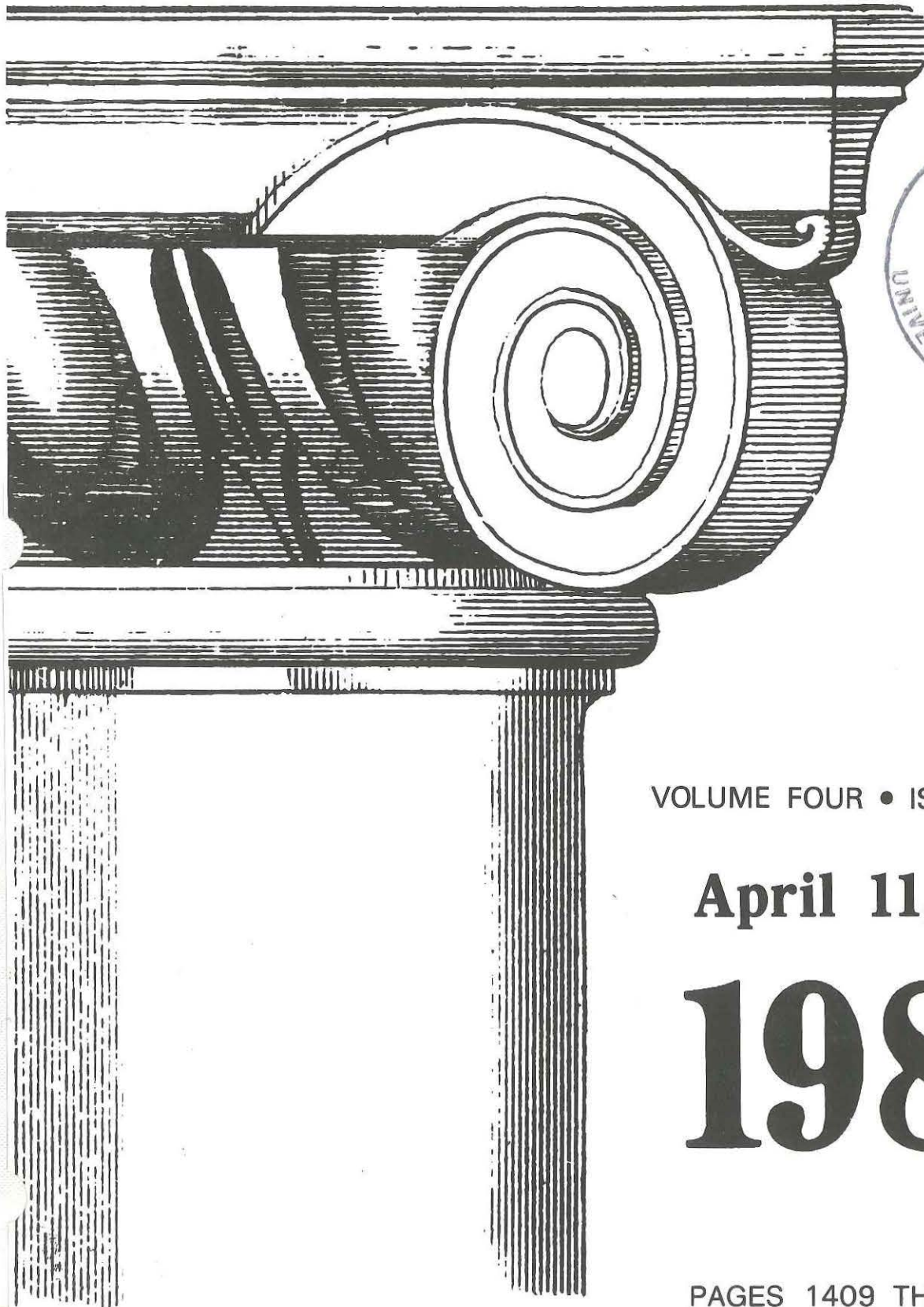
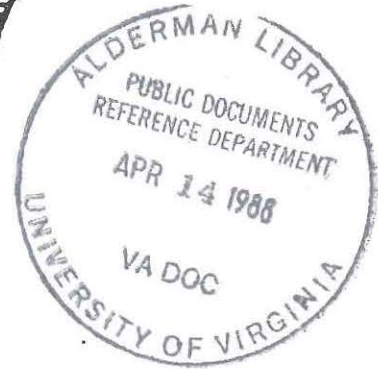


THE VIRGINIA REGISTER

OF REGULATIONS

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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.

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Dec. 30	Jan. 18
Jan. 13	Feb. 1
Jan. 27	Feb. 15
Feb. 10	Feb. 29
Feb. 24	Mar. 14
Mar. 9	Mar. 28
Index - 2nd Issue, Vol. 4	

Mar. 23	Apr. 11
Apr. 6	Apr. 25
Apr. 20	May 9
May 4	May 23
May 18	June 6
June 1	June 20
Index - 3rd Issue, Vol. 4	

June 15	July 4
June 29	July 18
July 13	Aug. 1
July 27	Aug. 15
Aug. 10	Aug. 29
Aug. 24	Sept. 12
Sept. 7	Sept. 26
Final Index - Vol. 4	

Volume 5 - 1988-89

Sept. 21	Oct. 10
Oct. 5	Oct. 24
Oct. 19	Nov. 7
Nov. 2	Nov. 21
Nov. 16	Dec. 5
Nov. 30	Dec. 19
Dec. 14	Jan. 2, 1989
Index 1 - Volume V	

Dec. 28	Jan. 16
Jan. 11	Jan. 30
Jan. 25	Feb. 13
Feb. 8	Feb. 27
Feb. 22	Mar. 13
Mar. 8	Mar. 27
Index 2 - Volume V	

TABLE OF CONTENTS

PROPOSED REGULATIONS

DEPARTMENT OF CORRECTIONS (STATE BOARD OF)

Minimum Standards for Virginia Delinquency Prevention and Youth Development Act Grant Programs. (VR 230-40-005) 1411

Rules and Regulations Governing Applications for Virginia Delinquency Prevention and Youth Development Act Grants. (VR 230-40-006) 1424

DEPARTMENT OF SOCIAL SERVICES)

Virginia Fuel Assistance Program. (VR 615-08-1) 1434

FINAL REGULATIONS

DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES

Rules and Regulations Pertaining to Tolerances and Prohibitions Applicable to Ground Beef. (VR 115-05-12) (REPRINT) 1437

STATE AIR POLLUTION CONTROL BOARD

Regulations for the Control and Abatement of Air Pollution - Particulate Matter (PM10) Regulations. (VR 120-01) 1438

STATE BOARD OF EDUCATION

Regulations Governing Pupil Transportation Including Minimum Standards for School Buses in Virginia. (VR 270-01-0006) 1439

DEPARTMENT OF HEALTH (BOARD OF)

Sewage Handling and Disposal Regulations. (VR 355-34-02) 1473

VIRGINIA HOUSING DEVELOPMENT AUTHORITY

Rules and Regulations. (VR 400-01-0001) 1473

Procedures, Instructions and Guidelines for Single Family Mortgage Loans to Persons and Families of Low and Moderate Income. (VR 400-02-0003) 1486

Procedures, Instructions and Guidelines for the Acquisition of Multi-Family Housing Developments. (VR 400-02-0014) 1505

DEPARTMENT OF LABOR AND INDUSTRY

Safety and Health Codes Board

Formaldehyde Standard (1910.1048). (VR 425-02-35) . 1516

Special Provisions for Air Contaminants (1910.19) (VR 425-02-15) 1516

Air Contaminants (1910.1000). (VR 425-02-36) 1516

Grain Handling Facilities Standard (1910.272). (VR 425-02-37) 1517

Marine Terminals Standard (1917). (VR 425-02-03) ... 1517

DEPARTMENT OF SOCIAL SERVICES (BOARD OF)

Virginia Fuel Assistance Program. (VR 615-08-1) 1519

DEPARTMENT OF TAXATION

Brackets for Collection of the Tax (Retail Sales and Use Tax). (VR 630-10-17) 1521

Dealer's Returns and Payment of the Tax (Retail Sales and Use Tax). (VR 630-10-31) 1522

Transitional Provisions (Retail Sales and Use Tax). (VR 630-10-106) 1523

Vending Machine Sales (Retail Sales and Use Tax). (VR 630-10-110) 1526

COMMONWEALTH TRANSPORTATION BOARD

Hazardous Materials Transportation Rules and Regulations at Bridge-Tunnel Facilities. (VR 385-01-5) (WITHDRAWN) 1528

EMERGENCY REGULATIONS

STATE CERTIFIED SEED BOARD

Rules and Regulations Providing for the Certification of Seeds and Other Material Used for Plant Propagation Purposes. 1529

DEPARTMENT OF TAXATION

Fiduciary Income Tax - Estimated Tax. (VR 630-5-490) 1530

TAX BULLETINS

DEPARTMENT OF TAXATION

Interest Rates. (88-1) 1536

Table of Contents

STATE CORPORATION COMMISSION

BUREAU OF INSURANCE

Gross Premiums Tax Report - Calendar Year 1987 Application for License. (1988-1)	1541
Report of Certain Liability Claims as Required by Virginia Code Section 38.2-2228.1. (1988-2)	1549
Supplemental Report for Certain Lines and Subclassifications of Liability Insurance as Required by Virginia Code Section 38.2-1905.2. (1988-3)	1570
Withdrawal of Administrative Letter 1983-5 Dated June 1, 1983, and Amendments to Administrative Letter 1983-5 Dated August 22, 1983. (1988-4)	1590

GOVERNOR

COMMENTS ON PROPOSED REGULATIONS

DEPARTMENT OF EDUCATION

Regulations Governing Criteria to Identify Toxic Art Materials; Labeling; Use in Elementary Grades Prohibited. (VR 270-01-0051)	1591
---	------

DEPARTMENT OF SOCIAL SERVICES

Division of Licensing Programs

Standards and Regulations for Licensed Homes for Adults. (VR 615-22-02)	1591
---	------

GENERAL NOTICES/ERRATA

NOTICES OF INTENDED REGULATORY ACTION

Notices of Intent	1592
-------------------------	------

GENERAL NOTICES

DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES

Methods Prescribed or Approved for Animal Euthanasia - Division Administration Directive Number 79-1.	1595
Approved Drugs and Drug Administering Equipment - Division Administration Directive Number 83-1.	1597

AIDS: LIVING AND WORKING WITH A NEW EPIDEMIC

Conference held May 9 and 10, 1988.	1599
--	------

NOTICE TO STATE AGENCIES

Forms for filing material on date for publication in the Virginia Register of Regulations	1599
---	------

CALENDAR OF EVENTS

EXECUTIVE

Open Meetings and Public Hearings	1600
---	------

LEGISLATIVE

Open Meetings and Public Hearings	1618
---	------

CHRONOLOGICAL LIST

Open Meetings	1618
Public Hearings	1620

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.

DEPARTMENT OF CORRECTIONS (STATE BOARD OF)

Title of Regulation: VR 230-40-005. Minimum Standards for Virginia Delinquency Prevention and Youth Development Act Grant Programs.

Statutory Authority: §§ 53.1-5 and 53.1-253 of the Code of Virginia.

Public Hearing Dates:

June 28, 1988 - 7 p.m.

July 7, 1988 - 7 p.m.

July 13, 1988 - 10 a.m.

(See Calendar of Events section for additional information)

Summary:

These proposed standards are for the operation of programs developed and implemented under Virginia Delinquency Prevention and Youth Development (DP&YD) Act grants. State law creating this Act requires that a city or county have a youth services citizen board. The standards, composed of three major sections, give guidance to these youth service citizen boards, their staff (i.e., an Office on Youth), and their programs and services.

The standards outline the powers, appointment and qualifications, and responsibilities of the youth services citizen boards. Office on youth administration is addressed and includes such items as goals and objectives, personnel, staff training, fiscal management, and monitoring and evaluation. The standards conclude with requirements concerning programs and services (i.e., comprehensive community youth needs planning, community involvement, and direct service programs).

Preface:

In 1970, the Delinquency Prevention Service was established in recognition of the need to reduce the number of institutionalized children by preventing their contact with the Virginia Juvenile Justice System. The program as founded on several assumptions:

- 1. The causes of juvenile delinquency are to be found, in large part, in conditions and situations that exist in every community.*
- 2. If these conditions and situations are to be changed, there must be a coordinated and systematic effort by each community to identify those which need to be modified.*

3. The involvement of citizens as well as professionals in this process will help assure that each locality will make maximum utilization of existing services before new programs are developed.

In short, it is the philosophy of the Department of Corrections that delinquency prevention is a process of community development. This process should encompass all segments of the community including the young people themselves, and its goal should be to create an environment which will provide for the positive and wholesome development of youth.

In 1974, the Virginia General Assembly enacted legislation officially delegating the responsibility for a delinquency prevention and youth development program to the Department of Corrections. This was followed in 1979 by the Delinquency Prevention and Youth Development Act which provided funds for the operation of community-based delinquency prevention programs. Although compliance with these standards is required by those receiving Act funds, they can also be used as guidelines for the development of a delinquency prevention and youth development program by communities who are not receiving Act funds. The standards require only a minimum of services be provided and establish parameters within which each community is free to develop new and innovative approaches to delinquency prevention.

These standards represent a revision of the 1982 standards and were accomplished by a work group of professionals and citizens from throughout the Commonwealth.

The Code of Virginia is the foundation for the development of Minimum Standards for Delinquency Prevention Programs. Section 53.1-253 of the Code of Virginia directs the State Board of Corrections to prescribe rules and regulations governing applications for grants and standards for the operation of programs developed and implemented under Delinquency Preventions and Youth Development Act grants. The State Board of Corrections is authorized to monitor the activities of the department and its effectiveness in implementing the standards and goals of the board as specified by § 53.1-5 of the Code of Virginia.

The Board of Corrections will certify all Virginia Delinquency Prevention and Youth Development Act grant programs which comply with standards approved by the board. The schedule of required compliance will be in accordance with the certification process

Proposed Regulations

policy adopted by the Board of Corrections.

At the time of adoption by the Board of Corrections, the following standards will replace and supersede the Minimum Standards, The Virginia Delinquency Prevention and Youth Development Act, Department of Corrections, approved by the State Board of Corrections, September 15, 1982. These standards shall become effective on July 1, 1989.

VR 230-40-005. Minimum Standards for Virginia Delinquency Prevention and Youth Development Act Grant Programs.

PART I. INTRODUCTION.

Article 1. Definitions.

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

"Administrative manual" means a written document which contains policies/procedures, rules and regulations, or other operating instructions for a Youth Services Citizen Board and Office on Youth.

"Biennial Operating Plan" means a written plan setting forth measurable objectives for a two-year period (two fiscal years) which will accomplish the goal of developing, coordinating, and evaluating youth services. The Biennial Operating Plan is to be based primarily on the six-year Delinquency Prevention and Youth Development Needs Assessment and Plan.

"Community" means the particular city or county or combination thereof which a Youth Services Citizen Board serves.

"Delinquency Prevention and Youth Development Needs Assessment and Plan" means a document, developed every six years, which analyzes the problems, opportunities and conditions of youth and concludes with a plan of action to meet identified needs.

"Direct service" means a remediation service or reactive process of promoting change for or with an individual or family who has a recognized need or problem. Direct services are also known as secondary or tertiary prevention. Secondary prevention occurs where early detection of problems and early intervention could lead to helpful solutions before problems become more serious and pervasive. Service brokerage for individual remedial services, crisis intervention services (i.e., mobilizing resources for individuals/families to alleviate the immediate impact of stressful events), are secondary prevention. Tertiary prevention attempts to resolve the seriousness of the youth's/family's problems through therapeutic or rehabilitative sources.

"Direct services counseling" means a one-to-one or group relationship involving a trained counselor and focusing on some aspects of a client's adjustment, developmental, or decision-making needs.

"Functional Working Agreement" means a written document indicating an intent on the part of an agency/organization/individual to support, coordinate/cooperate with, refer to, receive referrals from provide a resource or service, serve on a task force/committee, etc.

"Generally accepted accounting principles" means the conventions, rules, procedures, or principles necessary to define accepted accounting practice at a particular time.

"Government agencies" means an administrative division of state or local government.

"Knowledge, skills, and abilities qualifications" means the criteria which sets forth the expectations of a position (formerly a correlative to education/experience qualification).

"Local governing body" means the city council or county board of supervisors of a city or county, respectively. Many governmental services in Virginia are regionalized to serve more than one governmental jurisdiction. Any Youth Services Citizen Board and Office on Youth designed to provide regionalized services to more than one governmental jurisdiction must have the endorsement and support of all affected governing bodies.

"Office on Youth" means the staff and the place of business of the staff to the Youth Services Citizen Board.

"Personnel policy manual" means a written document which contains the conditions of employment including policies, procedures, responsibilities and benefits for employees of an Office on Youth.

"Primary prevention" means the active process of creating conditions that promote the well-being of people. It encompasses activities which impact systems which address causes rather than symptoms. Primary prevention promotes positive youth development before delinquency occurs. Service options of primary prevention include community assessment, planning, community organization, community education, organizational development, consultation, training, parent education, advocacy for changes in conditions, employment development, legislation development, etc.

"Principal administrative officer" means the individual (i.e. city manager or county administrator) who is appointed and paid by a local governing body to implement its decisions.

"Program of public education" means a planned overall approach to provide information to the public related to the needs of youth. Program does not mean a single

activity, but multiple types of activities.

"Self evaluation" means the assessment that a Youth Services Citizen Board performs at least once a fiscal year of its performance and program. Some factors to consider in the self evaluation may include: the relevancy of the Youth Services Citizen Board/Office on Youth program; the performance of the Youth Services Citizen Board's/Office on Youth's program; the performance of the staff; the funding of the Youth Services Citizen Board/Office on Youth and its program; the organization, responsibilities, and functioning of the Youth Services Citizen Board, and the Youth Services Citizen Board and Office on Youth relationships and delegated responsibilities.

"Service agency" means a public or private human service or juvenile justice organization/agency which primarily addresses the needs of youth and families.

"Youth Services Citizen Board" means an organization of citizens created by legislative action of the local governing body(ies) to be responsible for planning and coordination and other functions relative to the system of youth services in the community.

PART II. YOUTH SERVICES CITIZEN BOARD ADMINISTRATION.

Article 1.

Powers, Appointment, and Qualifications of Members.

§ 2.1. The Youth Services Citizen Board shall be established by an ordinance or resolution of the local governing body(ies) of a locality(ies), and shall derive its authority from and be administered by the local governing body(ies). The ordinance or resolution shall be in accordance with §§ 53.1-254 through 53.1-260 of the Code of Virginia.

§ 2.2. The members of the Youth Services Citizen Board, a majority of whom shall be citizens who are not employed by government or service agencies and who are not elected government officials, shall be appointed by the local governing body(ies). At least one member shall be below the age of 18 years.

§ 2.3. Youth Services Citizen Board members shall be appointed for a term of no less than three years and not more than five years; appointments shall be staggered for continuity. Youth members shall serve one-year terms and may be reappointed as eligible.

§ 2.4. No title, position, or agency shall be appointed to the Youth Services Citizen Board.

§ 2.5. The Youth Services Citizen Board shall elect its own officers and establish its own by-laws.

Article 2.

Responsibilities of Youth Services Citizen Boards.

§ 2.6. The Youth Services Citizen Board shall, at a minimum, assist the principal administrative officer in the supervision and administration of the Office on Youth. If the local governing body(ies) deems it appropriate, the Youth Services Citizen Board shall be responsible for supervision and administration of the Office on Youth.

§ 2.7. The Youth Services Citizen Board shall, at a minimum, assist the sponsoring locality's principal administrative officer in establishing for the Office on Youth the following:

1. The number of staff;
2. Written job descriptions; and
3. Written minimum knowledge, skills, and abilities qualifications.

If the local governing body(ies) deems it appropriate, the Youth Services Citizen Board shall approve the following:

1. The number of staff for the Office on Youth;
2. Written job descriptions; and
3. Written minimum knowledge, skills, and abilities qualifications.

§ 2.8. The Youth Services Citizen Board, at a minimum, shall participate in the hiring of the administrator of the Office on Youth. If the local governing body(ies) deems it appropriate, the Youth Services Citizen Board shall hire the administrator for the Office on Youth, and shall delegate, in writing, to the administrator of the Office on Youth, authority for the hiring of staff.

§ 2.9. The principal administrative officer, at a minimum, shall be responsible for developing and maintaining a written administrative manual which shall include policies, procedures, and guidelines for the Office on Youth. This manual shall be available to all Office on Youth staff.

If the local governing body(ies) deems it appropriate for the Youth Services Citizen Board to establish or adopt written policy, then the Youth Services Citizen Board shall:

1. Establish or adopt written policies, for the Office on Youth administrator, relating to delegation of administrative authority.
2. Establish or adopt written policy which prohibits Youth Services Citizen Board members and Office on Youth staff from using their official position to secure privileges for themselves or others and from engaging in activities that constitute conflict of interest.

PART III.

OFFICE ON YOUTH ADMINISTRATION.

Proposed Regulations

Article 1. Goals and Objectives.

§ 3.1. The Office on Youth shall implement the strategies to accomplish the goals and objectives as established and authorized in the Youth Services Citizen Board Biennial Operating Plan.

Article 2. Personnel and Operations.

§ 3.2. The Office on Youth shall have one paid full-time administrator.

§ 3.3. The Office on Youth shall have at least the equivalent of one full-time paid position to assist the administrator with the accomplishment of the goals and objectives of the Youth Services Citizen Board.

§ 3.4. The Office on Youth shall possess an administrative capability including clerical and other support services.

§ 3.5. A written job description with minimum knowledge, skills, and abilities qualifications shall exist for each Office on Youth staff position.

§ 3.6. All Office on Youth staff members shall meet the minimum knowledge, skills, and abilities qualifications established for their respective positions.

§ 3.7. Salary levels and employee benefits for all Office on Youth personnel shall be equitable with comparable occupational groups within the sponsoring locality.

§ 3.8. An Office on Youth, at a minimum, shall be governed by the written personnel policy manual of the sponsoring locality. If the governing body(ies) deems it appropriate, Youth Services Citizen Boards shall develop and approve a written personnel policy manual for Office on Youth employees or adopt the sponsoring locality's.

If the Youth Services Citizen Board develops and approves the written personnel policy manual for Office on Youth employees or adopts the sponsoring locality's, then the Office on Youth personnel policy manual shall include, but not be limited to, policies concerning:

1. Recruitment and selection;
2. Grievance and appeal;
3. Annual employee evaluation;
4. Confidentiality of employee personnel records;
5. Equal employment opportunity;
6. Leave and benefits;
7. Resignations and termination;

8. Promotion, demotion and transfer;

9. Probationary period; and

10. Compensation.

§ 3.9. A copy of the personnel policy manual shall be made available to each Office on Youth employee by the administrator of the Office on Youth.

Article 3. Staff Training and Development.

§ 3.10. A program of training with defined objectives relating to the job description shall be written annually for each position established for the Office on Youth.

§ 3.11. All full-time staff members of the Office on Youth shall have a minimum of 40 hours of training per year based on the written training program.

§ 3.12. All part-time staff members of the Office on Youth, working 20 hours or more per week shall have a minimum of 20 hours of training per year based on the written training program.

Article 4. Fiscal Management.

§ 3.13. The proposed annual operating budget of the Youth Services Citizen Board/Office on Youth shall be approved by the Youth Services Citizen Board prior to submission to the locality's principal administrative officer(s) and governing body(ies).

§ 3.14. The sponsoring locality shall submit, annually to the Department of Corrections the approved operating budget for the Youth Services Citizen Board/Office on Youth showing appropriated revenue and projected expenses for the coming year.

§ 3.15. There shall be a system of financial record keeping for the Youth Services Citizen Board/Office on Youth that is consistent with generally accepted accounting principles.

§ 3.16. There shall be a system of financial record keeping that shows a separation of the Youth Services Citizen Board/Office on Youth accounts from all other records.

§ 3.17. Those members of the Youth Services Citizen Board and Office on Youth staff who have been authorized the responsibility of handling funds of the program shall be bonded.

§ 3.18. A compliance audit by an independent Certified Public Accountant shall be conducted annually on the financial records of the Youth Services Citizen Board/Office on Youth programs in accordance with local and state regulations.

§ 3.19. The sponsoring locality's purchasing policies and procedures shall govern purchasing of supplies, materials, equipment and services.

§ 3.20. The Youth Services Citizen Board shall review, on at least a quarterly basis, income received and disbursements made by the Youth Services Citizen Board/Office on Youth.

Article 5. Monitoring and Evaluation.

§ 3.21. The administrator of the Office on Youth shall circulate/distribute copies of the on-site status report received from the Regional Juvenile Delinquency Prevention Specialist to all members of the Youth Services Citizen Board and the principal administrative officer within 45 calendar days of its receipt.

§ 3.22. The Youth Services Citizen Board shall conduct a self-evaluation at least once a year regarding the board's functioning. Factors to consider in the self evaluation include: the relevancy of the Youth Services Citizen Board/Office on Youth program; the performance of the Youth Services Citizen Board's/Office on Youth's program; the performance of the staff; the funding of the Youth Services Citizen Board/Office on Youth and its program; the organization, responsibilities, and functioning of the Youth Services Citizen Board, and the Youth Services Citizen Board and Office on Youth relationships and delegated responsibilities.

§ 3.23. The administrator of the Office on Youth shall keep a signed dated copy of the annual Youth Services Citizens Board's self evaluation in the office files.

PART IV. PROGRAMS AND SERVICES.

Article 1. Delinquency Prevention and Youth Development Needs Assessment and Plan.

§ 4.1. The Office on Youth shall conduct an assessment of the needs of youth within their jurisdiction at least every six years.

§ 4.2. The assessment of the needs of youth shall include but not be limited to:

A. A detailed compilation of the problems, needs, opportunities and conditions of youth based on:

1. Youth-service agencies' opinions;
2. A survey of public opinion;
3. A survey of youth; and
4. An analysis of available archival data (i.e., court and school statistics, etc.

B. A comprehensive inventory of current programs and resources impacting on youth, including:

1. Identifying information;
2. Program descriptions;
3. Clientele served; and
4. Fee requirements.

§ 4.3. The Youth Services Citizen Board and the Office on Youth, in conjunction with other youth serving agencies, shall develop and approve the written Delinquency Prevention and Youth Development Needs Assessment and Plan for their community(ies).

§ 4.4. The Delinquency Prevention and Youth Development Needs Assessment and Plan shall include, but not be limited to:

1. An analysis of the needs assessment;
2. Recommendations concerning youth service needs of the community; and
3. A plan of action to meet the identified needs.

§ 4.5. The Youth Services Citizen Board shall submit a signed copy of the written six year Delinquency Prevention and Youth Development Needs Assessment and Plan to the local governing body(ies) and the Virginia Department of Corrections within 60 days of Youth Services Citizen Board approval.

Article 2. Biennial Operating Plan.

§ 4.6. The Youth Services Citizen Board and the Office on Youth shall develop a written Biennial Operating Plan, based primarily on the Delinquency Prevention and Youth Development Needs Assessment and Plan, which shall set forth goals, objectives and strategies for the Youth Services Citizen Board and Office on Youth.

§ 4.7. Annually, the Youth Services Citizen Board shall submit a written report to the local governing body and the Virginia Department of Corrections regarding progress toward accomplishment of the Delinquency Prevention and Youth Development Needs Assessment and Plan, and the Biennial Operating Plan.

§ 4.8. The Biennial Operating Plan shall ensure that a program of public education is conducted related to the needs of youth as identified in the Delinquency Prevention and Youth Development and Needs Assessment and Plan.

Article 3. Community Involvement.

§ 4.9. The Youth Services Citizen Board shall document

Proposed Regulations

attempts to add, delete or change laws, policies, and procedures that will improve community conditions for youth development.

§ 4.10. It shall be the responsibility of the Youth Services Citizen Board, through the Office on Youth, to assure that a mechanism exists for all youth and their families to be linked to appropriate services through a 40 hour or more per week referral system in the community. Exceptions to the 40 hours or more per week referral system can be made for locally approved holidays as specified in the sponsoring governing body's personnel policy manual.

§ 4.11. The Office on Youth shall document efforts to promote collaboration among and between other youth serving agencies through the development and updating of functional working agreements with and among other youth-service agencies.

§ 4.12. Letters of understanding, cooperation or agreement outlining expectations of all parties shall be established between the Youth Services Citizen Board/Office on Youth and other agencies identified in the Biennial Operating Plan.

§ 4.13. Consistent with the applicable personnel policies, the Office on Youth shall be accessible to the public by phone or walk-in 40 hours per week.

Article 4. Direct Service Programs.

§ 4.14. The need for the Office on Youth to operate a direct service program shall be documented and included in the Delinquency Prevention and Youth Development Needs Assessment and Plan, and Biennial Operating Plan.

§ 4.15. In order for the Office on Youth to operate a direct service program, documentation shall be submitted for approval to the Department of Corrections with the Biennial Operating Plan to include letters of assurance from the Youth Services Citizen Board and the administrator of the appropriate agency or organization. The letters shall state that the service cannot be provided by existing agencies.

§ 4.16. When a program provides direct counseling services, the administrator of the Office on Youth shall develop written policy and procedure governing counseling case record management to include, but not be limited to:

1. Confidentiality;
2. Release of information; and
3. Destruction of records.

§ 4.17. Direct counseling services case records shall be basically uniform as to content and arrangement of content.

§ 4.18. The direct counseling services case files shall include, but not be limited to the following:

1. Face sheet;
2. Reason for referral;
3. Assessment/evaluation;
4. Case narrative;
5. Correspondence;
6. Counseling service plan; and
7. Reason for termination and date.

§ 4.19. The direct counseling services face sheet shall contain the following client information:

1. Name;
2. Sex;
3. Race;
4. Date of birth;
5. Name of parents or legal guardian(s);
6. Address of child, parent or legal guardian(s);
7. Telephone number;
8. Referral source; and
9. Date of initial contact.

§ 4.20. Each direct counseling services case shall be reviewed and evaluated by the administrator of the Office on Youth at least once every 90 days to determine the appropriateness of the counseling plan and continued service delivery.

§ 4.21. The direct counseling services plan shall be discussed with the client (juvenile or family) within the initial 30 days and at least every 90 days thereafter.

§ 4.22. The written direct counseling service plan shall be reviewed by the administrator of the Office on Youth before being implemented.

§ 4.23. Counselors or existing staff assigned to provide direct counseling services shall receive, at a minimum, 40 hours of annual training. At least 20 of these hours shall be in counseling theory and techniques.

NEW APPLICATION

Date of Receipt by DOC: _____
DOC Project ID Number: _____

COMMONWEALTH OF VIRGINIA
DEPARTMENT OF CORRECTIONS

Delinquency Prevention and Youth Development Act Grant Program

Application for Funds for the
July 1, 1988 through June 30, 1989
Funding Period

1. Applicant: _____
 2. Jurisdiction(s) included in Proposed Project: _____
If a multi-jurisdictional project, list jurisdiction that will administer the project: _____
 3. Maintenance of effort amount: \$ _____
 4. Program Budget:
 - Amount Requested from State \$ _____
 - Local Match \$ _____
 - Other Local Monies \$ _____
 - Federal Monies \$ _____
 - Funds committed to program for all other sources \$ _____
 5. Proposed starting date of this Project _____
- | | | |
|-------------------------------|----------------------|---------------------|
| 6a. City/County Administrator | 6b. Project Director | 6c. Finance Officer |
| Name _____ | _____ | _____ |
| Title _____ | _____ | _____ |
| Address _____ | _____ | _____ |
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| Phone Number _____ | _____ | _____ |

II. INTRODUCTION

A. STATEMENT OF COMPLIANCE TO RULES AND REGULATIONS/MINIMUM STANDARDS

The youth services citizen board of the program for which funds are being sought through this grant proposal is in accordance with Minimum Standards 1.02 and 1.03 of the Delinquency Prevention and Youth Development Act: "This composition of a youth services citizen board shall include private citizens, youth representatives, and professionals with experience in fields such as youth services, medicine, law, and education." "A majority of the youth services citizen board's members shall not be employed by government or service agencies and who are elected governmental officials."

