>	<u>Direct Losses Paid</u>	<u>Loss Adjustment Expenses Paid</u>	<u>Number of Exposures</u>
3rd Prior Year 19__	_____	_____	_____	_____
2nd Prior Year 19__	_____	_____	_____	_____
1st Prior Year 19__	_____	_____	_____	_____
__ Months 19__	_____	_____	_____	_____

	<u>Direct Losses Incurred (excluding IBNR)</u>	<u>Direct Losses Incurred But Not Reported</u>
3rd Prior Year 19__	_____	_____
2nd Prior Year 19__	_____	_____
1st Prior Year 19__	_____	_____
__ Months 19__	_____	_____

	<u>Loss Adjustment Expenses Incurred (excluding IBNR)</u>	<u>Loss Adjustment Expenses Incurred But Not Reported</u>
3rd Prior Year 19__	_____	_____
2nd Prior Year 19__	_____	_____
1st Prior Year 19__	_____	_____
__ Months 19__	_____	_____

Va. ATPSO-1 (7/87)

# State Corporation Commission

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2. Complete the following information on a Countrywide basis:

	Direct Premiums Earned	Direct Losses Paid	Loss Adjustment Expenses Paid	Number of Exposures
3rd Prior Year 19__	_____	_____	_____	_____
2nd Prior Year 19__	_____	_____	_____	_____
1st Prior Year 19__	_____	_____	_____	_____
__ Months 19__	_____	_____	_____	_____

	Direct Losses Incurred (excluding IBNR)	Direct Losses Incurred But Not Reported
3rd Prior Year 19__	_____	_____
2nd Prior Year 19__	_____	_____
1st Prior Year 19__	_____	_____
__ Months 19__	_____	_____

	Loss Adjustment Expenses Incurred (excluding IBNR)	Loss Adjustment Expenses Incurred But Not Reported
3rd Prior Year 19__	_____	_____
2nd Prior Year 19__	_____	_____
1st Prior Year 19__	_____	_____
__ Months 19__	_____	_____

Va. AIPSO-1 (7/87)

# State Corporation Commission

3. Provide any loss development factor, loss trend factor, or expense trend factor used, if any, for Virginia and countrywide, and the supporting data for each.
4. Specify by category of expense all expenses incurred (other than loss adjustment expense) as a percentage of direct premiums earned:

### Virginia Expenses

	<u>1st Prior Year</u>		<u>2nd Prior Year</u>		<u>3rd Prior Year</u>	
	\$	%	\$	%	\$	%
Commissions	-----	----	-----	----	-----	----
General Expense	-----	----	-----	----	-----	----
Other Acquisition	-----	----	-----	----	-----	----
Taxes, Licenses, and Fees	-----	----	-----	----	-----	----
Other (please specify)	-----	----	-----	----	-----	----
	-----	----	-----	----	-----	----

### Countrywide Expenses

	<u>1st Prior Year</u>	<u>2nd Prior Year</u>	<u>3rd Prior Year</u>
	%	%	%
Commissions	-----	-----	-----
General Expense	-----	-----	-----
Other Acquisition	-----	-----	-----
Taxes, Licenses, and Fees	-----	-----	-----
Other (please specify)	-----	-----	-----
	-----	-----	-----
	-----	-----	-----

Va. AIPSO-1 (7/87)



# State Corporation Commission

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## 5. Investment Income and Rate of Return:

Provide the information requested on Forms Va. IR-1 (7/87) and Va. IR-2 (7/87) or present a fully documented analysis of how investment income and the expected rate of return on surplus have been considered in this filing. Any such analysis must recognize the expected claims payment pattern and must be based on the expected return on surplus. A traditional profit margin approach is not acceptable.

Va. AIPSO-1 (7/87)

**INSURANCE SERVICES OFFICE  
UNINSURED MOTORISTS  
RATE FILINGS**

1. Complete the following information for Virginia:

	<u>Direct Premiums Earned</u>	<u>Direct Losses Paid</u>	<u>Unallocated Loss Adjustment Expenses Paid</u>	<u>Number of Exposures</u>	<u>Uninsured Motorists Fund</u>
3rd Prior Year 19__	_____	_____	_____	_____	_____
2nd Prior Year 19__	_____	_____	_____	_____	_____
1st Prior Year 19__	_____	_____	_____	_____	_____
__ Months 19__	_____	_____	_____	_____	_____

	<u>Direct Losses Incurred (excluding IBNR)</u>	<u>Direct Losses Incurred But Not Reported</u>
3rd Prior Year 19__	_____	_____
2nd Prior Year 19__	_____	_____
1st Prior Year 19__	_____	_____
__ Months 19__	_____	_____

	<u>Unallocated Loss Adjustment Expenses Incurred (excluding IBNR)</u>	<u>Unallocated Loss Adjustment Expenses Incurred But Not Reported</u>
3rd Prior Year 19__	_____	_____
2nd Prior Year 19__	_____	_____
1st Prior Year 19__	_____	_____
__ Months 19__	_____	_____

Va. UM-1 (7/87)

# State Corporation Commission

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2. Complete the following information on a Countrywide basis:

	Direct Premiums Earned	Direct Losses Paid	Unallocated Loss Adjustment Expenses Paid	Number of Exposures
3rd Prior Year 19__	_____	_____	_____	_____
2nd Prior Year 19__	_____	_____	_____	_____
1st Prior Year 19__	_____	_____	_____	_____
___ Months 19__	_____	_____	_____	_____

	Direct Losses Incurred (excluding IBNR)	Direct Losses Incurred But Not Reported
3rd Prior Year 19__	_____	_____
2nd Prior Year 19__	_____	_____
1st Prior Year 19__	_____	_____
___ Months 19__	_____	_____

	Unallocated Loss Adjustment Expenses Incurred (excluding IBNR)	Unallocated Loss Adjustment Expenses Incurred But Not Reported
3rd Prior Year 19__	_____	_____
2nd Prior Year 19__	_____	_____
1st Prior Year 19__	_____	_____
___ Months 19__	_____	_____

Va. UM-1 (7/87)

3. Provide any loss development factor, loss trend factor, or expense trend factor used, if any, for Virginia and countrywide, and the supporting data for each.
4. Specify by category of expense all expenses incurred (other than loss adjustment expense) as a percentage of direct premiums earned:

Virginia Expenses

	<u>1st Prior Year</u>		<u>2nd Prior Year</u>		<u>3rd Prior Year</u>	
	\$	%	\$	%	\$	%
Commissions	_____	_____	_____	_____	_____	_____
General Expense	_____	_____	_____	_____	_____	_____
Other Acquisition	_____	_____	_____	_____	_____	_____
Taxes, Licenses, and Fees	_____	_____	_____	_____	_____	_____
Other (please specify)	_____	_____	_____	_____	_____	_____
	_____	_____	_____	_____	_____	_____

Countrywide Expenses

	<u>1st Prior Year</u>		<u>2nd Prior Year</u>		<u>3rd Prior Year</u>	
	%	%	%	%	%	%
Commissions	_____	_____	_____	_____	_____	_____
General Expense	_____	_____	_____	_____	_____	_____
Other Acquisition	_____	_____	_____	_____	_____	_____
Taxes, Licenses, and Fees	_____	_____	_____	_____	_____	_____
Other (please specify)	_____	_____	_____	_____	_____	_____
	_____	_____	_____	_____	_____	_____

Va. UM-1 (7/87)

# State Corporation Commission

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5. Investment Income and Rate of Return:

Provide the information requested on Forms Va. IR-1 (7/87) and Va. IR-2 (7/87) or present a fully documented analysis of how investment income and the expected rate of return on surplus have been considered in this filing. Any such analysis must recognize the expected claims payment pattern and must be based on the expected return on surplus. A traditional profit margin approach is not acceptable.

Va. IIM-1 (7/87)

**VIRGINIA PROPERTY INSURANCE ASSOCIATION  
RATE FILINGS**

1. Complete the following information for Virginia:

	<u>Direct Premiums Written - Habitational</u>	<u>Direct Premiums Written - Commercial</u>	<u>Direct Premiums Earned - Habitational</u>	<u>Direct Premiums Earned - Commercial</u>
5th Prior Year 19__	_____	_____	_____	_____
4th Prior Year 19__	_____	_____	_____	_____
3rd Prior Year 19__	_____	_____	_____	_____
2nd Prior Year 19__	_____	_____	_____	_____
1st Prior Year 19__	_____	_____	_____	_____
___ Months 19__	_____	_____	_____	_____
	<u>Direct Losses Paid Habitational</u>	<u>Direct Losses Paid Commercial</u>	<u>Direct Losses Incurred (excluding IBNR)</u>	<u>Direct Losses Incurred But Not Reported</u>
5th Prior Year 19__	_____	_____	_____	_____
4th Prior Year 19__	_____	_____	_____	_____
3rd Prior Year 19__	_____	_____	_____	_____
2nd Prior Year 19__	_____	_____	_____	_____
1st Prior Year 19__	_____	_____	_____	_____
___ Months 19__	_____	_____	_____	_____

Va.VPIA-1 (7/87)

# State Corporation Commission

	Loss Adjustment Expenses Incurred (excluding IBNR)	Loss Adjustment Expenses Incurred But Not Reported	Investment Income Earned	Loss Adjustment Expenses Paid	Number of Exposures
5th Prior Year 19__	_____	_____	_____	_____	_____
4th Prior Year 19__	_____	_____	_____	_____	_____
3rd Prior Year 19__	_____	_____	_____	_____	_____
2nd Prior Year 19__	_____	_____	_____	_____	_____
1st Prior Year 19__	_____	_____	_____	_____	_____
__ Months 19__	_____	_____	_____	_____	_____

2. Specify by category of expense all expenses incurred (other than loss adjustment expense) as a percentage of direct premiums earned:

### Virginia Expenses

	1st Prior Year		2nd Prior Year		3rd Prior Year		4th Prior Year		5th Prior Year	
	\$	%	\$	%	\$	%	\$	%	\$	%
Commissions	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
General Expense	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
Other Acquisition	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
Taxes	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
Inspections, Boards & Bureaus	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
Other (please specify)	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____

- Va. VPJA-1 (7/87)

## HOME PROTECTION RATE FILINGS

1. Complete the following information for Virginia:

	<u>Direct Premiums Written</u>	<u>Direct Premiums Earned</u>	<u>Direct Losses Paid On A Calendar Year Basis</u>
3rd Prior Year 19__	_____	_____	_____
2nd Prior Year 19__	_____	_____	_____
1st Prior Year 19__	_____	_____	_____
__ Months 19__	_____	_____	_____
	<u>Direct Losses Incurred</u>	<u>Loss Adjustment Expenses Paid On A Calendar Year Basis</u>	
3rd Prior Year 19__	_____	_____	
2nd Prior Year 19__	_____	_____	
1st Prior Year 19__	_____	_____	
__ Months 19__	_____	_____	
	<u>Loss Adjustment Expenses Incurred</u>	<u>Number of Exposures</u>	
3rd Prior Year 19__	_____	_____	
2nd Prior Year 19__	_____	_____	
1st Prior Year 19__	_____	_____	
__ Months 19__	_____	_____	

Va. HP-1 (7/87)



# State Corporation Commission

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2. Complete the following information on a Countrywide basis:

	<u>Direct Premiums Written</u>	<u>Direct Premiums Earned</u>	<u>Direct Losses Paid On A Calendar Year Basis</u>
3rd Prior Year 19__	_____	_____	_____
2nd Prior Year 19__	_____	_____	_____
1st Prior Year 19__	_____	_____	_____
__ Months 19__	_____	_____	_____

	<u>Direct Losses Incurred</u>	<u>Loss Adjustment Expenses Paid On A Calendar Year Basis</u>
3rd Prior Year 19__	_____	_____
2nd Prior Year 19__	_____	_____
1st Prior Year 19__	_____	_____
__ Months 19__	_____	_____

	<u>Loss Adjustment Expenses Incurred</u>	<u>Number of Exposures</u>
3rd Prior Year 19__	_____	_____
2nd Prior Year 19__	_____	_____
1st Prior Year 19__	_____	_____
__ Months 19__	_____	_____

# State Corporation Commission

3. Provide any loss development factor, loss trend factor, or expense trend factor used, if any, for Virginia and countrywide, and the supporting data for each.
4. Specify by category of expense all expenses incurred (other than loss adjustment expense) as a percentage of direct premiums earned:

### Virginia Expenses

	<u>1st Prior Year</u>		<u>2nd Prior Year</u>		<u>3rd Prior Year</u>	
	\$	%	\$	%	\$	%
Commissions	_____	_____	_____	_____	_____	_____
General Expense	_____	_____	_____	_____	_____	_____
Other Acquisition	_____	_____	_____	_____	_____	_____
Taxes, Licenses, and Fees	_____	_____	_____	_____	_____	_____
Other (please specify)	_____	_____	_____	_____	_____	_____
	_____	_____	_____	_____	_____	_____
	_____	_____	_____	_____	_____	_____

### Countrywide Expenses

	<u>1st Prior Year</u>		<u>2nd Prior Year</u>		<u>3rd Prior Year</u>	
	%	%	%	%	%	%
Commissions	_____	_____	_____	_____	_____	_____
General Expense	_____	_____	_____	_____	_____	_____
Other Acquisition	_____	_____	_____	_____	_____	_____
Taxes, Licenses, and Fees	_____	_____	_____	_____	_____	_____
Other (please specify)	_____	_____	_____	_____	_____	_____
	_____	_____	_____	_____	_____	_____
	_____	_____	_____	_____	_____	_____

Va. HP-1 (7/87)

# State Corporation Commission

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5. Investment Income and Rate of Return:

Provide the information requested on Forms Va. IR-1 (7/87) and Va. IR-2 (7/87) or present a fully documented analysis of how investment income and the expected rate of return on surplus have been considered in this filing. Any such analysis must recognize the expected claims payment pattern and must be based on the expected return on surplus. A traditional profit margin approach is not acceptable.

Va. HP-1 (7/87)

NATIONAL COUNCIL ON COMPENSATION INSURANCE  
RATE FILINGS

1. Complete the following information for Virginia:

	<u>Direct Premiums</u> <u>Earned</u>	<u>Direct Losses Paid</u>	<u>Loss Adjustment</u> <u>Expenses Paid</u>	<u>Number of</u> <u>Exposures</u>
3rd Prior Year 19__	_____	_____	_____	_____
2nd Prior Year 19__	_____	_____	_____	_____
1st Prior Year 19__	_____	_____	_____	_____
__ Months 19__	_____	_____	_____	_____

	<u>Direct Losses Incurred</u> <u>(excluding IBNR)</u>	<u>Direct Losses Incurred</u> <u>But Not Reported</u>
3rd Prior Year 19__	_____	_____
2nd Prior Year 19__	_____	_____
1st Prior Year 19__	_____	_____
__ Months 19__	_____	_____

	<u>Loss Adjustment Expenses Incurred</u> <u>(excluding IBNR)</u>	<u>Loss Adjustment Expenses Incurred</u> <u>But Not Reported</u>
3rd Prior Year 19__	_____	_____
2nd Prior Year 19__	_____	_____
1st Prior Year 19__	_____	_____
__ Months 19__	_____	_____

Va. NCCI-1 (7/87)

# State Corporation Commission

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2. Complete the following information on a Countrywide basis:

	Direct Premiums Earned	Direct Losses Paid	Loss Adjustment Expenses Paid	Number of Exposures
3rd Prior Year 19__	_____	_____	_____	_____
2nd Prior Year 19__	_____	_____	_____	_____
1st Prior Year 19__	_____	_____	_____	_____
__ Months 19__	_____	_____	_____	_____

	Direct Losses Incurred (excluding IBNR)	Direct Losses Incurred But Not Reported
3rd Prior Year 19__	_____	_____
2nd Prior Year 19__	_____	_____
1st Prior Year 19__	_____	_____
__ Months 19__	_____	_____

	Loss Adjustment Expenses Incurred (excluding IBNR)	Loss Adjustment Expenses Incurred But Not Reported
3rd Prior Year 19__	_____	_____
2nd Prior Year 19__	_____	_____
1st Prior Year 19__	_____	_____
__ Months 19__	_____	_____

Va. NCCI-1 (7/87)

# State Corporation Commission

3. Provide any loss development factor, loss trend factor, or expense trend factor used, if any, for Virginia and countrywide, and the supporting data for each.
4. Specify by category of expense all expenses incurred (other than loss adjustment expense) as a percentage of direct premiums earned:

### Virginia Expenses

	1st Prior Year		2nd Prior Year		3rd Prior Year	
	\$	%	\$	%	\$	%
Commissions	_____	_____	_____	_____	_____	_____
General Expense	_____	_____	_____	_____	_____	_____
Other Acquisition	_____	_____	_____	_____	_____	_____
Taxes, Licenses, and Fees	_____	_____	_____	_____	_____	_____
Other (please specify)	_____	_____	_____	_____	_____	_____
	_____	_____	_____	_____	_____	_____
	_____	_____	_____	_____	_____	_____

### Countrywide Expenses

	1st Prior Year		2nd Prior Year		3rd Prior Year	
	%	%	%	%	%	%
Commissions	_____	_____	_____	_____	_____	_____
General Expense	_____	_____	_____	_____	_____	_____
Other Acquisition	_____	_____	_____	_____	_____	_____
Taxes, Licenses, and Fees	_____	_____	_____	_____	_____	_____
Other (please specify)	_____	_____	_____	_____	_____	_____
	_____	_____	_____	_____	_____	_____
	_____	_____	_____	_____	_____	_____

Va. NCCI-1 (7/87)

# State Corporation Commission

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5. Investment Income and Rate of Return:

Provide the information requested on Forms Va. IR-1 (7/87) and Va. IR-2 (7/87) or present a fully documented analysis of how investment income and the expected rate of return on surplus have been considered in this filing. Any such analysis must recognize the expected claims payment pattern and must be based on the expected return on surplus. A traditional profit margin approach is not acceptable.

Va. NCCI-1 (7/87)

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# GOVERNOR

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## EXECUTIVE ORDER NUMBER THIRTY-NINE (87)

### COMMISSION TO STUDY HISTORIC PRESERVATION

By virtue of the authority vested in me by Section 2.1-51.36 of the Code of Virginia, and subject always to my continuing and ultimate authority to act in such matters, I hereby create the Governor's Commission to Study Historic Preservation.

The Commission is designated as an advisory commission, as defined in Section 9-6.25 of the Code of Virginia.

Virginia contains a broad range of historic and cultural resources, from ancient prehistoric archaeological sites to architecturally significant high-rise office buildings built in the early 20th century. Our landmarks are tangible reminders of a distinguished past. They also are homes, offices, schools and other structures still in active use. Virginians are keenly aware that we are stewards of these irreplaceable resources that demand and deserve our careful attention. State government is committed to the proper management of the Commonwealth's invaluable historic resources.

The Commission's role will be to examine how well the state carries out this responsibility and to suggest ways we can improve our stewardship in partnership with private individuals, groups and businesses. The Commission shall have the following specific responsibilities:

1. To examine the mission of the Department of Conservation and Historic Resources, Division of Historic Landmarks;
2. To examine state government's management of its own historic property, especially as this relates to the restoration, renovation, and continued use of those properties;
3. To examine laws, rules and regulations and expenditures for historic properties;
4. To survey and analyze appropriate programs of other states and to determine their applicability to the Commonwealth;
5. To recommend ways to involve more actively private individuals, groups and businesses in the preservation and continued use of the state's historic resources; and
6. To explore and suggest creative fiscal and financial methods to preserve our historic resources.

The Commission shall consist of no more than 25 members appointed by the Governor and serving at his pleasure. The Governor shall appoint one member of the Commission as its chairman.

The Commission shall report the results of its initial study to the Governor and the Secretary of Natural Resources no later than November 1, 1987.

Commission members shall serve without compensation and shall not receive any reimbursement for expenses incurred in the discharge of their duties.

Funds and staff support necessary for the conduct of the Commission's responsibilities during the term of its existence shall be provided by the Department of Conservation and Historic Resources. The Department's expenditures for this purpose are estimated at \$10,000. An estimated 200 hours of staff support will be required to assist the Commission. Other state agencies shall cooperate with the Commission in the conduct of its responsibilities when requested to do so.

This Executive Order shall become effective April 10, 1987 and shall remain in full force and effect until April 10, 1988, unless amended or rescinded by further executive order.

Given under my hand and under the Seal of the Commonwealth of Virginia this 10th day of April, 1987.

/s/ Gerald L. Baliles  
Governor

## EXECUTIVE ORDER NUMBER FORTY (87)

### GOVERNOR'S INTERNATIONAL TRADE COMMISSION

By virtue of the authority vested in me by Section 2.1-51.36 of the Code of Virginia and subject to my continuing and ultimate authority to act in such matters, I hereby create the Governor's International Trade Commission.

The Commission is classified as an advisory commission, as defined in Section 9-6.25 of the Code of Virginia.

State government undertakes numerous efforts to promote international trade: import and export services designed to increase port volume, assistance to business in promoting and expanding markets, research and information, attracting overseas businesses, manufacturers and investors, and job training and retraining programs to improve our labor force.

The Commission shall develop a comprehensive trade strategy for the Commonwealth that integrates existing state government resources and private-sector efforts to promote international trade. The Commission shall examine issues related to improving the international promotion and trade of Virginia products. These issues include, but are not limited to:

1. Opportunities for Virginia businesses to develop and market their products and services;



2. Cooperative efforts between the public and private sectors to promote Virginia and its products;
3. Trends in international trade upon which Virginia should build its efforts;
4. Cooperative initiatives, both in Virginia and overseas, between the Commonwealth and international businesses and industry; and
5. Promotion of the Commonwealth to attract overseas businesses and tourists.

The Governor's International Trade Commission shall be composed of no more than fifteen members to be appointed by the Governor. The Governor shall serve as Chairman and shall select a Vice-Chairman from the Commission's membership. The Executive Director of the Virginia Port Authority and the Directors of the Departments of Agriculture and Consumer Services and Economic Development shall serve as ex-officio, non-voting members of the Commission.

Members of the Commission shall serve without compensation and shall not be reimbursed for any expenses incurred in the discharge of their duties.

Such funding as is necessary for the fulfillment of the Commission's responsibilities during the term of its existence shall be provided from funds appropriated to the Department of Economic Development and from such other funds, both private and public, authorized by Section 2.1-51.37 of the Code of Virginia. The total amount of state funding required for fulfillment of the Commission's responsibilities is estimated to be \$4,000, and shall not exceed that amount without written authorization by the Governor.

Such staff support as is necessary for the conduct of the Commission's business during the term of its existence shall be furnished by the Department of Economic Development, the Department of Agriculture and Consumer Services, the Center for World Trade at Old Dominion University, and the Virginia Port Authority. In so far as is practicable, such staff support shall be provided by individuals whose responsibilities already include the promotion of trade in the Commonwealth. No precise estimate of the staff resources necessary to fulfill the Commission's responsibilities is available at this time.

This Executive Order shall become effective on the date of its signing and shall remain in full force and effect until April 9, 1988, unless amended or rescinded by further executive order.

Given under my hand and under the Seal of the Commonwealth of Virginia this 10th day of April 1987.

/s/ Gerald L. Bailes  
Governor

## EXECUTIVE ORDER NUMBER FORTY-ONE (87)

### VIRGINIA STATE EMPLOYEES COMBINED CHARITABLE CAMPAIGN

By virtue of the authority vested in me as Governor and subject always to my continuing, ultimate authority and responsibility to act in such matters, I hereby authorize an annual Virginia State Employees Combined Charitable Campaign.

Employees of the Commonwealth recognize that they share a civic responsibility with their nongovernmental neighbors. State employees have repeatedly shown that they welcome the opportunity to fulfill that responsibility. The Campaign will provide a responsive and convenient system of charitable giving, allowing them to support organizations which deliver needed health and social services programs in Virginia and throughout the nation and the world.

The goals of this Campaign will be to:

1. Provide a way for state employees to support the efforts of health and social services organizations and agencies;
2. Lessen the burdens on government and communities by assisting in meeting the needs for health and social services;
3. Help ensure that recipient organizations are responsible in the utilization of the funds raised; and
4. Minimize interruptions in the state workplace that such fund-raising and its related administration may entail.

The Virginia State Employees Combined Charitable Campaign will be conducted annually, beginning in calendar year 1988. The Secretary of Administration shall develop and implement procedures to conduct the Campaign. These procedures shall be in concert with the goals of the Campaign as set forth in this Executive Order and in the tradition of state employee charitable giving. The procedures shall be made available for public review and comment. The Secretary also is authorized to designate a State Coordinator and other personnel as may be required for the efficient and effective conduct of the Virginia State Employees Combined Charitable Campaign.

This Executive Order shall become effective upon its signing and shall remain in full force and effect until June 30, 1990 unless amended or rescinded by future executive order.

Given under my hand and under the Seal of the Commonwealth of Virginia this 19th day of May, 1987.

/s/ Gerald L. Bailes  
Governor

**EXECUTIVE ORDER NUMBER FORTY-TWO (87)**

**CONTINUING THE VIRGINIA-ISRAEL COMMISSION**

By virtue of the authority vested in me as Governor by Section 2.1-51.37 of the Code of Virginia, and subject to my continuing and ultimate authority and responsibility to act in such matters, I hereby continue Executive Order Number 11 (86), relating to the Virginia-Israel Commission.

This Executive Order will become effective on May 14, 1987 and will remain in full force and effect until May 13, 1988, unless amended or rescinded by further executive order.

Given under my hand and under the Seal of the Commonwealth of Virginia this 10th day of May, 1987.

/s/ Gerald L. Baliles  
Governor

**EXECUTIVE ORDER NUMBER FORTY-THREE (87)**

**CONTINUING THE GOVERNOR'S ADVISORY  
COMMISSION ON SMALL BUSINESS**

By virtue of the authority vested in me as Governor by Section 2.1-51.37 of the Code of Virginia, and subject to my continuing and ultimate authority and responsibility to act in such matters, I hereby continue Executive Order Number 20 (86), relating to the Governor's Advisory Commission on Small Business.

This Executive Order shall become effective July 1, 1987 and will remain in full force and effect until June 30, 1988, unless amended or rescinded by further executive order.

Given under my hand and under the Seal of the Commonwealth of Virginia this 10th day of May, 1987.

/s/ Gerald L. Baliles  
Governor

**EXECUTIVE ORDER NUMBER FORTY-FIVE (87)**

**CONTINUING DECLARATION OF STATE OF  
EMERGENCY ARISING FROM FLOODING AND  
WIND DAMAGE IN EASTERN VIRGINIA**

By virtue of the authority vested in me as Governor by Section 44-146.17 of the Code of Virginia, and subject always to my continuing and ultimate authority and responsibility to act in such matters, and to reserve powers, I hereby continue the state of emergency continued in Executive Order Number 14 (86), Continuing Declaration of State of Emergency Arising From Flooding and Wind Damage in Eastern Virginia.

This Executive Order will become effective July 1, 1987, and will remain in full force and effect until June 30, 1988, unless amended or rescinded by further executive order.

Given under my hand and under the Seal of the Commonwealth of Virginia this 30th day of June, 1987.

/s/ Gerald L. Baliles  
Governor

**EXECUTIVE ORDER NUMBER FORTY-SIX (87)**

**CONTINUING DECLARATION OF STATE OF  
EMERGENCY ARISING FROM FLASH FLOODING  
AND MUDSLIDES THROUGHOUT THE  
COMMONWEALTH**

By virtue of the authority vested in me as Governor by Section 44-146.17 of the Code of Virginia, and subject always to my continuing and ultimate authority and responsibility to act in such matters, and to reserve powers, I hereby continue the state of emergency continued in Executive Order Number 15 (86), Continuing Declaration of State of Emergency Arising From Flash Flooding and Mudslides Throughout the Commonwealth.

This Executive Order will become effective July 1, 1987, and will remain in full force and effect until June 30, 1988, unless amended or rescinded by further executive order.

Given under my hand and under the Seal of the Commonwealth of Virginia this 30th day of June, 1987.

/s/ Gerald L. Baliles  
Governor

**EXECUTIVE ORDER NUMBER FORTY-SEVEN (87)**

**CONTINUING DECLARATION OF STATE OF  
EMERGENCY ARISING FROM FLOODING IN  
SOUTHWESTERN VIRGINIA**

By virtue of the authority vested in me as Governor by Section 44-146.17 of the Code of Virginia, and subject always to my continuing and ultimate authority and responsibility to act in such matters, and to reserve powers, I hereby continue the state of emergency continued in Executive Order Number 16 (86), Continuing Declaration of State of Emergency Arising From Flooding in Southwestern Virginia.