Additionally, the governing body of our unit of local government is aware of that a local match of not less than 25% of the total award is necessary if this application is to be approved (Section 51.1-254, Code of Virginia).

Grant Finance Officer _____ Date

City or County Administrator _____ Date

Chair, Youth Services Citizen Board _____ Date

WORKPLAN REVIEWED
AND APPROVED: _____
Regional Administrator
Division of Youth Services
Department of Corrections _____ Date

3

B. LOCAL ORDINANCE OR RESOLUTION: Minimum Standard 1.01; Section 53, 1-254, Code of Virginia.

(Enclose a copy)

C. Youth Services Citizen Board Composition Documentation: Standard 1.01 and 1.03; Section 53.1-259, Code of Virginia.

(Enclose accompanying documentation of Board composition to include a list of Board member's names, primary occupation/place of employment, and term of office.

NAME	PRIMARY OCCUPATION/ PLACE OF BUSINESS	TERM EXPIRATION DATE
------	--	----------------------

4

D. LETTERS OF COORDINATION AND SUPPORT

1. List the groups (agencies, organizations, citizen groups, etc.) which have assisted or supported the Steering Committee, Youth Services Citizen Board, or Office on Youth in the development of the grant proposal.

2. Obtain and submit with grant application formal letters of support, coordination and/or cooperation which address the following:
- a. That there is a need for such program.
 - b. That this program will not duplicate an existing or proposed service for another agency.
 - c. That the person writing the letter will be supportive of the new program.
 - d. An intent to cooperate, coordinate with, refer to, receive referrals from, provide a service, serve on a task force, etc. as necessary and appropriate to make the programs successful.

6

III. PROJECT DESCRIPTION, WORKPLAN, AND NEED FOR ACTION

List on Workplan forms (page 7), the specific objectives of the program with the expected action steps, timetables, and a brief statement of the need for action.

5

E. PROGRAM CREDIBILITY

Describe the development of the Steering Committee, its activities, and its accomplishments (See Section VI.A.2., Development Process to Establish a Youth Services Board and Office on Youth, pages 7 and 8 of the Rules and Regulations for the DP&YD Act).

DC-01-0589

VIRGINIA DELINQUENCY PREVENTION
AND YOUTH DEVELOPMENT ACT PROGRAMS

REQUEST FOR FUNDS

11

VI. ANNUAL COMPLIANCE AUDIT METHOD

"A compliance audit by an independent Certified Public Accountant shall be conducted annually on the financial records of the youth services citizen board/office on youth programs in accordance with local, state and federal regulations." Minimum standard 2.02, DP&YD Act (See also Section VII.B.5., Rules and Regulations, DP&YD Act).

State below the method which will be used to satisfy the audit requirement:

GRANTEE: _____ GRANT NUMBER: _____

PROJECT TITLE: _____

PERIOD COVERED BY THIS REQUEST FROM: _____ TO: _____

ANTICIPATED EXPENDITURES FROM DEPARTMENT OF
CORRECTIONS FUNDS FOR UPCOMING QUARTER (INCLUDE
ENCUMBRANCES WHICH WILL BE LIQUIDATED) \$ _____

ESTIMATED CASH BALANCE ON HAND AT
BEGINNING OF QUARTER _____

CASH ADVANCE REQUESTED FOR NEXT QUARTER \$ _____

SIGNATURE OF AUTHORIZED OFFICIAL DATE

DEPARTMENT OF CORRECTIONS AUTHORIZATION

TOTAL GRANT AWARDED \$ _____

FUNDS PREVIOUSLY DISBURSED FROM DEPT. _____

AMOUNT REQUESTED FOR ADVANCE FOR
NEXT QUARTER _____

UNEXPENDED GRANT BALANCE \$ _____

THIS REQUEST FOR FUNDS IS APPROVED
IN THE AMOUNT OF \$ _____

REGIONAL DELINQUENCY PREVENTION
SPECIALIST

DATE

RECEIVED AND REVIEWED BY DIVISION OF FINANCE: _____
GRANTS ACCOUNTANT

DATE

THIS FORM MUST BE ACCOMPANIED BY DEPARTMENT OF ACCOUNTS INVOICE (FORM DA-02-038)

DC-01-0590

VIRGINIA DELINQUENCY PREVENTION
AND YOUTH DEVELOPMENT ACT PROGRAMS

QUARTERLY FINANCIAL REPORT

GRANTEE: _____ GRANT NUMBER: _____

PROJECT TITLE: _____

REPORT PERIOD ENDING () 9/30 () 12/31 () 3/31 () 6/30 () Final

SUMMARY OF EXPENDITURES

	Approved Grant Budget		Year-to-Date Expenditures			
	DOC	Local/Other	DOC	Local/Other		TOTAL
	Amount	Amount	Cash	Cash	In-Kind	
Personnel						
Consultants						
Travel						
Equipment						
Supplies/Other						
Total						
Percentage Ratio	%	%				

	DOC	Local/Other	In-Kind	Total
Total Funds Received Year-to-Date				
Total Cash Expenditures Year-to-Date				
Unexpended Cash Balance				

Unpaid Obligations At End of Period			
	DOC	Local/Other	Total
Consultants			
Equipment			
Other			
Total			

Certification

I certify that this report presents actual receipts and expenditures of funds for the total grant to date, all made in accordance with the approved budget of the above mentioned grant.

SIGNATURE OF AUTHORIZED OFFICIAL _____

DATE _____

SIGNATURE OF REGIONAL PREVENTION SPECIALIST _____

DATE _____

Proposed Regulations

Title of Regulation: VR 230-40-006. Rules and Regulations Governing Applications for Virginia Delinquency Prevention and Youth Development Act Grants.

Statutory Authority: §§ 53.1-5 and 53.1-253 of the Code of Virginia.

Public Hearing Dates:

June 28, 1988 - 7 p.m.
July 7, 1988 - 7 p.m.
July 13, 1988 - 10 a.m.

(See Calendary of Events section for additional information)

Summary:

These proposed regulations explain the necessary procedure for a locality to use when obtaining a Virginia Delinquency Prevention and Youth Development Act grant. Eligibility rules for application are listed as well as evaluation criteria for application review and funding. The regulations conclude with an outline of the review and award process.

Preface:

The Delinquency Prevention and Youth Development Act authorizes the Director of the Virginia Department of Corrections to make grants to counties and cities "to promote efficiency and economy in the delivery of youth services and to provide support to localities seeking to respond positively to the growing rate of juvenile delinquency."

This legislation, and the minimum standards developed for Act grant programs, seek the improvement of services to youth at the local level through a systems approach to service development and increased input by local citizenry. The Act and standards do not seek to restrict communities from using funds provided under the Act, but they do require that certain minimum activities and services exist before funds may be used for other services.

The intent of the Act and the minimum standards is to aid communities in establishing a single mechanism (Youth Services Citizen Board/Office on Youth) to help plan and coordinate youth services in a community in order to increase the efficiency and accessibility of these services. The use of funds under the Act for the establishment or continuance of direct service functions is discouraged except where the need for such a direct service has been justified in a completed comprehensive plan.

The emphasis in delinquency prevention is on the community and must remain on the community for any significant youth development or delinquency

prevention program to occur. The Juvenile Delinquency Prevention Program of the Virginia Department of Corrections is based on the premise that the causes of juvenile delinquency are to be found, in large part, in conditions and situations that exist in every community. If these conditions and situations are to be changed, there must be a coordinated and systematic effort by the community to identify those things which might need to be modified. The involvement of citizens as well as agency personnel in this process assures that the community will make maximum utilization of existing agency programs before new programs are developed. A more complete description of these concepts can be found in the booklet Preventing Delinquency in Your Community: A Citizens Manual available from the Virginia Department of Corrections.

The Code of Virginia is the foundation for the development of Rules and Regulations Governing Applications for Virginia Delinquency Prevention and Youth Development Act Grants. Section 53.1-253 of the Code of Virginia directs the State Board of Corrections to prescribe rules and regulations governing applications for grants and standards for the operation of programs developed and implemented under Delinquency Prevention and Youth Development Act grants. The State Board of Corrections is authorized to monitor the activities of the department and its effectiveness in implementing the standards and goals of the board as specified by § 53.1-5 of the Code of Virginia.

At the time of adoption by the Board of Corrections, the following rules and regulations shall replace and supersede the Rules and Regulations for the Virginia Delinquency Prevention and Youth Development Act, Department of Corrections, approved by the State Board of Corrections, January 12, 1983. The rules and regulations shall become effective on July 1, 1989.

VR 230-40-006. Rules and Regulations Governing Applications for Virginia Delinquency Prevention and Youth Development Act Grants.

**PART I.
INTRODUCTION.**

§ 1.1. Definitions.

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

"Comprehensive Plan" means the document, developed every six years, which analyzes the problems, opportunities, and conditions of youth and concludes with a plan of action to meet identified needs.

"Local governing body" means the city council or county board of supervisors of a city or county, respectively.

Many governmental services in Virginia are regionalized to serve more than one governmental jurisdiction. Any Youth Services Citizen Board and Office on Youth designed to provide regionalized services to more than one governmental jurisdiction must have the endorsement and support of all affected governing bodies.

"Local match" means the portion of the operating budget of a youth services citizen board which is appropriated by a local governing body(ies) from local government revenues. Section 53.1-256 requires a locality(ies) to provide a minimum amount of at least 25% of the total operating budget as local match. Local match is limited to:

1. Cash.
2. Equipment acquired by a Virginia Delinquency Prevention and Youth Development Act grant program during the grant funding period, and where the value for such equipment can be documented. Equipment may be used as local match only for the year during which it is acquired.
3. Rental, leasing, phone, and utility costs of office space where those costs exist because of the creation or existence of the program.
4. Salaries or percentage of salaries for time spent on the program may only be for individuals in an employee/supervision relationship under the administrator of an Office on Youth.

"Maintenance of effort" means the initial annual level of appropriations to the operation of a Youth Services Citizen Board that a locality must maintain in order to continue to qualify to receive Virginia Delinquency Prevention and Youth Development Act grant funds. This maintenance level is the level of funds allocated only at the point of the initial year of Act grant award to a locality. A locality need not maintain a previous year's allocation, if the previous year's allocation was greater than the amount allocated the first year the locality had an Act grant.

"Steering committee" means a group of individuals composed of a cross-section of community members which develops a proposal for initiating a Youth Services Citizen Board and Office on Youth in a locality. The steering committee shall be composed of individuals including, but not limited to, representation from private citizens, local governing body(ies), youth, youth-serving agencies in the public and private sector, and other planning bodies.

"Youth Services Citizen Board" means an organization of citizens created by legislative action of the local governing body(ies) to be responsible for planning and coordination and other functions relative to the system of youth services in the community.

PART II. ADMINISTRATION.

§ 2.1. Assigned responsibilities for administration of the Virginia Delinquency Prevention and Youth Development Act grant program.

A. The authority for making grants under this Act lies with the director of the Department of Corrections operating in conformance with the minimum standards for the Act and these rules and regulations as approved by the Board of Corrections.

B. Responsibility for the administration of the programmatic aspects of the Act lies with the deputy director for youth services through the regional administrators and the regional juvenile delinquency prevention specialists.

C. Responsibility for the dispersal of Act grant funds and the monitoring of the usage of those funds will lie with the Department of Corrections' comptroller, who will report to the director of the Department of Corrections.

D. Accountability for the use of Act grant funds at the local level lies with the local unit of government applying for the funds and cannot be delegated to another public or private agency, if that agency is acting as the Office on Youth.

E. The central office juvenile delinquency prevention specialist will aid the deputy director for youth services in all matters that pertain to Act grants at the statewide level.

F. The regional juvenile delinquency prevention specialists will serve as the principal contacts within their respective regions with communities wishing to receive grant funds under the Act. Their responsibilities include technical assistance, development of regional review boards, and monitoring of the on-going programs using Act grant funds. They will serve also as the principal contact with the department's financial personnel responsible for the financial aspects of the Act grants.

PART III. FINANCE.

§ 3.1. Funding authority and limitations.

A. Funds are appropriated for the implementation of the Delinquency Prevention and Youth Development Act by the Virginia General Assembly.

B. Subject to funds provided by the General Assembly the Department of Corrections will establish annually a maximum possible dollar amount of state funding from Act grant moneys per program per year.

C. Grants made to a county or city shall be of an amount up to 75% of the total program budget for the proposed program for salaries and other operating expenses including the lease of facilities subject to funds provided by the General Assembly.

Proposed Regulations

D. Participating counties and cities may not use funds provided under the Virginia Delinquency Prevention and Youth Development Act grant program to decrease those funds appropriated by a local governing body for youth services citizen boards with the exception of those programs being funded with revenues from federal grants (i.e. Act grant funds may not supplant local funds).

PART IV. ELIGIBILITY RULES.

§ 4.1. Eligibility for application.

A. Any Virginia county or city or combination thereof may apply to the director of the Virginia Department of Corrections for a Virginia Delinquency Prevention and Youth Development Act grant.

B. Prior to applying to the director each governing body of a county or city which is to participate in the grant shall enact an appropriate ordinance or resolution which provides for the:

1. Creation of a youth services citizen board in accordance with § 53.1-259 of the Code of Virginia;
2. Preparation of a six-year comprehensive plan based on an objective assessment of the community's needs and resources for developing, coordinating, and evaluating youth services; and
3. Funding of the local share of the grant.

C. Being eligible for application does not automatically ensure funding under the Act grant program. See the criteria for application review and funding in Part V.

D. Prior to submitting an application for first-time funding the following process shall be accomplished in developing a proposal for grant funding:

1. A proposal for a Youth Services Citizen Board and Office on Youth shall be developed in a community by a steering committee of individuals including, but not limited to, representation from private citizens, local governing body(ies), youth, youth-serving agencies in the private and public sectors, and other planning bodies. The proposal for a Youth Services Citizen Board and Office on Youth shall be developed by a cross-section of the community, not a single agency or private interest. Simple endorsement of the proposal by various components of the community is insufficient. A cross-section of the community must be directly involved in the development process.
2. The steering committee shall submit a letter of notification to the local governing body(ies) detailing its functions.
3. The steering committee shall document in writing for the local governing body(ies) the need for the

coordination and planning that a Youth Services Citizen Board and Office on Youth would be expected to provide.

4. The proposal for a Youth Services Citizen Board and Office on Youth shall not be in conflict with local ordinances/resolutions and shall agree to comply with all state rules and regulations pertaining to the Act grant program.

E. Prospective applicants for Act grant funding are to contact their regional juvenile delinquency prevention specialist in the Department of Corrections' regional office for technical assistance in the development of a grant proposal, and for any needed clarification of application procedures.

PART V. EVALUATION CRITERIA.

§ 5.1. Criteria for application review and funding.

A. In any fiscal year, funding is subject to the availability of funds as determined by appropriations from the General Assembly.

B. Preference for grant awards will be given in order of priority to those proposals submitted by:

1. Existing programs which have received funds from the previous year and have performed satisfactorily as measured by certification and monitoring processes.
2. Existing programs, not previously funded under the Act, which already meet the "Minimum Standards for Virginia Delinquency Prevention and Youth Development Act Grant Programs."
3. New programs which have fulfilled eligibility requirements under Part IV.

C. Where the above criteria appear equal among two or more applicants, preference will be given to those program proposals best documenting:

1. Community need;
2. Sound management design;
3. Probable community impact; and
4. Community input and support.

PART VI. THE REVIEW PROCESS.

§ 6.1. Regional review.

A. All Act grant proposals in a particular administrative region of the Virginia Department of Corrections will be received by the regional juvenile delinquency prevention

specialist for processing.

B. A regional review panel in each region appointed by the regional administrator will review and make recommendations for funding for those grant proposals from that region. Recommendations and copies of all proposals will be sent to the Deputy Director, Division of Youth Services, Department of Corrections.

§ 6.2. Central review and award.

A. The Deputy Director's office, Division of Youth Services will review the recommendations from the regional review panels and make final recommendations for funding to the Director, Department of Corrections.

B. The director of the Department of Corrections will have final authority to approve or disapprove grant proposals.

VR 230-40-006

VR 230-40-006

3

B. LOCAL ORDINANCE OR RESOLUTION: Minimum Standard 1.01; Section 53, 1-254, Code of Virginia.

(Enclose a copy)

C. Youth Services Citizen Board Composition Documentation: Standard 1.01 and 1.03; Section 53.1-259, Code of Virginia.

(Enclose accompanying documentation of Board composition to include a list of Board member's names, primary occupation/place of employment, and term of office.

NAME	PRIMARY OCCUPATION/ PLACE OF BUSINESS	TERM EXPIRATION DATE
------	--	----------------------

4

D. LETTERS OF COORDINATION AND SUPPORT

1. List the groups (agencies, organizations, citizen groups, etc.) which have assisted or supported the Steering Committee, Youth Services Citizen Board, or Office on Youth in the development of the grant proposal.

2. Obtain and submit with grant application formal letters of support, coordination and/or cooperation which address the following:

- a. That there is a need for such program.
- b. That this program will not duplicate an existing or proposed service for another agency.
- c. That the person writing the letter will be supportive of the new program.
- d. An intent to cooperate, coordinate with, refer to, receive referrals from, provide a service, serve on a task force, etc. as necessary and appropriate to make the programs successful.

VR 230-40-006

5

E. PROGRAM CREDIBILITY

Describe the development of the Steering Committee, its activities, and its accomplishments (See Section VI.A.2., Development Process to Establish a Youth Services Board and Office on Youth, pages 7 and 8 of the Rules and Regulations for the DP&YD Act).

VR 230-40-006

6

III. PROJECT DESCRIPTION, WORKPLAN, AND NEED FOR ACTION

List on Workplan forms (page 7), the specific objectives of the program with the expected action steps, timetables, and a brief statement of the need for action.

Proposed Regulations

WORKPLAN

Delinquency Prevention and Youth Development Act

Locality: _____
 Funding Period: _____

Objective # _____

ACTION STEPS	PLANNED		STAFF ASSIGNED/ COORDINATED RESOURCES	DOCUMENTATION OF COMPLETION	STATEMENT OF NEED FOR OBJECTIVE/ COMMENTS
	BEGIN	END			

IV. PROJECT BUDGET SUMMARY

BUDGET CATEGORY	STATE FUNDS	LOCAL MATCH		TOTAL	OTHER FUNDS
		CASH	IN-KIND		
A. Personnel					
B. Consultants					
C. Travel					
D. Equipment					
E. Supplies & Other Operating Expenses					
TOTAL PROJECT					

V. INDIVIDUAL BUDGET CATEGORIES

A. PERSONNEL

POSITION TITLE	SALARY RATE	MAN HOURS DEVOTED	STATE FUNDS	LOCAL MATCH		TOTAL
				CASH	IN-KIND	
TOTAL						
Fringe Benefits (Iteruize)						
TOTAL						
TOTAL PERSONNEL						

VR 230-40-006

9

V. INDIVIDUAL BUDGET CATEGORIES (Continued)

B. CONSULTANTS	STATE FUNDS	LOCAL MATCH		TOTAL
		CASH	IN-KIND	
Type of Consultation Fee Basis				
TOTAL				

(Consultant Travel to be included here)

C. TRAVEL	STATE FUNDS	LOCAL MATCH		TOTAL
		CASH	IN-KIND	
Itemize Transportation and subsistence for Project Personnel Only				
TOTAL				

D. EQUIPMENT	STATE FUNDS	LOCAL MATCH		TOTAL
		CASH	IN-KIND	
Itemize Purchase: Quantity, Unit, Price				
Lease or Rental: Quantity, Unit, Price				
TOTAL				

VR 230-40-006

10

V. INDIVIDUAL BUDGET CATEGORIES (Continued)

E. SUPPLIES, LEASING OR RENTAL, AND OTHER OPERATING EXPENSES	STATE FUNDS	LOCAL MATCH		TOTAL
		CASH	IN-KIND	
Itemize				
TOTAL				

VR 230-40-006

11

VI. ANNUAL COMPLIANCE AUDIT METHOD

"A compliance audit by an independent Certified Public Accountant shall be conducted annually on the financial records of the youth services citizen board/office on youth programs in accordance with local, state and federal regulations." Minimum standard 2.02, DP&YO Act (See also Section VII.B.5., Rules and Regulations, DP&YO Act).

State below the method which will be used to satisfy the audit requirement:

Proposed Regulations

DEPARTMENT OF SOCIAL SERVICES (BOARD OF)

Title of Regulation: VR 615-08-1. Virginia Fuel Assistance Program.

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

Public Hearing Date: June 22, 1988 - 9 a.m.

Summary:

The proposed amendments make several changes to the Fuel Assistance Component. Any alien, other than a Cuban or Haitian entrant or one who is an aged, blind or disabled individual, who has obtained the status of an alien lawfully admitted for temporary residence is ineligible for a period of five years from the date such status was obtained. Liquid resources for a household which does not contain a member who is 60 years of age or older or disabled, cannot exceed \$2,000. Total local administrative expenditures for the implementation of the Fuel Assistance Program shall not be reimbursed in excess of 7.0% of the program grant allocation.

VR 615-08-1. Virginia Fuel Assistance Program.

PART I. DEFINITIONS.

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

"Department" means the Department of Social Services.

"Disabled person" means a person receiving Social Security disability, Railroad Retirement Disability, 100% Veterans Administration disability, Supplemental Security Income as disabled, or an individual who has been certified as permanently and totally disabled for Medicaid purposes.

"Elderly person" means anyone who is 60 years of age or older.

"Household" means an individual or group of individuals who occupy a housing unit and function as an economic unit by: purchasing residential energy in common (share heat); or, making undesignated payments for energy in the form of rent (heat is included in the rent).

"Poverty guidelines" means the Poverty Income Guidelines as established and published annually by the Department of Health and Human Services.

"Primary heating system" means the system that is currently used to heat the majority of the house.

"Resources" means cash, checking accounts, savings account, saving certificates, stocks, bonds, money market

certificates, certificates of deposit, credit unions, Christmas clubs, mutual fund shares, promissory notes, deeds of trust, individual retirement accounts, prepaid funeral expenses in excess of \$900, or any other similar resource which can be liquidated in not more than 60 days.

"Energy-related, weather-related, or supply shortage emergency" means a household has: no heat or an imminent utility cut-off; inoperable or unsafe heating equipment; major air infiltration of housing unit; or a need for air conditioning because of medical reasons.

PART II. FUEL ASSISTANCE.

§ 2.1. The purpose of the Fuel Assistance Program is to provide heating assistance to eligible households to offset the costs of home energy that are excessive in relation to household income.

A. Eligibility criteria.

1. **Income limits.** Maximum income limits shall be at or below 150% of the Poverty Guidelines. In order to be eligible for Fuel Assistance, a household's income must be at or below the maximum income limits.

2. **Resource limits.** The resource limit for a household containing an elderly or disabled person shall be \$3,000. The resource limit for all other households shall be ~~\$1,500~~ \$2,000. In order to be eligible for Fuel Assistance, a household's resources must be at or below the amount specified.

3. **Alien Status.** An alien who is not lawfully admitted into the USA is ineligible for benefits. Any alien who has obtained the status of an alien lawfully admitted for temporary residence is ineligible for a period of five years from the date such status was obtained. This shall not apply to a Cuban or Haitian entrant or to an alien who is an aged, blind or disabled individual.

B. Resource transfer.

Any applicant of fuel assistance shall be ineligible for that fuel season if he improperly transfers or otherwise improperly disposed of his legal or equitable interest in nonexempt liquid resources without adequate compensation within one year of application for Fuel Assistance.

Compensation that is adequate means goods, services or money that approximates the value of the resources.

This policy does not apply if any of the following occur:

1. The transfer was not done in an effort to become eligible for Fuel Assistance;

2. The resource was less than the allowable resource limit;

3. The disposition or transfer was done without the person's full understanding.

§ 2.2. Benefits.

Benefit levels shall be established based on income in relation to household size, fuel type, and geographic area, with the highest benefit given to households with the least income and the highest energy need.

Geographic areas are the six climate zones for Virginia recognized by the National Oceanic and Atmospheric Administration and the United States Department of Commerce. The six climate zones are: Northern, Tidewater, Central Mountain, Southwestern Mountain, Eastern Piedmont, and Western Piedmont.

Each year, the Division of Energy within the Department of Mines, Minerals and Energy will supply data on the average costs of various fuels.

Each year the benefit amounts for each geographic area shall be determined by the following method:

A. A projection will be made of the number of households who will apply for Fuel Assistance. The projection will be based on the number of households who applied the previous year increased by the additional number of people who applied the year before.

B. An average grant per household will be determined based on the estimated amount of funds that will be available for benefits.

$$\frac{\$ \text{ available}}{\text{no. of households}} = \text{average grant}$$

C. The benefits for each geographic area will be determined by using the average grant as a base figure and obtaining the highest and lowest benefits by using a ratio for each area based on degree days and the cost of various fuel types.

PART III. ENERGY CRISIS ASSISTANCE PROGRAM.

§ 3.1. The purpose of the Energy Crisis Assistance Program component is to assist households with energy-related, weather-related or supply shortage emergencies. This component is intended to meet energy emergencies that cannot be met by the Fuel Assistance Program or other local resources.

A. Eligibility criteria.

In order to be eligible for Energy Crisis Assistance, a household shall meet the following criteria:

1. All of the Fuel Assistance Program criteria as set forth in Part II, § 2.1;

2. Have an energy-related, weather-related or supply shortage emergency as defined in Part I;

3. Other resources cannot meet the emergency (including Fuel Assistance);

4. Did not receive Energy Crisis Assistance during the current federal fiscal year: October 1 - August 31.

B. Benefits.

An eligible household can receive no more than \$200 for Energy Crisis Assistance during any federal fiscal year, unless the assistance is for the major repair or replacement of heating equipment, in which case the maximum amount of assistance shall be \$500.

The following forms of assistance shall be provided:

1. Repairs or replacement of inoperable or unsafe heating equipment;

2. Payment of electricity when it is needed to operate the primary heating equipment. Payment will be limited to a portion of the bill unless the household's income is zero in which case the entire bill will be paid up to the \$200 maximum ;

3. A one-time-only payment per fuel type of a heat-related utility security deposit.

The following forms of assistance can be provided at local option:

1. Providing space heaters.

2. Providing blankets or warm clothing.

3. Providing emergency shelter.

4. Emergency repairs of dwelling to prevent heat loss.

5. Other (locality must specify).

PART IV. COOLING ASSISTANCE PROGRAM.

§ 4.1. The Cooling Assistance program is an optional component of the Fuel Assistance Program that is designed to provide help to persons medically in need of cooling assistance due to the heat.

Local agencies who choose this option will be given a separate allocation that will be based on a percentage of their ECAP allocation and will provide the assistance no earlier than June 15 through no later than August 31.

A. Eligibility criteria.

In order to be eligible for cooling assistance, a

Proposed Regulations

household must meet all of the fuel assistance eligibility criteria and must be in critical medical need of cooling.

B. Benefits.

The assistance is limited to: no more than \$200 for repairing or renting a fan or air conditioner, purchasing a fan, or paying an electric bill or security deposit; or no more than \$400 for purchasing an air conditioner.

~~PART IV.~~ V. ADMINISTRATIVE COSTS.

~~§ 4.1.~~ § 5.1. Local administrative expenditures for the implementation of the Fuel Assistance Program shall not be reimbursed in excess of ~~whichever is the higher of 9.0% of the agency's allocation or 125% of the average administrative cost per case for the previous year~~ 7.0% of the program grant allocation .

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

Editor's Note: The following final regulation is being republished due to error. The error is bracketed in the last paragraph. This regulation was published December 8, 1986, Volume 3, Issue 5.

Title of Regulation: VR 115-05-12. Rules and Regulations Pertaining to Tolerances and Prohibitions Applicable to Ground Beef.

Statutory Authority: §§ 3.1-394 and 3.1-398 of the Code of Virginia.

Effective Date: January 7, 1987

Summary:

These amendments were necessary to promote clarity, simplicity and the improvement of sentence structure. These changes came about as the result of the Virginia Department of Agriculture and Consumer Services revised agency work plan for the review of existing regulations conducted in accordance with the Robb Administration's Executive Policy Memorandum 1-82 and Administration and Finance Temporary Directive 2-82.

These amendments were adopted by the Board of Agriculture and Consumer Services without a formal public hearing. The hearing requirements which are set forth in the Administrative Process Act were satisfied by the regulatory review process.

Virginia Department of Agriculture and Consumer Services will receive, consider and respond to petitions by any interested person at any time with respect to reconsideration or revision of these amendments.

VR 115-05-12. Rules and Regulations Pertaining to Tolerances and Prohibitions Applicable to Ground Beef.

§ 1. Ground beef.

A. Chopped beef, ground beef, hamburger.

"Chopped beef", "ground beef", or "hamburger" shall consist of chopped fresh ~~and/~~ or frozen beef, with or without seasoning, and with or without the addition of beef fat as such. It shall ~~not~~ contain no more than 30 percent % fat, and shall not contain added water, binders, or extenders. When beef cheek meat (trimmed beef cheeks)

is used in the preparation of chopped or ground beef, the amount of ~~sueh~~ cheek meat shall be limited to 25 percent %. ~~and~~ If in excess of natural proportions, its presence shall be declared on the label.

B. Beef patties.

"Beef patties" shall consist of chopped fresh ~~and/~~ or frozen beef, with or without the addition of beef fat as such ~~and/~~ or seasonings. Binders or extenders ~~and/~~ or partially defatted beef fatty tissue may be used, without added water or with added water, only in amounts such that the product's characteristics are essentially that of a meat pattie. When seasoning, water, binders, or extenders or partially defatted beef fatty tissue are used, their presence shall be declared on the label by their common or usual name in descending order of predominance. Beef patties shall ~~not~~ contain no more than 30 percent % fat.

C. Fabricated steak.

Fabricated beef steaks, veal steaks, beef and veal steaks, or veal and beef steaks, and similar products, such as those labeled "beef steak, chopped, shaped, frozen", "minute steak, formed, wafer sliced, frozen", "veal steaks, beef added, chopped-molded-cubed-frozen, hydrolized plant protein, and flavoring" shall be prepared by comminuting and forming the product from fresh ~~and/~~ or frozen meat, with or without added fat, of the species indicated on the label. ~~Sueh~~ These products shall ~~not~~ contain no more than 30 percent % fat, and shall not contain added water, binders, or extenders. Beef cheek meat (trimmed beef cheeks) may be used in the preparation of fabricated beef steaks only in accordance with the conditions prescribed in paragraph (a) of Regulation ~~1~~ A. of § 2.

§ 2. Labeling and fat declaration requirements.

A. Qualifying terms.

No qualifying terms pertaining to product names, quality, or fat content of ground beef, other than those permitted by these regulations or applicable federal regulations, shall be used in the advertisement or labeling of ground beef products, unless a placard is displayed in reasonable proximity to the display of the product a placard which clearly ~~stating~~ states:

1. The name of the product;
2. Clarification of any qualifying term which is not self-evident; and
3. A statement of the maximum fat content of the

Final Regulations

product. Terms such as "lean", "extra lean", "super lean" and "premium" are examples of "qualifying terms".