This Executive Order will become effective July 1, 1987, and will remain in full force and effect until June 30, 1988, unless amended or rescinded by further executive order.

Given under my hand and under the Seal of the

# Governor

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Commonwealth of Virginia this 30th day of June, 1987.

/s/ Gerald L. Baliles  
Governor

## GOVERNOR'S COMMENTS ON PROPOSED REGULATIONS

(Required by § 9-6.12:9.1 of the Code of Virginia)

### DEPARTMENT OF MEDICAL ASSISTANCE SERVICES

Title of Regulation: VR 460-03-2.6152. Definition of Home Ownership or Contiguous Property: State Plan for Medical Assistance.

Office of the Governor

June 29, 1987

Mr. Ray T. Sorrell  
Director  
Department of Medical Assistance Services  
Suite 1300  
600 East Broad Street  
Richmond, Virginia 23219

I have reviewed the regulations for State Plan for Medical Assistance Definition of Home Ownership or Contiguous Property under the procedures of Executive Order Number Five (86).

The regulations appear carefully drawn to bring Virginia into compliance with federal standards regarding the definition of a home and contiguous property for purposes of determining eligibility for Medicaid benefits. Because of the positive impact and policy considerations addressed by these regulations, I have no objections to these proposals as presented.

/s/ Gerald L. Baliles  
Governor

### DEPARTMENT OF REHABILITATIVE SERVICES

Title of Regulation: VR 595-02-1. Provision of Independent Living Rehabilitation Services.

Office of the Governor

July 2, 1987

Dr. Altamont Dickerson, Jr.  
Commissioner  
Department of Rehabilitative Services  
4901 Fitzhugh Avenue  
Richmond, Virginia 23230

I have reviewed the regulations for Independent Living Rehabilitation (VR 595-02-1) under the procedures of Executive Order Number Five (86).

The regulations appear carefully drawn to bring Virginia's independent living rehabilitation regulations into compliance with federal and state law and to provide meaningful standards affecting the delivery of these services. These proposals would benefit both the providers and recipients of these services, and the Board of Rehabilitative Services is to be commended for its thoroughness in addressing independent living standards. Because of the positive impact and policy considerations addressed by these regulations, I have no objections to these proposals as presented.

I would suggest, however, that the Board provide additional background information and justification for instituting the financial needs test for clients desiring services from Centers for Independent Living. Although it is clear that this provision will promote the effective use of limited resources, a brief discussion of the number and types of clients who have been turned away under the previous regulations would promote public understanding of the reasons for instituting the new standard.

/s/ Gerald L. Baliles  
Governor

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# GENERAL NOTICES/ERRATA

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<b>Symbol Key †</b>
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† Indicates entries since last publication of the Virginia Register
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## DEPARTMENT OF CORRECTIONS (STATE BOARD OF)

### Notice of Intended Regulatory Action

Notice is hereby given in accordance with this agency's public participation guidelines that the Department of Corrections intends to consider amending regulations entitled: **VR 230-30-001. Minimum Standards for Jails and Lockups.** These standards establish minimum standards for the administration and operation of jails and lockups.

Statutory Authority: § 53.1-68 of the Code of Virginia.

Written comments may be submitted until August 17, 1987.

Contact: Gayle L. Turner, Acting Manager, Department of Corrections, Certification Unit, 5001 W. Broad St., Suite 300, Richmond, Va. 23230, telephone (804) 281-9240

### Notice of Intended Regulatory Action

Notice is hereby given in accordance with this agency's public participation guidelines that the Department of Corrections intends to consider amending regulations entitled: **(1) Guide for Minimum Standards in Planning, Design and Construction of Jail Facilities; (2) Guide for Minimum Requirements to Obtain State Board of Corrections' Approval for Financial Assistance and Method for Receiving Reimbursement.** These regulations set minimum standards for (i) the planning, design, and construction of jail facilities, and (ii) obtaining financial assistance for the construction, enlargement, or renovation of local jails.

Statutory Authority: § 53.1-5 of the Code of Virginia.

Written comments may be submitted until August 6, 1987.

Contact: Carroll E. Lillard, Committee Chairman, 4615 W. Broad St., Room 320, Richmond, Va. 23230, Attn: Vivian Toler, telephone (804) 257-6274

## VIRGINIA BOARD OF COSMETOLOGY

### Notice of Intended Regulatory Action

Notice is hereby given in accordance with this agency's

public participation guidelines that the Virginia Board of Cosmetology intends to consider promulgating regulations entitled: **Virginia Board of Cosmetology Regulations.** The purpose of the proposed action is to solicit public comment on all existing regulations as to its effectiveness, efficiency, necessity, clarity and cost of compliance in accordance with its Public Participation Guidelines and Chapter 6.1 of Title 54 of the Code of Virginia.

Statutory Authority: § 54-1.28 of the Code of Virginia.

Written comments may be submitted until August 20, 1987.

Contact: Roberta L. Banning, Assistant Director, Department of Commerce, 3600 W. Broad St., Richmond, Va. 23220, telephone (804) 257-8505 (toll-free 1-800-552-3016)

## VIRGINIA FIRE SERVICES BOARD

### Notice of Intended Regulatory Action

Notice is hereby given in accordance with this agency's public participation guidelines that the Virginia Fire Services Board and the Department of Fire Programs intends to consider amending regulations entitled: **Training Courses and Programs for Fire Marshals (Fire Investigators) and Their Assistants.**

The purpose of the proposed amendments is to amend the training courses and programs required for local fire marshals and their assistants.

Statutory Authority: §§ 9-155 and 27-34.2:1 of the Code of Virginia.

Written comments may be submitted until August 31, 1987, to Robert A. Williams, Department of Fire Programs, James Monroe Building, 101 North 14th Street, 17th Floor, Richmond, Virginia 23219.

Contact: Carl N. Cimino, Executive Director, James Monroe Bldg., 101 N. 14th St., 17th Fl., Richmond, Va. 23219, telephone (804) 225-2681

# General Notices/Errata

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## DEPARTMENT OF GENERAL SERVICES

### Notice of Intended Regulatory Action

#### Division of Consolidated Laboratory Services

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 Approval of Independent Laboratories to Conduct Blood Alcohol Analysis in Driving Under Influence Cases.** The purpose of the proposed amendments is to revise criteria and procedures for licensure of independent laboratories to conduct blood alcohol analysis in driving under influence cases.

Statutory Authority: §§ 2.1-424 and 18.2-268(dl) of the Code of Virginia.

Written comments may be submitted until August 5, 1987, to Dr. Paul B. Ferrara.

Contact: Dr. James C. Valentour, Chief Toxicologist, 1 N. 14th St., Richmond, Va. 23219, telephone (804) 786-8747

### 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 promulgating regulations entitled: **Regulations for Approval of Independent Laboratories to Conduct Drugs in Blood Analysis in Driving Under Influence Cases.** The purpose of the proposed regulations is to establish criteria and procedures for licensure of independent laboratories to conduct drugs in blood analysis in driving under influence cases.

Statutory Authority: §§ 2.1-424 and 18.2-268(dl) of the Code of Virginia.

Written comments may be submitted until August 5, 1987, to Dr. Paul B. Ferrara.

Contact: Dr. James C. Valentour, Chief Toxicologist, 1 N. 14th St., Richmond, Va. 23219, telephone (804) 786-8747

## DEPARTMENT OF MEDICAL ASSISTANCE SERVICES (BOARD OF)

### 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 promulgating regulations entitled: **Standards for Coverage of Organ Transplants.** The purpose of the proposed regulations is to establish standards for the coverage of organ transplantation procedures. Copy of the regulation is available from Victoria P. Simmons.

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

Written comments may be submitted until September 4, 1987.

Contact: Stephen B. Riggs, D.D.S., Director, Division of Health Services Review, Department of Medical Assistance Services, 600 E. Broad St., Suite 1300, Richmond, Va. 23219, telephone (804) 786-3820

## DEPARTMENT OF MINES, MINERALS AND ENERGY

### † Notice of Intended Regulatory Action

Notice is hereby given that the Department of Mines, Minerals and Energy intends to consider promulgating regulations entitled: **Public Participation Guidelines.** The department needs to consolidate guidelines being used by its various divisions into one uniform process for the entire agency in order to better ensure that the public has opportunities to participate in regulatory development.

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

Written comments may be submitted until September 1, 1987.

Contact: Bill Edwards, Policy Analyst, Department of Mines, Minerals and Energy, 2201 W. Broad St., Richmond, Va. 23220, telephone (804) 257-0330

### † Notice of Intended Regulatory Action

Notice is hereby given in accordance with this agency's public participation guidelines that the Department of Mines, Minerals and Energy intends to consider amending regulations entitled: **VR 480-03-19. Coal Surface Mining Regulations.** The department is considering amendments to regulations to set reinstatement procedures for individuals or companies who have forfeited coal surface mining bonds, or who have had coal surface mining permits revoked; to correct deficiencies in the rules for enforcement and administrative appeals; to increase protection of historic sites; and to decrease the minimum number of trees to be planted on steep slopes.

Statutory Authority: § 45.1-230 of the Code of Virginia.

Written comments may be submitted until September 1,

1987.

Contact: Conrad Spangler, Chief Engineer, Division of Mined Land Reclamation, P. O. Drawer U, Big Stone Gap, Va. 24219, telephone (703) 523-2925

## VIRGINIA BOARD OF PSYCHOLOGY

### Notice of Intended Regulatory Action

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: **VR 565-01-2. Supervision of Unlicensed Persons Practicing as Psychologists in Exempt Settings.** This regulation addresses the need for the supervision of unlicensed persons practicing as psychologists in exempt agencies and settings to ensure that these agencies are in compliance with § 54-944(d). Regulation VR 565-01-2 was promulgated as an emergency regulation effective July 1, 1986, to conform to legislation enacted by the 1986 General Assembly. The board has received suggestions for improvement of the regulation. This notice of intent is for the purpose of inviting comments from all relevant parties prior to promulgation under the standard provisions of the Administrative Process Act.

Statutory Authority: § 54-929 of the Code of Virginia.

Written comments may be submitted until September 7, 1987.

Contact: Stephanie A. Sivert, Executive Director, Board of Psychology, 1601 Rolling Hills Dr., Richmond, Va. 23229-5005, telephone (804) 662-9913

## DEPARTMENT OF REHABILITATIVE SERVICES

The Notice of Intent to consider promulgating regulations entitled: **Annual State Plan to comply with the Code of Federal Regulations, Parts 361, 365 and 370 "State Vocational Rehabilitation and Independent Living Rehabilitation Programs"** published in the July 6 issue of the Virginia Register of Regulations is being withdrawn by the agency.

The Attorney General's office has advised that this document is not considered a regulation.

## DEPARTMENT OF SOCIAL SERVICES (BOARD OF)

### Notice of Intended Regulatory Action

Notice is hereby given in accordance with this agency's public participation guidelines that the Department of Social Services intends to consider amending existing regulations entitled: **Regulations for Criminal Record Check, Licensed Child Care Centers and Child Caring Institutions** to be amended to: **Regulation for Criminal Record Checks.** This regulation will provide guidelines and clarification for the implementation of HB 1171, HB 1188, HB 1189 and HB 1190 which expand the scope of child care worker screening procedures to include applying criminal record checks to additional types of licensed facilities for children.

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

Written comments may be submitted until August 24, 1987.

Contact: Sheila B. Rich, Program Dev. Supv., Division of Licensing Programs, Department of Social Services, 8007 Discovery Dr., Richmond, Va. 23229-8699, telephone (804) 281-9025

### Notice of Intended Regulatory Action

Notice is hereby given in accordance with this agency's public participation guidelines that the Department of Social Services intends to consider amending regulations entitled: **Employment Services Program (ESP) for Aid to Dependent Children and General Relief Applicants and Recipients, specifically:**

1. The exemption criteria for parents/caretakers with children under the age of six;
2. Applicant job search requirements;
3. Recipient job search requirements for registrants 21 years of age or younger.

To improve the Employment Services Program by:

1. Expanding the group of recipients eligible for the services;
2. Modifying ineffective requirements for applicants;
3. Targeting specific services to those under 21 years of age.

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

Written comments may be submitted until August 7, 1987.

Contact: Penelope Boyd Pellow, Program Policy Specialist, Department of Social Services, 8007 Discovery Dr., Richmond, Va. 23229-8699, telephone (804) 281-9032 (toll-free 1-800-552-7091)

# General Notices/Errata

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## VIRGINIA WASTE MANAGEMENT BOARD

### Notice of Intended Regulatory Action

Notice is hereby given in accordance with this agency's public participation guidelines that the Virginia Waste Management Board intends to consider amending regulations entitled: **Regulations Governing Disposal of Solid Waste** by promulgating separate regulations entitled: **Infectious Waste Management Regulations**. The purpose of the regulations is to set out the responsibilities of parties engaged in solid waste management activities related to the management activities related to the management of infectious wastes. The activities regulated will include those associated with generation, storage, transportation, treatment and disposal of infectious wastes. The regulations will include detailed rules for design and operation of waste management facilities and the procedures for obtaining permits to engage in waste management activities. This notice is an expansion of that given May 13, 1985.

Statutory Authority: § 10-266 of the Code of Virginia.

Written comments may be submitted until August 14, 1987.

Contact: Robert G. Wickline, Department of Waste Management, James Monroe Bldg., 101 N. 14th St., 11th Fl., Richmond, Va. 23219, telephone (804) 225-3672

## 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 promulgating regulations entitled: **Underground Storage Tank Regulations**. The purpose of the regulations will be to establish minimum financial responsibility requirements for all owners and operators of underground storage tanks. Further, the regulations will set up the framework for administering the fund. Finally, the regulations will set forth those requirements necessary, including environmental protection rules and regulations, for the board to implement an underground storage tank program in Virginia in accordance with the new laws.

Statutory Authority: §§ 62.1-44.34:9, 62.1-44.34:11 and 62.1-44.34:12 of the Code of Virginia.

Written comments may be submitted until September 15, 1987.

Contact: Larry G. Lawson, Assistant Director of Operations, Office of Water Resources Management, State Water Control Board, P. O. Box 11143, Richmond, Va. 23230, telephone (804) 257-6383

## GENERAL NOTICES

### DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES

#### Legal Notice

Take notice that a referendum will be conducted by mail ballot among Virginia soybean producers regardless of age who sold soybeans during the past three years preceding September 9, 1987.

The purpose of this referendum is to allow Virginia farmers producing soybeans to vote on whether or not they are willing to access themselves in the amount and manner below stated. The assessment shall be used by the Virginia Soybean Board for research, education, publicity, and promotion of the sale and use of soybeans.

The assessment to be voted on is one cent per bushel when sold. The processor, dealer, shipper or any other business entity who purchases soybeans from the producer shall deduct the assessment from payments made to the producer for soybeans. The one cent levy thereon and shall be remitted to the Virginia State Tax Commissioner.

Producers must establish their eligibility to vote in this referendum by properly completing a certification form and returning the form to the Virginia Department of Agriculture and Consumer Services no later than July 31, 1987.

Eligible voters will be mailed a ballot and return envelope. Each eligible voter must return the ballot and ballot must be received by the Director, Division of Markets, Virginia Department of Agriculture and Consumer Services on or before 5 p.m. September 9, 1987.

Producers may obtain eligibility certification forms from the following sources: County Extension Agent Offices; Virginia Soybean Association, P. O. Box 319, Salisbury, Maryland 21801; Virginia Department of Agriculture and Consumer Services Office, Division of Markets, P. O. Box 1163, Richmond, Virginia 23209.

## STATE BOARD OF HEALTH

### Notice of Opportunity to Comment on Proposed State Plan of Operation of Special Supplemental Food Program for Women, Infants, and Children (WIC) for Federal Fiscal Year 1988

Pursuant to the authority vested in the State Board of

Health by § 32.1-12 of the Code of Virginia, notice is hereby given of a public comment period to enable the general public to participate in the development of the Special Supplemental Food Program for Women, Infants, and Children (WIC) for Federal Fiscal Year 1988.

Written comments on the proposed plan will be accepted in the Office of the Director, WIC Program, State Department of Health, 109 Governor Street, 6th Floor, Richmond, Virginia 23219, until 5 p.m. on August 7, 1987.

The proposed State Plan for WIC Program Operations and Administration may be reviewed at the office of health district headquarters during public business hours beginning June 10, 1987. Please contact your local health department for the location of this office in your area.

### NOTICES 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 the Virginia Register of Regulations. 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, Deputy 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



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# CALENDAR OF EVENTS

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<b>Symbol Key †</b>
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† Indicates entries since last publication of the Virginia Register
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## 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.

VIRGINIA CODE COMMISSION

## EXECUTIVE

### VIRGINIA AGRICULTURAL COUNCIL

**August 24, 1987 - 9 a.m. - Open Meeting**  
Holiday Inn - Airport, 5203 Williamsburg Road, Sandston, Virginia

An annual meeting of the council to (i) hear any new project proposals which are properly supported by the Board of Directors of a commodity group; and (ii) discuss any other business that may come before the members of the council.

**Contact:** Henry H. Budd, Assistant Secretary, Washington Bldg., 1100 Bank St., Room 203, Richmond, Va. 23219, telephone (804) 786-2373

### DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES (BOARD OF)

† **August 5, 1987 - 9 a.m. - Open Meeting**  
Washington Building, 1100 Bank Street, Room 204, Richmond, Virginia. ☐

A regular meeting of the board to discuss 1988-90 budget and other matters.

**Contact:** Raymond D. Vaughan, Secretary, 1100 Bank St., Room 210, Richmond, Va. 23219, telephone (804) 786-3501

\* \* \* \* \*

**September 28, 1987 - 2 p.m. - Public Hearing**  
Washington Building, Board Room, 2nd Floor, 1100 Bank Street, Richmond, Virginia. ☐

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: **VR 115-02-15. Rules and Regulations for the Registration of Poultry Dealers.** The proposed regulations would require that poultry dealers doing business in Virginia keep records of their transactions as a means of tracing poultry disease to its source. They also would require that poultry dealers maintain a regimen of sanitation in their dealings.

Statutory Authority: §§ 3.1-726, 3.1-735 and 3.1-736 of the Code of Virginia.

Written comments may be submitted until June 30, 1987.

**Contact:** A. J. Roth, D.V.M., Chief, Bureau of Veterinary Services, Division of Animal Health, Virginia Department of Agriculture and Consumer Services, Suite 600, 1100 Bank St., Richmond, Va. 23219, telephone (804) 786-2483

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**September 28, 1987 - 3 p.m. - Public Hearing**  
Washington Building, Board Room, 2nd Floor, 1100 Bank Street, Richmond, Virginia. ☐

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: **VR 115-02-12. Health Requirements Governing the Admission of Livestock, Poultry, Companion Animals and Other Animals or Birds Into Virginia.** The proposed amendment to the above-referenced regulation would set health requirements for the admission of South American camelids of the genus lama into Virginia.

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

Written comments may be submitted until June 29, 1987.

**Contact:** A. J. Roth, D.V.M., Chief, Bureau of Veterinary Services, Division of Animal Health, Virginia Department of Agriculture and Consumer Services, Suite 600, 1100 Bank St., Richmond, Va. 23219, telephone (804) 786-2483

## STATE BOARD OF ARCHITECTS, PROFESSIONAL ENGINEERS, LAND SURVEYORS AND CERTIFIED LANDSCAPE ARCHITECTS

### Virginia State Board of Land Surveyors

† August 6, 1987 - 9 a.m. - Open Meeting  
August 7, 1987 - 9 a.m. - Open Meeting  
Department of Commerce, 3600 West Broad Street, 5th Floor, Richmond, Virginia. ☒

A meeting to approve minutes of May 28, 1987 meeting and review applications.

### Virginia State Board of Professional Engineers

† August 4, 1987 - 9 a.m. - Open Meeting  
Department of Commerce, 3600 West Broad Street, 5th Floor, Richmond, Virginia. ☒

A meeting to (i) approve minutes of March 10, 1987, (ii) review applications, (iii) conduct regulatory review, and (iv) discuss enforcement cases.

Contact: Joan L. White, Assistant Director, Department of Commerce, 3600 W. Broad St., Richmond, Va. 23230, telephone (804) 257-8506

### AUCTIONEERS BOARD

August 4, 1987 - 10 a.m. - Open Meeting  
August 5, 1987 - 10 a.m. - Open Meeting  
August 6, 1987 - 10 a.m. - Open Meeting  
Department of Commerce, 3600 West Broad Street, Conference Room 1, Richmond, Virginia. ☒

A meeting to conduct a formal administrative hearing regarding Virginia Auctioneers Board vs. Valentine Auction and Storage Company.

Contact: Sylvia W. Bryant, Hearings Coordinator, Department of Commerce, 3600 W. Broad St., Richmond, Va. 23230, telephone (804) 257-8524

### VIRGINIA AVIATION BOARD

August 19, 1987 - 10 a.m. - Open Meeting  
August 21, 1987 - 9 a.m. - Open Meeting  
Jefferson Sheraton Hotel, Franklin and Adams Streets, Richmond, Virginia. ☒

A regular bimonthly meeting. This meeting is being held in conjunction with the 14th Annual Virginia Aviation Conference.

August 19, 1987 - Discussion of aviation matters

August 21, 1987 - Presentation of FY '88 Revised Airport Funding Criteria

### 14th Annual Virginia Aviation Conference

August 19, 1987 - 9 a.m. - Open Meeting  
August 20, 1987 - 9 a.m. - Open Meeting  
August 21, 1987 - 9 a.m. - Open Meeting  
Jefferson Sheraton Hotel, Franklin and Adams Streets, Richmond, Virginia. ☒

A conference to provide information of value to the Virginia aviation community.

Contact: Kenneth A. Rowe, 4508 S. Laburnum Avenue, P. O. Box 7716, Richmond, Va. 23231, telephone (804) 786-6284

### STATE BUILDING CODE TECHNICAL REVIEW BOARD

August 21, 1987 - 10 a.m. - Open Meeting  
Fourth Street State Office Building, 2nd Floor Conference Room, 205 North Fourth Street, Richmond, Virginia. ☒  
(Interpreter for deaf provided if requested)

A meeting to consider requests for interpretation of the Virginia Uniform Statewide Building Code; to consider appeals from the rulings of local appeal boards regarding application of the Virginia Uniform Statewide Building Code, and to approve minutes of previous meeting.

Contact: Jack A. Proctor, 205 N. Fourth St., Richmond, Va. 23219, telephone (804) 786-4752

### INTERDEPARTMENT LICENSURE AND CERTIFICATION OF CHILDREN'S RESIDENTIAL FACILITIES

#### Coordinating Committee

† August 14, 1987 - 8 a.m. - Open Meeting  
Department of Social Services, Tyler Building, 1603 Santa Rosa Drive, Suite 221, Richmond, Virginia. ☒

A meeting to discuss (i) automated systems project report, and (ii) monitoring of facilities accredited by nationally recognized standards setting agencies.

Contact: John J. Allen, Jr., Coordinator, Office of the Coordinator, Interdepartmental Licensure and Certification, 8007 Discovery Dr., Richmond, Va. 23229-8699, telephone (804) 281-9025

# Calendar of Events

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## BOARD OF COMMERCE

† September 11, 1987 - 10:30 a.m. - Open Meeting  
Department of Commerce, 3600 West Broad Street, 5th  
Floor, Richmond, Virginia. ☒

A subcommittee of the board will meet to discuss the  
study of the establishment of a private investigator's  
board as requested by Senate Joint Resolution No. 144.

Contact: Iva Frizzell, Department of Commerce, 3600 W.  
Broad St., Richmond, Va. 23230, telephone (804)  
257-8515/8563

## VIRGINIA COMMONWEALTH UNIVERSITY

### Health Policy Colloquium

† September 18, 1987 - 8 a.m. - Open Meeting  
Richmond Marriott, Richmond, Virginia. ☒

The colloquium will provide participants an  
opportunity to explore and discuss the effects of the  
restructuring of the health care marketplace on the  
production, roles, supply and distribution of health  
professionals. The first presentation, "The Changing  
Healthcare Marketplace," will be delivered by  
Professor John T. Dunlop, Lamont University Professor  
Emeritus, Harvard University, followed by "Reaction  
and Responsibility in the Evolving Healthcare  
Environment" from an academic and practitioner  
perspective. Other presentations will address: Who sets  
the objectives for healthcare? How is the concept of  
the professional autonomy changing? How will quality  
be defined and by whom? Gary Filerman, President,  
Association of University Programs in Health  
Administration; Marion Ein Lewin, Director, Center for  
Policy Research, American Enterprise Institute; and  
Ruth Hanft, Former Deputy Assistant Secretary for  
Health in the Carter and Reagan  
Administration/Washington consultant. Opportunity for  
interdisciplinary, round table discussions will be  
provided at lunch. The program will be of special  
interest to faculty in health related areas, health  
professionals, policymakers and the business  
community.

Contact: Judith B. Collins, Director, Health Policy Office,  
MCV Station, Box 549, Richmond, Va., telephone (804)  
786-9770/4324

## STATE BOARD OF CORRECTIONS

August 12, 1987 - 10 a.m. - Open Meeting  
September 16, 1987 - 10 a.m. - Open Meeting  
Department of Corrections, 4615 West Broad Street,

Richmond, Virginia. ☒

A regular monthly meeting to consider such matters  
as may be presented.

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

## VIRGINIA BOARD OF COSMETOLOGY

August 18, 1987 - 9 a.m. - Open Meeting  
Department of Commerce, 3600 West Broad Street,  
Conference Room 3, 5th Floor, Richmond, Virginia. ☒

A meeting to review applications, and to review  
investigative reports of complaints and determine  
disposition.

Contact: Evelyn B. Brown, Assistant Director, Virginia  
Board of Cosmetology, 3600 W. Broad St., Richmond, Va.  
23230-4917, telephone (804) 257-8509

## CRIMINAL JUSTICE SERVICES BOARD

October 7, 1987 - 9 a.m. - Public Hearing  
General Assembly Building, Capitol Square, House Room C,  
Richmond, Virginia. ☒

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:  
**VR 240-01-2. Rules Relating to Compulsory In-Service  
Training Standards for Law-Enforcement Officers,  
Jailors or Custodial Officers, and Officers of the  
Department of Corrections, Division of Adult  
Institutions.** The proposed regulations mandate  
in-service training standards for law-enforcement  
officers, jailors or custodial officers and officers of the  
Department of Corrections, and set forth procedures  
for approved training facilities to follow when  
conducting such training.

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

Written comments may be submitted until September 21,  
1987, to L. T. Eckenrode, Department of Criminal Justice  
Services, 805 East Broad Street, Richmond, Va. 23219.

Contact: Jay Malcan, Executive Assistant, Department of  
Criminal Justice Services, 805 E. Broad St., Richmond, Va.  
23219, telephone (804) 786-4000

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October 7, 1987 - 9 a.m. - Public Hearing  
General Assembly Building, Capitol Square, House Room C,

Richmond, Virginia. ☐

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 new regulations entitled: **VR 240-01-14. Rules Relating to Compulsory Minimum Training Standards for Corrections Officers of the Department of Corrections, Division of Adult Institutions.** Regulations for entry-level training standards for correctional officers of the Department of Corrections, Division of Adult Institutions.

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

Written comments may be submitted until September 21, 1987, to L. T. Eckenrode, Department of Criminal Justice Services, 805 East Broad Street, Richmond, Va. 23219.

Contact: Jay Malcan, Executive Assistant, Department of Criminal Justice Services, 805 E. Broad St., Richmond, Va. 23219, telephone (804) 786-4000

## VIRGINIA BOARD OF DENTISTRY

August 21, 1987 - 9 a.m. - Open Meeting  
August 22, 1987 - 9 a.m. - Open Meeting  
Virginia Beach Resort Center, 2800 Shore Drive, Virginia Beach, Virginia

A full board business meeting from 9 a.m. until noon on August 21. The following committees will meet on August 21 from 2 p.m. until 5 p.m. and on August 22, from 9 a.m. until 5 p.m.: Test Committee, Regulation Implementation Committee, RFP Committee, Legislative Committee, Executive Committee.

Contact: N. Taylor Feldman, Executive Director, Virginia Board of Dentistry, 1601 Rolling Hills Dr., Richmond, Va. 23229, telephone (804) 662-9906

## STATE BOARD OF EDUCATION

August 19, 1987 - 9 a.m. - Open Meeting  
August 20, 1987 - 9 a.m. - Open Meeting  
September 17, 1987 - 9 a.m. - Open Meeting  
September 18, 1987 - 9 a.m. - Open Meeting  
James Monroe Building, 101 North 14th Street, Conference Rooms D and E, Richmond, Virginia. ☐

A regularly scheduled meeting to conduct business according to items listed on the agenda. The agenda is available upon request. The public is reminded that the Board of Vocational Education may convene, if required.