B. Primal cuts.

Ground beef sold or offered for sale by the name of a primal cut such as "ground chuck", "ground round", "chopped sirloin" or similar terms, shall be composed of meat exclusively from that part of the animal carcass.

C. Display placard.

The display placard shall contain the name of the product and the statement "Does Not Exceed Per Cent Fat" ; , the blank being filled in with the maximum per cent of fat by weight. The placard statement shall be in block letters no less than one-half inch in size. ~~Provided~~ However, placard labeling shall not be required when the package label includes the information specified in this regulation.

D. Use of terms optional.

~~Nothing in~~ This regulation shall *not* be construed interpreted to require any processor or retailer to use any term other than ; "chopped beef", "ground beef", or "hamburger". If a processor or retailer elects to use qualifying terms, ~~such he processor or retailer~~ shall determine and declare by label or placard the maximum percentage of fat in the product which can be maintained by customary operating procedure. The processing margin between the intended fat content and the declared maximum fat content of the product shall be determined by the processor or retailer.

E. Samples and analyses.

Upon analysis by official AOAC methods of random samples collected by the Department of Agriculture and ~~Commerce~~ Consumer Services from display, a variation of not more than ~~three percent~~ [~~0.3%~~ 3.0%] in excess of the declared maximum shall be considered as meeting the declared maximum. Random samples shall consist of one package from display for each 10 packages or fractions thereof on display.

STATE AIR POLLUTION CONTROL BOARD

REGISTRAR'S NOTICE: The following State Air Pollution Control Board regulations are excluded from Article 2 of the Administrative Process Act in accordance with § 9-6.14:4.1 C 4(c) of the Code of Virginia, which excludes from Article 2 regulations which are necessary to meet the requirements of federal law or regulations, provided such regulations do not differ materially from those required by federal law or regulation. The State Air Pollution Control Board will receive, consider and respond to petitions by any interested person at any time with respect to reconsideration or revision of these regulations.

Title of Regulation: VR 120-01. Regulations for the Control and Abatement of Air Pollution - Particulate Matter (PM10) Regulations.

Statutory Authority: § 10-17(b) of the Code of Virginia.

Effective Date: July 1, 1988

Summary:

The U.S. Environmental Protection Agency recently promulgated a revised air quality standard for particulate matter called PM10 or inhalable particulates. The revised standard is more directly related to public health than the old total suspended particulates (TSP) standard since the smaller particulates can travel through the respiratory tract and lodge in the lungs. The TSP standard addressed the control of all particulate matter although much of it was not directly related to health protection. The PM10 standard has as its total primary focus the control and reduction of those particulate matter emissions in the 10 micrometers or smaller size range that can have the greatest impact on the respiratory system.

Since Virginia is required to adopt and enforce a plan to attain and maintain the federal ambient air quality standards throughout the state, this change in the standard will require a revision to the Virginia air quality regulations.

The PM10 standard will require a revision to the regulations that will involve certain changes outlined below, as well as some changes to definitions (Part I, § 120-01-02).

A. Air Quality Standards (Part III): The new PM10 air quality standard for particulate matter is added to the regulations (§ 120-03-06).

B. Air Pollution Episode Prevention System (Part VII): As was the case with the air quality standards, the new PM10 provisions are added to these regulations (§ 120-07-04).

C. Permits for New and Modified Sources (Part VIII): The new standard will require changes to the new source review permit regulations, specifically the Prevention of Significant Deterioration (PSD) regulations. The changes to the PSD regulations are mostly to make the transition from the TSP standard to the PM10 standard (§ 120-08-02).

Note on Incorporation by Reference


Pursuant to § 9-6.18 of the Code of Virginia, the Regulations for Control and Abatement of Air Pollution - Particulate Matter (PM10) Regulations is declared a document generally available to the public and appropriate for incorporation by reference. For this reason, the entire document will not be printed in the Virginia Register of Regulations. Copies of the document are available for inspection at the Office of the State Air Pollution Control Board, Ninth Street Office Building, Richmond, Virginia, and in the Office

of the Registrar of Regulations, Room 215, General Assembly Building, Capitol Square, Richmond, Virginia.

VR 120-01. Regulations for the Control and Abatement of Air Pollution - Particulate Matter (PM10) Regulations.

The State Air Pollution Control Board adopted on February 12, 1988, amendments to the Regulations for the Control and Abatement of Air Pollution which are necessary to meet the requirements of the Federal Clean Air Act (U.S. Environmental Protection Agency), codified in 40 CFR Parts 51 and 52, and published in the Federal Register, Volume 51, No. 174, pages 32176-32179, Tuesday, September 9, 1986, and in the Federal Register, Volume 52, No. 126, pages 24634-24715, Wednesday, July 1, 1987.

The amendments as adopted are not set out.



COMMONWEALTH of VIRGINIA

JOAN W. SMITH
REGISTRAR OF REGULATIONS

VIRGINIA CODE COMMISSION
General Assembly Building
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March 14, 1988

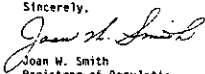
Mr. Robert A. Mann
Agency Regulatory Coordinator
State Air Pollution Control Board
Ninth Street Office Building
Richmond, Virginia 23219

Re: VR 120-10. Regulations for the Control and Abatement of Air Pollution. Adoption of Particulate Matter (PM10).

Dear Mr. Mann:

This will acknowledge receipt of the above-referenced regulations from the State Air Pollution Control Board.

As required by § 9-6.14:4.1 C.4.(c). of the Code of Virginia, I have determined that these Regulations are exempt from the operation of Article 2 of the Administrative Process Act since they do not differ materially from those required by federal law.

Sincerely,

Joan W. Smith
Registrar of Regulations

JWS:sll

STATE BOARD OF EDUCATION

Title of Regulation: VR 270-01-0006. Regulations Governing Pupil Transportation Including Minimum Standards For School Buses in Virginia.

Statutory Authority: §§ 22.1-16 and 22.1-176 of the Code of Virginia.

Effective Date: June 1, 1988

Summary:

This regulation is summarized as follows:

Part I contains definitions of words and terms used in the regulations. There are changes which describe the types of school buses including activity vehicles.

Part II contains general regulations pertaining to the operational procedures and requirement for school buses used to transport pupils. There are changes which limit standees, prescribe pupil rider safety instruction, inspection and maintenance of all vehicles including school buses which are used to transport pupils, and safety of pupils at bus stops and on school sites.

Part III contains regulations for distribution of the regular pupil transportation fund. These regulations govern funds distributed to school divisions operating approved school bus programs. Additions to this part include supplemental fund for exclusive transportation of handicapped pupils on approved buses, special transit fund, and special arrangements fund for transportation of handicapped pupils.

Part IV contains requirements for school bus drivers. The requirements relate to the employment of such persons to operate a school bus. There are changes in the driver training requirements, evaluation of drivers, and requirements for driver training instructors.

Part V contains minimum standards for school buses in Virginia. School buses sold by any dealer or manufacturer to a Virginia school division must conform to these standards/specifications on body and chassis construction and design. The most significant changes in this part are the addition of the eight-lamp traffic warning light system and the crossing control arm.

Part VI is a new part which contains standards for lift-gate school buses. These standards govern school buses designed for transporting pupils with special transportation needs.

Part VII is a new part which allows exceptions to approved school buses when school activity vehicles are deemed necessary and appropriate by the local school board for transportation of pupils to school activity events.

VR 270-01-0006. Regulations Governing Pupil Transportation Including Minimum Standards For School Buses in Virginia.

PART I. DEFINITIONS.

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

"Color-black" means federal standard No. 595, black enamel No. 17038.

Final Regulations

"Color-yellow" means national school bus yellow SBMI color standard 008.

"Emergency equipment compartment" means an approved compartment which is labeled to indicate what is contained therein. If equipped with a lock, a buzzer shall be activated when locked . or be connected through ignition interlock to prevent bus from starting. Lock shall be capable of holding plunger of buzzer in when unlocked. The compartment shall be boxed in and have suitable rear panel for mounting of emergency equipment.

"School bus" means any motor vehicle except a commercial bus, station wagon, automobile, or truck described herein as "Type A," "Type B," "Type C," or "Type D," which is designed and used primarily for the transportation of pupils to and from public school , which is painted yellow with the words "School Bus" in black letters of specified size on front and rear, and which is equipped with the required warning devices.

"School bus metropolitan Type A" means a body installed upon a chassis, with the engine mounted in the front, midship, or rear, with a gross weight rating of more than 10,000 pounds, designed for carrying more than 10 persons. The engine may be behind the windshield and beside the driver's seat; it may be at the rear of the bus, behind the rear wheels, or midship between the front and rear axles. The entrance door is ahead of the front wheels conversion or body constructed upon a van-type compact truck or a front-section vehicle, with a gross vehicle weight rating of 10,000 pounds or less, designed for carrying more than [10 four] persons. Range from four to 20 passenger capacity .

"School bus Type I B" means conventional and metropolitan type buses that range from 16 to 84 passenger capacity a conversion or body constructed and installed upon a van or front-section vehicle chassis, or stripped chassis, with a gross vehicle weight rating of more than 10,000 pounds, designed for carrying more than 10 persons. Part of the engine is beneath or behind the windshield, or both, and beside the driver's seat. The entrance door is behind the front wheels. Range from 16 to 25 passenger capacity.

"School bus Type H C" means small van conversion and cutaway van type buses that range from 4 to 15 passenger capacity. a body installed upon a flat back cowl chassis with a gross vehicle weight rating of more than 10,000 pounds, designed for carrying more than 10 persons. All of the engine is in front of the windshield and the entrance door is behind the front wheels. Range from 34 to 64 passenger capacity.

"School bus Type D" means a body installed upon a chassis, with the engine mounted in the front, midship, or rear, with a gross vehicle weight rating of more than 10,000 pounds, designed for carrying more than 10 persons. The engine may be behind the windshield and beside the driver's seat; it may be at the rear of the bus behind the

rear wheels, or midship between the front and rear axles. The entrance door is ahead of the front wheels. Range from 72 to 84 passenger capacity.

"School activity [bus vehicle]" means any school bus as defined in this section except those buses with variances authorized in Part VII of these regulations. Type A, B, C, D school buses are recommended for transporting pupils to and from school activity events; however, a school activity [bus vehicle] may be used when deemed necessary and appropriate by the local school board.

[Note: A standard or mini-size passenger van which has not been reconstructed to meet Virginia state and federal school vehicle construction standards does not meet this definition.]

"Undercoating modified test procedure" means test panels are to be prepared in accordance with paragraph 4.6.12 of TT-C-520a of the Federal Code, incorporated by reference, with modified procedure requiring that test be made on a 48-hour air cured film at thickness recommended by compound manufacturer.

PART II. GENERAL REGULATIONS.

§ 2.1. The greatest care shall be exercised at all times in the transportation of school children.

§ 2.2. A school bus transporting school pupils shall be operated at a safe speed not in excess of 35 miles per hour, or minimum legal speed allowable; except, on interstate highways and when no stops are made to pick up or discharge pupils between the point of origin and the point of destination the speed shall not be in excess of 45 miles per hour.

§ 2.3. The number of pupils who may ride a school bus shall be determined by the total number who can be seated . and who, During the first 30 instructional days of the school year standees may be permitted for short distances ; can stand in the aisle back of the driver's seat. Pupils shall may not be permitted to stand by the side of the driver, in the stepwell, or between the driver and the entrance door after the first 30 instructional days, except under unforeseen emergency conditions as identified by the local school board .

§ 2.4. Written contracts shall be made by the school board, on a form to be prescribed by the Superintendent of Public Instruction, with all regular school bus drivers before they begin their duties. Such contracts shall be signed in duplicate, each party holding a copy thereof. Substitute drivers shall meet the requirements prescribed for regular bus drivers and shall be approved and paid by the local school board.

§ 2.5. The school bus driver shall open and close the entrance door and keep it securely closed while the bus is in motion. This responsibility shall not be delegated to any

other person.

§ 2.6. Every school bus operated at public expense for the purpose of transporting school children shall be equipped with traffic warning devices of the type prescribed in the standards and specifications of the Board of Education. The warning lights shall indicate when the bus is about to stop, is stopped, and when it is loading or discharging children. The warning lights shall be in operation for a distance of not less than 100 feet before the bus stops, if the lawful speed limit is less than 35 miles per hour, and for a distance of at least 200 feet before the bus stops if the lawful speed limit is 35 miles per hour or more. When the school bus is equipped with a warning sign or crossing control arm or both, the sign these devices shall be extended when, and only when, the bus is stopped to load or discharge children.

§ 2.7. When loading or discharging pupils on the highway, stops shall be made in the right-hand lane and shall be made only at designated points where the bus can be clearly seen for a safe distance from both directions. While stopped, the driver shall keep the school bus warning devices in operation to warn approaching traffic to stop and allow pupils to cross the highway safely. Pupils who must cross the road shall be required to cross in front of the bus. They shall be required to walk to a point 10 feet or more in front of the bus, stop before reaching a position in line with the left side of the bus, and await a signal from the bus driver to start across the highway.

On dual highways divided by a physical barrier or unpaved area, buses shall be routed so that pupils will be picked up and discharged on the side of the road on which they live.

§ 2.8. Persons operating a school bus equipped with a safety lap belt assembly shall wear it while school children are being transported. (§ 46.1-287.2 of the Code of Virginia)

§ 2.9. Pupils riding in Type H A school buses equipped with passenger restraint belts shall wear them while the bus is in motion.

§ 2.10. Pupils who ride school buses shall receive at least twice annually, instruction in rider safety and shall practice emergency exit drills. Pupil rider safety instruction shall be included in the school curriculum, including demonstration and practices of safety procedures.

1. At the K-1 grade levels, initial safety training shall occur during the first week of school and additional training on a periodic basis during the year.

2. Emergency exit drills shall be practiced by all pupil riders at least twice a year, the first occurring during the first 30 instructional days.

3. A copy of bus rider safety rules shall be sent to

parents at the beginning of the school year with an acknowledgement to be returned to the school principal. The information shall include a request that parents or their designee accompany their young children to and from the bus stop.

§ 2.11. Every vehicle used in transporting school pupils and personnel at public expense shall be covered by insurance that will provide financial assistance to pupils and personnel in case of injuries or deaths resulting from an accident. Insurance is required by law in the following minimum amounts:

- 1. Public liability or bodily injury, including death:
 - a. per person, or lower limit \$50,000
 - b. per accident, or upper limit \$200,000
- 2. Property damage liability \$10,000
- 3. Uninsured motorists coverage - equal to aforesaid limits of liability
- 4. Medical payment-per person \$1,000

(§§ 22.1-188 to 22.1-198 of the Code of Virginia)

§ 2.12. School buses All school vehicles, including school buses operated by city or county transit systems, used primarily to transport public school pupils to and from school and school activity events shall be inspected carefully and maintained by competent mechanics immediately before being used in the fall and at least once every 30 operating days or every 1,500 miles traveled, whichever occurs first. The inspections and maintenance shall be recorded on a form prescribed by the Board of Education conducted in accordance with provisions of the "Preventive Maintenance Manual for Virginia School Buses" and recorded on the prescribed inspection forms. If the inspections inspection and maintenance are not made in a shop operated by the school board or the local governing body, the school shall designate one or more mechanics or inspection centers to make the inspections and require a copy of the results of the inspection inspections to be furnished to the division superintendent.

§ 2.13. A written report, on forms furnished by the Board Department of Education, of any accidents involving school buses, pupils, and personnel who ride school buses (including injury or death while crossing the road, waiting at bus stops, etc.) shall be sent to the state Supervisor of Pupil Transportation Service, Department of Education by the division superintendent within five days from the date of the accident. The report shall give the apparent cause of the accident, the extent of injuries to pupils or others, and the amount of property damage.

§ 2.14. All school buses in operation shall be carefully scheduled on routes to schools. The schedule shall show the time the bus starts in the morning, the time it leaves

Final Regulations

each point at which pupils are taken on, and the time of arrival at school. It shall also show the bus's odometer reading at the beginning of the route where the first pupil is picked up, where other stops are made, and the reading upon arrival at school. One copy of such schedule shall be kept in the bus and one copy shall be kept in the office of the division superintendent of schools.

§ 2.15. School bus routes, school sites, and safety of pupils at bus stops shall be reviewed at least once each year. Bus routes shall be reviewed for safety hazards, fuel conservation, and to assure maximum use of buses. Local school administrators shall evaluate the safety of pupils at bus stops periodically and report the results annually to the school board. A written vehicular and pedestrian traffic control plan for each existing school site shall be developed and reviewed annually for safety hazards. All new school site plans shall include provisions which promote vehicular and pedestrian safety.

§ 2.16. School buses shall stop, as required by law, at railway grade crossings. The bus driver shall open the entrance door of the bus and determine when it is safe for the vehicle to cross the railroad tracks. The entrance door shall be closed when the bus is in motion. No stop need be made at any grade crossing where traffic is directed by a police officer or a green traffic-control signal.

§ 2.17. School boards shall require that a report on the number of pupils transported and miles traveled be made by all school bus drivers to principals or other designated school officials.

~~§ 2.18. A record showing maintenance performed and operational cost shall be maintained for each publicly owned bus.~~

~~§ 2.19.~~ § 2.18. Local school boards shall adopt policies, consistent with provisions of Virginia School Laws, before establishing a practice of collecting transportation fees from pupils or receiving contributions from other sources for activities sponsored by schools under their authority. No pupil whose parent or guardian is financially unable to pay the pro rata cost of the trip may be denied the opportunity to participate.

~~§ 2.20.~~ § 2.19. The lettered identification and traffic warning lights on the front and rear of school buses shall be covered with opaque detachable material when they are used for purposes other than to transport pupils on regular routes to and from school, or on special trips to participate in contests of various kinds, and for supplementary education purposes. This does not apply when the bus is being used to transport elderly or mentally or physically handicapped persons. (See § 22.1-183 of the Code of Virginia)

~~§ 2.21.~~ § 2.20. The use of posters, stickers, or advertising material of any kind is prohibited in or on school buses.

~~§ 2.22.~~ § 2.21. No object shall be placed in the bus that will restrict the passage to the entrance or emergency doors.

PART III. DISTRIBUTION OF REGULAR PUPIL TRANSPORTATION FUND FUNDS .

Article 1. Regular Approved Bus Fund.

§ 3.1. ~~Pupil transportation funds for the local school divisions of the state are distributed. The regular approved school bus fund shall be distributed to local school divisions on the following bases to the extent that these provisions are consistent with the annual Appropriation Act :~~

A. Forty percent of the fund is shall be distributed on the basis of an equal amount for each mile traveled during the regular school session for transporting pupils to and from the public schools in school buses meeting the standards and specifications of the Board of Education. Average daily mileage is computed for each bus from the point where the first pupil is picked up in the morning to the point where the last pupil is discharged in the afternoon, including regularly scheduled trips between schools, but excluding all special trips and excursions. If the length of a bus route is changed during the year, the average of the daily mileage shall be used.

B. Forty percent of the fund is shall be distributed on the basis of an equal amount for each pupil transported in average daily attendance (average number transported daily) in school buses meeting the standards and specifications of the Board of Education.

C. Twenty percent of the fund is shall be distributed on the basis of an equal amount for each school bus, in daily use during the current year, on home to school routes which meets the standards and specifications of the Board of Education and which is operated in the transportation of pupils a minimum of 12 miles per school day; provided, that the minimum of 12 miles shall not be applicable to small buses with a pupil capacity of 15 20 or fewer pupils.

D. No reimbursement shall be made for any bus which does not pass meet the regular provisions of the annual inspections required by state law, regulations of the Board the Department of State Police, the fleet assessment by the Department of Education and the annual inspection by personnel regulations of the Department Board of Education.

E. No reimbursement shall be made for buses or miles traveled unless the bus transports pupils both from home to school and from school to home.

F. School divisions shall be eligible for reimbursement for transportation of pupils in kindergarten through grade 12 and for handicapped children age 2 to 21 as defined in

§ 22.1-213 of the Code of Virginia, paragraph 1.

G. No reimbursement shall be made for pupils or miles traveled if transportation assistance is received from other state or federal sources.

[H. Reimbursement shall be allowed for transporting pupils from an adjoining school division only when such arrangement has been mutually agreed upon by the school boards involved.]

[I. H.] No school division shall receive reimbursement in excess of the amount actually expended for transportation of pupils to and from the public school, exclusive of capital outlay, replacement of buses, special trips, and the gas tax refund during the preceding year except as provided in 2 below .

1. In making the distribution, calculations shall be based on the number of pupils , and miles , and buses for the preceding school year ; except in the case of the number of buses for which current figures shall be used .

2. The computation for reimbursement of school divisions during their first year of school bus operation shall be based on the number of pupils and , miles and buses for the current year.

J. Reimbursement shall be based upon the actual number of school days pupils are transported during the regular school session.

K. J. Before any reimbursement for the transportation of pupils to and from public schools is made to a school division, a report must shall be submitted by the division superintendent to the Superintendent of Public Instruction certifying the correct net operating cost of transporting pupils (actual expenditure, less gas tax refunds), the average number of pupils transported daily, and the average daily mileage of each bus meeting the standards and specifications of the Board of Education used in transporting pupils for the preceding school year. Such report shall also include a statement information covering the type of bus, letter identification, color, make and model of the body and chassis, an inventory of all safety equipment, and indicating that the number of bus meets inspection requirements inspections . Information on for the evaluation review of the pupil transportation program also programs shall be furnished annually on forms provided by the State Department of Education. Records of vehicle inspections and maintenance shall be presented for review at the time of the annual fleet assessment conducted by the Department of Education or at other times necessary to ensure compliance with §§ 2.12 and 4.11 of these regulations.

Article 2.

Supplemental Fund for Exclusive Transportation of Handicapped Pupils on Approved School Buses.

§ 3.2. The Supplemental Fund for Exclusive Transportation of Handicapped Pupils shall be distributed on the following bases to the extent that these provisions are consistent with the annual Appropriations Act:

1. All provisions in § 3.1 "Regular Approved Bus Fund" shall apply to the distribution of supplemental funds.

2. Reimbursement shall be allowed only for transportation of handicapped pupils who have been classified as such in Public Law 94-142, the Code of Virginia, and regulations of the Board of Education, and for those pupils who have not been identified but whose handicapping condition dictate exclusive transportation.

3. No supplemental reimbursement shall be made when both nonhandicapped pupils and handicapped pupils are transported on the same trip.

4. Supplemental reimbursement for exclusive transportation shall be based on approximately the same funding percentage as that provided in the regular approved bus fund program. Funding shall be subject to the availability of state funds appropriated for this purpose.

PART IV.

REIMBURSEMENT FROM SPECIAL PUPIL TRANSPORTATION FUND.

Article 3.

Special Transit Fund.

§ 4.1. § 3.3. Funds shall be available to school divisions for eligible pupils transported through contracts with public transportation systems (transit) for which other state aid is not available. The special transit fund shall be distributed for pupils transported on public transportation systems (transit) on the following bases to the extent that these provisions are consistent with the annual Appropriations Act:

§ 4.2. A. Local school boards shall be eligible for the same percentage of reimbursement of their expenditure for the transportation of eligible public school pupils on public transportation systems (transit) when part of the expense is borne by the pupil or parent. For counties or towns: The amount of reimbursement shall not exceed the average per pupil reimbursement for the previous school year for each pupil transported by county or town school divisions that operate a school bus system.

§ 4.3. B. Reimbursement shall be based on the actual number of pupils being transported, as certified by the division superintendent. Application for reimbursement shall be submitted on forms furnished by the Department of Education. For cities: The amount of reimbursement shall not exceed the average per pupil reimbursement for the previous school year for each pupil transported by city

Final Regulations

school divisions that operate a school bus system.

§ 4.4. C. Transportation provided for pupils eligible for reimbursement under contracts with public transportation systems shall meet those regulations established for commercial vehicles by the State Corporation Commission and other applicable state and federal regulations, or such vehicles shall meet all standards, rules, and regulations established by the Board of Education for public school bus systems. School divisions will not be eligible to include pupils transported in vehicles commonly referred to or licensed as passenger cars, cabs, and taxis. The average per pupil reimbursement shall be determined by dividing the total reimbursement paid to all divisions in the county-town category or the city category by the total average daily attendance of pupils transported in each respective category.

§ 4.5. D. The local school board shall make provisions when such transportation is provided that each vehicle be operated and maintained so as to insure safe service to the pupils. Insurance shall be provided by the owner of such vehicle(s) in amounts not less than those provided for in § 22.1-190 of the Code of Virginia. Evidence of such insurance shall be on file in the school board office. Funds shall be available to school divisions for eligible pupils transported through contracts with public transportation systems (transit).

§ 4.6. E. Reimbursement shall be available for pupils who are transported to and from public schools for the regular school session and will not be available for special trips and extra-curricular activities. Local school boards shall be eligible for the same percentage or reimbursement of their expenditure for the transportation of eligible public school pupils on public transit type buses when part of the expense is borne by the pupil or parent.

§ 4.7. F. In no case shall reimbursement exceed local school board expenditures for transporting such pupils. Transportation of pupils eligible for reimbursement under contracts with public transit transportation systems shall be provided in accordance with those regulations established for commercial vehicles by the State Corporation Commission and other applicable state and federal regulations. School divisions will not be eligible to include pupils transported in vehicles commonly referred to or licensed as passenger cars, cabs, vans and taxis.

§ 4.8. The reimbursement shall be distributed on the following basis:

1. For counties or towns: The amount of reimbursement shall not exceed the average per pupil reimbursement for the previous school year for each pupil transported by county or town school divisions that operate a school bus system.

2. For cities: The amount of reimbursement shall not exceed the average per pupil reimbursement for the previous school year for each pupil transported by

city school divisions that operate a school bus system.

G. The local school board shall make provisions when such transportation is provided that each vehicle be operated and maintained so as to insure safe service to the pupils. Insurance shall be provided by the owner of such vehicle(s) in amount not less than those provided for in § 22.1-190 of the Code of Virginia. Evidence of such insurance shall be on file in the school board office.

§ 4.9. H. The average per pupil reimbursement shall be determined by dividing the total reimbursement paid to all divisions in the county-town category or the city category by the total average daily attendance of pupils transported in each respective category. Reimbursement shall be available for pupils who are transported to and from public schools for the regular school session and will not be available for special trips and extracurricular activities.

§ 4.10. I. In the event sufficient funds are not available to reimburse for the total number of pupils eligible, this fund shall be distributed on pro rata basis. In no case, shall reimbursement exceed local school board expenditures for transporting such pupils.

J. In the event sufficient funds are not available to reimburse for the total number of pupils eligible, this fund shall be distributed on a pro rata basis.

Article 4.

Special Arrangements Fund for Transportation of Handicapped Pupils.

§ 3.4. The special arrangements fund for transportation of handicapped pupils shall be distributed on the following bases to the extent that these provisions are consistent with the annual Appropriations Act:

1. Funds shall be available to school divisions for eligible handicapped pupils, ages 2 to 21 inclusive, transported by contract with approved private schools, taxicabs, airlines, intercity/interstate passenger buses, school board owned cars, or for the payment of money to parents in lieu of providing transportation services.

2. No reimbursement shall be distributed for pupils transported on vehicles which are not in compliance with all applicable federal school vehicle regulations.

3. Data on attendance, actual cost, and type of vehicles related to the special arrangement transportation to public, approved private, and regional schools shall be submitted each semester on forms provided by the Department of Education.

4. Reimbursement for eligible handicapped pupils shall be based on 60% of the actual cost up to an established maximum amount.

5. Pupils eligible for or claimed in reimbursement

from any other transportation fund, state or federal, shall not be eligible for reimbursement from the special arrangements fund.

6. In the event sufficient funds are not available, reimbursement shall be distributed on a pro rata basis.

PART V IV . REQUIREMENTS FOR SCHOOL BUS DRIVERS.

§ 5.1. § 4.1. No school board shall hire, employ, or enter into any agreement with any person for the purposes of operating a school bus transporting pupils unless the person shall:

A. Have a physical examination of a scope prescribed by the Board of Education with the advice of the Medical Society of Virginia and furnish a form prescribed by the Board of Education showing the results of such examination.

1. No person shall drive a school bus unless he is physically qualified to do so and has submitted a School Bus Driver's Application For Physician's Certificate signed by the applicant and the doctor for the applicable employment period.

2. A person is physically qualified to drive a school bus if he:

a. Has no loss of a foot, a leg, a hand, or an arm which interferes with the ability to control and safely drive a school bus;

b. Has no impairment of the use of a foot, a leg, a hand, fingers, or an arm, and no other structural defect or limitation likely to interfere with his ability to control and safely drive a school bus;

c. Has no known medical history or clinical diagnosis of diabetes mellitus currently requiring insulin for control likely to interfere with his ability to control and safely drive a school bus;

d. Has no current clinical diagnosis of myocardial infarction, angina pectoris, coronary insufficiency, thrombosis, or any other cardiovascular disease of a variety known to be accompanied by syncope, dyspnea, collapse, or congestive cardiac failure;

e. Has no known medical history or clinical diagnosis of a respiratory dysfunction likely to interfere with his ability to control and drive a school bus safely;

f. Has no known current clinical diagnosis of high blood pressure likely to interfere with his ability to operate a school bus safely;

g. Has no known medical history or clinical

diagnosis of rheumatic, arthritic, orthopedic, muscular, neuromuscular, or vascular disease which would interfere with his ability to control and operate a school bus safely;

h. Has no known medical history or clinical diagnosis of epilepsy or any other condition which is likely to cause loss of consciousness or any loss of ability to control a school bus;

i. Has no known mental, nervous, organic, or functional disease or psychiatric disorder likely to interfere with his ability to drive a school bus safely;

j. Has both distant and near visual acuity of at least 20/40 (Snellen) in each eye with or without corrective lenses, and field of vision of at least 70 degrees in the horizontal meridian in each eye, and the ability to recognize the colors of traffic signals and devices showing standard red, green, and amber;

k. First perceives a forced-whispered voice in the better ear at not less than five feet with or without the use of a hearing aid or, if tested by use of an audiometric device, does not have an average hearing loss in the better ear greater than 40 decibels at 500 Hz, 1,000 Hz, and 2,000 Hz with or without a hearing aid when the audiometric device is calibrated to American National Standard (formerly ASA Standard) Z24.5-1951; and

l. Does not use an amphetamine, narcotic, or any habit-forming drug without appropriate physician supervision.

B. Furnish a statement or copy of records from the Department of Motor Vehicles showing that the person, within the preceding five years, has not been convicted of a charge of driving under the influence of intoxicating liquors or drugs, convicted of a felony, or assigned to any alcohol safety action program or driver alcohol rehabilitation program pursuant to § 18.2-271.1 of the Code of Virginia or, within the preceding 12 months, has been convicted of two or more moving traffic violations or has been required to attend a driver improvement clinic by the Commissioner of the Department of Motor Vehicles pursuant to § 46.1-514.11 of the Code of Virginia.

C. Furnish a statement signed by two reputable residents of the school division that the person is of good moral character.

D. Exhibit a license showing the person has successfully undertaken the examination prescribed by § 46.1-370 of the Code of Virginia.

E. Has reached the age of 17 and has not reached the age of 70 on the first day of the school year. (§§ 46.1-169 and 22.1-178 of the Code of Virginia, and Exemption of

Final Regulations

Hazardous Occupations Order No. 2, U.S. Department of Labor) 18.

§ 5-2. § 4.2. Any school board may require successful completion of the American Red Cross first-aid course as a condition to employment to operate a school bus transporting pupils.

§ 5-3. § 4.3. The documents required pursuant to §§ 5-1 A and 5-1 B §§ 4.1 A and 4.1 B of these regulations shall be furnished annually within 30 days prior to the anniversary date of the employment to operate a school bus. A school board may require the statement set forth in § 5-1 C § 4.1 C to be furnished periodically.

§ 5-4. § 4.4. The documents required pursuant to this section shall be filed with, and made a part of, the records of the school board employing such person as a school bus operator.

§ 5-5. § 4.5. The State Department of Education shall furnish to the division superintendents the necessary forms for applicants to use to provide the information required by this section. Insofar as practicable, such forms shall be designed to limit paperwork, avoid the possibility of mistakes, and furnish all parties involved with a complete and accurate record of the information required. (§ 22.1-178 of the Code of Virginia)

§ 5-6. § 4.6. As a condition to employment, every school bus driver shall submit a certificate signed by a licensed physician stating that the employee appears free of communicable tuberculosis. The school board may require the submission of such certificates annually, or at such intervals as it deems appropriate, as a condition to continued employment. (§ 22.1-300 of the Code of Virginia)

§ 5-7. § 4.7. No person shall drive a school bus upon a highway in the Commonwealth unless such person has had a reasonable amount of experience in driving motor vehicles, and shall have passed a special examination indicating the ability to operate a school bus without endangering the safety of pupil passengers and persons using the highway. To prepare for the examination required by this section, any person holding a valid operator's license issued under the provisions of § 46.1-369 of the Code of Virginia, may operate, under the direct supervision of a person holding a valid school bus license endorsement, a school bus which contains no pupil passengers. The Department of Motor Vehicles shall adopt such rules and regulations to provide for the examination of persons desiring to qualify to drive such buses in this state *Commonwealth* and for the granting of permits to qualified applicants. (§ 46.1-370 of the Code of Virginia)

§ 5-8. § 4.8. Every driver of a school bus shall receive instruction before being allowed to operate a bus transporting children. This instruction shall include classroom, demonstration, and behind-the-wheel instruction. The length of the instructional program shall be determined by the experience of the applicant. No person

shall operate a school bus transporting pupils unless the person shall have:

A. Classroom instruction shall include, but not be limited to, the following:

1. Responsibilities of the driver, pupil, parent, principal, and superintendent;
2. Applicable laws and regulations;
3. Local reports and policies governing pupil transportation;
4. Proper driving practices; and
5. Planning for emergencies.

1. Received classroom, demonstration, and behind-the-wheel instruction in accordance with the minimum provisions of the "Virginia School Bus Driver Training Curriculum Guide."

B. Demonstration instruction:

1. Pre-trip instruction;
2. Care of school bus;
3. Emergency evacuation drills;
4. Proper driving practices; and
5. Defensive driving techniques.

2. Completed a minimum of 12 classroom hours and 12 hours of behind-the-wheel training. A minimum of six of the 12 hours of behind-the-wheel time shall involve the operation of a bus with pupils on board while under the supervision of a designated bus driver trainer.

C. Behind-the-wheel instruction - under supervision of trainer:

1. Operate empty bus until proficient; and
2. Operate loaded bus - (minimum-complete route for two days).

The superintendent or his designee shall maintain a record showing that the applicant has completed the training and has been approved to operate a school bus.

§ 5-9. § 4.9. In-service training, (at least two hours before opening of schools and at least two hours during the second half of the school year) shall be devoted to improving the skills, attitudes, and knowledge of including orientation to maximize benefits of using safety programs and safety components shall be provided to all school bus drivers. At least two hours of in-service training shall be

provided the first half of the school year and at least two hours during the second half.

§ 5-10. § 4.10. The driver of a school bus shall be under the general direction and control of the superintendent and school board or the supervisor of transportation, and shall also be accountable to the principal of the school to which transportation is provided.

§ 5-11. § 4.11. The driver of a school bus shall perform a daily pretrip safety inspection of the vehicle - *immediately prior to transporting children. The items checked [and recorded] shall be at least equal to the pretrip inspection procedure contained in the ["Virginia School Bus Driver Training Curriculum Guide." "Preventive Maintenance Manual for Virginia School Buses, November 1983."]*

§ 5-12. § 4.12. The driver of a school bus shall report to the principal misconduct of pupils on the school bus or at waiting stations or stops on the way to or from school and shall be guided by the principal's advice and direction, subject to the regulations of the school board. When it becomes necessary for the driver to correct pupils, the driver shall stop at the nearest and safest place and restore order before proceeding. In no case shall a driver put a pupil off the bus between home and school as a disciplinary measure.

§ 4.13. *The performance of each school bus driver shall be evaluated by the transportation director or their designee at least once each year. The results of the evaluation shall be discussed with the driver and included in the driver's personnel file.*

§ 4.14. *The driver of activity or extracurricular trip buses shall advise the pupils and sponsors of the location of the required emergency equipment prior to the beginning of any such trip.*

§ 4.15. *Local school bus driver training instructors shall hold a certificate for completion of an instructor course conducted or sponsored by the Department of Education.*

§ 4.16. *The name and driver license number of all persons operating a school bus used to transport pupils shall be submitted to the Department of Education annually. Each new driver employed during the school year shall be submitted by the 10th of each month.*

PART VI V. MINIMUM STANDARDS FOR SCHOOL BUSES IN VIRGINIA.

Article 1. General Requirements.

§ 6-1. § 5.1. The responsibility for compliance with these school bus specifications rests with dealers and manufacturers. If any dealer or manufacturer sells school bus vehicles which do not conform to any or all of these specifications, a general notice will be sent to all school

divisions advising that equipment supplied by such dealer or manufacturer will be disapproved for school transportation until further notice. A copy of the notice will be sent to the dealer or manufacturer and will remain in effect until full compliance by the dealer or manufacturer is assured.

Dealers and manufacturers shall be given at least 30 days' notice of any changes in the specifications.

§ 6-2. § 5.2. Minimum standards are applicable to all purchases [or lease] of school bus [and school vehicle] equipment, new or used.

§ 6-3. § 5.3. Buses must conform to the specifications relative to construction and design effective at the date of purchase. Any variation from the specifications, in the form of additional equipment or changes in style of equipment, without prior approval of the Supervisor of Pupil Transportation Service, Department of Education, is prohibited.

§ 6-4. § 5.4. The Superintendent of Pupil Instruction is authorized to make such adjustments from time to time in technical specifications as are deemed necessary in the interest of safety and efficiency in school bus operation. *This includes the issuance of chassis specifications by size, type and model year.* Authority is also granted for conducting investigations and field tests of certain pertinent vehicle components.

§ 6-5. § 5.5. All publicly owned, part publicly owned, or contract school buses, transporting pupils to and from public school, shall be painted a uniform color, national school bus yellow, and shall be identified and equipped as outlined in the standards and specifications.

§ 6-6. § 5.6. Each school bus shall be given a number starting at one and continuing consecutively to the highest number which will be the total number of buses used. The number shall conform with that contained in the school bus inventory and record report. When a bus is sold or discarded, the number assigned to it should be given to a new bus. The numbers should remain consecutive with as few unassigned numbers as possible.

§ 6-7. § 5.7. *Type I buses of conventional and metropolitan type range from 16 to 84 passenger capacity. Type II buses of small van conversion and cutaway van type range from 4 to 15 passenger capacity. The responsibility for purchasing [school] buses [and school vehicles] which meet state and federal requirements rests with division superintendents and local school boards.*

[§ 5.8. *All school buses manufactured prior to April 1, 1977, the effective date of the Federal School Vehicle Regulations (referred to as "Pre-DOT" buses), shall be replaced by June 30, 1991. A plan providing for the replacement of these Pre-DOT buses by June 30, 1991, shall be submitted to the Department of Education by August 1, 1988. In addition, a schedule for the replacement*

Final Regulations

of buses on a continuing basis shall be developed and implemented by each school division.

NOTE: For purposes of costing the Standards of Quality, the Board of Education assumes a 12-year bus replacement cycle.

§ 5.9. Sale of surplus school buses.

A. Before a surplus school bus is sold or released for nonschool transportation purposes, the bus shall have the traffic warning signal removed and all school bus lettering shall be covered by an opaque paint. A written notice shall be attached to the Certificate of Title that the vehicle does not meet the requirements of §§ 46.1-1(37) and 46.1-286.1 and that its operation on the highway would be in violation of § 46.1-169.1 of the Code of Virginia.

B. In the event the bus is sold to a private school or a licensed dealer, the written notice shall contain a reminder that the bus shall be painted a different color, and shall have the bus signal systems and lettering removed before release for nonschool transportation purposes.]

Article 2. The Bus Chassis.

§ 6.8. [§ 5.8. § 5.10.] Air cleaner.

Bus shall be equipped with adequate oil-bath, dry element, or equivalent air cleaner mounted outside the passenger compartment.

§ 6.9. [§ 5.9. § 5.11.] Alternator.

Alternator of heavy duty design with rectifier shall have minimum output of at least ~~65~~ 90 amperes with charge at idle type (12-volt system), and shall be ventilated, voltage-controlled, and current-controlled. Dual belt drive [or a single serpentine belt of equal or greater transmission capacity] shall be used. Actual required amperage to be specified on annual chassis specifications.

Exception - Small Type A vehicles below 20 passenger capacity .

Alternator with rectifier shall have minimum output of at least ~~60~~ 90 amperes with 12-volt system and shall be ventilated, voltage-controlled, and current controlled. Dual belt drive is not required.

§ 6.10. [§ 5.10. § 5.12.] Axles (See table 1)

A. Front axle or suspension shall be of sufficient capacity at ground to support a load which would be 10% in excess of actual gross [vehicle axle] weight.

B. Rear axle shall be single speed, full-floating type. Rear axle or other type of suspension assembly shall have gross weight rating at ground equal to or exceeding that

portion of total weight which is supported by rear-suspension assembly.

1. Exception Type H A vehicles.

Requirement for full-floating rear axle does not apply to small vehicles (conversion type) approved as school buses.

2. Exception - Metropolitan Type D vehicles.

a. Front axle shall be wide-track, heavy-duty, bus type and shall have gross weight rating at ground equal to or exceeding that portion of total load which is supported by front axle.

b. Rear axle shall be single speed, full-floating, heavy-duty, bus type and shall have gross weight rating at ground equal to or exceeding that portion of total load which is supported by rear axle.

§ 6.11. [§ 5.11. § 5.13.] Battery.

A. Storage battery, as established by manufacturer's rating, shall be of sufficient capacity to handle starting, lights, signal devices, heating, and other electrical equipment.

B. No bus shall be equipped with a battery of less than 460 535 amperes cold cranking current at 0°F with 120 minutes reserve capacity at 80°F.

C. Battery shall be mounted in the engine compartment or in a body compartment in an adequate carrier and be readily accessible for servicing or removal. Annual chassis requirements will specify battery location for different types of chassis.

D. When battery is to be mounted outside of engine compartment, it may be temporarily mounted to chassis. Body company will permanently mount battery on sliding tray located in the left side of body skirt. Battery shall be connected with one-piece cables of sufficient length to allow tray to be pulled out for servicing. Cables shall be at least one gauge color coded, red positive-black ground. Chassis manufacturers to supply proper length cables for body skirt mounting.

§ 6.12. [§ 5.12. § 5.14.] Brakes.

A. Four-wheel brakes, adequate at all times to control bus when fully loaded, shall be provided in accordance with Federal Motor Vehicle Safety Standards. (See table 1.)

B. Foot or service brakes shall meet Federal Motor Vehicle Safety Standard 105 for hydraulic brakes, and Standard 121 for air brakes except for deletion of anti-skid system on air brake models.

C. Chassis shall be equipped with auxiliary brakes

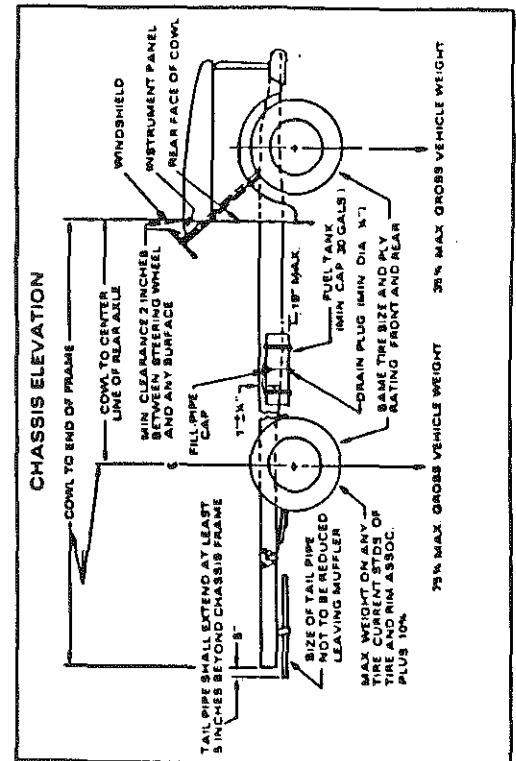
capable of locking rear wheels, and capable of holding vehicle on any grade on which it is operated under any conditions of loading on a surface free from snow or ice. Operating controls of such auxiliary brakes shall be independent of operating controls of service brakes.

D. Chassis designed for any bus body shall be equipped with full compressed air brakes, split hydraulic vacuum actuated power, or assistor-type brakes.

1. Such installation shall be made by authorized representative of chassis or brake manufacturer and shall conform to recommendation of that manufacturer.
2. Hydraulic line pressure shall not exceed recommendation of chassis or brake manufacturer.
3. Reservoir capacity shall be at least 1,650 cubic inches for full compressed air systems, and at least 1,000 cubic inches, or equivalent, for vacuum actuated systems.
4. Buses having full compressed air systems shall be equipped with:
 - a. At least two reservoirs for the service brake (or one vessel divided into two compartments connected in series) and one 1,000 inch reservoir for the auxiliary braking system;
 - b. Safety valve mounted on the first reservoir to protect air brake system against excessive air pressure, and check valve mounted in optional location;
 - c. Air gauge mounted on instrument panel to register air pressure in air brake system; (See § 6.27 § 5.27 A 8 of these regulations) and
 - d. Audible low pressure indicator to warn driver if air pressure in air brake system falls below 60 pounds per square inch.
5. Buses having vacuum actuated systems shall be equipped with check valve located between source of supply and reservoir.
6. Exception Type H A vehicles.

Reserve vacuum tank not required.

Diagram 1.



Final Regulations

§ 6-13. [~~§ 5-13.~~ § 5.15.] Bumper, front.

A. Front bumper shall be heavy-duty, channel steel at least seven inches in width with 3/16-inch thickness, painted black, and shall be furnished by chassis manufacturer as part of chassis.

B. Front bumper ~~must~~ shall extend to outer edges of fenders at bumper top line (to assure maximum fender protection) and be of sufficient strength to permit pushing vehicle of equal gross weight without permanent distortion to bumper, chassis, or body.

C. Exception Type H A vehicles.

Bumper shall be manufacturer's standard painted black.

D. Exception - Metropolitan Type D vehicles.

Same as above, except that front bumper shall be furnished by body manufacturer.

§ 6-14. [~~§ 5-14.~~ § 5.16.] Clutch.

Torque capacity shall be equal to or greater than the engine torque output.

[Passenger Capacity	Minimum Diameter
up to 16	11
16-54	12
64-76 gas	13
64-84 diesel	14]

§ 6-15. [~~§ 5-15.~~ § 5.17.] Color.

A. Chassis, including wheels, and front bumper shall be black.

B. Hood, cowl, and fenders shall be national school bus yellow.

C. Grill shall be national school bus yellow, if painted; otherwise, it shall be chrome or anodized aluminum.

§ 6-16. [~~§ 5-16.~~ § 5.18.] Drive shaft.

A. Drive shaft shall be protected by metal guard or guards to prevent it from whipping through floor or dropping to ground if broken.

B. Exception Type H A vehicles conversion van .

Standard does not apply to conversion vans .

§ 6-17. [~~§ 5-17.~~ § 5.19.] Electrical system.

1. Battery - see § 6-11 [~~§ 5-11~~ § 5.13].

2. Alternator - see § 6-9 [~~§ 5-9~~ § 5.11].

3. Lights and signals - see § 6-28 [~~§ 5-28~~ § 5.30].

4. Wiring - see § 6-91 [~~§ 5-91~~ § 5.93].

5. Chassis manufacturer shall install readily accessible electrical terminal so that body and chassis electrical load can be recorded through chassis ammeter or voltmeter without dismantling or disassembling chassis component. Chassis wiring system to terminal shall have minimum 100-ampere capacity. Chassis ammeter or voltmeter and wiring shall be compatible with generating capacity, and ammeter shall be capable of recording continuous draw of 100 amperes.

6. Each chassis circuit shall be color coded and a diagram of the circuits shall be included with the chassis.

§ 6-18. [~~§ 5-18.~~ § 5.20.] Engine.

The engine shall be of the internal-combustion, four-stroke cycle type, having not less than six cylinders. Thermostats with not less than 175° - 195°F rating shall be provided. Engine shall be equipped with a crankcase ventilating system to meet federal requirements. (See table 1)

§ 6-19. [~~§ 5-19.~~ § 5.21.] Exhaust system.

1. Exhaust pipe, muffler, and tail pipe shall be outside bus body attached to chassis.

2. Tail pipe shall be constructed of seamless or electrically welded tubing of 16-gauge steel or equivalent, and shall extend at least five inches beyond chassis frame. (See § 6-82. [~~§ 5-82~~ § 5.84])

3. Size of tail pipe shall not be reduced after it leaves muffler.

4. Exhaust system shall be properly insulated from fuel tank and tank connections by securely attached metal shield at any point where it is 12 inches or less from tank or tank connections.

5. Muffler shall be constructed of corrosion-resistant material.

6. Exception - Type A and B Vehicles below 20 passenger .

Tail pipe may exit behind rear wheel.

§ 6-20. [~~§ 5-20.~~ § 5.22.] Fenders, front.

1. Total spread of outer edges of front fenders, measured at fender line, shall exceed total spread of front tires when front wheels are in straight-ahead position.

2. Front fenders shall be properly braced and free from any body attachment.

3. Chassis sheet metal shall not extend beyond rear face of cowl.

~~§ 6.21.~~ [~~§ 5.21.~~ § 5.23.] Frame.

1. Frame or equivalent shall be of such design as to correspond at least to standard practice for trucks of same general load characteristics which are used for severe service.

2. When frame side members are used, they shall be of one-piece construction. If frame side members are extended, such extension shall be designed and furnished by chassis manufacturer with a guarantee, and installation shall be made by either chassis or body manufacturer and guaranteed by company making installation. Extensions of frame lengths are permissible only when such alterations are behind rear hanger of rear spring, and shall not be for purpose of extending wheel base.

3. Holes in top or bottom flanges of frame side rails shall not be permitted except as provided in original chassis frame. There shall be no welding to frame side rails except by chassis or body manufacturer.

~~§ 6.22.~~ [~~§ 5.22.~~ § 5.24.] Frame length - (See § 6.44 [§ 5.44 § 5.46])

~~§ 6.23.~~ [~~§ 5.23.~~ § 5.25.] Fuel tank.

1. Fuel tank equipped with protective cage to meet FMVSS 301 shall have minimum capacity of 30 gallons, and be mounted directly on right side of chassis frame, filled and vented entirely outside body.

2. Fuel filter with replaceable element shall be installed between fuel tank and carburetor.

3. Fuel tank, fittings or lines, shall not extend above top of chassis frame rail.

4. If tank sizes other than 30 gallons are supplied, location of front of tank and filler spout must remain as specified below.

5. Drain plug at least 1/4 inch in diameter shall be located in center of bottom of tank.

6. Measurements shown below are for guidance of chassis manufacturers and serve only to prevent need for replacement of original tank. (Inspectors concerned with state or local approval of vehicle need not consider them unless tank does not fit.)

a. Tank or cage shall not extend in height above side member of chassis.

b. Distance from center line of chassis to outside of tank cage shall not be more than 44 inches.

c. Bottom of tank cage shall not be more than 19.0 inches below top of frame.

d. Distance from cowl to front of tank shall be 42 inches minimum.

e. Distance from cowl to center of fillpipe cap shall be 57 inches.

f. Distance from center line of chassis to center of fillpipe cap shall be 30.5 inches with plus or minus tolerance of 1/2 inch permitted.

g. d. Center of fillpipe cap shall be one inch below top of frame with plus or minus tolerance of 1/4 inch permitted.

7. Exceptions.

a. For Type H A vehicles, the fuel tank shall be manufacturer's standard, mounted, filled, and vented outside of body.

b. For school bus Type B of body-on-chassis type with manufacturer's rated seating capacity of 16 to 20 passengers, inclusive, fuel tank may, due to space limitation, be mounted behind rear wheels with fillpipe on right side of body and have capacity of less than 30 gallons.

e. On metropolitan type school buses, fuel tank of minimum 30-gallon capacity shall be mounted on right frame rail, and measurements in notes d and e above should be from forward service door post.

[c. For Type D vehicles the fuel tank may be mounted between frame rails with fuel filler pipe extending to right side of body between frame rails and body floor. Center of tank shall not be more than 65 inches to rear of center line of front axle. Bottom of cage shall not extend below the level of the front axle.]

~~§ 6.24.~~ [~~§ 5.24.~~ § 5.26.] Governor.

1. An approved engine governor set at 3,400 RPM is required on vehicles equipped with gasoline engines.

2. An approved road speed control governor shall be required on all buses and set at a maximum speed of 45 mph.

~~§ 6.25.~~ [~~§ 5.25.~~ § 5.27.] Heating system, provision for.

The chassis engine shall have plugged openings for the purpose of supplying hot water for the bus heating system. The opening shall be suitable for attaching 3/4-inch pipe thread/hose connector. The engine shall be capable of

Final Regulations

supplying water having a temperature of at least 170°F at a flow rate of 50 pounds/per minute at the return end of 30 feet of one-inch inside diameter automotive hot water heater hose. (SBMI Standards No. 001-Standard Code for Testing and Rating Automotive Bus Hot Water Heating and Ventilating Equipment.)

§ 6.26. [~~§ 5.26.~~ § 5.28.] Horn.

Bus shall be equipped with dual horns of standard make which meet requirements of Federal Motor Vehicle Standards.

§ 6.27. [~~§ 5.27.~~ § 5.29.] Instrument and instrument panel.

A. Chassis shall be equipped with following instruments and gauges:

1. Speedometer which will show speed;
2. Odometer which will show accrued mileage, including tenths of miles;
3. Ammeter or voltmeter with graduated scale;
4. Oil-pressure gauge;
5. Water-temperature gauge;
6. Fuel gauge;
7. Upper-beam headlamp indicator; and
8. Air-pressure or vacuum gauge, where air or vacuum brakes are used, and audible low-pressure indicator to warn driver if air pressure in air brake system falls below 60 pounds per square inch.

B. All instruments or gauges shall be mounted on instrument panel in such manner that each is clearly visible to driver in normal seated position. Lights in lieu of gauges are not acceptable.

C. Exceptions.

On all small Type A vehicles, both the ammeter or voltmeter and its wiring are to be compatible with generating capacity; also, § 6.27 [~~§ 5.27~~ § 5.29] A 8 does not apply.

§ 6.28. [~~§ 5.28.~~ § 5.30.] Lights and signals.

1. Each chassis shall be equipped with not less than two sealed beam headlights - beam controlled, and stop and tail lights, and two front turn signal lamps mounted on front fenders.
2. Lights shall be protected by fuse or circuit breakers.
3. Self-canceling directional signal switch shall be

installed by the chassis manufacturer.

4. An approved back-up alarm signal is permissible complying with the Society of Automotive Engineers published Backup Alarm Standards (SAE 994b) for rubber tired vehicles is permitted .

§ 6.29. [~~§ 5.29.~~ § 5.31.] Oil filter.

Oil filter of replaceable element or cartridge type shall be provided and shall be connected by flexible oil lines if it is not of built-in engine-mounted design. Oil filter shall have oil capacity of at least one quart.

§ 6.30. [~~§ 5.30.~~ § 5.32.] Openings.

All openings in floorboard or firewall between chassis and passenger-carrying compartment, such as for gearshift lever and auxiliary brake lever, shall be sealed unless altered by body manufacturer. (See § 6.51 ~~§~~ [~~§ 5.51~~ § 5.53] 10)

§ 6.31. [~~§ 5.31.~~ § 5.33.] Overall length.

Overall length of a conventional bus shall not exceed 36 feet and metropolitan type not to exceed 40 feet.

§ 6.32. [~~§ 5.32.~~ § 5.34.] Passenger load.

Gross vehicle weight (i.e., wet weight, plus body weight, plus driver's weight of 150 pounds, plus weight of maximum seated pupil load based on not less than 120 pounds per pupil) shall not exceed maximum gross vehicle weight rating as established by manufacturer.

§ 6.33. [~~§ 5.33.~~ § 5.35.] Power or gradeability.

Chassis must shall be so geared and powered as to be capable of surmounting 3.7% grade at speed of at least 20 miles per hour with full load on continuous pull in direct drive.

§ 6.34. [~~§ 5.34.~~ § 5.36.] Shock absorbers.

Bus shall be equipped with front and rear double-acting shock absorbers compatible with manufacturer's rated axle capacity.

§ 6.35. [~~§ 5.35.~~ § 5.37.] Springs.

1. Springs or suspension assemblies shall be of ample resiliency under all load conditions and of adequate strength to sustain loaded bus without evidence of overload. (See table 1)
2. Springs or suspension assemblies shall be designed to carry their proportional share of gross vehicle weight in accordance with requirement for "Weight Distribution" as shown in § 6.40 [~~§ 5.40~~ § 5.42].
3. Rear springs shall be of progressive or variable

type.

4. Stationary eye of the front spring shall be protected by full wrapper leaf in addition to main leaf.

Exception - Type H A vehicles.

Springs that are regular equipment on vehicle to be purchased may be used.

§ 6.36. [~~§ 5.36.~~ § 5.38.] Steering gear.

1. Steering gear shall be approved by chassis manufacturer and designed to assure safe and accurate performance when vehicle is operated with maximum load and maximum speed.

2. Steering mechanism shall provide for an easy adjustment for lost motion.

3. No changes shall be made in steering apparatus which are not approved by chassis manufacturer.

4. There shall be clearance of at least two inches between steering wheel and cowl instrument panel, windshield, or any other surface.

5. Power steering is required. It shall contain a provision to automatically bleed air from unit.

§ 6.37. [~~§ 5.37.~~ § 5.39.] Tires and rims.

1. Tire and rim sizes, based upon current standards of Tire and Rim Association, shall be required. (See table 1)

2. Total weight imposed on any tire shall not be above current standard of Tire and Rim Association.

3. Dual rear tires shall be provided on all vehicles.

4. All tires on given vehicles shall be of same size and ply rating.

5. Spare tire, if required, shall be suitably mounted in accessible location outside passenger compartment.

Exception Type H vehicle A - conversion van.

Same as above, except that dual rear tires are not required and spare tire rack may be inside passenger compartment provided it does not interfere with aisle width or passenger seating.

§ 6.38. [~~§ 5.38.~~ § 5.40.] Transmission.

1. Mechanical type transmission shall be synchromesh except first and reverse gears. Its design shall provide not less than four forward and one reverse speeds. With five-speed transmission, fifth gear shall be direct.

2. Transmission overdrive is not permitted.

3. Automatic transmissions are permissible when equipped with a parking pawl or when installed on a bus equipped with an air or hydraulic spring operated emergency parking brake system.

Exception - Type H A vehicles.

Three-speed transmissions are acceptable.

§ 6.39. [~~§ 5.39.~~ § 5.41.] Turning radius.

Chassis with a wheel base of 264 inches or less shall have a right and left turning radius of not more than 42-1/2 feet, curb to curb measurement. Chassis with a wheel base over 264 inches shall have a right and left turning radius of not more than 44-1/2 feet curb to curb measurement.

§ 6.40. [~~§ 5.40.~~ § 5.42.] Weight distribution.

A. Weight distribution of fully loaded bus on level surface shall be such that not more than 75% of gross vehicle weight is on rear tires, and not more than 35% is on front tires.

B. Exception Metropolitan Type D vehicles.

With engine inside front of body, if entrance door is ahead of front wheels, not more than 75% of gross vehicle weight shall be on rear tires, nor more than 50% on front tires. If entrance door is behind front wheels, not more than 75% of gross vehicle weight shall be on rear tires, nor more than 40% on front tires. With engine in rear, not more than 75% of gross vehicle weight shall be on rear tires, nor more than 40% on front tires.

§ 6.41. [~~§ 5.41.~~ § 5.43.] Wheels.

Disc wheels are required. (See table 1)

Final Regulations

Table 1.

TABLE OUTLINING MINIMUM LIMITS OF BUS CHASSIS AND TIRE AND RIM SIZES
(Weights expressed in thousands)

Bus Type	A	B	C	C	C	D	D	D	D
Rated Pupit Seating Capacity	8-20	16-25	29-34	52	64	52-53	64-72	76-78	82-84
Approx. Wheel Base-Inches	125	125	151	217	254	146-170	187-226	226-246	246-284
Mfgs. G.V.W.	7.7	12.0	16.0	19.5	23.0	26.5	26.5	29.0	32.0
Rating Pounds									
Min. Cowl To Rear Axle-Inches	-	102	125	192	229	-	-	-	-
Min. Engine Size Cu. In. Diapl.	300	300	300	300	345	359	359	427	210 HPD
Mfgs. Axle Rating-Pounds-Front	3.8	4.0	6.0	6.0	7.0	10.8	10.8	12.0	13.0
Rear	5.7	11.0	15.0	15.0	17.0	17.0	17.0	18.5	22.0
Approx. Rear Axle Ratio	4.1	5.2	6.2	7.2	7.2	4.8-5.7	4.8-5.7	6.2	5.2
Brake Lining Area-Sq. In.	270	370	500	500	578	Hyd-Disc Air 622	Hyd-Disc Air 622	746	792
Tire and Tube Sizes-Front and Rear	8.0-16.5	8.0-19.5	8.25-20	8.25-20	9.00-20	10-20	10-20	10.00-20	10.00-20
Ply Rating	8	8	10	10	10	12	12	10	12
Rim Sizes Front and Rear	6.0	5.5	6.5	6.5	7.0	7.5	7.5	7.5	7.5
Springs-Rated Cap. at Ground-Front	1.9	2.0	3.0	3.45	3.5	6.5	6.5	6.0	6.5
Rear	2.7	3.3	7.5	7.5	8.5	9.2	9.2	9.5	11.0

Article 3. The Bus Body.

§ 6.42. [~~§ 5.42.~~ § 5.44.] Aisle.

1. Minimum clearance of all aisles, including aisle (or passageway between seats) leading to emergency door, shall be 12 inches. (See § 6.54 [~~§ 5.54~~ § 5.56] B 6)

2. Aisle supports of seat backs shall be slanted away from aisle sufficiently to give aisle clearance of 15 inches at top of seat backs.

3. ~~Exception metropolitan type vehicles:~~ *Exceptions.*

a. *Type D vehicles* with engine inside front of body: Minimum distance between barrier at rear of entrance stepwell and engine cover shall be 14 inches, measured at floor level.

b. *Type H A vehicles* to have minimum aisle width of 15 inches.

c. ~~16-18 passenger~~ *Type B F.C.* to have minimum aisle width of 14 inches.

d. *Buses equipped with wheelchair positions.* See § 6.2 of these regulations.

§ 6.43. [~~§ 5.43.~~ § 5.45.] Battery.