Contact: Margaret N. Roberts, James Monroe Bldg., 101 N.

14th St., 25th Fl., Richmond, Va., telephone (804) 225-2540

## STATE BOARD OF ELECTIONS

† August 10, 1987 - 10 a.m. - Open Meeting  
James Monroe Building, 101 North 14th Street, Conference Room C, Richmond, Virginia. ☐

A meeting to hear presentations from manufacturers of electronic voting equipment.

Contact: Susan H. Fitz-Hugh, 101 Ninth Street Office Bldg., Richmond, Va. 23219, telephone (804) 786-6551

## VIRGINIA EMERGENCY RESPONSE COUNCIL

† August 13, 1987 - 10 a.m. - Open Meeting  
James Monroe Building, 101 North 14th Street, Conference Room C, Richmond, Virginia. ☐

The subcommittee will report on the merits of encouraging facilities to submit a list of MSDS chemicals in lieu of the the MSDS for each hazardous chemical. Appointments will be made to the local emergency planning committees.

Contact: Wayne Halbleib, James Monroe Bldg., 101 N. 14th St., 11th Fl., Richmond, Va. 23219, telephone (804) 225-2667

## VIRGINIA FIRE SERVICES BOARD

August 14, 1987 - 10 a.m. - Public Hearing  
Holiday Inn, 1815 West Mercury Boulevard, Hampton, Virginia

Notice is hereby given in accordance with § 9-6.14:7.1 of the Code of Virginia that the Virginia Fire Services Board and the Department of Fire Programs intend to adopt regulations entitled: **Regulations Establishing Certification Standards for Fire Investigators.** These regulations are standards to qualify fire investigators as provided for in § 27-34.2:1 of the Code of Virginia.

Statutory Authority: § 9-155 of the Code of Virginia.

Written comments may be submitted until August 31, 1987.

Contact: Carl N. Cimino, Executive Director, Department of Fire Programs, James Monroe Bldg., 101 N. 14th St., Richmond, Va. 23219, telephone (804) 225-2681

# Calendar of Events

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## DEPARTMENT OF FORESTRY

### Reforestation of Timberlands Board

† September 3, 1987 - 10 a.m. - Open Meeting  
Garland Gray Forestry Center, Route 2, Box 111,  
Courtland, Virginia. (Route 607, 3 miles south of Littleton)

☐

A semiannual meeting of the board to review accomplishments and budget.

Contact: James D. Starr, Department of Forestry, P. O. Box 3758, Charlottesville, Va. 22903-0758, telephone (804) 977-6555

## VIRGINIA BOARD OF FUNERAL DIRECTORS AND EMBALMERS

August 5, 1987 - 9 a.m. - Open Meeting  
Department of Health Regulatory Boards, 1601 Rolling Hills Drive, Conference Room 1, Richmond, Virginia. ☐

Certifying candidates for the August 26, examination and a general board meeting. The subject of regulations may be discussed.

August 26, 1987 - 9 a.m. - Open Meeting  
August 28, 1987 - 9 a.m. - Open Meeting  
Department of Health Regulatory Boards, 1601 Rolling Hills Drive, Conference Room 1, Richmond, Virginia. ☐

Administering the Virginia State Board Examinations and a general board meeting. The subject of regulations may be discussed.

Contact: Mark L. Forberg, Executive Secretary, Virginia Board of Funeral Directors and Embalmers, 1601 Rolling Hills Dr., Richmond, Va. 23229-5005, telephone (804) 662-9907

## DEPARTMENT OF GENERAL SERVICES

### Art and Architectural Review Board

August 7, 1987 - 10 a.m. - Open Meeting  
† September 11, 1987 - 10 a.m. - Open Meeting  
Virginia Museum of Fine Arts, Boulevard and Grove Avenue, Main Conference Room, Richmond, Virginia. ☐

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: M. Stanley Krause, AIA, AICP, Rancorn, Wildman & Krause, Architects and City Planning Consultants, P. O. Box 1817, Newport News, Va. 23601, telephone (804) 867-8030

### State Insurance Advisory Board

† September 11, 1987 - 9:30 a.m. - Open Meeting  
Department of General Services, Ninth Street Office Building, Conference Room of the Director, Room 209, Richmond, Virginia. ☐

A quarterly meeting of the board.

Contact: Charles F. Scott, Department of General Services, Division of Risk Management, 805 E. Broad St., Richmond, Va. 23219, telephone (804) 225-4619

## DEPARTMENT OF HEALTH (BOARD OF)

August 28, 1987 - 10 a.m. - Public Hearing  
Henrico Government Center, Administration Building Board of Supervisors Room, Parham and Hungary Springs Road, Richmond, 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: **Rules and Regulations of the Board of Health Governing Restaurants.**

Statutory Authority: §§ 35.1-11 and 35.1-14 of the Code of Virginia.

Written comments may be submitted until August 28, 1987.

Contact: John E. Benko, M.P.H., Director, Bureau of Food and General Environmental Services, 109 Governor St., Room 500, Richmond, Va. 23219, telephone (804) 786-3559.

## VIRGINIA HEALTH SERVICES COST REVIEW COUNCIL

† August 26, 1987 - 9:30 a.m. - Open Meeting  
† September 23, 1987 - 9:30 a.m. - Open Meeting  
Johnston-Willis Hospital, 1401 Johnston-Willis Drive, Richmond, Virginia. ☐

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

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

## BOARD OF HOUSING AND COMMUNITY DEVELOPMENT

### Amusement Device Technical Advisory Committee

† August 25, 1987 - 8:30 a.m. - Open Meeting  
205 North Fourth Street, 7th Floor Conference Room,  
Richmond, Virginia. ☒

A meeting to develop recommended regulations pertaining to the construction, maintenance, operation and inspection of amusement devices for consideration by the Board of Housing and Community Development.

Contact: Jack A. Proctor, CPCA, Deputy Director, Division of Building Regulatory Services, Department of Housing and Community Development, 205 N. Fourth St., Richmond, Va. 23219-1747, telephone (804) 786-4751

## VIRGINIA HOUSING DEVELOPMENT AUTHORITY

† August 13, 1987 - Written comments may be submitted until this date.

Notice is hereby given in accordance with § 9-6.14:7.1 of the Code of Virginia that the Virginia Housing Development Authority intends to adopt regulations entitled: **Procedures, Instructions and Guidelines for Virginia Housing Fund**. The proposed regulations establish procedures for the administration of loans and loan programs by VHDA using its Virginia Housing Fund.

### STATEMENT

**Purpose:** To establish procedures, instructions and guidelines applicable to loans or loan programs made or financed or proposed to be made or financed by the authority from the Virginia Housing Fund (the "fund").

**Basis:** § 103 of the Rules and Regulations of the authority adopted pursuant to § 36-55.30:3 of the Code of Virginia.

**Subject, Substance and Issues:** Pursuant to a resolution of the authority's board of commissioners adopted on May 19, 1987, the fund was established to create new housing opportunities for lower income Virginians through operation of the fund as a special purpose revolving loan fund. The proposed regulations set forth the purposes and principles of the fund and the procedures and requirements for processing of applications.

**Impact:** VHDA expects that the proposed regulations will enable it to provide loans, loan programs or other housing assistance to persons of low income who would not otherwise have been able to qualify for assistance under the authority's existing programs. Therefore it is not expected that the number of units financed or the number

of persons served under existing programs will decrease. Because of the creative and innovative nature of the Virginia Housing Fund and because of the intended use of leveraging and recycling of moneys, it is not possible at this time to provide a reasonable estimate of the number of lower income Virginians who will be benefited by the fund.

The authority does not expect that any significant costs will be incurred for the implementation of and compliance with the proposed procedures.

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

Written comments may be submitted until August 13, 1987.

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

† August 18, 1987 - 10 a.m. - Open Meeting  
13 South 13th Street, Richmond, Virginia. ☒

This will be the regular monthly meeting of the Board of Commissioners of the Virginia Housing Development Authority. The Board of Commissioners will (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; (iv) consider and, if appropriate, approve the Procedures, Instructions and Guidelines for Virginia Housing Fund; and (v) 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 office of the authority one week prior to the date of the meeting.

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

## GOVERNOR'S JOB TRAINING COORDINATING COUNCIL

August 17, 1987 - 10:30 a.m. - Open Meeting  
Jefferson Sheraton Hotel, Franklin and Adams Street,  
Richmond, Virginia. ☒ (Interpreter for deaf provided if requested) ☎

A general meeting open to the public.

Contact: Gladys Walker, Governor's Employment and Training Department, 417 E. Grace St., Richmond, Va., telephone (804) 786-8085

# Calendar of Events

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## DEPARTMENT OF LABOR AND INDUSTRY

### Apprenticeship Council

**August 6, 1987 - 9 a.m.** – Open Meeting  
General Assembly Building, Capitol Square, House Room C,  
Richmond, Virginia. ☒

A regular quarterly meeting. Public session begins at 9  
a.m. and council meeting at 10 a.m.

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

### LAND EVALUATION ADVISORY COUNCIL

† **August 26, 1987 - 10 a.m.** – Open Meeting  
† **September 4, 1987 - 10 a.m.** – Open Meeting  
Department of Taxation, 2220 West Broad Street,  
Richmond, Virginia. ☒

A meeting to set suggested ranges of values for  
agricultural, horticultural, forest and open-space land  
use under the use-value assessment program.

**Contact:** Otho C. W. Fraher, Director, Property Tax  
Division, Department of Taxation, P. O. Box 6-L,  
Richmond, Va. 23282, telephone (804) 257-8020

### STATE BOARD FOR THE CERTIFICATION OF LIBRARIANS

**September 25, 1987 - 10:30 a.m.** – Public Hearing  
Department of Commerce, 3600 West Broad Street,  
Conference Room 395, Richmond, Virginia. ☒

Notice is given in accordance with § 9-6.14:7.1 of the  
Code of Virginia that the State Board for the  
Certification of Librarians intends to adopt new  
regulations and repeal existing regulations entitled: **VR  
435-01-1. Regulations for the Certification and  
Licensure of Librarians.** The regulations will ensure  
that practitioners using the title "Librarian" have met  
the educational and experience requirements.

Statutory Authority: § 54-268.1 of the Code of Virginia.

Written comments may be submitted until September 20,  
1987.

**Contact:** Geralde W. Morgan, Assistant Director,  
Department of Commerce, 3600 W. Broad St., 5th Fl.,  
Richmond, Va. 23230-4917, telephone (804) 257-8508

## LIBRARY BOARD

**September 9, 1987 - 11 a.m.** – Open Meeting  
Virginia State Library and Archives, 11th Street at Capitol  
Square, Supreme Courtroom, 3rd Floor, Richmond,  
Virginia. ☒

A regular meeting to discuss administrative matters.

### Executive Committee

† **August 12, 1987 - noon** – Open Meeting  
Virginia State Library and Archives, 11th Street at Capitol  
Square, State Librarian's Office, Richmond, Virginia. ☒

A meeting to discuss administrative affairs.

**Contact:** Jean K. Reynolds, Virginia State Library and  
Archives, 11th St. at Capitol Sq., Richmond, Va. 23219,  
telephone (804) 786-2332

### LONG-TERM CARE COUNCIL

**August 13, 1987 - 9:30 a.m.** – Open Meeting  
Ninth Street Office Building, Ninth and Grace Streets,  
Cabinet Conference Room, Richmond, Virginia. ☒

The council will discuss issues relating to the  
development and coordination of long-term care  
services in Virginia.

**Contact:** Catherine P. Saunders, Department for the Aging,  
101 N. 14th St., 18th Fl., Richmond, Va. 23219, telephone  
(804) 225-2271/2912

### MARINE RESOURCES COMMISSION

**August 4, 1987 - 9:30 a.m.** – Open Meeting  
**September 1, 1987 - 9:30 a.m.** – Open Meeting

The Virginia Marine Resources Commission will meet  
on the first Tuesday of each month, at 9:30 a.m., in  
Newport News City Council Chambers, located at 2400  
Washington 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:** Patricia A. Leonard, Acting Secretary to the Commission, 2401 W. Avenue, P. O. Box 756, Newport News, Va. 23607-0756, telephone (804) 247-2206

## DEPARTMENT OF MEDICAL ASSISTANCE SERVICES (BOARD OF)

**September 4, 1987** – Written comments may be submitted until this date.

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: **Standards for Coverage of Organ Transplant Services: State Plan for Medical Assistance.** These regulations establish the criteria by which requests for organ transplants will be evaluated for prior authorization. A copy of the regulation is available from Victoria Simmons at 786-7933.

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

Written comments may be submitted until September 4, 1987.

**Contact:** Stephen B. Riggs, D.D.S., Director, Division of Health Services Review, Department of Medical Assistance Services, 600 E. Broad St., Suite 1300, Richmond, Va. 23219, telephone (804) 786-3820

## COMMISSION ON MEDICAL CARE FACILITIES CERTIFICATE OF PUBLIC NEED

**August 3, 1987 - 2 p.m.** – Public Hearing  
Department of Human Resources, 1800 North Edison, Auditorium, Arlington, Virginia. ☒

**August 4, 1987 - 2 p.m.** – Public Hearing  
Department of Health, Auditorium, 401 Colley Avenue, Norfolk, Virginia. ☒

**August 6, 1987 - 2 p.m.** – Public Hearing  
James Madison Building, 109 Governor Street, Main Floor Conference Room, Richmond, Virginia. ☒

The purpose of the hearing is to collect public testimony concerning the effectiveness of the Certificate of Need Law, which regulates the development of medical facilities throughout the Commonwealth. Currently, a certificate must be obtained from the Commissioner of Health prior to construction of hospitals, nursing homes and certain other medical services facilities.

**August 10, 1987 - 10 a.m.** – Open Meeting  
**September 14, 1987 - 10 a.m.** Open Meeting  
James Monroe Building, 101 North 14th Street, Conference

Room D & E, Richmond, Virginia. ☒

By Executive Order 31 (86) Governor Baliles created an advisory commission with two responsibilities: (i) to examine the effectiveness of the Certificate of Public Need program in controlling medical care costs while making good quality, accessible health care available to all Virginians; and (ii) if this examination demonstrates that the Commonwealth's existing health planning process no longer effectively meets these objectives, the commission shall assess alternatives and recommend revisions to the existing Certificate of Public Need process.