The battery shall be located in the engine compartment, except when otherwise specified on annual chassis specifications. (See § 6.11 3 and 4 [~~§ 5.11~~ § 5.13] C and D) when mounted outside engine compartment.

§ 6.44. [~~§ 5.44.~~ § 5.46.] Body sizes.

Sizes are based on knee-room clearance between rows of forward-facing seats, overall width, center aisle width, and average rump width. Body lengths for various capacity units will be designated in Specification Notices, issued periodically by the Supervisor of Pupil Transportation Service, Department of Education .

§ 6.45. [~~§ 5.45.~~ § 5.47.] Bumper, front. See § 6.13 [~~§ 5.13~~ § 5.15] of these regulations.

§ 6.46. [~~§ 5.46.~~ § 5.48.] Bumper, rear.

1. Rear bumper shall be of pressed steel channel at least 3/16 inch by 8 inches.

2. It shall be wrapped around back corners of bus. It shall extend forward at least 12 inches, measured from rear-most point of body at floor line.

3. Bumper shall be attached to chassis frame in such manner that it may be easily removed, shall be so braced as to develop full strength of bumper section from rear or side impact, and shall be so attached as

to prevent hitching of rides.

4. Rear bumper shall extend beyond rear-most part of body surface at least one inch, measured at floor line.

Exception Type H A vehicles.

Rear bumper shall be standard type furnished by chassis manufacturer as part of chassis on conversion vans. Body manufacturer will furnish bumper on cutaway chassis.

§ 6.47. [~~§ 5.47.~~ § 5.49.] Ceiling. See insulation and interior §§ 6.62 and 6.63 [~~§§ 5.62 and 5.63~~ §§ 5.64 and 5.65].

§ 6.48. [~~§ 5.48.~~ § 5.50.] Chains. See wheel housings § 6.86 D. [~~§ 5.86~~ § 5.88] 4.

§ 6.49. [~~§ 5.49.~~ § 5.51.] Color.

1. School bus body including hood, cowl, and fenders shall be painted uniform color, national school bus yellow, according to

2. Grill shall be national school bus yellow, if painted; otherwise it shall be chrome or anodized aluminum.

3. Rear bumper and lettering shall be painted black.

4. Body trim shall be painted black. This includes B under § 6.72 [~~§ 5.72~~ § 5.74] 2 .

5. Front turn signal lamp shall be painted black. Side body turn signals shall be black or cast aluminum.

§ 6.50. [~~§ 5.50.~~ § 5.52.] Communication system - optional equipment.

A. Two-way communication systems.

For installation and use on Virginia school buses subject to the following provisions: When two-way communication equipment is needed on school buses for administrative or operational safety, private frequencies assigned specifically to local governmental agencies by the Federal Communications Commission should be used. Two-way equipment utilizing public citizens band channels may also be used where needed to enhance the safety of school bus operation. The use of the public citizens band type shall be restricted to those owned and licensed by the school board for official use only. Such mobile units on school buses shall be subject to written policies adopted by the local school board. Installation shall be subject to the State School Bus Standards and Department of Education Annual Inspection *Fleet Assessment* .

B. Public address system.

For use by driver, the system contains an inside speaker and an external speaker which is of special use when driver needs to caution young pupils about surrounding

Final Regulations

dangers at school bus stops. Inside speakers shall be recessed.

C. AM/FM radios and cassette players.

May be installed as a local option. If installed, they shall be properly mounted by the body manufacturer or local shop personnel. All wiring shall be properly connected and concealed and any speakers in the passenger compartment shall be of recessed type.

~~§ 6.51.~~ [~~§ 5.51.~~ § 5.53.] Construction. Type I and metropolitan B, C, and D vehicles.

1. Construction of body shall meet all requirements of Federal Motor Vehicles Safety Standards Number 220 (Roll-over), Number 221 (Joint Strength), and all other applicable federal standards.

2. Construction shall be of prime commercial quality steel or other metal with strength at least equivalent to all-steel as certified by bus body manufacturer. All such construction materials shall be fire-resistant.

3. Construction shall provide reasonable dustproof and watertight unit.

4. Bus body (including roof bows, body posts, strainers, stringers, floor, inner and outer linings, rub rails and other reinforcements) shall be of sufficient strength to support entire weight of fully loaded vehicle on its top or side if overturned. Bus body as unit shall be designed and built to provide impact and penetration resistance.

5. Side posts and roof bows. There shall be a body side post and roof bow fore and aft of each window opening. This may be a continuous bow or two separate pieces effectively joined.

6. Floor shall be of prime commercial quality steel of at least 14-gauge or other metal or other material at least equal in strength to 14-gauge steel. Floor shall be level from front to back and from side to side except in wheel housing, toeboard, and driver's seat platform areas.

7. Roof strainers. Two or more roof strainers or longitudinal members shall be provided to connect roof bows, to reinforce flattest portion of roof skin, and to space roof bows. These strainers may be installed between roof bows or applied externally. They shall extend from windshield header and, when combined with rear emergency door post, are to function as longitudinal members extending from windshield header to rear floor body cross member. At all points of contact between strainers or longitudinal members and other structural material, attachment shall be made by means of welding, riveting or bolting.

8. Side strainer(s). There shall be one or more side strainers or longitudinal members to connect vertical structural members and to provide impact and penetration resistance in event of contact with other vehicles or objects. Such strainer(s) shall be formed (not in flat strip) from metal of at least 16-gauge and three inches wide.

a. Side strainer(s) shall be installed in area between bottom of window and bottom of seat frame and shall extend completely around bus body except for door openings and body cowl panel. Side strainer(s) shall be fastened to each vertical structural member in any one or any combination of the following methods as long as stress continuity of members is maintained:

(1) Installed between vertical members;

(2) Installed behind panels but attached to vertical members; and

(3) Installed outside external panels.

b. Fastening method employed shall be such that strength of strainer(s) is fully utilized.

c. Side strainer(s) of longitudinal member(s) may be combined with one of required rub rails (see § 6.72 [~~§ 5.72~~ § 5.74]), or be in form of additional rub rail, as long as separate conditions and physical requirements for rub rails are met. No portion of side strainer or longitudinal member is to occupy same vertical position as rub rail.

9. Rear corner reinforcements. Rear corner framing of bus body between floor and window sill and between emergency door posts and last side posts shall consist of at least three structural members applied horizontally or vertically, two of which shall be vertical, to provide additional impact and penetration resistance equal to that provided by frame members in areas of sides of body. Such structural members shall be securely attached at each end.

Exception -

Extra vertical member required in 9 above may be deleted on units of less than 90 inches in width.

10. Floor sills. There shall be one main body sill at each side post and two intermediate body sills on approximately 10-inch centers. All sills shall be of equal height, not to exceed three inches. All sills shall extend width of body floor except where structural members or features restrict area.

Main body sill shall be equivalent to or heavier than 10-gauge and each intermediate body sill shall be equivalent to or heavier than 16-gauge, or each of all body sills shall be equivalent to or greater than

14-gauge. All sills shall be permanently attached to floor.

Connections between sides and floor system shall be capable of distributing loads from vertical posts to all floor sills.

11. All openings between chassis and passenger-carrying compartment made due to alterations of body manufacturer ~~must~~ shall be sealed. (See § 6.68 [§ 5.68 § 5.70])

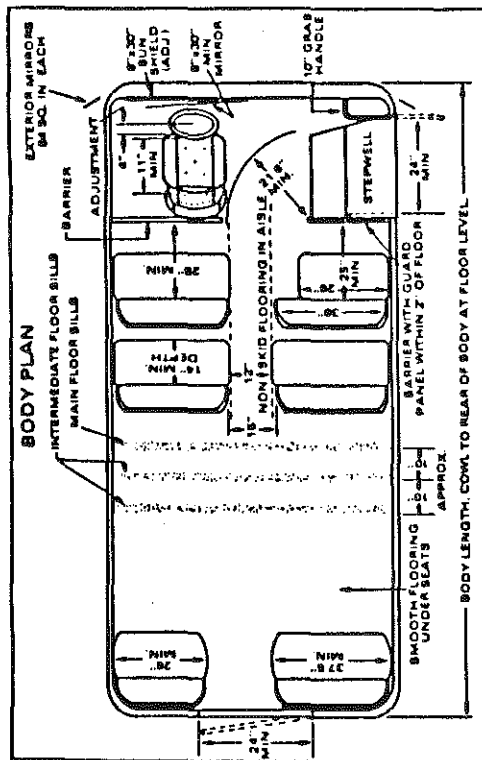
12. A cover shall be provided for the opening to the gasoline tank fillpipe.

13. A moisture and rustproof removable panel may shall be provided in the floor for access to the fuel tank sender gauge. It shall be designed for prolonged use and adequate fastening to the floor.

Exception - Type B vehicles.

Item 13 above does not apply.

Diagram 2.



§ 6.52. [§ 5.52 § 5.54.] Construction Type H A vehicles.

1. Construction of body shall meet all requirements of Federal Motor Vehicle Safety Standard Number 220 (Roll-over) and all other applicable federal standards.

2. Construction shall be of prime commercial quality steel or other metal strength at least equivalent to all steel as certified by bus body manufacturer. All such construction materials shall be fire-resistant.

3. Construction shall provide reasonably dustproof and watertight unit.

4. Bus body (including roof bows, body posts, strainers, stringers, floor, inner and outer linings, rub rails and other reinforcements) shall be of sufficient strength to support entire weight of fully loaded vehicle on its top or side if overturned. Bus body as unit shall be designed and built to provide impact and penetration resistance.

5. Floor. A plywood of 1/2 inch exterior B.B. Grade or equivalent shall be applied over the existing steel floor and securely fastened. Floor shall be level from front to back and from side to side except in wheel housing, toeboard and driver seat platform areas.

Exception -

Plywood may be deleted when provisions of Items 4 and 8a of § 6.51 [§ 5.51 § 5.53] for Type I C and D are met.

6. Roof strainers. Two or more roof strainers or longitudinal members shall be provided to connect roof bows to reinforce flattest portion of roof skin, and to space roof bows. These strainers may be installed between roof bows or applied externally. They shall extend from windshield header to rear body header over the emergency door. At all points of contact between strainers of longitudinal members and other structural material, attachment shall be made by means of welding, riveting, or bolting.

After load as called for in Static Load Test Code has been removed, none of the following defects shall be evident:

- 1- a. Failure or separation at joints where strainers are fastened to roof bows;
- 2- b. Appreciable difference in deflection between adjacent strainers and roof bows;
- 3- c. Twisting, buckling, or deformation of strainer cross section.

7. Side strainers. There shall be one longitudinal side strainer mounted at shoulder level (window sill level) and extending from front main vertical post to rear

Final Regulations

corner post. This member shall be attached to each vertical structural member. Such strainer shall be formed of metal (not in flat strip).

a. There shall be one longitudinal side strainer(s) installed in the area between bottom of window and bottom of seat frame extending from front main vertical post to rear corner post. This member shall be attached to each vertical structural member.

b. Strainers may be fastened in any one or any combination of the following methods as long as stress continuity of members is maintained:

- (1) Installed between vertical members;
- (2) Installed behind panels but attached to vertical members; or
- (3) Installed outside external panels.

c. Fastening method employed shall be such that strength of strainers is fully utilized.

8. Area between floor and window line shall be restructured inside to include at least four vertical formed reinforcement members extending from floor to window line rail. They shall be securely attached at both ends.

9. Rear corner reinforcements. Rear corner framing of the bus body between floor and window sill and between emergency door post and last side post shall consist of at least one structural member applied horizontally to provide additional impact and penetration resistance equal to that provided by frame members in areas of sides of body. Such member shall be securely attached at each end. *Bodies over 90 inches in width shall comply with [§ 5.51 9 § 5.53 9].*

10. All openings between chassis and passenger carrying compartment made due to alterations by body manufacturers must *shall* be sealed. (See § 6.68 [§ 5.68 § 5.70].)

§ 6.52. [§ 5.52. § 5.55.] Defrosters.

Defrosters shall be of sufficient capacity to keep windshield clear of fog, ice, and snow and to defog the window to the left of the driver. (See § 6.50 [§ 5.50 § 5.61]) A windshield defogging An auxiliary fan of sufficient capacity to defog the entrance door glass shall be installed above the windshield on the right side. An additional fan to the left of the driver is permissible. Fans shall be placed so as not to block driver's view of outside rearview mirrors.

Exception Type H A vehicle.

Defogging Auxiliary fan not required.

§ 6.54. [§ 5.54. § 5.56.] Doors.

A. Service door.

1. Service door shall be manually operated, under control of driver, and so designed as to afford easy release and prevent accidental opening. No parts shall come together so as to shear or crush fingers.

2. Service door shall be located on right side of bus opposite driver and within his direct view.

3. Service door shall have minimum horizontal opening of 24 inches and minimum vertical opening of 68 inches.

4. Service door shall be of split-type, jack-knife type, or sedan-type. (Split-type door includes any sectioned door which divides and opens inward or outward.) If one section of split-type door opens inward and other opens outward, front section shall open outward. The jack-knife type shall fold inward at the front of the door opening. ~~When both sections open outward, a safety catch shall be added to door handle to prevent door from opening when handle is moved slightly to activate traffic warning lights.~~

5. Lower as well as upper panels shall be of approved safety glass. (See § 6.88 [§ 5.88 § 5.90] 1) Bottom of lower glass panel shall not be more than 35 inches from ground when bus is unloaded. Top of upper glass panel shall not be more than six inches from top of door.

6. Vertical closing edges shall be equipped with flexible material to protect children's fingers.

7. There shall be no door left of driver.

Exception Type H A vehicles.

Standard does not apply.

8. Exception - ~~Metropolitan~~ Type B and D vehicles.

Service doors may be hydraulically or electrically operated and shall be located as far forward as possible on the right side. A manual switch to operate the traffic warning light system shall be mounted on the left side of the dash and labeled accordingly.

B. Emergency door Type B, C, and D vehicles .

1. Emergency door shall be located in center of rear end of bus.

2. Emergency door shall have minimum horizontal opening of 24 inches and minimum vertical opening of 45 inches measured from floor level.

3. Emergency door shall be hinged on right side and

shall open outward and be equipped with an adequate strap or stop to prevent door from striking lamps or right rear of body. Such strap or stop ~~must~~ shall allow door to open at least a 90 degree angle from closed position.

Exception Type D vehicles with rear engines.

Emergency door shall be located on the left side in the rear half of the body, shall be hinge on the left side and open outward. Door shall meet all requirements of FMVSS217 § 5.4.2.16.

4. Upper portion of emergency door shall be equipped with approved safety glass, exposed area of which shall not be less than 400 square inches. (See § ~~6.88~~ [§ ~~5.88~~ § 5.90] 1) Lower portion of door, if in rear end of bus, may be equipped with approved safety glass, area of which shall not be less than 12 inches in height and 20 inches in width. This glass, if used, ~~must~~ shall be protected by metal guard on inside. This guard shall be free of any sharp edges that may cause injury to passengers.

5. There shall be no steps leading to emergency door.

6. No seat or other object shall be so placed in bus as to restrict any part of passageway leading to emergency door to opening smaller than rectangle of 12 inches in width and 48 inches in height, measured from floor level.

7. When not fully latched, emergency door shall actuate signal audible to driver by means of mechanism actuated by latch.

8. Words "EMERGENCY DOOR," both inside and outside in black letters two inches high shall be painted directly above emergency door. Words may be placed on the top of door outside if space is available.

9. The emergency door shall be designed to open from inside and outside bus. It shall be equipped with a slide bar and cam-operated lock located on left side of door and fastened to the door framing.

The sidebar shall be approximately 1-1/4 inches wide and 3/8 inch thick and shall have a minimum stroke of 1-1/4 inches. The sidebar shall have a bearing surface of a minimum of 3/4 inch with the door lock in a closed position. Control from driver's seat shall not be permitted. Provision for opening from outside shall consist of nondetachable device so designed as to prevent hitching-to, but to permit opening when necessary. Door lock shall be equipped with interior handle and guard that extends approximately to center of door. It shall lift up to release lock.

C. Emergency door Type H A vehicles.

1. Emergency door shall be located in center of rear

end of bus and shall be equipped with fastening device for opening from inside and outside body, which may be quickly released but is designed to offer protection against accidental release. Control from driver's seat shall not be permitted. Provision for opening from outside shall consist of device designed to prevent hitching-to but to permit opening when necessary.

2. When not fully closed, emergency door shall actuate signal audible to driver.

3. Emergency door shall be marked "EMERGENCY DOOR" on inside and outside in painted black letters two inches high.

4. There shall be no steps leading to emergency door.

5. No seat or other object shall be placed in bus which restricts passageway to emergency door to less than 15 inches.

D. Security locking system.

A door locking system designed to prevent vandalism, which is approved by the State Pupil Transportation Service, Department of Education, may be installed provided it is equipped with an interlock in the chassis starting circuit and an audible alarm to indicate to the driver when an emergency door is locked while the ignition is in the "on" position. A cutoff switch on the interlock circuit or a lock and hasp on the rear door will not be permitted.

§ ~~6.55~~. [§ ~~5.55~~. § 5.57.] Electrical system.

1. Battery - see § ~~6.11~~ [§ ~~5.11~~ § 5.13].

2. Alternator - see § ~~6.9~~ [§ ~~5.9~~ § 5.11].

3. Lights and signals - see § ~~6.28~~ [§ ~~5.28~~ § 5.30].

4. Wiring - see § ~~6.91~~ [§ ~~5.91~~ § 5.93].

§ ~~6.56~~. [§ ~~5.56~~. § 5.58.] Emergency equipment.

A. Fire extinguisher.

1. Bus shall be equipped with one dry-chemical fire extinguisher of at least 2-1/2 pound capacity with pressure indicator, mounted in extinguisher manufacturer's bracket of automotive type, and located in full view and in an accessible place in the front of the bus excluding floor and area above bottom line of windshield.

2. Fire extinguisher shall bear label of Underwriters' Laboratories, Inc., showing rating of not less than 2A 10-B.C.

B. First-aid kit.

Final Regulations

1. Bus shall carry Grade A metal first-aid kit, unit-type, mounted in full view and in accessible place in the front of the bus.

2. The first-aid kit shall contain the following items:

Item	Unit
Bandage compress (sterile gauze pads) 4-inch	3
Bandage compress (sterile gauze pads) 2-inch	2
Adhesive absorbent bandage (nonadhering pad) 1 X 3 inch	2
Triangular bandage, 40-inch	2
Gauze bandage, 4-inch	2
Absorbent-gauze compress	1
Antiseptic applicator (swab type) 10 per unit	2
<i>(Zephiran Chloride/Green Soap type)</i>	
Bee sting applicator (swab type) 10 per unit	1

C. Flare.

1. Bus shall be equipped with three red bidirectional triangular flares meeting requirements of FMVSS-125.

2. Kit shall be securely mounted on the right of toeboard as far forward as practical or in the area to the left of the driver's seat.

Exception Type H A vehicles.

These Flares may be mounted behind left rear seat.

§ 6.57. [§ 5.57. § 5.59.] Floor - (See § 6.51 [§ 5.51 § 5.53])

§ 6.58. [§ 5.58. § 5.60.] Floor covering.

1. Floor in underseat area, including tops of wheel housings, driver's compartment and toeboard shall be covered with fire-resistant rubber floor covering or an approved equivalent, having minimum over-all thickness of .125 inch. Driver's compartment and toeboard area shall be trimmed with molding strips behind the cowl face line.

2. Floor covering in aisle shall be of aisle-type fire-resistant rubber or an approved equivalent, nonskid, wear-resistant and ribbed. Minimum overall thickness shall be .1875 inch measured from tops of ribs. Rubber floor covering shall meet Federal Specifications ZZ-M71d.

3. Floor covering must shall be permanently bonded to floor, and must shall not crack when subjected to

sudden changes in temperature. Bonding or adhesive material shall be waterproof and shall be of the type recommended by manufacturer of floor-covering material. All seams must shall be sealed with waterproof sealer.

§ 6.59. [§ 5.59. § 5.61.] Heaters.

1. Hot water heaters of fresh-air or combination fresh-air and recirculating type, with power defrosters, are required.

2. They shall bear name plate rating affixed by heater manufacturer on top of heater shell.

3. Heaters shall be capable of maintaining inside temperature of 50°F, with an outside temperature of 20°F when the bus is loaded to one-half capacity.

4. The heater wiring shall be connected to the cold side of the ignition switch through a continuous duty solenoid relay Cole Hersee No. 24106 or equivalent. (See § 6.91 [§ 5.91 § 5.93] 4)

5. The power defroster shall deliver a sufficient amount of heated air distributed through a windshield duct, nozzle or nozzles to defog and deice the entire windshield, and to defog the driver's window. The duct, nozzle, or nozzles shall be designed to prevent objects from being placed in any manner which would obstruct the flow of air.

6. Water circulation cut-off valve valves in the supply and return lines , a minimum of 3/4 inch diameter, shall be at or near the engine. A water flow regulating valve in the pressure line for convenient operation by the driver is also required.

7. Heater hoses, including those in engine compartment, shall be supported in such manner that hose chafing against other objects will not occur nor shall suspended water lines interfere with routine vehicle maintenance.

8. All water hoses in driver or passenger area shall be shielded.

9. An auxiliary heater of recirculating type, having a minimum capacity of 60,000 BTU output, may shall be installed under the second seat behind the wheelhousing on the left side of the body. Such heater is required on all lift-gate buses and on any equipment with diesel engines . There shall be a grille or guard over exposed heater cores to prevent damage by pupils' feet .

10. A booster pump in the intake heater line shall be provided on all Type C and D buses equipped with a diesel engine .

11. Exception Type H A vehicles.

a. Front heater with high output ~~with~~ and defroster shall be furnished by the chassis manufacturer.

b. The body manufacturer shall provide an additional underseat heater near the rear of the bus.

§ 6.60. [~~§ 5.60.~~ § 5.62.] Identification - See Diagrams 3 and 4 and 5 .

For purpose of identification school buses shall be lettered as follows:

1. Lettering shall be placed according to Diagrams 3 and 4 and 5 . Lettering shall be of black paint and conform to "Series B" for Standard Alphabets for Highway Signs.

2. Both the front and rear of the body shall bear the words, "SCHOOL BUS" in black letters eight inches in height.

3. All school buses shall have a number painted in black letters four inches high on the rear of the body, on the right side just back of the entrance door, and on the left side just back of the warning sign. (See Diagrams 3 and 4 and 5 .) The number shall also be placed on the front bumper, approximately 18 inches from the right end in yellow letters four inches high.

4. The name of the school division shall be on each side of the bus in black letters four inches high - as "... COUNTY PUBLIC SCHOOLS," or "... CITY PUBLIC SCHOOLS."

5. Wheelchair symbol on lift-gate buses - standard access symbol, 12" x 12" size, may be applied to back and front of school bus by local school divisions. It shall be placed so as not to cover lettering, lamps or glass.

§ 6.61. [~~§ 5.61.~~ § 5.63.] Inside height.

Inside body height shall be 72 inches or more, measured metal to metal, at any point on longitudinal center line from front vertical bow to rear vertical bow.

Exception Type H vehicles A conversion van .

Inside body height shall be 62 63 inch minimum.

§ 6.62. [~~§ 5.62.~~ § 5.64.] Insulation.

Ceilings and walls shall be coated with proper materials to deaden sounds and to reduce vibrations to a minimum. Fiber glass thermal insulation (minimum thickness one inch) shall be used to insulate walls and roof between inner and outer panels.

§ 6.63. [~~§ 5.63.~~ § 5.65.] Interior.

1. Interior of bus shall be free of all unnecessary

projections likely to cause injury. This standard requires inner lining on ceilings and walls. Ceiling panels shall be constructed so as to contain lapped joints with all exposed edges hemmed to minimize sharpness. If lateral panels are used, forward panels shall be lapped by rear panels.

2. Ceilings in passenger compartment shall be free of all projections.

§ 6.64. [~~§ 5.64.~~ § 5.66.] Lights and signals - see Diagrams 3 and 4 and 5 .

No lights or signals other than herein specified shall be installed on school buses, except those required by Federal Regulations.

1. Clearance lights. Body shall be equipped with two red clearance lamps at rear, two amber clearance lamps at front, and intermediate side marker lamps on buses 30 feet or more in length.

They shall be of armour type.

2. Identification lamps. Three amber lamps shall be mounted on front and three red lamps on rear of body.

3. Stop and tail lamps. Bus shall be equipped with two matched stop and tail lamps of heavy duty type, which shall be in combination, emitting red light plainly visible from a distance of at least 500 feet to rear, and mounted on rear end with their centers not less than 12 nor more than 24 inches from plane side of body, and not less than six nor more than 18 inches below D-glass in rear of body. They shall be approximately seven inches in diameter. These lights shall be on the same horizontal line with the turn signal units and shall not flash. A pilot light shall be installed on the left side of the instrument panel and connected to the cold side of the brake light switch so that it will indicate when the stop lights are activated. A list of approved stop and tail lights will be supplied to the body manufacturers by the Supervisor of Pupil Transportation Service, Department of Education . The use of lights not on this list will not be approved.

4. For illumination of rear license plate, the type of stop and tail light with which the chassis is equipped may be used. The stop light connection will be made to this light.

5. Back-up lamp. Back-up lamp shall be mounted on the rear of the body and shall be illuminated when the ignition switch is energized and reverse gear is engaged.

6. Interior lamps. Interior lamps shall be provided which adequately illuminate aisles and stepwell.

7. Turn signal units. Bus shall be equipped with Class

Final Regulations

A, flashing turn signal units of heavy-duty type. These signals ~~must~~ shall be independent units equipped with amber lens on all faces, and may be equipped with four-way hazard warning switch to cause simultaneous flashing of turn signal lamps when needed as vehicular traffic hazard warning. A pilot light or lights shall indicate when these lights are activated. The front lights shall be mounted near the front corners of chassis on each side. The rear lights shall be seven inches in diameter and mounted not less than six nor more than 18 inches from plane of the side of the body and not less than six nor more than 18 inches below D-glass in rear of body. They shall be on the same horizontal line with the stop and tail lights required in 3 above.

a. In addition to the turn signals described above, two amber lens *metal* turn signal lamps of armour type with a minimum of four candlepower each shall be mounted on the body side at approximate seat level height and located just to the rear of the entrance door on the right side of the body and approximately the same location on the left side. They are to be connected to and function with the regular turn signal lamps. Such lamps ~~must~~ shall provide 180° angle vision *and if painted, they shall be black* .

b. A list of approved turn signal lights will be supplied to the body manufacturers by the ~~Supervisor of Pupil Transportation Service, Department of Education~~ . The use of lights not on this list will not be approved.

c. Exception Type H A conversion vans.

Turn signals shall be chassis manufacturer's standard.

8. Hazard warning signal. The turn signal units shall also function as the hazard warning system. The system shall operate independently of the ignition switch and, when energized, shall cause all turn signal lamps to flash simultaneously.

9. Reflex reflectors. (Class A) Two amber lights and two amber reflectors (they may be combined) shall be mounted, one on each side, near the front of the chassis. Two four-inch red reflectors shall be mounted, one on each side near the rear of the body and two four-inch red reflectors shall be mounted on the rear above the bumper. Two intermediate amber four-inch reflectors, one on each side near the middle of the bus, shall be mounted on buses 30 feet or more in length. They shall be mounted on panel above floor line rub rail *and be metal encased* .

10. Virginia School bus traffic warning lights.

a. They shall consist of four lights, two front and two rear, containing 80 watts, 12-volt sealed beam

clear spot units five inches in diameter with seven-inch red acrylic lens, including component parts and location necessary for their operation. Information on such approved part and location will be supplied by the state Supervisor of Transportation. Buses shall be equipped with four red lamps and four amber lamps. One amber lamp shall be located near each red lamp, at the same level, but closer to the vertical center line of the bus. Lamps to be 80 watts, 12-volt sealed beam clear spot units five inches in diameter with seven inch acrylic lens, including component parts and location necessary for their operation. All lamps shall comply with SAE standards for school bus warning lamps. Information on such approved components will be supplied by the Pupil Transportation Service, Department of Education.

b. The control circuit shall be connected to the cold side of the ignition switch with the control switch mounted so that it is operated by the door control handle. The traffic warning light system shall be wired so that the amber lamps are activated manually by a hand operated switch. When door is opened, amber lamps will be automatically deactivated and red lamps, warning sign with flashing lamps and crossing control arm shall be activated. When door is closed, all lamps shall be deactivated. No lamps shall come on when door is reopened unless the manual switch is depressed. There shall also be a cancellation switch in case lamps are accidentally activated or when no stop needs to be made.

c. The motor-driven flasher and the relay shall be fastened to the fire wall on the right side or in some easily accessible place inside the bus body. The control circuit shall be connected to the cold side of the ignition switch with the master push button cancel switch mounted on the accessory console, clearly distinguished, visible and accessible to the driver.

d. The pilot lights shall be mounted on the instrument panel in or near the center so that they will be in plain view of the driver. The motor-driven flasher and the relay shall be fastened in a compartment in the driver area and be easily accessible for servicing.

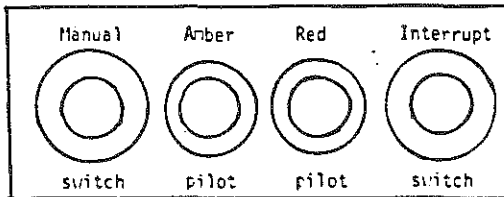
e. System shall contain an amber pilot light for amber lamps and a red pilot light for red lamps, clearly visible to the driver, to indicate when system is activated.

f. A three-inch black painted border around the lamps is required if not equipped with a black painted housing.

e. g. All joints shall be soldered or jointed by equally effective connectors.

h. The traffic warning lamp system shall require a separate control panel. This panel shall be as small as practicable, and switches and pilot lamps shall be located in conformance with the diagram below. All switches shall be properly identified by labels.

Diagram 3.
Traffic Warning Lamp Control Panel.



i. The panel shall be located at or near the entrance door control handle within easy reach, visible, and be readily accessible to the driver.

j. There shall be an interrupt feature in the system to interrupt the traffic warning sign and the crossing control arm when their use is not desired. This feature shall consist of a double throw relay and a push button momentary switch.

k. Manual switch, cancel switch and interrupt switch shall be push button or flip type momentary switches.

11. Virginia School bus traffic warning sign.

a. Warning sign shall be mounted on the left side near the front of the bus immediately below the window line.

b. Sign shall be of the Octagon series, 18 inches in diameter, 16-gauge cold rolled steel, and be equipped with windguard. The sign shall have a red background with a 1/2 inch white border, and the word "STOP" on both sides in white letters, six inches high and one inch wide.

c. Sign shall have double-faced alternately flashing red lamps, four inches in diameter, located at the top and bottommost portions of the sign, one above the other.

d. All wire shall be 16-gauge minimum. A No. 537 alternating flasher, or approved equal, mounted in body accessory panel shall be provided.

e. d. The sign shall be operated by a manual switch located on dash to the immediate left of the

entrance door handle. The air control valve shall be an electric solenoid type or push-pull switch/control valve connected and energized through the red traffic warning lamps.

e. Air operated signs require air pressure regulator in addition to control valve. Source of supply to be the main air tank with a [check pressure protection] valve at the tank.

f. Copper tubing or a high quality vacuum hose shall be used to supply vacuum to sign. Source of vacuum to be main supply line on the intake manifold ahead of the brake check valve.

g. f. Sign and components shall comply with all provisions of SAEJ1133. A list of approved traffic warning signs and components will be supplied by the Supervisor of Pupil Transportation Service, Department of Education.

12. School bus crossing control arm.

a. An approved crossing control arm shall be mounted on the right end of the front bumper with mounting brackets appropriate for the bumper configuration. Information on such approved arms will be supplied by the Pupil Transportation Service, Department of Education.

b. The arm shall be activated in conjunction with the traffic warning sign.

c. Wiring for an electric powered arm shall be grounded to a metal base at a suitable place on the bumper.

d. Source of supply for air operated arms to be the main air supply tank with [check pressure protection] valve at tank.

e. Appropriate grommets or a loom shall be used where wires or tubes go through holes in bumper and firewall.

Final Regulations

Diagram 3 4 .

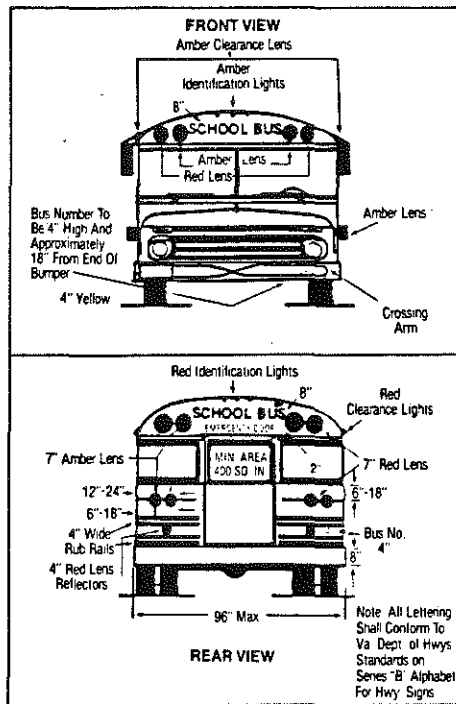
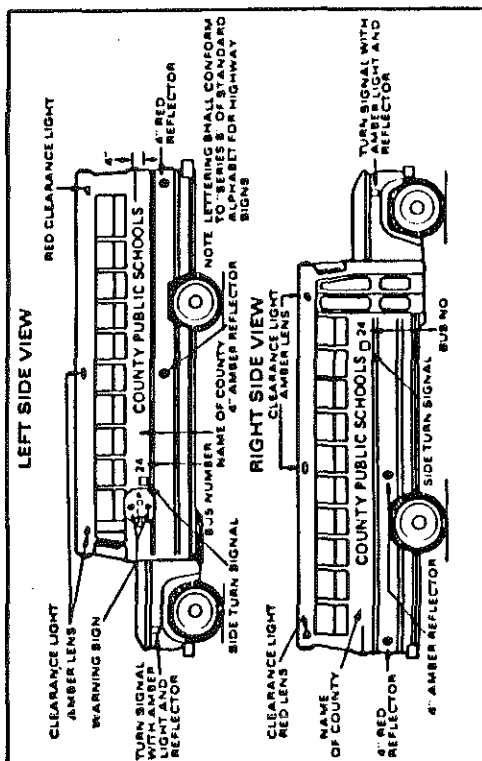


Diagram 4 5 .



§ 6.65. [§ 5.65. § 5.67.] Metal treatment.

All metal parts that will be painted shall be chemically cleaned, etched, zinc-phosphate-coated, and zinc-chromate or epoxy-primed or conditioned by equivalent process.

§ 6.66. [§ 5.66. § 5.68.] Mirrors.

1. Interior rear view mirror at least 6 x 30 inches, metal encased safety glass of at least 1/8 inch thickness, which will afford good view of pupils and roadway to rear and shall be installed in such a way that vibration will be reduced to a minimum. It shall have rounded corners and protected edges.

2. Two exterior rear view silver electro-plated copper back or chrome faced mirrors shall be provided, one to left and one to right of driver.

Each mirror shall be not less than 6 x 8 1/2 11 inches and shall be Junior West Coast Type . Mirrors shall be firmly supported by tripod type brackets fastened to top corners of bus body. Left and right mirrors shall be on same level and shall be mounted so that they can be adjusted to give driver clear view to left rear and right rear of bus.

a. Exterior crossview mirror at least 7-1/2 inches in diameter shall be located on left front fender of bus in such manner that seated driver may observe, through its use, areas to front of bus where direct observation is not possible. It shall not obstruct the left turn signal. An additional A hemispherical mirror may shall be mounted on the right front fender in a corresponding position.

b. An adjustable convex mirror with a minimum diameter of four inches and a maximum diameter of five inches may be mounted on each side on a separate arm attached to the mounting of the regular outside mirror. This convex mirror shall be mounted so that it can be positioned immediately below the regular outside mirror. Stick on convex type mirrors to the face of regular outside mirrors are prohibited.

3. A list of approved mirrors will be supplied to body manufacturers by the State Supervisor of Pupil Transportation Service, Department of Education . The use of mirrors not on this list will not be approved.

Exception Type H A vehicles.

Interior mirror to be 6 x 16 inches minimum and outside 6 x 10 9-1/2 inches mounted on doors.

§ 6.67. [§ 5.67. § 5.69.] Mounting.

1. Chassis frame shall extend to rear edge of rear body cross member. Bus body shall be attached to chassis frame in such manner as to prevent shifting or

separation of body from chassis under severe operating conditions.

2. Body front shall be attached and sealed to chassis cowl in such manner as to prevent entry of water, dust, and fumes through joint between chassis cowl and body.

3. Insulating material shall be placed at all contact points between body and chassis frame. Insulating material shall be approximately 1/4 inch thick, shall have quality of sidewall of automobile tire, and shall be so attached to chassis frame or body member that it will not move under severe operating conditions.

4. Exception Type H A conversion vans.

Standard does not apply.

§ 6.68. [~~§ 5.68.~~ § 5.70.] Openings.

Any openings in body or front fenders of chassis resulting from change necessary to furnish required components shall be sealed. (See §§ ~~6.30 and 6.51.11~~ [§§ ~~5.30 and 5.51.10~~ §§ 5.32 and 5.53 10])

§ 6.69. [~~§ 5.69.~~ § 5.71.] Overall length.

Overall length of bus shall not exceed 36 feet for conventional flat faced cowl units or 40 feet for metropolitan type.

§ 6.70. [~~§ 5.70.~~ § 5.72.] Overall width.

Overall width of bus shall not exceed 100 inches, including traffic warning sign in closed position. *Outside rearview mirrors are excluded.*

§ 6.71. [~~§ 5.71.~~ § 5.73.] Posts - See §§ ~~6.51 and 6.88.3~~ [§§ ~~5.51 and 6.88~~ §§ 5.53 and 5.90] 3 .

§ 6.72. [~~§ 5.72.~~ § 5.74.] Rub rails.

1. There shall be one rub rail located on each side of bus immediately below window level which shall extend from rear side of entrance door completely around bus body (except for emergency door) to point of curvature near outside cowl on left side. If floor level rub rail extends to emergency door post in rear, this rub rail may stop at rear side post.

Exception -

This rub rail is not required between the front body post and rear side post if an internal frame member (fortress rail) of greater strength is positioned immediately below the window level. The rub rail *must shall* be applied from the last sidepost to the emergency doorpost.

2. There shall be one rub rail located on each side of

bus approximately at seat level which shall extend from rear side of entrance door completely around bus body (except for emergency door) to point of curvature near outside cowl on left side. This rail shall be painted black.

3. There shall be one rub rail located approximately at floor line which shall extend from rear side of entrance door completely around bus body (except for emergency door) to point of curvature near outside cowl on left side, except at wheel housings. If the window level rub rail extends to emergency door post in rear, this rub rail may stop at rear side post.

4. All rub rails shall be attached at each body post and all other up-right structural members.

5. All rub rails shall be of four inches or more in width, shall be of 16-gauge steel, and shall be constructed in corrugated or ribbed fashion.

6. All rub rails shall be applied outside body or outside body posts. Pressed-in or snap-on rub rails do not satisfy this requirement.

7. Certain exceptions may be approved for heater air-intake and for rear engine type buses.

Exception Type H A vehicles.

Rail required in 1 above does not apply *on conversion vans* .

§ 6.73. [~~§ 5.73.~~ § 5.75.] Seat belt for driver.

Seat belt for driver shall be provided. Belt shall be equipped with retractor on each side of sufficient quality and strength to keep it retracted and off floor when not in use. A locking retractor type seat belt shall be provided for the driver. Each belt section shall be booted so as to keep the buckle and button-type latch off the floor and within easy reach of the driver. Belt shall be anchored in such a manner or guided at the seat frame so as to prevent the driver from sliding sideways from under the belt.

§ 6.74. [~~§ 5.74.~~ § 5.76.] Seats.

1. All seats shall have minimum depth of 14 inches.

2. In determining seating capacity of bus, allowable average rump width shall be 13 inches. (See § 6.44 [~~§ 5.44~~ § 5.46].)

3. All seats shall be forward facing. They shall have two legs securely fastened to the floor with the other end supported by rail or bracket on side wall.

a. A two-passenger left rear seat, minimum of 26 inches in length, and a three-passenger right rear seat, minimum of 37.5 inches in length, will be

Final Regulations

provided.

b. The right front seat will have a two-passenger cushion, minimum of 26 inches in length and a three-passenger back which serves as a barrier for the next seat.

c. *Seating plans for buses with wheelchair positions see §§ 6.2 and 6.12.*

4. Seat cushions shall have 24-hour glass coil type springs interlaced and securely fastened to plywood base having minimum thickness of 1/2 inch. Urethane foam may be used in place of springs if sample is submitted and approved each year.

Passenger seat cushion retention system shall be employed to prevent passenger seat cushions from disengaging from seat frames in event of accident. Each seat cushion retention system shall be capable of withstanding vertical static load equal to minimum of five times weight of cushion. System shall also be capable of withstanding forward or rearward static load equal to 20 times weight of cushion.

5. No bus shall be equipped with jump seats or portable seats.

6. Seat spacing shall provide a minimum of 25 inch knee room at center of seat, when measured horizontally from back to back, at cushion level.

7. Seat and back cushions of all seats shall be designed to safely support designated number of passengers under normal road conditions encountered in school bus service. Covering of seat cushions shall be of material having 42 ounce finished weight, 54 inch width, and finished vinyl coating of 1.06 broken twill and shall be medium brown or green in color. Material on polyester drill and polyester cotton twill knit backing with equal vinyl coating which meets or exceeds the laboratory test results for the 42 ounce 1.06 covering may be used. Padding and covering on all seats shall comply with provisions of Federal Motor Vehicles Safety Standard No. 302.

8. Minimum distance between steering wheel and back rest of driver's seat shall be 11 inches. Driver's seat shall have fore-and-aft adjustment of not less than four inches and up and down adjustment of three inches. It shall be manually adjustable and strongly attached to floor.

9. Minimum of 36-inch headroom for sitting position above top of undepressed cushion line of all seats shall be provided. Measurement shall be made vertically not more than seven inches from side wall at cushion height and at fore-and-aft center of cushion.

10. Backs of all seats of similar size shall be of same width at top and of same height from floor and shall

slant at same angle with floor.

11. Seat back heights shall be between 19 and 24 inches measured from cushion level.

§ ~~6.75~~. [§ ~~5.75~~. § 5.77.] Barriers.

1. Barrier shall be installed at rear of driver's seat in such a position as neither to interfere with adjustment of driver's seat nor to obstruct ~~21.6~~ 21.0 inch entranceway to the aisle.

2. Barrier shall be installed at rear of entrance stepwell. Placement shall not restrict entrance passageway at any level to less than ~~21.6~~ 21.0 inches. Barrier to coincide with length of the right front seat cushion with minimum width of 26 inches and shall have a modesty panel to extend from bottom of barrier to floor.

3. Lift-gate units shall have a barrier or padded stanchion with modesty panel forward of each standard seating position and between lift-gate and first seat to rear of lift-gate see § 6.12 2 .

§ ~~6.76~~. [§ ~~5.76~~. § 5.78.] Stanchions and guard rails.

Padded stanchions may be used in lieu of barriers, if permitted by federal regulations. A modesty panel is required with all stanchions except the one immediately behind the driver's seat.

§ ~~6.77~~. [§ ~~5.77~~. § 5.79.] Steering wheel - See § ~~6.36.4~~ [§ ~~5.36~~ § 5.38] 4 .

§ ~~6.78~~. [§ ~~5.78~~. § 5.80.] Steps.

1. First step at service door shall be not less than 12 inches and not more than 16 inches from ground, based on standard chassis specifications.

2. Service door entrance may be equipped with two-step or three-step stepwell. Risers in each case shall be approximately equal.

3. Steps shall be enclosed to prevent accumulation of ice and snow.

4. Steps shall not protrude beyond side body line.

5. Grab handle not less than ~~10~~ 20 inches in length shall be provided in unobstructed location inside doorway, but shall not be attached so that it will interfere with the opening of the glove compartment door. This handle shall be designed to eliminate exposed ends that would catch passenger clothing and shall be so placed in a position to aid small children entering the bus .

6. Step covering. All steps, including floorline platform area, shall be covered with 3/16-inch rubber

metal-backed treads with at least 1-1/2-inch white nosing (or three inch white rubber step edge with metal back at floorline platform area.)

a. Step tread minimum overall thickness shall be 3/16-inch ribbed design, similar to ribbed design of the rubber aisle;

b. Metal back of tread, minimum 24-gauge cold roll steel, shall be permanently bonded to ribbed rubber; grooved design shall be such that said grooves run at 90#0 angle to long dimensions of step trend;

c. 3/16-inch ribbed step tread shall have a 1-1/2-inch white nosing as integral piece without any joint; and

d. Rubber portion of step treads shall have following characteristics:

a. Special compounding for good abrasion resistance and high coefficient of friction.

b. Flexibility so that it can be bent around a 1/2-inch mandrel both at 20°F and 130°F without breaking, cracking, or crazing.

c. Show a durometer hardness 85 to 95.

§ 6.70. [§ 5.70. § 5.81.] Stirrup steps.

There shall be one folding stirrup step and suitably located handle on each side of front of body for easy accessibility for cleaning windshield and lamps.

Exception Type H A vehicles.

Standard does not apply.

§ 6.80. [§ 5.80. § 5.82.] Storage compartment.

Metal storage compartment for tools and chains is required. If provided, the metal container shall have adequate strength and capacity for storage of tire chains and such tools as may be necessary for minor emergency repairs. Such storage container may be located either inside or outside passenger compartment but if inside, it shall have cover (seat cushion may not serve for this purpose) capable of being securely latched and shall be fastened to floor under right rear seat frame. If outside, it shall be located in body skirt on right side of body. (A local school division may waive this requirement if chains or tools are not carried on bus and a written request for deletion has been filed with the Pupil Transportation Service, Department of Education and noted in the purchase agreement).

If provided, the metal container shall have adequate strength and capacity for storage of chains and other emergency tools. Such container shall be located outside passenger compartment in body skirt on the right side of

body with a door hinged at the top or front and equipped with an adequate fastener.

§ 6.81. [§ 5.81. § 5.83.] Sun shield.

Interior adjustable transparent sun shield, darkest shade available, not less than 60 x 30 inches shall be installed in position convenient for use by driver.

Exception Type H A vehicles.

Manufacturer's standard is acceptable.

§ 6.82. [§ 5.82. § 5.84.] Tail pipe.

Tail pipe shall extend to but not more than 1/2 inch beyond outer edge of rear bumper. (See § 6.10 [§ 5.10 § 5.21] 2.)

§ 6.83. [§ 5.83. § 5.85.] Undercoating.

Entire underside of bus body, including floor sections, cross members, and below floor line side panels, shall be coated with rust-proofing compound for which compound manufacturer has issued notarized certification of compliance to bus body builder that compounds meets or exceeds all performance requirements of Federal Specification TT-C-520 a b using modified test procedures for following requirements:

1. Salt spray resistance - pass test modified to 5.0% salt and 1,000 hours;
2. Abrasion resistance - pass;
3. Fire resistance - pass.

Undercoating compound shall be applied with suitable airless or conventional spray equipment to recommend film thickness and shall show no evidence of voids in cured film. Undercoating is expected to prevent rust under all bus service conditions for minimum of five years.

§ 6.84. [§ 5.84. § 5.86.] Ventilation.

1. Body shall be equipped with suitable, controlled ventilating system of sufficient capacity to maintain proper quantity of air under operating conditions without opening of windows except in extremely warm weather.
2. Static-type, nonclosable, exhaust roof ventilators shall be installed in low-pressure area of roof panel.

§ 6.85. [§ 5.85. § 5.87.] Water test.

Each and every school bus body, after it is mounted on chassis ready for delivery, shall be subjected to a thorough water test in which water under pressure equal to a driving rain is forced against the entire bus body from various directions. Any leaks detected are to be repaired

Final Regulations

before the bus is declared ready for delivery.

§ 6.86. [§ 5.86. § 5.88.] Wheel housings.

1. Wheel housings shall be of full open type.
2. Wheel housings shall be designed to support seat and passenger loads and shall be attached to floor sheets in such manner as to prevent any dust or water from entering the body.
3. Inside height of wheel housings above floor line shall not exceed 10 inches.
4. Wheel housings shall provide clearance for dual wheels as established by National Association of Chain Manufacturers.

Exception -

Standard does not apply to Type H A conversion vans.

§ 6.87. [§ 5.87. § 5.89.] Width - See § 6.70 [§ 5.70 § 5.72]

§ 6.88. [§ 5.88. § 5.90.] Windshield and windows.

1. All glass in windshield, window, and doors shall be of approved safety glass, so mounted that permanent mark is visible, and of sufficient quality to prevent distortion of view in any direction. Windshield must shall be AS1 and all other glass shall be AS2.
2. Plastic glazing material of a thickness comparable to AS2 glass, meeting ANSI Standard C26.1 and FMVSS No. 205, may be used in side windows behind the driver's compartment.
3. Windshield shall be large enough to permit driver to see roadway clearly, shall be slanted to reduce glare, and shall be installed between front corner posts that are so designed and placed as to afford minimum obstruction to driver's view of roadway.
4. Windshield shall have horizontal gradient band starting slightly above line of driver's vision and gradually decreasing in light transmission to 20% or less of windshield.
5. Each full side window shall provide unobstructed emergency opening at least nine inches high and 22 inches wide, obtained either by lowering of window or by use of knock-out type split-sash windows.
6. Approved tinted glass or plastic glazing material may be used as needed for care of handicapped pupils.
7. All exposed edges of glass shall be banded.
8. A pushout emergency exit window, nearest the

center of body, is required on each side of all Type D buses.

§ 6.89. [§ 5.89. § 5.91.] Windshield washers.

Windshield washers meeting federal requirements shall be provided and shall be controlled by push button switch located on instrument panel. Reservoir shall be mounted in engine compartment.

[Exception - Type D vehicles, reservoir shall be mounted behind an access panel in driver area.]

§ 6.90. [§ 5.90. § 5.92.] Windshield wipers.

1. Bus shall be equipped with two variable-speed windshield wipers of air or electric type powered by two motors of sufficient power to operate wipers.
2. Blades and arms shall be of such size that minimum blade length will be 12 inches with longer blades being used whenever possible.
3. Wiper motor and arm linkage shall be shielded to prevent objects from being placed against them.

Exception Type H A vehicles.

One variable speed motor is acceptable.

§ 6.91. [§ 5.91. § 5.93.] Wiring.

1. All wiring shall conform to current standards of Society of Automotive Engineers.
2. Circuits.
 - a. Wiring shall be arranged in at least 12 regular circuits as follows:
 - (1) head, tail, stop (brake) and instrument panel lamps
 - (2) clearance lamps
 - (3) dome and stepwell lamps
 - (4) starter motor
 - (5) ignition
 - (6) turn-signal units
 - (7) alternately flashing red signal lamps
 - (8) horns
 - (9) heater and defroster
 - (10) emergency door buzzer

(11) defogging auxiliary fan

(12) [traffic warning sign and crossing control arm booster pump]

b. Any of above combination circuits may be subdivided into additional independent circuits.

c. Whenever possible, all other electrical functions (such as electric-type windshield wipers) shall be provided with independent and properly protected circuits.

d. Each body circuit shall be color coded and a diagram of the circuits shall be attached to the body in a readily accessible location.

3. A separate fuse or circuit breaker shall be provided for each circuit except starter motor and ignition circuits.

4. A continuous duty solenoid relay, Cole Hersee No. 24106 or approved equal, operated by the ignition switch, shall be provided to supply current to the heater, emergency door buzzer, defogging auxiliary fan(s), and traffic warning sign booster pump (Circuits 9, 10, 11, and 12).

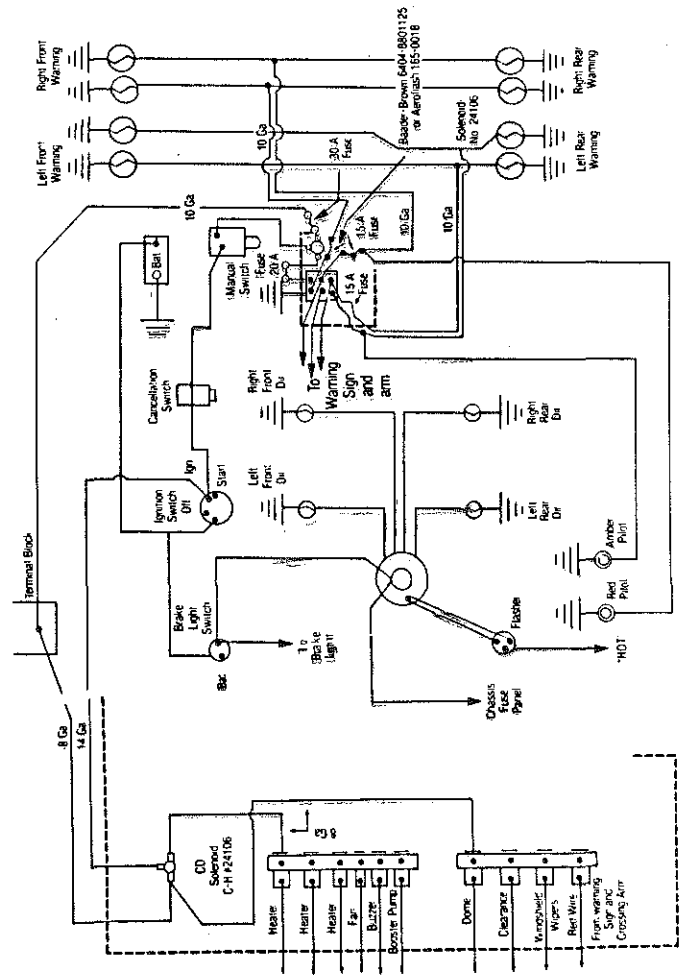
5. All wires within body shall be insulated and protected by covering of fibrous loom (or equivalent) which will protect them from external damage and minimize dangers from short circuits. Whenever wires pass through body member, additional protection in form of appropriate type of insert shall be provided.

6. All light circuits shall be such as to provide, as nearly as possible, bulb design voltage at lightbulb terminals.

7. Wires shall be fastened securely at intervals of not more than 24 inches. All joints shall be soldered or jointed by equally effective connectors.

Virginia School Bus Wiring Diagram.

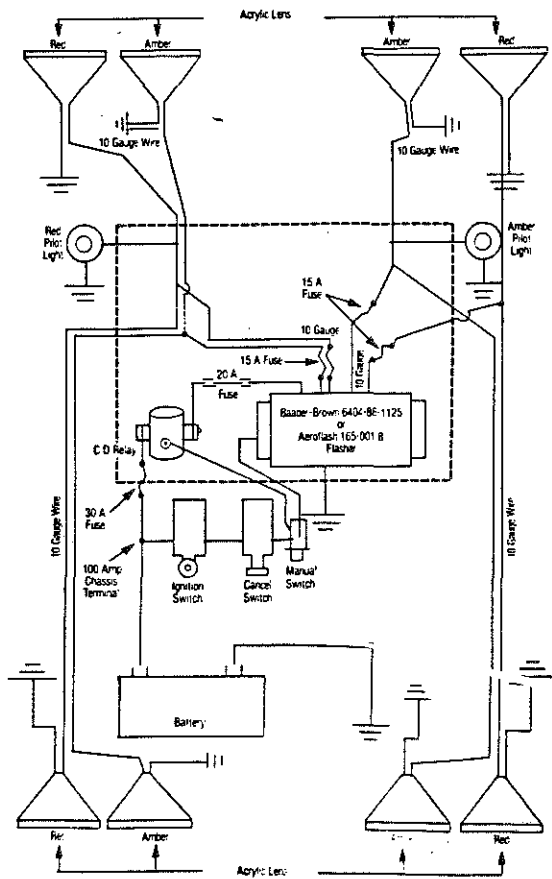
Diagram 6.



Final Regulations

Wiring Diagram for Virginia School Bus Traffic Lights.

Diagram 7.



PART VI. STANDARDS FOR LIFT-GATE SCHOOL BUSES.

§ 6.1. General requirements.

A. School buses or school vehicles designed for transporting children with special transportation needs shall comply with Virginia's standards applicable to school buses and Federal Motor Vehicle Safety Standards as applicable to their GVWR category.

B. Any school bus that is used for the transportation of children who are confined to a wheelchair or other restraining devices which prohibit use of the regular service entrance, shall be equipped with a power lift, unless a ramp is needed for unusual circumstances.

C. Lift shall be located on the right side of the body, in no way attached to the exterior sides of the bus but confined within the perimeter of the school bus body when not extended.

§ 6.2. Aisles.

All aisles leading to the emergency door from wheelchair area shall be a minimum of 30 inches in width.

§ 6.3. Communications.

Special education buses may be equipped with a two-way radio communication system. (See [§ 5.50 § 5.52] A.)

§ 6.4. Fastening devices.

1. Wheelchair fastening devices shall be provided and attached to the floor or walls or both to enable securement of wheelchairs in the vehicle. The devices shall be of the type that require human intervention to unlatch or disengage. The fastening devices shall be designed to withstand forces up to 2,000 pounds per tiedown leg or clamping mechanism or 4,000 pounds total for each wheelchair, whichever is the lesser of the two.

2. Additional fastening devices may be needed to assist the student due to the many different configurations of chairs and exceptionalities.

§ 6.5. Glazing.

Tinted glazing may be installed in all doors, windows and windshield.

§ 6.6. Heaters.

An additional heater(s) shall be installed in the rear portion of the bus behind wheel wells as required in [§ 5.50 § 5.61 9].

§ 6.7. Identification.

Buses with wheelchair lifts used for transporting physically handicapped children shall display universal handicapped symbols located on the front and rear of the vehicle below the windowline. Such emblems shall be white on blue, shall be a minimum of nine inches and a maximum of 12 inches in size, and may be reflectorized. It shall be placed so as not to cover lettering, lamps or glass.

§ 6.8. Power lift.

1. Lifting mechanism shall be able to lift minimum pay load of 800 pounds. A clear opening and platform to accommodate a 30-inch wide wheelchair shall be provided.
2. When the platform is in the fully up position, it shall be locked in position mechanically by means other than a support, or lug in the door.
3. Controls shall be provided that enable the operator to activate the lift mechanism from either inside or outside of the bus. There shall be a means of preventing the lift platform from falling while in operation due to a power failure.
4. Power lifts shall be so equipped that they may be manually raised in the event of power failure of the power lift mechanism.
5. Lift travel shall allow the lift platform to rest securely on the ground.
6. All edges of the platform shall be designed to restrain wheelchair and to prevent operator's feet from being entangled during the raising and lowering process.
7. Up and down movements of the lift platform shall be perpendicular to the plane of the bus body in all positions.
8. A restraining device shall be affixed to the outer edge (curb end) of the platform that will prohibit the wheelchair from rolling off the platform when the lift is in any position other than fully extended to ground level.
9. A self-adjusting, skid resistant plate shall be installed on the outer edge of the platform to minimize the incline from the lift platform to the ground level. This plate, if so designed, may also suffice as the restraining device described in item 8 above. The lift platform shall be skid resistant.
10. A circuit breaker or fuse energized through the ignition side of the accessory solenoid, shall be installed between power source and lift motor if electrical power is used.
11. The lift mechanism shall be equipped with

adjustable limit switches or by-pass valves to prevent excessive pressure from building in the hydraulic system when the platform reaches the full up position or full down position.

§ 6.9. Ramps.

When a power lift system is not adequate to load and unload students having special and unique needs, a ramp device may be installed.

1. If a ramp is used, it shall be of sufficient strength and rigidity to support the special device, occupant, and attendant(s). It shall be equipped with a protective flange on each longitudinal side to keep special device on the ramp.
2. Floor of ramp shall be of nonskid construction.
3. Ramp shall be of weight and design, and equipped with handle(s), to permit one person to put ramp in place and return it to its storage place.

§ 6.10. Regular service entrance.

1. In Type D vehicles, there shall be three step risers, of equal height, in the entrance well.
2. An additional fold-out step may be provided which will provide for the step level to be no more than six inches from the ground level.
3. Three step risers in Type C vehicles are optional.

§ 6.11. Assistive devices.

Seat frames may be equipped with attachments or devices to which belts, assistive harnesses or other devices may be attached.

§ 6.12. Seating arrangements.

1. Flexibility in seat spacing to accommodate special devices shall be permitted due to the constant changing of passenger requirements.
2. There shall be a barrier or padded stanchion with modesty panel forward of each standard seating position and between lift-gate and first seat to rear of lift-gate. A wheelchair position immediately forward of lift-gate shall have a barrier between lift and wheelchair. (See [§ 6.76. § 5.77.])

§ 6.13. Special light.

Lights shall be placed inside the bus to sufficiently illuminate lift area and shall be activated from door area.

§ 6.14. Special service entrance.

1. Bus bodies may have a special service entrance

Final Regulations

constructed in the body to accommodate a wheelchair lift for the loading and unloading of passengers.

2. The opening to accommodate the special service entrance shall be at any convenient point on the right (curb side) of the bus and far enough to the rear to prevent the door(s), when open, from obstructing the right front regular service door (excluding a regular front service door lift).

3. The opening shall not extend below the floor level. Outboard type lifts shall be used.

4. The opening, with doors open, shall be of sufficient width to allow the passage of wheelchairs. The minimum clear opening through the door and the lift mechanism shall be 30 inches in width.

5. A drip moulding shall be installed above the opening to effectively divert water from entrance.

6. Entrance shall be of sufficient width and depth to accommodate various mechanical lifts and related accessories as well as the lifting platform.

7. Door posts and headers from entrance shall be reinforced sufficiently to provide support and strength equivalent to the areas of the side of the bus not used for service doors.

§ 6.15. Special service entrance doors.

1. A single door may be used if the width of the door opening does not exceed 40 inches.

2. Two doors shall be used if any single door opening would have to exceed 40 inches.

3. All doors shall open outwardly.

4. All doors shall have positive fastening devices to hold doors in the open position.

5. All doors shall be weather sealed and on buses with double doors, they shall be so constructed that a flange on the forward door overlaps the edge of the rear door when closed.

6. When dual doors are provided, the rear door shall have at least a one-point fastening device to the header. The forward mounted door shall have at least three-point fastening devices. One shall be to the header, one to the floor line of the body, and the other shall be into the rear door. These locking devices shall afford maximum safety when the doors are in the closed position. The door and hinge mechanism shall be of a strength that will provide for the same type of use as that of a standard entrance door.

7. Door materials, panels and structural strength shall

be equivalent to the conventional service and emergency doors. Color, rub rail extensions, lettering and other exterior features shall match adjacent sections of the body.

8. Each door shall have windows set in rubber compatible within one-inch of the lower line of adjacent sash.

9. Door(s) shall be equipped with a device that will actuate a red flashing visible signal located in the driver's compartment when door(s) is not securely closed and ignition is in "on" position.