**Contact:** E. George Stone, State Health Department, James Madison Bldg., 109 Governor St., Room 1010, Richmond, Va. 23219, telephone (804) 786-6970

## VIRGINIA STATE BOARD OF MEDICINE

### Chiropractic Examination Committee

† **August 18, 1987 - 11 a.m.** – Open Meeting  
Department of Health Regulatory Boards, 1601 Rolling Hills Drive, Surry Building, Board Room 1, 2nd Floor, Richmond, Virginia. ☒

The committee will meet in open and executive session for the purpose of reviewing and developing chiropractic questions for the January 1988 exam.

### Credentials Committee

† **September 25, 1987 - 8 a.m.** – Open Meeting  
† **September 26, 1987 - 8 a.m.** – Open Meeting  
Department of Health Regulatory Boards, 1601 Rolling Hills Drive, Surry Building, Board Room 2, 2nd Floor, Richmond, Virginia. ☒

The committee will meet to (i) conduct general business; (ii) interview and review medical credentials of applicants applying for licensure in Virginia in open and executive session; (iii) discuss any other items which may come before this committee.

### Informal Conference Committee

**August 5, 1987 - 11 a.m.** – Open Meeting  
Lynchburg General-Marshall Lodge Hospital, 1902 Grace Street, Guggenheimer Division, Lynchburg, Virginia. ☒

**August 21, 1987 - 12:30 p.m.** – Open Meeting  
† **August 27, 1987 - 11 a.m.** – Open Meeting  
Department of Health Regulatory Boards, Surry Building, Board Room 2, 1601 Rolling Hills Drive, Richmond, Virginia. ☒



# Calendar of Events

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**August 28, 1987 - 10 a.m. - Open Meeting**  
Ramada Inn, I-95 and Route 3, Fredericksburg, Virginia. ☒

† **September 1, 1987 - 10 a.m. - Open Meeting**  
Hyatt Richmond Hotel, 6624 West Broad Street and  
Interstate 64, Richmond, Virginia. ☒

A meeting to inquire into allegations that certain practitioners may have violated laws and regulations governing the practice of medicine in Virginia. The committee will meet in open and closed sessions pursuant to § 2.1-344 of the Code of Virginia.

**Contact:** Eugenia K. Dorson, Board Administrator, 1601 Rolling Hills Dr., Surry Bldg., 2nd Fl., Richmond, Va. 23229-5005, telephone (804) 662-9925

## STATE MENTAL HEALTH, MENTAL RETARDATION AND SUBSTANCE ABUSE SERVICES BOARD

† **August 26, 1987 - 10 a.m. - Open Meeting**  
James Madison Building, Central Office, Richmond,  
Virginia. ☒

A regular monthly meeting. The agenda may be obtained after August 19 by calling Jane Helfrich.

**Contact:** Jane V. Helfrich, State Board Staff, P. O. Box 1797, Richmond, Va. 23214, telephone (804) 786-3921

## MIGRANT AND SEASONAL FARMWORKERS BOARD

† **August 5, 1987 - 10 a.m. - Open Meeting**  
Southside Virginia Community College, John H. Daniel  
Campus, Keysville, Virginia

A regular meeting of the board.

**Contact:** Marilyn Mandel, Planning Manager, Department of Labor and Industry, P. O. Box 12064, Richmond, Va. 23241, telephone (804) 786-2385

## DEPARTMENT OF MINES, MINERALS AND ENERGY

† **September 1, 1987 - 10 a.m. - Public Hearing**  
2201 West Broad Street, Conference Room, Richmond,  
Virginia. ☒

This meeting is to consider the agency's intention of promulgating new public participation guidelines to ensure the public is given the opportunity to participate in regulatory development. The new guidelines will replace two existing sets of guidelines being used by the agency's regulatory divisions, and will be designed to provide a uniform procedure for

the agency. The public is invited to attend the meeting and comment.

**Contact:** Bill Edwards, Policy Analyst, 2201 W. Broad St., Richmond, Va. 23220, telephone (804) 257-0330

† **September 1, 1987 - 10 a.m. - Public Hearing**  
Division of Mined Land Reclamation, 622 Powell Avenue,  
Upstairs Conference Room, Big Stone Gap, Virginia

The department has scheduled this public meeting to consider amendments to regulations to (i) set reinstatement procedures for individuals or companies who have forfeited coal surface mining bonds, or who have had coal surface mining permits revoked; (ii) correct deficiencies in the rules for enforcement and administrative appeals; (iii) increase protection of historic sites; and (iv) decrease the minimum number of trees required to be planted on steep-slope reclamation sites. The public is invited to attend the meeting and comment on the intended action.

**Contact:** Conrad Spangler, Chief Engineer, Division of Mined Land Reclamation, P. O. Drawer U, Big Stone Gap, Virginia 24219, telephone (703) 523-2925

## NORFOLK STATE UNIVERSITY

### Board of Visitors

**September 8, 1987 - 10 a.m. - Open Meeting**  
Harrison B. Wilson Administration Building, Board Room,  
Norfolk, Virginia

A meeting to discuss various issues pertaining to the university. The agenda should be available at least five working days prior to the meeting.

**Contact:** Gerald D. Tyler, Norfolk State University, 2401 Corprew Ave., Wilson Hall-S340, Norfolk, Va. 23504, telephone (804) 623-8373

## VIRGINIA STATE BOARD OF NURSING

### Informal Conference Committee

**August 11, 1987 - 8:30 a.m. - Open Meeting**  
**August 20, 1987 - 8:30 a.m. - Open Meeting**  
Department of Health Regulatory Boards, 1601 Rolling  
Hills Drive, Conference Room 2, Richmond, Virginia. ☒  
(Interpreter for deaf provided if requested) ☎

A meeting to inquire into allegations that certain licensees may have violated laws and regulations governing the practice of nursing in Virginia.

Contact: Corinne F. Dorsey, R.N., Executive Director, 1601 Rolling Hills Dr., Richmond, Va. 23229, telephone (804) 662-9909

STATE BOARD OF EXAMINERS FOR NURSING HOME ADMINISTRATORS

September 23, 1987 - 10 a.m. - Public Hearing  
Department of Commerce, 3600 West Broad Street, Room 395, 3rd Floor Auditorium, Richmond, Virginia. ☐

Notice is hereby given in accordance with § 9-6.14:7.1 of the Code of Virginia that the State Board of Examiners for Nursing Home Administrators intends to amend regulations entitled: VR 500-01-2. Rules and Regulations of the State Board of Examiners for Nursing Home Administrators. This regulation provides general information, entry requirements and standards of practice for licensure as Nursing Home Administrators in the Commonwealth of Virginia.

Statutory Authority: § 54-1.28 (5) of the Code of Virginia.

Written comments may be submitted until September 20, 1987.

Contact: Geralde W. Morgan, Administrator, Department of Commerce, 3600 W. Broad St., 5th Fl., Richmond, Va. 23230-4917, telephone (804) 257-8508

VIRGINIA BOARD OF OPTOMETRY

† October 3, 1987 - Written comments may be submitted until this date.

Notice is hereby given in accordance with § 9-6.14:7.1 of the Code of Virginia that the Virginia Board of Optometry intends to amend regulations entitled: VR 510-01-1. Regulations of the Virginia Board of Optometry. The regulations proposed to be amended charged a fee for the board's review of continuing education courses.

STATEMENT

Basis: Section 54-376 of the Code of Virginia authorizes the board to adopt regulations.

Purpose: The Board of Optometry proposes to make a minor deletion in its rules pertaining to continuing education. Currently §§ 1.3 and 6.1(C) of the regulation set a fee for the board's review of continuing education courses. Optometrists in Virginia must obtain 24 hours of approved continuing education a biennium to renew their licenses. The board proposes to repeal the fee aspect of the continuing education rules and thereby broaden the availability of continuing education.

Estimated Impact:

A. Affected entities: The proposed deletions will affect the approximately 200 associations, universities and eye care product suppliers across the United States who provide continuing education, and indirectly, the 948 optometrists licensed in Virginia.

B. Projected costs of implementation: Repealing the continuing education course review fee, which is set at \$10 per credit hour with a \$100 ceiling, will reduce the board's revenue. The current rate of income from this source is \$16 per week, or approximately \$832 a year. The board had expected, based upon previous receipt of continuing education approval applications, to obtain approximately \$200 a week or \$10,400 a year from the revenue source. However, applications for continuing education approval have dropped off to the extent that continuing education no longer can be expected to contribute significantly toward the board's annual budget of \$138,490.

Those affected by the regulation, the course providers and indirectly the licensees who pay to attend continuing education courses, will experience a savings.

Without a continuing education course review fee, the board will have to absorb the costs of that service through income derived from other revenue sources, primarily licensure fees.

Statutory Authority: § 54-376 of the Code of Virginia.

Written comments may be submitted until October 3, 1987.

Contact: Moira C. Lux, Executive Director, Virginia Board of Optometry, 1601 Rolling Hills Dr., Richmond, Va. 23229, telephone (804) 662-9910

STATE BOARD OF PHARMACY

† August 4, 1987 - 9 a.m. - Open Meeting  
Department of Health Regulatory Boards, 1601 Rolling Hills Drive, Conference Room 1, Richmond, Virginia

A meeting to conduct general board business.

Contact: Jack B. Carson, Executive Director, State Board of Pharmacy, 1601 Rolling Hills Dr., Richmond, Va. 23229, telephone (804) 662-9911

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August 12, 1987 - 10 a.m. - Public Hearing  
State Capitol, House Room 4, Capitol Square, Richmond, Virginia. ☐

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

# Calendar of Events

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Pharmacy intends to adopt new regulations and repeal existing regulations entitled: VR 530-01-1. Virginia State Board of Pharmacy Regulations.

Statutory Authority: §§ 54-524.16 and 54-524.17 of the Code of Virginia.

Written comments may be submitted until August 24, 1987

Contact: Jack B. Carson, Executive Director, State Board of Pharmacy, 1601 Rolling Hills Dr., Richmond, Va. 23229, telephone (804) 662-9911

## POLYGRAPH EXAMINERS ADVISORY BOARD

† August 26, 1987 - 9 a.m. - Open Meeting  
Department of Commerce, 3600 West Broad Street, 5th Floor, Richmond, Virginia. ☒

The board will meet for the purpose of administering the Polygraph Examiner Licensing Examination to eligible polygraph examiner interns.

Contact: Iva B. Frizzell, 3600 W. Broad St., Richmond, Va. 23230, telephone (804) 257-8515/8563

## VIRGINIA BOARD OF PROFESSIONAL COUNSELORS

August 6, 1987 - 9 a.m. - Open Meeting  
August 7, 1987 - 9 a.m. - Open Meeting  
Pavilion Towers, 1900 Pavilion Drive, Virginia Beach, Virginia

A planning meeting to set goals and plan objectives for the coming year.

Contact: Joyce D. Williams, 1601 Rolling Hills Dr., Richmond, Va. 23229, telephone (804) 662-9912

## VIRGINIA PUBLIC TELECOMMUNICATIONS BOARD

August 27, 1987 - 10 a.m. - Open Meeting  
Department of Information Technology, 110 South 7th Street, 4th Floor, Richmond, Virginia. ☒

A meeting regarding public television and radio issues.

Contact: Suzanne Piland, Department of Information Technology, 110 S. 7th St., 1st Fl., Richmond, Va. 23219, telephone (804) 344-5560

## VIRGINIA REAL ESTATE BOARD

† August 19, 1987 - 9 a.m.  
Department of Commerce, 3600 West Broad Street, 5th Floor, Richmond, Virginia. ☒

A regular business meeting of the board. The agenda will consist of investigative cases (files) to be considered, files to be reconsidered, matters relating to fair housing, property registration, and licensing issues (e.g., reinstatement, eligibility requests).

Contact: Florence R. Brassier, Assistant Director for Real Estate, Department of Commerce, 3600 W. Broad St., 5th Fl., Richmond, Va. 23230, telephone (804) 257-8552

## DEPARTMENT OF REHABILITATIVE SERVICES

† August 18, 1987 - 4 p.m. - Public Hearing  
2728 Colonial Avenue, S.W., Roanoke, Virginia. ☒ (Interpreter for deaf provided if requested) ☞

† August 18, 1987 - 4 p.m. - Public Hearing  
7830 Backlick Road, Springfield, Virginia. ☒ (Interpreter for deaf provided if requested) ☞

† August 18, 1987 - 4 p.m. - Public Hearing  
2930 West Broad Street, Richmond, Virginia. ☒ (Interpreter for deaf provided if requested) ☞

† August 18, 1987 - 4 p.m. - Public Hearing  
5365 Robin Hood Road, Norfolk, Virginia. ☒ (Interpreter for deaf provided if requested) ☞

Public hearings on the 1988 Title I and Title VII Vocational and Independent Living Rehabilitation State Plan amendments.

Contact: James L. Hunter, 4901 Fitzhugh Ave., Richmond, Va. 23230, telephone (804) 257-6446 (toll-free 1-800-552-5019)

## STATE SEWAGE HANDLING AND DISPOSAL APPEALS REVIEW BOARD

August 26, 1987 - 10 a.m. - Open Meeting  
General Assembly Building, Capitol Square, Senate Room A, Richmond, Virginia. ☒

A meeting to hear and render a decision on all appeals of denials of on-site sewage disposal system permits.

Contact: David D. Effert, James Madison Bldg., 109 Governor St., Room 500, Richmond, Va. 23219, telephone (804) 786-1750

## DEPARTMENT OF SOCIAL SERVICES (BOARD OF)

† October 2, 1987 - Written comments may be submitted until this date.

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: VR 615-01-20. Lump Sum Payments in the Aid to Dependent Children (ADC) Program. These regulations specify types of payments that must be treated as lump sum income and, in regard to casualty property loss payments, provide a temporary disregard of such lump sum payments when received, and used for repair or replacement of resources.

### STATEMENT

Subject: Proposed amendment to the regulation entitled Lump Sum Payments in the Aid to Dependent Children (ADC) program (VR 615-01-20). This amendment is being proposed for a 60-day comment period.