10. A switch shall be installed so that the lifting mechanism will not operate when the lift platform door(s) is closed.

§ 6.16. Special optional equipment.

Special seats for aides may be installed on an optional basis. The location, restraints, and so forth shall be assessed and approved on an individual unit basis.

PART VII. ACTIVITY [BUSES VEHICLES].

§ 7.1. Activity [buses vehicles] owned or operated under contract by or for the school board, which are used to transport pupils to and from school activity events, shall comply with all applicable regulations and standards prescribed for school buses except as noted in this article.

A. Exceptions, general regulations.

1. An activity [bus vehicle] transporting school pupils shall be operated at a safe speed not in excess of 55 miles per hour, or minimum legal speed allowable.

2. No standees shall be permitted.

3. The lettered identification and traffic warning devices do not apply. The name of the school division or regional vocational/special education school shall be placed on both sides of the [bus vehicle].

4. Stops for the purpose of loading or discharging pupils on the travel portion of the highway shall not be permitted.

B. Exception, driver requirements.

Every driver of school activity [buses vehicles] shall receive appropriate instruction and training before being allowed to operate a vehicle transporting children. The length of the instructional program shall be determined by the experience of the applicant and the type of vehicle to be operated.

C. Exceptions, minimum standards for school buses in Virginia.

1. [~~Buses Vehicles~~] shall not be painted national school bus yellow.
2. An approved road speed control governor shall be required and set at a maximum speed of 55 mph.
3. Other type seats and increased spacing may be used provided all provisions of Federal Standard FMVSS222 are met.
4. [~~Buses Vehicles~~] may be equipped with luggage compartments in the body skirt provided they do not reduce ground clearance to less than 14.50 inches from bottom of compartment and that the addition of compartments does not exceed the vehicle GVWR.
5. Approved tinted glass or plastic glazing material is permitted.
6. Air conditioning units may be installed on an optional basis. Application requires heavier electrical components and assessment by the Pupil Transportation Service, Department of Education, on an individual unit basis.

DEPARTMENT OF HEALTH (BOARD OF)

Title of Regulation: VR 355-34-02. Sewage Handling and Disposal Regulations.

Statutory Authority: §§ 32.164 B and 32.1-164.2 through 32.1-164.4 of the Code of Virginia.

Effective Date: May 11, 1988

REGISTRAR'S NOTICE: Due to its length, the Sewage Handling and Disposal Regulations filed by the Department of Health is not being published. However, in accordance with § 9-6.14:22 of the Code of Virginia, the summary is being published in lieu of the full text. The full text of the regulations is available for public inspection at the office of the Registrar of Regulations and at the Department of Health.

Summary:

The State Board of Health has adopted amendments to the Sewage Handling and Disposal Regulations which allow additional options for the handling and disposal of septage. These amendments represent a change in format, organization, and style, as required by the Virginia Registrar.

Current regulations require septage handlers to be permitted to handle septage and before permitting, they must demonstrate that they have an approved site for disposal of septage. Septage disposal sites currently approved include the use of sewage treatment plants and anaerobic lagoons. The adopted amendments allow other methods of septage disposal in situations where the above options are not

available.

The preferred methods for septage disposal are disposal in an approved sewage treatment or stabilization and subsequent disposal by land application or landfilling. Unstabilized septage may be applied directly to land only under certain conditions. The amendments describe lime stabilization as a process by which septage may be handled prior to landfilling or land spreading. The land spreading of unstabilized septage via shallow injection plowing is described in the amendments.

The landfilling of lime stabilized septage or the land spreading of stabilized or unstabilized septage will not be permitted for septage handlers whose home base of operation is within 40 miles of an approved sewage treatment plant or anaerobic lagoon that can accept septage.

The State Department of Health in order to implement § 32.1-164.4 as amended in 1986: Land Disposal of Septage in Counties, has adopted the amendments. The purpose of the adopted changes is to protect the public health by regulating how septage may be disposed of through land application.

VIRGINIA HOUSING DEVELOPMENT AUTHORITY

NOTICE: The Virginia Housing Development Authority is exempted from the Administrative Process Act (§ 9-6.14:1 et seq. 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 400-01-0001. Rules and Regulations.

Statutory Authority: § 36-35.30:3 of the Code of Virginia.

Effective Date: March 16, 1988

Summary:

The amendments establish a program to permit the acquisition, development, ownership and operation by the authority (or a related entity) of multi-family housing developments intended for occupancy by low and moderate income persons and families as well as the making of mortgage loans by the authority to finance the development and construction of such developments prior to their acquisition by the authority (or a related entity). In addition to procedures and requirements for establishing the terms and conditions of authority acquisitions and construction loans, the amendments include provisions relating to the processing of applications for acquisitions and construction loans, the operation of the developments, the income limits applicable to the tenants of such developments, the selection of tenants,

Final Regulations

and the procedures and requirements applicable to acquisitions of developments by entities formed by and related to the authority, including provisions for the making of permanent mortgage loans by the authority to such entities to finance such acquisitions.

VR 400-01-0001. Rules and Regulations.

PART I. GENERAL PROVISIONS.

§ 1.1. Definitions.

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

“Act” means the Virginia Housing Development Authority Act, being Chapter 1.2 (§ 36-55.24, et seq.) of Title 36 of the Code of Virginia.

“Adjusted family income” means the total annual income of a person or all members of a family residing or intending to reside in a dwelling unit, from whatever source derived and before taxes or withholdings, less the total of the credits applicable to such person or family, computed in accordance with the following: (i) a credit in an amount equal to \$1,000 for each dependent family member other than such a family member qualifying under (vi) below; (ii) a credit in an amount equal to the lesser of \$1,000 or 10% of such total annual income; (iii) a credit in an amount equal to all income of such person or any such family member of an unusual or temporary nature and not related to such person's or family member's regular employment, to the extent approved by the executive director; (iv) a credit in an amount equal to all earnings of any family member who is a minor under 18 years of age or who is physically or mentally handicapped, as determined on the basis of medical evidence from a licensed physician or other appropriate evidence satisfactory to the executive director; (v) a credit in an amount equal to such person or family's medical expenses, not compensated for or covered by insurance, in excess of 3.0% of such total annual income; and (vi) a credit in an amount equal to 1/2 of the total annual income of all family members over 18 years of age who are secondary wage earners in the family, provided, however, that such credit shall not exceed the amount of \$2,500. If federal law or rules and regulations impose limitations on the incomes of the persons or families who may own or occupy a single family dwelling unit or multi-family residential housing development, the authority may provide in its procedures, instructions and guidelines promulgated pursuant to § 1.3 of these rules and regulations that the adjusted family income shall be computed, for the purpose of determining eligibility under § 1.2 of these rules and regulations for ownership or occupancy of such single family dwelling unit or the dwelling units in such multi-family residential housing development (or, if so provided in the procedures, instructions and guidelines, only those dwelling units in

such development which are subject to such federal income limitations), in the manner specified by such federal law or rules and regulations (subject to such modifications as may be provided in or authorized by the procedures, instructions and guidelines) rather than in the manner provided in the preceding sentence.

“Applicant” means an individual, corporation, partnership, limited partnership, joint venture, trust, firm, association, public body or other legal entity or any combination thereof, making application to receive an authority mortgage loan or other assistance under the Act.

“Application” means a request for an authority mortgage loan or other assistance under the Act.

“Authority” means the Virginia Housing Development Authority.

“Authority mortgage loan” or *“mortgage loan”* means a loan which is made or financed or is to be made or financed, in whole or in part, by the authority pursuant to these rules and regulations and is secured or is to be secured by a mortgage.

“Board” means the Board of Commissioners of the authority.

“Dwelling unit” means a unit of living accommodations intended for occupancy by one person or family.

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

“Family” means, in the context of the financing of a single family dwelling unit, two or more individuals related by blood, marriage or adoption, living together on the premises as a single nonprofit housekeeping unit. In all contexts other than the financing of a single family dwelling unit, *“family”* means two or more individuals living together in accordance with law.

“FHA” means the Federal Housing Administration and any successor entity.

“For-profit housing sponsor” means a housing sponsor which is organized for profit and may be required by the authority to agree to limit its profit in connection with the sponsorship of authority financed housing in accordance with the terms and conditions of the Act and these rules and regulations and subject to the regulatory powers of the authority.

“Gross family income” means the annualized gross income of a person or all members of a family residing or intending to reside in a dwelling unit from whatever source derived and before taxes or withholdings. For the purpose of this definition, annualized gross income means gross monthly income multiplied by 12. Gross monthly

income is the sum of monthly gross pay; plus any additional income from overtime, part-time employment, bonuses, dividends, interest, royalties, pensions, Veterans Administration compensation, net rental income; plus other income (such as alimony, child support, public assistance, sick pay, social security benefits, unemployment compensation, income received from trusts, and income received from business activities or investments).

"Multi-family dwelling unit" means a dwelling unit in multi-family residential housing.

"Nonprofit housing sponsor" means a housing sponsor which is organized not for profit and may be required by the authority to agree not to receive any limited dividend distributions from the ownership and operation of a housing development.

"Person" means:

1. An individual who is 62 or more years of age;
2. An individual who is handicapped or disabled, as determined by the executive director on the basis of medical evidence from a licensed physician or other appropriate evidence satisfactory to the executive director; or
3. An individual who is neither handicapped nor disabled nor 62 or more years of age; provided that the board may from time to time by resolution (i) limit the number of, fix the maximum number of bedrooms contained in, or otherwise impose restrictions and limitations with respect to single family dwelling units that may be financed by the authority for occupancy by such individuals and (ii) limit the percentage of multi-family dwelling units within a multi-family residential housing development that may be made available for occupancy by such individuals or otherwise impose restrictions and limitations with respect to multi-family dwelling units intended for occupancy by such individuals.

"Rent" means the rent or other occupancy charge applicable to a dwelling unit within a housing development operated on a rental basis or owned and operated on a cooperative basis.

"Reservation" means the official action as evidenced in writing, taken by the authority to designate a specified amount of funds for the financing of a mortgage loan on a single family dwelling unit.

"Single family dwelling unit" means a dwelling unit in single family residential housing.

Terms defined in the Act and used and not otherwise defined herein shall have the same meaning ascribed to them in the Act.

§ 1.2. Eligibility for occupancy.

A. The board shall from time to time establish, by resolution or by procedures, instructions and guidelines pursuant to § 1.3 of these rules and regulations, income limitations with respect to single family dwelling units financed or to be financed by the authority. Such income limits may vary based upon the area of the state, type of program, the size and circumstances of the person or family, the type and characteristics of the single-family dwelling unit, and any other factors determined by the board to be necessary or appropriate for the administration of its programs. Such resolution or procedures, instructions and guidelines shall specify whether the person's or family's income shall be calculated as adjusted family income or gross family income. To be considered eligible for the financing of a single family dwelling unit, a person or family shall not have an adjusted family income or gross family income, as applicable, which exceeds the applicable limitation established by the board. It shall be the responsibility of each applicant for the financing of a single family dwelling unit to report accurately and completely his adjusted family income or gross family income, as applicable, family composition and such other information relating to eligibility for occupancy as the executive director may require and to provide the authority with verification thereof.

B. To be considered eligible for occupancy of a multi-family dwelling unit financed by an authority mortgage loan, a person or family shall not have an adjusted family income greater than seven times the total annual rent, including utilities except telephone, applicable to such dwelling unit; provided, however, that the board may from time to time establish, by resolution or by procedures, instructions and guidelines pursuant to § 1.3 of these rules and regulations, lower income limits for occupancy of such dwelling unit; and provided further that in the case of any dwelling unit for which no amounts are payable by or on behalf of such person or family or the amounts payable by or on behalf of such person or family are deemed by the board not to be rent, the income limits shall be established by the board by resolution or by procedures, instructions and guidelines pursuant to § 1.3 of these rules and regulations.

C. It shall be the responsibility of the housing sponsor to examine and determine the income and eligibility of applicants for occupancy of multi-family dwelling units, report such determinations to the authority in such form as the executive director may require, reexamine and redetermine the income and eligibility of all occupants of such dwelling units every two years or at more frequent intervals if required by the executive director, and report such redeterminations to the authority in such form as the executive director may require. It shall be the responsibility of each applicant for occupancy of a multi-family dwelling unit, and of each occupant of such dwelling units, to report accurately and completely his adjusted family's income, family composition and such other information relating to eligibility for occupancy as the executive director may require and to provide the

Final Regulations

housing sponsor and the authority with verification thereof at the times of examination and reexamination of income and eligibility as aforesaid.

D. With respect to a person or family occupying a multi-family dwelling unit, if a periodic reexamination and redetermination of the adjusted family's income and eligibility as provided in subsection C of this section establishes that such person's or family's adjusted family income then exceeds the maximum limit for occupancy of such dwelling unit applicable at the time of such reexamination and redetermination, such person or family shall be permitted to continue to occupy such dwelling unit; provided, however, that during the period that such person's or family's adjusted family income exceeds such maximum limit, such person or family may be required by the executive director to pay such rent, carrying charges or surcharge as determined by the executive director in accordance with a schedule prescribed or approved by him. If such person's or family's adjusted family income shall exceed such maximum limit for a period of six months or more, the executive director may direct or permit the housing sponsor to terminate the tenancy or interest by giving written notice of termination to such person or family specifying the reason for such termination and giving such person or family not less than 90 days (or such longer period of time as the authority shall determine to be necessary to find suitable alternative housing) within which to vacate such dwelling unit. If any person or family residing in a housing development which is a cooperative is so required to be removed from the housing development, such person or family shall be discharged from any liability on any note, bond or other evidence of indebtedness relating thereto and shall be reimbursed for all sums paid by such person or family to the housing sponsor on account of the purchase of stock or debentures as a condition of occupancy in such cooperative and any additional sums payable to such person or family in accordance with a schedule prescribed or approved by the authority, subject however to the terms of any instrument or agreement relating to such cooperative or the occupancy thereof.

§ 1.3. Procedures, instructions and guidelines.

The board may from time to time by resolution establish and modify procedures, instructions and guidelines for the implementation and administration of programs established under these rules and regulations. Such procedures, instructions and guidelines may include and, where deemed appropriate by the board, may authorize the executive director to establish and modify, such requirements, conditions and standards as may be deemed necessary or appropriate for the purpose of implementing and administering such programs, subject to and consistent with the requirements of the Act and these rules and regulations. Upon promulgation, such procedures, instructions and guidelines shall be available to the public upon request.

§ 1.4. Forms.

Forms of documents, instruments and agreements to be employed with respect to the processing of applications, the making or financing of loans under these rules and regulations, the issuance and sale of authority notes and bonds, and any other matters relating to such loans and the implementation and administration of the authority's programs shall be prepared, revised and amended from time to time under the direction and control of the executive director.

§ 1.5. Interest rates.

The executive director shall establish the interest rate or rates to be charged to the housing sponsor or person or family in connection with any loan made or financed under these rules and regulations. To the extent permitted by the documents relating to the loan, the executive director may adjust at any time and from time to time the interest rate or rates charged on such loan. Without limiting the foregoing, the interest rate or rates may be adjusted if such adjustment is determined to be necessary or appropriate by the executive director as a result of any allocation or reallocation of such loan to or among the authority's note or bond funds or any other funds of the authority. Any interest rate or rates established pursuant to this § 1.5 shall reflect the intent expressed in subdivision 3 of subsection A of § 36-55.33:1 of the Code of Virginia.

§ 1.6. Federally assisted loans.

When a housing development or dwelling unit financed by a loan under these rules and regulations or otherwise assisted by the authority is subject to federal mortgage insurance or is otherwise assisted or aided, directly or indirectly, by the federal government or where the authority assists in the administration of any federal program, the applicable federal law and rules and regulations shall be controlling over any inconsistent provision hereof.

§ 1.7. Administration of state and federal programs; acceptance of aid and guarantees.

A. The board by resolution may authorize the authority to operate and administer any program to provide loans or other housing assistance for persons and families of low and moderate income and, in furtherance thereof, to enter into agreements or other transactions with the federal government, the Commonwealth of Virginia or any governmental agency thereof, any municipality or any other persons or entities and to take such other action as shall be necessary or appropriate for the purpose of operating and administering, on behalf of or in cooperation with any of the foregoing, any such program.

B. The board by resolution may authorize the acceptance by the authority of gifts, grants, loans, contributions or other aid, including insurance and guarantees, from the federal government, the Commonwealth of Virginia or any agency thereof, or any other source in furtherance of the purposes of the Act, do

any and all things necessary in order to avail itself of such aid, agree and comply with such conditions upon which such gifts, grants, loans, contributions, insurance, guarantees or other aid may be made, and authorize and direct the execution on behalf of the authority of any instrument or agreement which it considers necessary or appropriate to implement any such gifts, grants, loans, contributions, insurance guarantees or other aid.

C. Without limitation on the provisions of subsection B of this section, the board by resolution may authorize the acceptance by the authority of any insurance or guarantee or commitment to insure or guarantee its bonds or notes and any grant with respect to such bonds or notes, whether insured, guaranteed or otherwise, and may authorize and direct the execution on behalf of the authority of any instrument or agreement which it considers necessary or appropriate with respect thereto.

§ 1.8. Assistance of mortgage lenders.

The authority may, at its option, utilize the assistance and services of mortgage lenders in the processing, originating, disbursing and servicing of loans under these rules and regulations. The executive director is authorized to take such action and to execute such agreements and documents as he shall deem necessary or appropriate in order to procure, maintain and supervise such assistance and services. In the case of authority mortgage loans to be financed from the proceeds of obligations issued by the authority pursuant to § 36-55.37:1 of the Code of Virginia, the authority shall be required to utilize such assistance and services of mortgage lenders in the origination and servicing of such authority mortgage loans.

§ 1.9. Waiver.

The board by resolution may for good cause in any particular case waive or vary any of the provisions of these rules and regulations.

§ 1.10. Amendment.

These rules and regulations may be amended and supplemented by the board at such times and in such manner as it may determine, to the extent not inconsistent with the Act or with other applicable provisions of law.

§ 1.11. Separability.

If any clause, sentence, paragraph, section or part of these rules and regulations shall be adjudged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair or invalidate the remainder thereof, but shall be confined in its operation to the clause, sentence, paragraph, section or part thereof directly involved in the controversy in which such judgment shall have been rendered.

PART II. MULTI-FAMILY RENTAL HOUSING PROGRAM.

§ 2.1. Mortgage loans.

A. This Part II shall govern mortgage loans made by the authority to housing sponsors to finance the development, construction and rehabilitation and/or the ownership and operation of multi-family residential housing. For purposes of this Part II, multi-family residential housing shall include housing developments intended to be owned and operated on a cooperative basis.

B. Authority mortgage loans as described in subsection A of this section may be made to for-profit housing sponsors in original principal amounts not to exceed 95% of the housing development costs as determined by the authority, and to nonprofit housing sponsors in amounts not to exceed 100% of the housing development costs as determined by the authority.

C. Authority mortgage loans as described in subsection A of this section may be made for terms of up to 50 years, including the period of any development and construction or rehabilitation of the housing development. The term of any such mortgage loan, the amortization period, the estimated housing development costs, the principal amount of the mortgage loan, the terms and conditions applicable to any equity contribution by the housing sponsor, any assurances of successful completion and operational stability of the housing development, and other terms and conditions of such mortgage loan shall be set forth in the board's resolution authorizing such mortgage loan or in the mortgage loan commitment issued on behalf of the authority pursuant to such resolution.

§ 2.2. Applications and processing.

A. The processing of applications for authority mortgage loans pursuant to this Part II will be governed by the procedures, instructions and guidelines promulgated by the authority pursuant to § 1.3 of these rules and regulations.

B. Upon satisfactory completion of the processing of such application by the authority staff in accordance with the aforesaid procedures, instructions and guidelines and approval of the application by the executive director, the authority staff's analysis of the application and the executive director's recommendation with respect thereto shall be presented to the board.

The board shall review each such analysis and recommendation and, if it determines that the application meets the requirements of the Act, these rules and regulations and the authority's procedures, instructions and guidelines promulgated pursuant to § 1.3 of these rules and regulations, the board may by resolution authorize an authority mortgage loan to the housing sponsor. Such resolution shall authorize the executive director to issue an authority mortgage loan commitment to the housing sponsor for the financing of the proposed housing development.

C. Notwithstanding anything in subsection B hereof to

Final Regulations

the contrary, for any loan which has a maximum principal amount of \$300,000 or less and which is to finance the development, construction, rehabilitation and/or the ownership and operation of a multi-family housing development intended for occupancy by persons of low and moderate income who are mentally disabled, the executive director may, in his discretion, issue on behalf of the authority an authority mortgage loan commitment to the applicant for the financing of such development without following the procedure described in subsection B hereof; provided, however, that such a commitment shall in all cases be subject to the approval or ratification thereof by resolution of the board.

D. Any such resolution made pursuant to either subsection B or C hereof, or the authority mortgage loan commitment issued by the executive director pursuant to or subject to approval and ratification by such resolution, as applicable, shall include such terms and conditions as the authority considers appropriate with respect to the development, construction or rehabilitation of the proposed housing development, the marketing and occupancy of such housing development, the disbursement and repayment of the authority mortgage loan, and other matters related to the development, construction or rehabilitation and the ownership and operation of the proposed housing development. Such resolution or authority mortgage loan commitment may include a financial analysis of the proposed housing development, setting forth the initial schedule of rents, the approved initial budget for operation of the housing development and a schedule of the estimated housing development costs. Such a resolution authorizing an authority mortgage loan to a for-profit housing sponsor shall, if applicable, include a determination of the maximum annual rate at which distributions may be made by such for-profit housing sponsor with respect to such housing development pursuant to the provisions of subsection B of § 2.4 of these rules and regulations.

E. An authority mortgage loan shall not be authorized by the board in advance of commitment therefor in accordance with subsection B hereof or ratified thereafter in accordance with subsection C hereof unless the board by resolution shall make the applicable findings required by § 36-55.39 of the Code of Virginia; provided, however, that the board may in its discretion authorize the authority mortgage loan in advance of the issuance of the commitment therefor or ratify the commitment therefor all in accordance herewith without making the finding, if applicable, required by subsection B of § 36-55.39 of the Code of Virginia, subject to the condition that such finding be made by the board prior to the financing of the authority mortgage loan.

F. Subsequent to adoption of the resolution of the board authorizing an authority mortgage loan, the executive director may, without further action by the board, increase the principal amount of such authority mortgage loan by an amount not to exceed 2.0% of the principal amount of such authority mortgage loan, provided that such an

increase is consistent with the Act, these rules and regulations and the procedures, instructions and guidelines promulgated pursuant to § 1.3 of these rules and regulations.

§ 2.3. Regulation of housing sponsors.

The authority shall have the power to supervise the housing sponsor in accordance with the provisions of § 36-55.34:1 of the Code of Virginia and the terms of the agreements relating to the authority mortgage loan at all times during which the authority mortgage loan is outstanding. The executive director may require the housing sponsor to execute a regulatory agreement with the authority, and such other related documents as the executive director shall determine to be necessary or appropriate, which shall authorize the authority to regulate such aspects of the development, construction or rehabilitation, operations, use and disposition of the proposed housing development and of the activities of the housing sponsor as the executive director shall determine to be necessary or appropriate to protect the interests of the authority and to permit fulfillment of the authority's duties and responsibilities under the Act and these rules and regulations.

§ 2.4. Allowable categories of cost; limited dividend distributions.

A. The categories of cost which shall be allowable by the authority in development, construction or rehabilitation of a housing development financed under this Part II shall include the following: (i) development and construction or rehabilitation costs, including equipment, labor and materials furnished by the owner, contractor or subcontractors, general requirements for job supervision, an allowance for office overhead of the contractor, building permit, bonds and letters of credit to assure completion, water, sewer and other utility fees, and a contractor's profit or a profit and risk allowance in lieu thereof; (ii) architectural and engineering fees; (iii) interest on the mortgage loan; (iv) real estate taxes, hazard insurance premiums and mortgage insurance premiums; (v) title and recording expenses; (vi) surveys; (vii) test borings; (viii) the authority's financing fees; (ix) legal and accounting expenses; (x) in the case of a nonprofit housing sponsor, organization and sponsor expenses, consultant fees, and a reserve to make the project operational; (xi) off-site costs; (xii) the cost or fair market value of the land and any improvements thereon to be used in the housing development; (xiii) tenant relocation costs; (xiv) operating reserves to be funded from proceeds of the mortgage loan; (xv) and such other categories of costs which the authority shall determine to be reasonable and necessary for the development and construction or rehabilitation of the housing development. The extent to which costs in any of such categories shall be recognized or allowed in respect of a specific housing development shall be established by the terms of a cost certification guide which shall be prepared and, from time to time, revised by the executive director and which shall

be incorporated by reference into the documents executed with respect to each such mortgage loan. Upon completion of the development and construction or rehabilitation of the housing development, the housing sponsor shall certify to the authority the total of the housing development costs in accordance with these rules and regulations and the cost certification guide, subject to the review and determination of the authority. In lieu of such certification of housing development costs, the executive director may require the housing sponsor to provide such other assurances of housing development costs as he shall deem necessary to enable the authority to determine with reasonable accuracy the actual amount of such housing development costs.

B. In connection with an authority mortgage loan to a for-profit housing sponsor pursuant to this Part II:

1. The board's resolution authorizing such mortgage loan shall prescribe the maximum annual rate, if any, at which distributions may be made by such for-profit housing sponsor with respect to such housing development, expressed as a percentage of such for-profit housing sponsor's equity in such housing development (such equity being established in accordance with paragraph 3 of this subsection), which rate, if any, shall not be inconsistent with the provisions of the Act. In connection with the establishment of any such rates, the board shall not prescribe differing or discriminatory rates with respect to substantially similar housing developments. The board's resolution authorizing such mortgage loan shall specify whether any such maximum annual rate of distributions shall be cumulative or noncumulative;
2. Any payments to a person or entity who is a principal, stockholder or holder of a beneficial interest in such for-profit housing sponsor shall not be deemed a "distribution" or "return" to such person or entity if the funds with which such payment is made are funds paid or contributed to such for-profit housing sponsor by persons or entities purchasing a beneficial interest in such for-profit housing sponsor; and
3. Subsequent to completion of such housing development and in conjunction with other determinations made on behalf of the authority as to allowable housing development costs and related matters, the executive director shall establish the for-profit housing sponsor's equity in such housing development. Such equity shall be the difference between (i) the amount of either (A) the total housing development costs of such housing development as finally determined by the authority or (B) the fair market value of such housing development and (ii) the final principal amount of the authority mortgage loan as to such housing development. The authority may thereafter from time to time adjust such equity to be the difference, as of the date of adjustment, between the fair market value of such housing development and the outstanding principal balance of

the authority mortgage loan. The manner for so determining and adjusting such equity shall be established in the board's resolution authorizing the authority mortgage loan or in amendments to such resolution.

§ 2.5. Tenant selection plan.

As a part of each application for an authority mortgage loan under this Part II, the housing sponsor shall prepare and submit to the authority for its review and approval a proposed tenant selection plan with respect to the proposed housing development. The proposed tenant selection plan shall include, among other information that the executive director may require from time to time, the following:

1. The proposed rent structure of the proposed housing development;
2. The utilization of any subsidy or other assistance from the federal government or any other source;
3. Income limitations of the authority for initial occupancy of the dwelling units in the proposed housing development as determined in accordance with these rules and regulations;
4. The proposed income levels of occupants;
5. Any arrangements contemplated by the housing sponsor for occupant referrals or relocations from federal, state or local government agencies or community organizations;
6. The marketing activities to be performed with respect to the leasing of the proposed housing development (including any affirmative marketing efforts and media advertising plans) and the identity and qualifications of the proposed marketing and management agents of the housing sponsor; and
7. Any criteria to be used for disapproving applicants and for establishing priorities among eligible applicants for occupancy of the proposed housing development.

PART III. SINGLE FAMILY DEVELOPMENT AND CONSTRUCTION LOANS.

§ 3.1. Development and construction loans.

A. This Part III shall govern mortgage loans made by the authority to housing sponsors for the development and construction or rehabilitation of single family residential housing for eventual sale to persons or families of low or moderate income.

B. Authority mortgage loans as described in subsection A of this section may be made to housing sponsors for terms not in excess of five years and in original principal

Final Regulations

amounts not to exceed 95% of the estimated total housing development costs as determined by the authority, except that in the case of nonprofit housing sponsors the original principal amount of the authority mortgage loans may not exceed 100% of the estimated total housing development costs as determined by the authority. In determining the estimated total housing development costs, the categories of costs which shall be includable therein shall be those set forth in § 2.4 of these rules and regulations, to the extent deemed by the executive director to be applicable to the housing development, and such other costs as the authority shall deem reasonable and necessary for the sale and conveyance of the single family dwelling units. The estimated total housing development costs and the principal amount of the authority mortgage loan with respect to such housing development, together with other terms and conditions of the authority mortgage loan and related matters, shall be set forth in the board's resolution authorizing such mortgage loan or in the mortgage loan commitment issued by the authority pursuant to such resolution.

§ 3.2. Applications and processing.

A. The processing of applications for authority mortgage loans pursuant to this Part III will be governed by the procedures, instructions and guidelines promulgated by the authority pursuant to § 1.3 of these rules and regulations.

B. Upon satisfactory completion of the processing of such application by the authority staff in accordance with the aforesaid procedures, instructions and guidelines and approval of the application by the executive director, the authority staff's analysis of the application and the executive director's recommendation with respect thereto shall be presented to the board.

The authority board shall review each such analysis and recommendation and, if it determines that the application meets the requirements of the Act, these rules and regulations and the authority's procedures, instructions and guidelines promulgated pursuant to § 1.3 of these rules and regulations, the board may by resolution authorize an authority mortgage loan to the housing sponsor. Such resolution shall authorize the executive director to issue an authority mortgage loan commitment to the housing sponsor for the financing of the proposed housing development.

An authority mortgage loan shall not be authorized unless the board by resolution shall make the findings required by subsection A § 36-55.39 of the Code of Virginia.

Such resolution, or the authority mortgage loan commitment issued by the executive director pursuant to such resolution, shall include such terms and conditions as the authority considers appropriate with respect to the construction of the proposed housing development, the marketing and sale of the single family dwelling units in such housing development, the disbursement and

repayment of the authority mortgage loan, assurances of successful completion of the proposed housing development, and all other matters related to the development, construction or rehabilitation and sale of the proposed housing development. Such resolution or authority mortgage loan commitment may include a financial analysis of the proposed housing development setting forth the sales price limits for the single family dwelling units within the proposed housing development and a schedule of the estimated housing development costs.

Subsequent to adoption of the resolution of the board authorizing an authority mortgage loan pursuant to this Part III, the executive director may, without further action by the board, increase the principal amount of such authority mortgage loan by an amount not to exceed 2.0% of such mortgage loan, provided that such an increase is consistent with the Act, these rules and regulations and the procedures, instructions and guidelines promulgated pursuant to § 1.3 of these rules and regulations.

§ 3.3. Regulation of housing sponsors.

The authority shall have the power to supervise the housing sponsor in accordance with the provisions of § 36-55.34:1 of the Code of Virginia and the terms of the agreements relating to the authority mortgage loan at all times during which the authority mortgage loan is outstanding. The executive director may require the housing sponsor to execute a regulatory agreement with the authority, and such other related documents as the executive director shall determine to be necessary or appropriate, which shall authorize the authority to regulate such aspects of the development, construction or rehabilitation and sale of the proposed housing development as the executive director shall determine to be necessary or appropriate to protect the interests of the authority and to permit fulfillment of the authority's duties and responsibilities under the Act and these rules and regulations.