Substance: It is the intent of the State Board of Social Services to clarify the definition of lump sum payments and, in the case of lump sums classified as casualty property loss payments, to give the applicant/recipient a sufficient amount of time to repair or replace property with such moneys. The regulation set forth herein will bring current regulations into compliance with the federal regulations at 45 CFR § 233.20(a)(3)(ii)(F). Under current policy, receipt of a nonrecurring lump sum payment by a member of the assistance unit, must be prorated and reflected as income when the lump sum plus all other net countable income exceeds the standard of need (100%) in the month of receipt. If the applicant/recipient establishes that there is an expense(s) directly associated with the lump sum, which was incurred prior to or within 30 days after receipt of the lump sum, only that portion of the lump sum, less directly related expenses, is considered as income. A period of ineligibility is then calculated by dividing the countable lump sum payment by the standard of need for the assistance unit, thus establishing the number of months the unit will be ineligible for assistance; any remainder is considered as income to the unit in the first month following the period of ineligibility.

Moneys received from the sale or conversion of any real or personal property are not considered a lump sum.

Under the proposed regulation, receipt of a nonrecurring lump sum payment by a member of the assistance unit, such as the accumulation of benefits for a prior period, including social security and workman's compensation benefits; earned income tax credit refund, payments in the nature of a windfall, e.g., inheritances or lottery winnings; personal injury awards; casualty property loss payments for replacement or repair of resources; life insurance settlements, regardless of whether the policy is owned by the client or another individual; loans for current living expenses; child support payments identified as payments

paid in excess of public assistance; or income from any other nonrecurring source must be prorated and reflected as income when the lump sum plus all other net countable income exceeds the standard of need in the month of receipt. If the applicant/recipient establishes that there is an expense(s) directly associated with the lump sum, which was incurred prior to or within 30 days after receipt of the lump sum, only that portion of the lump sum less directly related expenses will be considered as income. In situations involving casualty property loss payments for replacement or repair of resources, such payments will not be considered as income or resources if the client initiates action to replace or repair the resource within 30 days after receipt of the lump sum payment and expends the payment for such replacement or repair within 12 months after receipt; the use of the payment must be documented. A period of ineligibility will be calculated by dividing the countable lump sum payment by 100% of need for the assistance unit which will establish the number of months the unit will be ineligible for assistance; any remainder will be considered as income to the unit in the first month following the period of ineligibility.

Moneys received from the sale or conversion of real or personal property will not be considered a lump sum.

Issues: The proposed regulation is intended to clarify the definition of lump sum payments and to give the applicant/recipient a sufficient amount of time to repair or replace resources with moneys received from casualty property loss payments. The proposed regulation:

1. Defines those payments which are to be regarded as lump sum incomes;
2. Mandates that windfalls, such as an inheritance, lottery winnings, personal injury awards, casualty property loss payments for replacement or repair of resources, and life insurance settlements, regardless of who owns the policy, are lump sum income to be considered available to meet the ongoing needs of an ADC family;
3. Adds flexibility in the amount of time to repair or replace property with moneys received from a casualty property loss payment, allowing the recipient 30 days to initiate action to repair or replace the resource and 12 months to expend the payment. Under current ADC policy a family receiving a payment, such as from a fire insurance policy, would become ineligible due to having resources in excess of the \$1,000 allowable reserves. No ineligibility period is established and the family can reapply for assistance when the resource is below \$1,000. Now that the federal regulations have been clarified that such payments must be viewed as lump sum income, a time frame during which the moneys may be used for the purpose they were paid, without affecting the assistance unit's eligibility, is deemed necessary; and

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4. Treats all life insurance settlements as lump sum payments whether owned by the client or another individual. Under current ADC policy, if the life insurance policy is owned by the client, the settlement would be considered a resource. If the life insurance policy is owned by another individual, the settlement would be considered a lump sum payment. This proposed policy would treat all life insurance settlements as a lump sum.

**Basis:** 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 throughout Virginia. Federal authority for the proposed regulation can be found at 45 CFR § 233.20(a)(3)(ii)(F).

**Purpose:** The purpose of the proposed regulation is to clarify the definition of nonrecurring lump sum payments in the Aid to Dependent Children (ADC) program and ensure uniformity and consistency in application of the regulation. With regard to casualty property loss payments, it is intended that the regulation will provide a reasonable time frame for use of the moneys for purposes for which they were paid.

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

Written comments may be submitted until October 2, 1987, to Mr. I. Guy Lusk, Director, Division of Benefit Programs, 8007 Discovery Drive, Richmond, Virginia 23229-8699.

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

## VIRGINIA BOARD OF SOCIAL WORK

† August 25, 1987 - 9 a.m. — Open Meeting  
1601 Rolling Hills Drive, Richmond, Virginia

A meeting to conduct a formal hearing before the board.

† August 25, 1987 - 1 p.m. — Open Meeting  
1601 Rolling Hills Drive, Richmond, Virginia

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

**Contact:** Beverly Putnam, Administrative Assistant, 1601 Rolling Hills Dr., Richmond, Va. 23229, telephone (804) 662-9914

## DEPARTMENT OF TAXATION

September 18, 1987 - 10 a.m. — Public Hearing  
General Assembly Building, Capitol Square, House Room C,  
Richmond, Virginia. ☒

Notice is hereby given in accordance with § 9-6.14:7.1 of the Code of Virginia that the Department of Taxation intends to amend regulations entitled: VR 630-10-17. Brackets for Collection of the Tax (Retail Sales and Use Tax). This regulation sets forth the bracket chart to be used by all dealers to compute the sales tax on transactions of \$5.00 or less.

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

Written comments may be submitted until September 18, 1987.

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

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September 18, 1987 - 10 a.m. — Public Hearing

General Assembly Building, Capitol Square, House Room C,  
Richmond, Virginia. ☒

Notice is hereby given in accordance with § 9-6.14:7.1 of the Code of Virginia that the Department of Taxation intends to amend regulations entitled: VR 630-10-31. Dealer's Returns and Collection of the Tax (Retail Sales and Use Tax). This regulation sets forth requirements for the filing of sales and use tax returns by registered dealers and explains the discount provided to compensate them for collection of the tax.

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

Written comments may be submitted until September 18, 1987.

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

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September 18, 1987 - 10 a.m. — Public Hearing

General Assembly Building, Capitol Square, House Room C,  
Richmond, Virginia. ☒

Notice is hereby given in accordance with § 9-6.14:7.1 of the Code of Virginia that the Department of Taxation intends to amend regulations entitled: VR 630-10-106. Transitional Provisions (Retail Sales and Use Tax). This regulation describes the transitional provisions enacted in conjunction with the January 1,

1987 increase in the sales and use tax rate. These provisions apply to certain contracts and leases entered into before the enactment of the rate increase.

Statutory Authority: § 58-1-203 of the Code of Virginia.

Written comments may be submitted until September 18, 1987.

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

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**September 18, 1987 - 10 a.m. - Public Hearing**  
General Assembly Building, Capitol Square, House Room C, Richmond, Virginia. ☐

Notice is hereby given in accordance with § 9-6.14:7.1 of the Code of Virginia that the Department of Taxation intends to amend regulations entitled: **VR 630-10-110. Vending Machine Sales (Retail Sales and Use Tax)**. This regulation sets forth the application of the sales and use tax to vending machine operators.

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

Written comments may be submitted until September 18, 1987.

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

## COMMONWEALTH TRANSPORTATION BOARD

**August 19, 1987 - 1:30 p.m. - Public Hearing**  
Department of Transportation Auditorium, 1221 East Broad Street, Richmond, Virginia

Notice is hereby given in accordance with § 9-6.14:7.1 of the Code of Virginia that the Commonwealth Transportation Board intends to adopt regulations entitled: **VR 385-01-5. Hazardous Materials Transportation Rules and Regulations at Bridge-Tunnel Facilities**. These regulations set forth the requirements for transporting hazardous materials through tunnels, bridges, and ferries in Virginia.

Statutory Authority: §§ 33.1-12 and 33.1-13 of the Code of Virginia.

Written comments may be submitted until August 19, 1987.

Contact: John L. Butner, Engineering Programs Supervisor, Traffic Engineering Division, 1401 E. Broad St., Richmond, Va. 23219, telephone (804) 786-2878

**August 20, 1987 - 10 a.m. - Open Meeting**  
Kilmarnock Volunteer Fire House, School Street, Kilmarnock, Virginia. ☐ (Interpreter for deaf provided if requested) ☎

A monthly meeting of the Commonwealth 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: Albert W. Coates, Jr., Assistant Commissioner, Department of Transportation, 1401 E. Broad St., Richmond, Va., telephone (804) 786-9950

## TREASURY BOARD

**August 19, 1987 - 9 a.m. - Open Meeting**  
James Monroe Building, 101 North 14th Street, Third Floor, Richmond, Virginia. ☐

A regular monthly meeting.

Contact: Betty A. Ball, Department of Treasury, James Monroe Bldg., 3rd Fl., Richmond, Va. 23219, telephone (804) 225-2142

## VIRGINIA COUNCIL ON VOCATIONAL EDUCATION

**August 5, 1987 - 1:30 p.m. - Open Meeting**  
Richmond Centre for Conventions and Exhibits, 300 East Main Street, Richmond, Virginia

Council members will participate in the vocational education annual conference.

**August 6, 1987 - 8:30 a.m. - Open Meeting**  
Richmond Marriott, 500 East Broad Street, Richmond, Virginia

A business session. Reports will be received from the Virginia Department of Education, the Virginia Community College System, and the Governor's Job Training Coordinating Council.

Contact: George S. Orr, Jr., Executive Director, P. O. Box U, Blacksburg, Va. 24060, telephone (703) 961-6945

## VIRGINIA VOLUNTARY FORMULARY BOARD

**August 24, 1987 - 10 a.m. - Public Hearing**  
James Madison Building, 109 Governor Street, Main Floor Auditorium, Richmond, Virginia. ☐

The Virginia Voluntary Formulary Board will hold a

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public hearing on this date. The purpose of this hearing is to consider the proposed adoption and issuance of a revised Virginia Voluntary Formulary. The proposed revision to the Virginia Voluntary Formulary adds and deletes drugs and drug products to the Formulary that became effective on June 15, 1987.

Copies of the proposed revisions to the Formulary are available for inspection at the Virginia Department of Health, Bureau of Pharmacy Services, James Madison Building, 109 Governor Street, Richmond, Virginia 23219. Written comments sent to the above address and received prior to 5 p.m. on August 24, 1987 will be made part of the hearing record and considered by the board.

† **September 3, 1987 - 10:30 a.m.** — Open Meeting  
Department of Health, James Madison Building, 109 Governor Street, Main Floor Conference Room, Richmond, Virginia. ☒

A meeting to review public hearing comments and product data for drug products being considered for inclusion in the Virginia Voluntary Formulary.

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

## VIRGINIA WASTE MANAGEMENT BOARD

**August 12, 1987 - 10 a.m.** — Open Meeting  
James Monroe Building, 101 North 14th Street, Conference Room D, Richmond, Virginia. ☒

A general business meeting and election of officers. This meeting is being held in place of the June 26 meeting.

**Contact:** Cheryl Cashman, Information Officer, Department of Waste Management, James Monroe Bldg., 101 N. 14th St., 11th Floor, Richmond, Va. 23219, telephone (804) 225-2667, or the Hazardous Waste Hotline 1-800-552-2075

## STATE WATER CONTROL BOARD

**August 12, 1987 - 2 p.m.** — Public Hearing  
Prince William County Complex, McCourt Building, 4850 Davis Ford Road, Prince William, Virginia

**August 13, 1987 - 1 p.m.** — Public Hearing  
Roanoke County Administrative Center, 3738 Brambleton Avenue, S.W., Community Room, Roanoke, Virginia

**August 14, 1987 - 10 a.m.** — Public Hearing  
Williamsburg/James City Courthouse Council Chambers,

321-45 Court Street-West, Williamsburg, 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: **VR 680-21-00. Water Quality Standards.** The proposed amendments to the Water Quality Standards are to make necessary revisions to comply with the requirement that the standards be reviewed every three years. Water quality standards consist of narrative statements and numerical limits which describe water quality necessary for reasonable beneficial uses.

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

Written comments may be submitted until August 21, 1987, to Doneva Dalton, Hearing Reporter.

**Contact:** Stu Wilson, Water Resources Ecologist, State Water Control Board, P. O. Box 11143, Richmond, Va. 23230, telephone (804) 257-0387

† **August 25, 1987 - 7 p.m.** — Public Hearing  
Bowling Green Town Hall, 117 Butler Street, Bowling Green, Virginia

A public hearing to receive comments on the proposed reissuance of NPDES Permit No. VA0020737 for the Town of Bowling Green's Sewage Treatment Plant, located on Anderson Avenue, Bowling Green, Virginia.

† **September 28, 1987 - 7:30 p.m.** — Open Meeting  
General Assembly Building, Capitol Square, Senate Room B, Richmond, Virginia. ☒

A formal hearing on Solite Corporation to reissue NPDES Permit No. VA0003468 with the pH mixing zone included and grant other relief as deemed appropriate.

† **September 29, 1987 - 9 a.m.** — Open Meeting  
† **September 30, 1987 - 9 a.m.** — Open Meeting  
General Assembly Building, Capitol Square, Senate Room B, Richmond, Virginia. ☒

A regular quarterly meeting.

† **October 1, 1987 - 9 a.m.** — Open Meeting  
Virginia Beach, Virginia (exact location to be determined)

A policy planning session.

**Contact:** Doneva A. Dalton, State Water Control Board, P. O. Box 11143, 2111 N. Hamilton St., Richmond, Va. 23230, telephone (804) 257-6829

## LEGISLATIVE

### JOINT MEETING OF HOUSE APPROPRIATIONS, HOUSE FINANCE AND SENATE FINANCE COMMITTEES

† August 24, 1987 - 9:30 a.m. - Open Meeting  
General Assembly Building, Capitol Square, House Room  
D, Richmond, Virginia. ☐

Agenda topics include a summary of fiscal year-end revenue collections and a review of the 1988-90 capital outlay budget requests.

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

### JOINT SUBCOMMITTEE STUDYING MEDIATION OF CHILD SUPPORT, CUSTODY AND VISITATION

† August 7, 1987 - 10 a.m. - Open Meeting  
General Assembly Building, Capitol Square, House Room C,  
Richmond, Virginia. ☐

Presentation describing media programs and issues by mediators in public and private programs throughout the Commonwealth. HJR 246

Contact: Susan Ward, Staff Attorney, General Assembly Bldg., P. O. Box 3-AG, Richmond, Va. 23208, telephone (804) 786-3591

### VIRGINIA CODE COMMISSION

September 1, 1987 - 9:30 a.m. - The Michie Company  
September 2, 1987 - 9 a.m. - Open Meeting  
Boar's Head Inn, Charlottesville, Virginia

The commission will meet with its publisher, The Michie Company, on Tuesday, September 1.

On Wednesday, September 2, it will complete its work on the revision of Title 54 of the Code of Virginia.

Contact: Joan W. Smith, Registrar of Regulations, General Assembly Bldg., P. O. Box 3-AG, Richmond, Va. 23208, telephone (804) 786-3591

### VIRGINIA STATE CRIME COMMISSION

#### Firearms and Ammunition Subcommittee

August 31, 1987 - 10 a.m. - Public Hearing  
General Assembly Building, Capitol Square, House Room  
D, Richmond, Virginia. ☐

The subcommittee will listen to staff presentations and testimony from various organizations and concerned citizens regarding issues which were proposed for study at the subcommittee meeting June 10, 1987 concerning firearms and ammunition.

Contact: Jan F. Hoen, Research Assistant, P. O. Box 3-AG, Richmond, Va. 23208, or General Assembly Bldg., 9th Fl., Room 915, Richmond, Va. 23219, telephone (804) 225-4534

#### Victims and Witnesses of Crimes Subcommittee

† August 13, 1987 - 10 a.m. - Public Hearing  
City Hall (lower level), 715 Princess Ann Street, City  
Council Chambers, Fredericksburg, Virginia

Chesapeake, Virginia - September date and location to be announced

The subcommittee will be conducting public hearings in Roanoke, Fredericksburg, and Chesapeake, Virginia to hear testimony concerning services provided to crime victims and witnesses. Such services include, but are not limited to, crime victims compensation, notification of victims and witnesses of court dates and procedures, protection of victims and witnesses from harassment and intimidation, notification of parole hearings, required victim impact statements, and other relevant crime victim (issues) considerations.

Contact: Kim Morris, Virginia State Crime Commission, P. O. Box 3-AG, Richmond, Va. 23208, telephone (804) 225-4534

### JOINT SUBCOMMITTEE STUDYING THE HEARSAY RULE AND VIDEO TAPING OF TESTIMONY USED IN CHILD ABUSE CASES

† September 1, 1987 - 10 a.m. - Public Hearing  
General Assembly Building, Capitol Square, House Room C,  
Richmond, Virginia. ☐

The subcommittee will meet for a public hearing and working session.

† September 28, 1987 - 10 a.m. - Open Meeting  
General Assembly Building, Capitol Square, House Room C,  
Richmond, Virginia. ☐

The subcommittee will hold a working session.

Contact: Persons wishing to speak contact: Anne R. Howard, House of Delegates Clerk's Office, P. O. Box 406,



# Calendar of Events

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Richmond, Va. 23203, telephone (804) 786-7681; for additional information contact: Oscar Brinson, Staff Attorney, or Mary K. Geisen, Research Associate, Division of Legislative Services, P. O. Box 3-AG, Richmond, Va. 23208, telephone (804) 786-3591

## JOINT SUBCOMMITTEE STUDYING LENDING INSTITUTIONS' PRACTICES IN COMMERCIAL AND RESIDENTIAL REAL ESTATE CLOSINGS

August 13, 1987 - 10 a.m. - Public Hearing  
General Assembly Building, Capitol Square, House Room D, Richmond, Virginia. ☐

This is second of three public hearings to receive testimony from the public on lending institutions' practices in commercial and residential real estate closings. HJR 228

Contact: Persons wishing to speak contact: Jeff Finch, House of Delegates, Committee Operations Office, House of Delegates, P. O. Box 406, Richmond, Va. 23203, telephone (804) 786-7681; for additional information contact: C. William Cramme, III, Staff Attorney, or Terry M. Barrett, Research Associate, Division of Legislative Services, General Assembly Bldg., 2nd Fl., Richmond, Va. 23219, telephone (804) 786-3591

## JOINT SUBCOMMITTEE STUDYING ROLE OF STATE AND LOCAL GOVERNMENTS INCLUDING SCHOOL DIVISIONS, IN COMPETING WITH PRIVATE FOR-PROFIT DAY-CARE CENTERS AND PROGRAMS.

† August 13, 1987 - 10 a.m. - Open Meeting  
General Assembly Building, Capitol Square, House Room C, Richmond, Virginia. ☐

This study group will meet for a working session. HJR 306

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

## RURAL HOUSING SUBCOMMITTEE OF THE VIRGINIA HOUSING STUDY COMMISSION

† August 11, 1987 - 10 a.m. - Open Meeting  
Wytheville Community College, Wytheville, Virginia

The subcommittee will hear testimony from the general public and addresses by invited speakers on rural housing issues.

Contact: Persons wishing to speak contact: Sharon

Hendrick, Department of Housing and Community Development, 205 N. Fourth St., 7th Fl., Richmond, Va. 23219, telephone (804) 786-5384; for additional information contact: Nancy M. Ambler, Director, Virginia Housing Study Commission, 205 N. Fourth St., 5th Fl., Richmond, Va. 23219, telephone (804) 225-3797

## JOINT SUBCOMMITTEE STUDYING THE PROBLEM OF TEENAGE PREGNANCY IN THE COMMONWEALTH

† August 25, 1987 - 10 a.m. - Open Meeting  
State Capitol, Capitol Square, House Room 4, Richmond, Virginia. ☐

This meeting will be a working session for this two-year study committee. HJR 280

Contact: Norma E. Szakal, Staff Attorney, or Brenda H. Edwards, Research Associate, Division of Legislative Services, P. O. Box 3-AG, Richmond, Va. 23208, telephone (804) 786-3591

## COMMISSION ON VETERANS' AFFAIRS

August 8, 1987 - 10 a.m. - Public Hearing  
Rappahannock Community College (North Campus), Main Lecture Hall, Warsaw, Virginia. ☐

September 11, 1987 - 10 a.m. - Public Hearing  
General Assembly Building, Capitol Square, House Room C, Richmond, Virginia. ☐

The commission will conduct a public hearing, taking testimony from individual veterans, representatives of veterans' organizations, and the general public on any matters concerning Virginia's veterans.

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

## JOINT SUBCOMMITTEE STUDYING ALTERNATIVES FOR IMPROVING WASTE REDUCTION AND RECYCLING EFFORTS

† August 3, 1987 - 10 a.m. - Public Hearing  
General Assembly Building, Capitol Square, House Room C, Richmond, Virginia. ☐

Second meeting of this study group to receive testimony from the private sector with regard to recycling and other areas of waste reduction. HJR 292

Contact: Martin G. Farber, Research Associate, or Mike D. Ward, Staff Attorney, Division of Legislative Services, P. O.

Box 3-AG, Richmond, Va. 23208, telephone (804) 786-3591

## STATE WATER COMMISSION

**August 5, 1987 - 7 p.m. - Business Meeting**  
**August 5, 1987 - 7:30 p.m. - Public Hearing**  
Municipal Building, 215 Church Avenue, S.W., Roanoke City  
Council Chambers, Roanoke, Virginia

**August 6, 1987 - 7 p.m. - Business Meeting**  
**August 6, 1987 - 7:30 p.m. - Public Hearing**  
Municipal Center, Princess Anne and North Landing Roads,  
Virginia Beach City Council Chambers, Virginia Beach,  
Virginia

House Joint Resolution 324 passed by the 1987 General Assembly directs the State Water Commission to study the quality of groundwater in the Commonwealth and to consider ways to protect the quality of private drinking water supplies. HJR 324

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

## CHRONOLOGICAL LIST

### OPEN MEETINGS

#### August 4

† Architects, Professional Engineers, Land Surveyors and Certified Landscape Architects, State Board of  
- Virginia State Board of Professional Engineers  
Auctioneers Board  
Marine Resources Commission  
† Pharmacy, State Board of

#### August 5

† Agriculture and Consumer Services, Board of  
Auctioneers Board  
Funeral Directors and Embalmers, Virginia Board of  
Medicine, Virginia State Board of  
- Informal Conference Committee  
† Migrant and Seasonal Farmworkers Board  
Vocational Education, Virginia Council on

#### August 6

† Architects, Professional Engineers, Land Surveyors and Certified Landscape Architects, State Board of  
- Virginia State Board of Land Surveyors  
Auctioneers Board  
Labor and Industry, Department of  
- Apprenticeship Council

Professional Counselors, Virginia Board of  
Vocational Education, Virginia Council on

#### August 7

Architects, Professional Engineers, Land Surveyors and Certified Landscape Architects, State Board of  
- Land Surveyors, Virginia State Board of  
† Child Support, Custody and Visitation, Joint Subcommittee Studying Mediation of  
General Services, Department of  
- Art and Architectural Review Board  
Professional Counselors, Virginia Board of

#### August 10

† Elections, State Board of  
Medical Care Facilities Certificate of Public Need,  
Commission on

#### August 11

Nursing, Virginia State Board of  
- Informal Conference Committee  
† Rural Housing Subcommittee of the Virginia Housing Study Commission

#### August 12

Corrections, State Board of  
† Library Board,  
- Executive Committee  
Waste Management Board, Virginia

#### August 13

† Emergency Response Council, Virginia  
Long-Term Care Council  
† State and Local Governments, Including School Divisions, in Competing with Private For-Profit Day-Care Centers and Programs, Joint Subcommittee Studying Role of

#### August 14

† Children's Residential Facilities, Interdepartmental Licensure and Certification of  
- Coordinating Committee

#### August 17

Job Training Coordinating Council, Governor's

#### August 18

Cosmetology, Virginia Board of  
† Housing Development Authority, Virginia  
† Medicine, Virginia State Board of  
- Chiropractic Examination Committee

#### August 19

Aviation Board, Virginia  
- 14th Annual Virginia Aviation Conference  
Education, State Board of  
† Real Estate Board, Virginia  
Treasury Board

#### August 20

Aviation Board, Virginia

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- 14th Annual Virginia Aviation Conference  
Education, State Board of  
Nursing, Virginia State Board of  
- Informal Conference Committee  
Commonwealth Transportation Board
- August 21**  
Aviation Board, Virginia  
- 14th Annual Virginia Aviation Conference  
Building Code Technical Review Board, State  
Dentistry, Virginia Board of  
Medicine, Virginia State Board of  
- Informal Conference Committee
- August 22**  
Dentistry, Virginia Board of
- August 24**  
Agricultural Council, Virginia  
† House Appropriations, House Finance and Senate  
Finance Committees, Meeting of
- August 25**  
† Housing and Community Development, Board of  
- Amusement Device Technical Advisory Committee  
† Social Work, Virginia Board of  
† Teenage Pregnancy in the Commonwealth, Joint  
Subcommittee Studying the Problem of
- August 26**  
Funeral Directors and Embalmers, Virginia Board of  
† Health Services Cost Review Council, Virginia  
† Land Evaluation Advisory Council  
† Mental Health, Mental Retardation and Substance  
Abuse Services Board, State  
† Polygraph Examiners Advisory Board  
Sewage Handling and Disposal Appeals Review Board,  
State
- August 27**  
† Medicine, Virginia State Board of  
- Informal Conference Committee  
Public Telecommunications Board, Virginia
- August 28**  
Funeral Directors and Embalmers, Virginia Board of  
Medicine, Virginia State Board of  
- Informal Conference Committee
- September 1**  
Code Commission, Virginia  
Marine Resources Commission  
† Medicine, Virginia State Board of  
- Informal Conference Committee
- September 2**  
Code Commission, Virginia
- September 3**  
† Forestry, Department of  
- Reforestation of Timberlands Board
- † Voluntary Formulary Board, Virginia
- September 4**  
† Land Evaluation Advisory Council
- September 8**  
Norfolk State University  
- Board of Visitors
- September 9**  
† Library Board
- September 11**  
† Commerce, Board of  
† General Services, Department of  
- Art and Architectural Review Board  
- State Insurance Advisory Board
- September 14**  
Medical Care Facilities Certificate of Public Need,  
Commission on
- September 16**  
Corrections, State Board of
- September 17**  
Education, State Board of
- September 18**  
† Commonwealth University, Virginia  
- Health Policy Colloquium  
Education, State Board of
- September 23**  
† Health Services Cost Review Council, Virginia
- September 25**  
† Medicine, Virginia State Board of  
- Credentials Committee
- September 26**  
† Medicine, Virginia State Board of  
- Credentials Committee
- September 28**  
† Hearsay Rule and Video Taping of Testimony Used  
in Child Abuse Cases, Joint Subcommittee Studying the  
† Water Control Board, State
- September 29**  
† Water Control Board, State
- September 30**  
† Water Control Board, State
- October 1**  
† Water Control Board, State

## PUBLIC HEARINGS

**August 3**

Medical Care Facilities Certificate of Public Need, Commission on  
† Waste Reduction and Recycling Efforts, Joint Subcommittee Studying Alternatives for Improving

**August 4**

Medical Care Facilities Certificate of Public Need, Commission on  
Water Commission, State

**August 5**

Water Commission, State

**August 6**

Medical Care Facilities Certificate of Public Need, Commission on  
Water Commission, State

**August 8**

Veterans' Affairs, Commission on

**August 12**

Pharmacy, State Board of  
Water Control Board, State

**August 13**

† Crime Commission, Virginia State  
- Victims and Witnesses of Crimes Subcommittee  
Lending Institutions' Practices in Commercial and Residential Real Estate Closings, Joint Subcommittee Studying  
Water Control Board, State

**August 14**

Fire Services Board, Virginia  
Water Control Board, State

**August 18**

† Rehabilitative Services, Department of

**August 19**

Transportation Board, Commonwealth

**August 24**

Voluntary Formulary Board, Virginia

**August 25**

† Water Control Board, State

**August 28**

Health, Department of

**August 31**

Crime Commission, Virginia State  
- Firearms and Ammunition Subcommittee

**September 1**

† Hearsay Rules and Video Taping of Testimony Used

in Child Abuse Cases, Joint Subcommittee Studying the  
† Mines, Minerals and Energy, Department of

**September 11**

Veterans' Affairs, Commission on

**September 18**

Taxation, Department of

**September 23**

Nursing Home Administrators, State Board of Examiners for

**September 25**

Librarians, State Board for the Certification of

**September 28**

Agriculture and Consumer Services, Department of

**October 7**

Criminal Justice Services Board