§ 3.4. Sale of single family housing units.

A. As a part of each application for an authority mortgage loan under this Part III, the housing sponsor shall prepare and submit to the authority a proposed marketing plan for review and approval by the authority. The proposed marketing plan shall include, among other information that the executive director may require from time to time, the following:

1. The proposed sales prices of the single family dwelling units;
2. The utilization of any mortgage insurance, subsidy or other assistance from the federal government or any other source;
3. The proposed income levels of purchasers therefor, which income levels shall not exceed the income limitations of the authority applicable to the single

family dwelling units; and

4. The marketing activities to be performed with respect to the sale of the single family dwelling units (including any affirmative marketing efforts and media advertising plans) and the identity and qualifications of the proposed marketing agent of the housing sponsor.

B. In the event that a single family dwelling unit shall be sold to a purchaser who is not qualified to receive an authority mortgage loan under the applicable income limitations established pursuant to subsection A of § 1.2 of these rules and regulations, the authority shall have the right to require the housing sponsor to pay a penalty in such amount as shall be prescribed in the board's resolution authorizing the mortgage loan or in the authority mortgage loan commitment issued pursuant to such resolution.

PART IV. SINGLE FAMILY LOANS TO INDIVIDUAL PURCHASERS.

§ 4.1. Mortgage loans.

A. This Part IV shall govern mortgage loans made by the authority to persons or families of low or moderate income for the acquisition (and, where applicable, rehabilitation), ownership and occupancy of single family dwelling units.

B. Authority mortgage loans pursuant to subsection A of this section may be made only to persons or families of low or moderate income qualified pursuant to subsection A of § 1.2 of these rules and regulations.

C. The board may from time to time establish by resolution sales price limits for single family dwelling units financed or to be financed by the authority. Such sales price limits may vary based upon the area of the state, the type of program, the size and circumstances of the person or family who is to occupy such dwelling unit, the type and characteristics of such dwelling unit, and any other factors determined by the board to be necessary or appropriate for the administration of the program under this Part IV.

D. An authority mortgage loan to be financed under this Part IV hereof may be made for a term not to exceed 50 years. The original principal amount and term of any such authority mortgage loan, the amortization period, the terms and conditions relating to the prepayment thereof, and such other terms, conditions and requirements as the executive director deems necessary or appropriate shall be set forth in the mortgage loan commitment issued on behalf of the authority with respect to such mortgage loan.

E. The original principal amount of authority mortgage loans made pursuant to this Part IV shall not exceed 98% of the first \$25,000 of the sales price of the single family

dwelling unit and 95% of the amount of the sales price of the single family dwelling unit in excess of \$25,000 or, in the case of authority mortgage loans guaranteed or insured by the Veterans' Administration, 100% of the sales price of the single family dwelling unit, to the extent such sales price is approved by the executive director and subject to such further limitations as may be provided in the procedures, instructions and guidelines promulgated pursuant to § 1.3 of these rules and regulations. The term "sales price," with respect to authority mortgage loans for the combined acquisition and rehabilitation of a single family dwelling unit, shall include the cost of acquisition, plus the cost of rehabilitation and debt service for such period of rehabilitation, not to exceed three months, as the executive director shall determine that such dwelling unit will not be available for occupancy.

§ 4.2. Applications and processing.

A. The processing of applications for authority mortgage loans pursuant to this Part IV will be governed by the procedures, instructions and guidelines promulgated by the authority pursuant to § 1.3 of these rules and regulations.

B. If the applicant and the application meet the requirements of the Act, these rules and regulations and the procedures, instructions and guidelines promulgated pursuant to § 1.3 of these rules and regulations, the executive director may issue on behalf of the authority an authority mortgage loan commitment to the applicant for the financing of the single family dwelling unit, subject to the approval or ratification thereof by the board. Such authority mortgage loan commitment shall be issued only upon the determination of the authority that such a mortgage loan is not otherwise available from private lenders upon reasonably equivalent terms and conditions, and such determination shall be set forth in the authority mortgage loan commitment.

PART V. HOME REHABILITATION LOANS.

§ 5.1. General purpose.

This Part V shall govern the making of loans by the authority to persons or families of low or moderate income for the rehabilitation of single family dwelling units. For the purposes of this Part V, such loans shall be referred to as "home rehabilitation loans."

§ 5.2. Terms of home rehabilitation loans.

A. A home rehabilitation loan may be made pursuant to this Part V only to a borrower who is a person or family of low and moderate income qualified pursuant to subsection A of § 1.2 of these rules and regulations. The types of improvements which may be financed by a home rehabilitation loan shall be established from time to time by the board and shall be set forth in the procedures, instructions and guidelines promulgated by the authority pursuant to § 1.3 of these rules and regulations.

Final Regulations

B. Home rehabilitation loans to be financed under this Part V may be made for a term not to exceed 30 years. The original principal amount of any such home rehabilitation loan shall not exceed 100% of the total cost of the rehabilitation.

C. Home rehabilitation loans shall be secured by mortgages, in such form or forms as may be approved by the executive director, on the real property with respect to which such home rehabilitation loans are made.

§ 5.3. Application and processing.

A. The processing of application for home rehabilitation loans under this Part V will be governed by the procedures, instructions and guidelines promulgated by the authority pursuant to § 1.3 of these rules and regulations.

B. If the executive director determines that the applicant and the application for a home rehabilitation loan meet the requirements of the Act, the rules and regulations set forth in this Part V, and the applicable procedures, instructions and guidelines promulgated by the authority pursuant to § 1.3 of these rules and regulations, he may issue on behalf of the authority a commitment to the applicant with respect to such home rehabilitation loan, subject to the approval or ratification thereof by the authority board. The original principal amount, term and interest rate or rates on the home rehabilitation loan and such other terms, conditions and requirements as the executive director deems necessary or appropriate shall be set forth in the commitment.

PART VI. ENERGY LOANS.

§ 6.1. General purpose; applicability.

A. This Part VI shall govern the making of loans to finance the purchase and installation of energy saving measures and alternative energy sources which will reduce the reliance on present sources of energy for use in the dwellings of residents of the Commonwealth of Virginia or in public or nonprofit buildings or facilities. Such measures and sources shall include, but not be limited to, insulation, caulking, weatherstripping, storm windows and doors, furnace modification or replacement, and solar energy devices. For purposes of this Part VI, such loans shall be referred to as "energy loans."

B. Any energy loans made with respect to dwellings shall be limited to dwellings occupied by persons and families of low and moderate income qualified pursuant to subsection A of § 1.2 of these rules and regulations or pursuant to standards under applicable federal rules and regulations as approved by the board with any modifications thereto. Energy loans shall be made only for the purposes set forth in subsection A of this section.

§ 6.2. Terms of energy loans.

A. Energy loans to be financed under this Part VI may be made for a term not to exceed 30 years. The original principal amount of any such energy loans shall not exceed 100% of the total cost of the energy saving measures and alternative energy sources as described in § 6.1 of these rules and regulations.

B. The authority may, at its option, require that energy loans (i) be insured by a private mortgage insurance company; (ii) be insured or otherwise assisted by an appropriate agency of the federal or state government; and/or (iii) be secured by a mortgage.

§ 6.3. Processing of loan application and issuance of loan commitments.

The processing of applications for energy loans pursuant to this Part VI will be governed by the procedures, instructions and guidelines promulgated by the authority pursuant to § 1.3 of these rules and regulations. If the executive director determines that the applicant and the application for an energy loan meet the requirements of (i) the Act; (ii) the rules and regulations set forth in this Part VI; and (iii) the applicable procedures, instructions and guidelines promulgated pursuant to § 1.3 of these rules and regulations, he may issue on behalf of the authority a loan commitment to the applicant with respect to such energy loan, subject to the approval or ratification thereof by the authority board. The original principal amount, term and interest rate or rates on any energy loan and such other terms, conditions and requirements as the executive director deems necessary or appropriate shall be set forth in the loan commitment issued by the authority with respect to such energy loan.

PART VII. PURCHASE OF MORTGAGE LOANS.

§ 7.1. Applicability.

This Part VII shall govern the purchase of mortgage loans from a mortgage lender to finance residential housing for persons and families of low and moderate income qualified pursuant to § 1.2 of these rules and regulations.

§ 7.2. Purchase of mortgage loans to finance single family dwelling units.

A. The authority may from time to time purchase from mortgage lenders mortgage loans which at the time of such purchase are financing single family dwelling units. Any mortgage loan to be so purchased shall have been made to a mortgagor who as of the date of the mortgage loan was a person or family of low or moderate income qualified pursuant to subsection A of § 1.2 of these rules and regulations. The sales price for the single family dwelling unit to be financed by any such mortgage loan shall comply with any applicable limits established pursuant to subsection C of § 4.1 of these rules and regulations or otherwise established by resolution of the

board. The term of the mortgage loan to be so purchased shall not exceed 50 years, and the date on which the mortgage loan was made shall not precede the date of the issuance of the authority's commitment to purchase such mortgage loan by such numbers of years as the executive director may from time to time prescribe. The original principal amount of the mortgage loan shall not exceed the limits set forth in subsection E of § 4.1 of the rules and regulations.

B. The processing of applications for the purchase of mortgage loans pursuant to this § 7.2 will be governed by the procedures, instructions and guidelines promulgated by the authority pursuant to § 1.3 of these rules and regulations. If the applicant and the application meet the requirements of the Act, these rules and regulations and the procedures, instructions and guidelines promulgated pursuant to § 1.3 of these rules and regulations, the executive director may issue on behalf of the authority a commitment to the mortgage lender to purchase such mortgage loan, subject to the approval or ratification thereof by the authority board. Such commitment shall include such terms and conditions as the executive director shall consider necessary or appropriate with respect to such purchase of the mortgage loan.

§ 7.3. Purchase of mortgage loans to finance multi-family dwelling units.

A. The authority may from time to time purchase from mortgage lenders mortgage loans which at the time of such purchase are financing multi-family dwelling units. The term of the mortgage loan to be so purchased shall not exceed 50 years, including the period (if any) of development and construction or rehabilitation. The date on which the mortgage loan was made shall not precede the date of the issuance of the authority's commitment to purchase such mortgage loan by such number of years as the executive director may from time to time prescribe. Any mortgage loan to be so purchased shall comply with, and shall be subject to, the provisions of §§ 2.3 and 2.5 of these rules and regulations and such other provisions of Part II of these rules and regulations as the resolution authorizing the purchase of such mortgage loan, or the commitment issued pursuant thereto, shall require.

B. The processing of application for the purchase of mortgage loans pursuant to this § 7.3 will be governed by the procedures, instructions and guidelines promulgated by the authority pursuant to § 1.3 of these rules and regulations.

Upon satisfactory completion of the processing of such application by the authority staff in accordance with the aforesaid procedures, instructions and guidelines and approval of the application by the executive director, the authority staff's analysis of the application and the executive director's recommendation with respect thereto shall be presented to the board.

The board shall review each such analysis and

recommendation and, if it determines that the application meets the requirements of the Act, these rules and regulations and the authority's procedures, instructions and guidelines promulgated pursuant to § 1.3 of these rules and regulations, the board may by resolution authorize the purchase of the mortgage loan and the issuance of a commitment with respect thereto.

Such resolution, or the authority commitment issued by the executive director pursuant to such resolution, shall include such terms and conditions as the authority considers appropriate with respect to any construction or rehabilitation of the housing development, the marketing and occupancy of such housing development, the disbursement and repayment of the mortgage loan, and other matters related to the financing of the housing development. Such resolution or authority commitment may include a financial analysis of the housing development, which shall set forth the initial schedule of rents, the initial budget approved by the authority for operation of the housing development and, if applicable, a schedule of the estimated housing development costs. Subsequent to adoption of such resolution, the executive director may increase the principal amount of the mortgage loan in accordance with the provisions of subsection C of § 2.2 of these rules and regulations.

§ 7.4. Requests for proposals; reinvestment of proceeds; certification as to prudent investment.

A. The executive director may from time to time request mortgage lenders to submit offers to sell mortgage loans to the authority in such manner, within such time period and subject to such terms and conditions as he shall specify in such request. The executive director may take such action as he shall deem necessary or appropriate to solicit offers to sell mortgage loans, including mailing of the request to mortgage lenders, advertising in newspapers or other publications, and any other methods of public announcement which he may select as appropriate under the circumstances. The executive director may also consider and accept offers for sale of individual mortgage loans submitted from time to time to the authority without any solicitation therefor by the authority.

B. The authority shall require as a condition of the purchase of any mortgage loans from a mortgage lender pursuant to this Part VII that such mortgage lender within 180 days from the receipt of proceeds of such purchase shall enter into written commitments to make, and shall thereafter proceed as promptly as practical to make and disburse from such proceeds, residential mortgage loans in the Commonwealth of Virginia having a stated maturity of not less than 20 years from the date thereof in an aggregate principal amount equal to the amount of such proceeds.

C. At or before the purchase of any mortgage loan pursuant to this Part VII, the mortgage lender shall certify to the authority that the mortgage loan would in all

Final Regulations

respects be a prudent investment and that the proceeds of the purchase of the mortgage loan shall be reinvested as provided in subsection B of this section or invested in short-term obligations pending such investment.

D. The purchase price for any mortgage loan to be purchased by the authority pursuant to this Part VII shall be established in accordance with subdivision 2 of § 36-55.35 of the Code of Virginia.

PART VIII.

MULTI-FAMILY HOUSING ACQUISITION PROGRAM.

§ 8.1. Acquisition of developments and the making of construction loans.

A. This Part VIII shall govern (i) the acquisition, ownership and operation by the authority of multi-family housing developments and (ii) the making of construction loans by the authority to housing sponsors to finance the development and construction of such developments prior to acquisition thereof by the authority. The term "construction" as used in this part shall be deemed to include rehabilitation.

B. Authority acquisitions as described in subsection A of this section shall be made at such purchase price and on such terms and conditions as shall be set forth in the board's resolution authorizing such acquisition or in the commitment issued on behalf of the authority pursuant to such resolution. The authority may acquire either (i) existing developments or (ii) proposed developments upon completion of construction in accordance with plans and specifications approved by the authority.

C. Authority construction loans as described in subsection A of this section may be made to for-profit housing sponsors in original principal amounts not to exceed 95% of the estimated housing development costs as determined by the authority, and to nonprofit housing sponsors in amounts not to exceed 100% of the estimated housing development costs as determined by the authority. In determining the estimated total housing development costs, the categories of costs which shall be includable therein shall be those set forth in § 2.4 of these rules and regulations, to the extent deemed by the executive director to be applicable to the housing development. The term of any such construction loan, the estimated housing development costs, the principal amount of the construction loan, the terms and conditions applicable to any equity contribution by the housing sponsor, any assurances of successful completion of the housing development, and other terms and conditions of such construction loan shall be set forth in the board's resolution authorizing such construction loan and acquisition of the development or in the commitment issued on behalf of the authority pursuant to such resolution.

§ 8.2. Applications and processing.

A. The processing of applications for authority acquisitions and construction loans pursuant to this Part VIII will be governed by the procedures, instructions and guidelines promulgated by the authority pursuant to § 1.3 of these rules and regulations.

B. Upon satisfactory completion of the processing of such application by the authority staff in accordance with the aforesaid procedures, instructions and guidelines and approval of the application by the executive director, the authority staff's analysis of the application and the executive director's recommendation with respect thereto shall be presented to the board.

The board shall review each such analysis and recommendation and, if it determines that the application meets the requirements of the Act, these rules and regulations and the authority's procedures, instructions and guidelines promulgated pursuant to § 1.3 of these rules and regulations, the board may by resolution authorize the authority's acquisition of the development and, if applicable, an authority construction loan to the housing sponsor. Such resolution shall authorize the executive director to issue an authority commitment to the housing sponsor to enter into a contract to acquire the development and, if applicable, to provide construction financing for the development.

C. Any such resolution made pursuant to subsection B hereof, or the authority commitment issued by the executive director pursuant to such resolution, shall include such terms and conditions as the authority considers appropriate with respect to the development and construction, if applicable, and the acquisition of the proposed housing development, the disbursement and repayment of the authority construction loan, if applicable, and other matters related to the development and construction, if applicable, and, prior to the acquisition thereof by the authority, the ownership, operation, marketing and occupancy of the proposed housing development. Such resolution or authority commitment may include a financial analysis of the proposed housing development, setting forth the initial schedule of rents, the approved initial budget for operation of the housing development and a schedule of the estimated housing development costs.

D. Neither an acquisition by the authority of a development nor an authority mortgage loan for such development pursuant to this Part VIII shall be authorized unless the board by resolution shall make the applicable findings required by § 36-55.33:2 and § 36-55.39, as applicable, of the Code of Virginia; provided, however, that the board may in its discretion authorize the authority acquisition or mortgage loan in advance of the issuance of the commitment therefor in accordance herewith without making the finding, if applicable, required by subsection A of § 36-55.33:2 and subsection B of § 36-55.39 of the Code of Virginia, subject to the condition that such finding be made by the board prior to the authority's acquisition of the development and, if applicable, the financing of the

authority mortgage loan for such development. As used in this section, mortgage loan shall include a construction loan as described in § 8.1 hereof or a mortgage loan as described in § 8.4 hereof.

E. Subsequent to adoption of the resolution of the board authorizing the acquisition by the authority of a development and, if applicable, an authority mortgage loan for such development, the executive director may, without further action by the board, increase the purchase price of such development and, if applicable and if deemed appropriate by the executive director, the principal amount of the authority mortgage loan for such development by an amount not to exceed 2.0% of such purchase price or mortgage loan, as applicable, provided that such an increase is consistent with the Act, these rules and regulations and the procedures, instructions and guidelines promulgated pursuant to § 1.3 of these rules and regulations.

§ 8.3. Tenant selection plan.

As a part of each application for the authority's acquisition of a development and, if applicable, an authority construction loan under this Part VIII, the housing sponsor shall prepare and submit to the authority for its review and approval a proposed tenant selection plan with respect to the proposed housing development as described in § 2.5 of these rules and regulations. Upon the acquisition of a development by the authority or by an entity described in § 8.4 of these rules and regulations, the authority or such entity, as applicable, shall also prepare a tenant selection plan as described in § 2.5 of these rules and regulations (it being understood that for the purpose of complying with that section the authority or aforementioned entity shall be deemed to be the housing sponsor with regard to the development). In addition, in the case of a tenant selection plan prepared by an entity described in § 8.4 of these rules and regulations, such plan shall be submitted to the authority for its review and approval.

§ 8.4. Acquisition by an entity formed by the authority.

With respect to any development which the authority contracts to acquire, the authority may assign all of its right, title and interest under such contract to acquire such development to an entity formed by the authority, on its own behalf or in conjunction with other parties, to serve as the housing sponsor for such development pursuant to § 36-55.33:2 of the Act. The resolution authorizing the acquisition of the development may authorize an authority mortgage loan to such entity to finance the acquisition and ownership of the development. Such mortgage loan shall be made in such principal amount and on such terms and conditions as shall be set forth in the resolution or in the commitment, if any, issued on behalf of the authority pursuant thereto or as shall be determined by the executive director in accordance with the resolution authorizing such mortgage loan, the Act, these rules and regulations, and the

procedures, instructions and guidelines promulgated pursuant to § 1.3 of these rules and regulations. Such entity shall be subject to regulation as provided in § 2.3 of these rules and regulations and, if such entity is a for-profit housing sponsor, the board may in its resolution prescribe in accordance with subsection B of § 2.4 of these rules and regulations, the maximum annual rate at which distributions may be made by such entity. For the purpose of determining any maximum annual dividend distributions and the maximum principal amount of the mortgage loan, the total development cost shall be the cost of acquisition as determined by the authority and such other costs relating to such acquisition, the financing of the mortgage loan and the ownership and operation of the development as the authority shall determine to be reasonable and necessary. Except as otherwise expressly provided herein, the provisions of this Part VIII shall, with respect to any mortgage loan to such an entity and the ownership, operation and occupancy of the development financed thereby, supersede Part I and any provisions of these rules and regulations contrary hereto or inconsistent herewith.

§ 8.5. Operation and income limits.

A. The developments shall be owned and operated by the authority (or an entity as described in § 8.4 of these rules and regulations) in accordance with the procedures, instructions and guidelines promulgated pursuant to § 1.3 of these rules and regulations.

B. To be considered eligible for occupancy of a multi-family dwelling unit in a development acquired by an authority (or an entity as described in § 8.4 of these rules and regulations), a person or family shall not have an adjusted family income greater than seven times the total annual rent, including utilities except telephone, applicable to such dwelling unit; provided, however, that the board may from time to time establish, by resolution or by procedures, instructions and guidelines pursuant to § 1.3 of these rules and regulations, lower income limits for occupancy of such dwelling unit; and provided further that in the case of any dwelling unit for which no amounts are payable by or on behalf of such person or family are deemed by the board not to be rent, the income limits shall be established by the board by resolution or by procedures, instructions and guidelines pursuant to § 1.3 of these rules and regulations.

C. The authority (or an entity as described in § 8.4 of these rules and regulations) shall examine and determine the income and eligibility of applicants for occupancy of multi-family dwelling units in a development acquired pursuant to this Part VIII and shall reexamine and redetermine the income and eligibility of all occupants of such dwelling units every two years or at more frequent intervals if required by the executive director. In the case of determinations and redeterminations made by an entity described in § 8.4 of these rules and regulations, such entity shall report such determinations and redeterminations to the authority in such form as the

Final Regulations

executive director may require. It shall be the responsibility of each applicant for occupancy of such a dwelling unit, and of each occupant thereof, to report accurately and completely his adjusted family's income, family composition and such other information relating to eligibility for occupancy as the executive director may require and to provide the authority (or an entity as described in § 8.4 of these rules and regulations) with verification thereof at the times of examination and reexamination of income and eligibility as aforesaid.

D. With respect to a person or family occupying a multi-family dwelling unit, if a periodic reexamination and redetermination of the adjusted family's income and eligibility as provided in subsection C of this section establishes that such person's or family's adjusted family income then exceeds the maximum limit for occupancy of such dwelling unit applicable at the time of such reexamination and redetermination, such person or family shall be permitted to continue to occupy such dwelling unit; provided, however, that during the period that such person's or family's adjusted family income exceeds such maximum limit, such person or family may be required by the executive director to pay such rent, carrying charges or surcharges as determined by the executive director in accordance with a schedule prescribed or approved by him. If such person's or family's adjusted family income shall exceed such maximum limit for a period of six months or more, the authority (or an entity as described in § 8.4 of these rules and regulations) may terminate the tenancy or interest by giving written notice of termination to such person or family specifying the reason for such termination and giving such person or family not less than 90 days (or such longer period of time as the authority shall determine to be necessary to find suitable alternative housing) within which to vacate such dwelling unit.

The effective date of the foregoing rules and regulations shall be November 1, 1987 March 16, 1988 .

* * * * *

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

Effective Date: March 16, 1988

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

Summary:

The amendments will subdivide three of the five existing areas of the Commonwealth and thereby create 10 separate areas of the Commonwealth for which maximum sales prices and income limits are established by the authority. The amendments will also increase the maximum allowable sales prices and maximum allowable gross family incomes for certain areas of the Commonwealth. The amendments will correct the provision concerning applicants' net worth by deleting therefrom the concept of adjusted income, correct the provision regarding discount points to require those points to be remitted to the authority by the PDS Agents, and make certain other clarifying or administrative changes.

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

PART I GENERAL.

§ 1.1. General.

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

In order to be considered eligible for a mortgage loan hereunder, a "person" or "family" (as defined in the authority's rules and regulations) must have an "adjusted family income" or "gross family income" (as determined in accordance with the authority's rules and regulations) as applicable, which does not exceed the applicable income limitation established by the authority. Furthermore, the sales price of any single family unit to be financed hereunder must not exceed the applicable sales price limit established by the authority. In addition, each mortgage loan must satisfy all requirements of federal law applicable to loans financed with the proceeds of tax-exempt bonds. Such income and sales price limitations and other restrictions shall be set forth in the Processing and Disbursing Guide set forth in Part II hereof.

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

"Executive director" as used herein means the executive

director of the authority or any other officer or employee of the authority who is authorized to act on behalf of the authority pursuant to a resolution of the board.

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

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

§ 1.2. PDS agents.

A. The processing of applications for the making or financing of mortgage loans hereunder, the disbursement of proceeds of mortgage loans and the servicing of mortgage loans shall be performed through commercial banks, savings and loan associations and private mortgage bankers approved as Processing/Disbursing/Servicing Agents ("PDS agents") of the authority. To be initially approved as PDS agents, the applicant must meet the following qualifications:

1. Be authorized to do business in the Commonwealth of Virginia;
2. Have a satisfactory rating from any state and federal agencies responsible for the regulation of the applicant;
3. Have a net worth equal to or in excess of \$100,000 or, in the case of a savings and loan association, have its deposits insured by the Federal Savings and Loan Insurance Corporation;
4. Have a staff with demonstrated ability and experience in mortgage loan origination and servicing;
5. Each branch office of the applicant that is to originate mortgage loans must have demonstrated experience in the origination of mortgage loans;
6. Have reasonable business hours - i.e. be open to the public at least five hours every banking day; and
7. Such other qualifications as the executive director shall deem to be related to the performance of its

duties and responsibilities.

If the applicant is to originate (but not service) mortgage loans, the applicant must satisfy the qualifications set forth in (3) and (4) above only with respect to the origination of mortgage loans.

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

B. Allocation of funds.

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

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

Final Regulations

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

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

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

C. Processing and Disbursing Guide and Servicing Guide.

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

D. Making and purchase of new mortgage loans.

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

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

E. Purchase of existing mortgage loans.

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

F. Delegated underwriting.

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

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

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

Article I.
Eligibility Requirements.

§ 2.1. Eligible persons and families.

A. Person.

A one-person household is eligible.

B. Family.

A single family loan can be made to more than one person only if all such persons to whom the loan is made are related by blood, marriage or adoption and are living together in the dwelling as a single nonprofit housekeeping unit.

§ 2.2. Compliance with certain requirements of the Internal Revenue Code of 1986, as amended (hereinafter "the tax code").

The tax code imposes certain requirements and restrictions on the eligibility of mortgagors and residences for financing with the proceeds of tax-exempt bonds. In order to comply with these federal requirements and restrictions, the authority has established certain procedures which must be performed by the PDS agent in order to determine such eligibility. The eligibility requirements for the borrower and the dwelling are described below as well as the procedures to be performed. The PDS agent will certify to the performance of these procedures and evaluation of a borrower's eligibility by completing, ~~initialing~~ and signing the "PDS Agent's Checklist for Certain Requirements of the Tax Code" (Exhibit A (1)) prior to the authority's approval of each loan. No loan will be approved by the authority unless all of the federal eligibility requirements are met as well as the usual requirements of the authority set forth in other parts of this guide.

§ 2.2.1. Eligible borrowers.

A. General.

In order to be considered an eligible borrower for an authority mortgage loan, an applicant must, among other things, meet all of the following federal criteria:

The applicant:

1. May not have had a present ownership interest in his principal residence within the three years

preceding the date of execution of the mortgage loan documents. (See § 2.2.1.B Three-year requirement);

2. Must agree to occupy and use the residential property to be purchased as his permanent, principal residence within 60 days (90 days in the case of a rehabilitation loan as defined in § 2.17) after the date of the closing of the mortgage loan. (See § 2.2.1.C Principal residence requirement);

3. Must not use the proceeds of the mortgage loan to acquire or replace an existing mortgage or debt, except in the case of certain types of temporary financing. (See § 2.2.1.D New mortgage requirement);

4. Must have contracted to purchase an eligible dwelling. (See § 2.2.2 Eligible dwellings);

5. Must execute an affidavit of borrower (Exhibit E) at the time of loan application;

6. Must not receive income in an amount in excess of the applicable federal income limit imposed by the tax code (See § 2.5 Income requirements); and

7. Must agree not to sell, lease or otherwise transfer an interest in the residence or permit the assumption of his mortgage loan unless certain requirements are met. (See § 2.10 Loan assumptions).

B. Three-year requirement.

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

1. Definition of present ownership interest. "Present ownership interest" includes:

- a. A fee simple interest,

- b. A joint tenancy, a tenancy in common, or a tenancy by the entirety,

- c. The interest of a tenant shareholder in a cooperative,

- d. A life estate,

Final Regulations

e. A land contract, under which possession and the benefits and burdens of ownership are transferred although legal title is not transferred until some later time, and

f. An interest held in trust for the eligible borrower (whether or not created by the eligible borrower) that would constitute a present ownership interest if held directly by the eligible borrower.

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

a. A remainder interest,

b. An ordinary lease with or without an option to purchase,

c. A mere expectancy to inherit an interest in a principal residence,

d. The interest that a purchaser of a residence acquires on the execution of an accepted offer to purchase real estate, and

e. An interest in other than a principal residence during the previous three years.

2. Persons covered. This requirement applies to any person who will execute the mortgage document or note and will have a present ownership interest (as defined above) in the eligible dwelling.

3. Prior tax returns. To verify that the eligible borrower meets the three-year requirement, the PDS agent must obtain copies of signed federal income tax returns filed by the eligible borrower for the three tax years immediately preceding execution of the mortgage documents (or certified copies of the returns) or a copy of a letter from the Internal Revenue Service stating that its Form 1040A or 1040EZ was filed by the eligible borrower for any of the three most recent tax years for which copies of such returns are not obtained. If the eligible borrower was not required by law to file a federal income tax return for any of these three years and did not so file, and so states on the borrower affidavit, the requirement to obtain a copy of the federal income tax return or letter from the Internal Revenue Service for such year or years is waived.

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

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

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

C. Principal residence requirement.

1. General. An eligible borrower must intend to occupy the eligible dwelling as a principal residence within 60 days (90 days in the case of a purchase and rehabilitation loan) after the closing of the mortgage loan. Unless the residence can reasonably be expected to become the principal residence of the eligible borrower within 60 days (90 days in the case of a purchase and rehabilitation loan) of the mortgage loan closing date, the residence will not be considered an eligible dwelling and may not be financed with a mortgage loan from the authority. An eligible borrower must covenant to intend to occupy the eligible dwelling as a principal residence within 60 days (90 days in the case of a purchase and rehabilitation loan) after the closing of the mortgage loan on the affidavit of borrower and as part of the attachment to the deed of trust.

2. Definition of principal residence. A principal residence does not include any residence which can reasonably be expected to be used: (i) primarily in a trade or business, (ii) as an investment property, or (iii) as a recreational or second home. A residence may not be used in a manner which would permit any portion of the costs of the eligible dwelling to be deducted as a trade or business expense for federal income tax purposes or under circumstances where any portion of the total living area is to be used primarily in a trade or business.

3. Land not to be used to produce income. The land financed by the mortgage loan may not provide, other than incidentally, a source of income to the eligible borrower. The eligible borrower must indicate on the affidavit of borrower that, among other things:

a. No portion of the land financed by the mortgage loan provides a source of income (other than incidental income);

b. He does not intend to farm any portion (other than as a garden for personal use) of the land financed by the mortgage loan; and

c. He does not intend to subdivide the property.

4. Lot size. Only such land as is reasonably necessary to maintain the basic livability of the residence may be financed by a mortgage loan. The financed land must not exceed the customary or usual lot in the area. Generally, the financed land will not be

permitted to exceed two acres even in rural areas. However, exceptions may be made: (i) if the land is owned free and clear and is not being financed by the loan, the lot may be as large as five acres, (ii) if difficulty is encountered locating a well or septic field, the lot may exceed two acres to include the additional acreage required, and (iii) local city and county zoning ordinances which require more acreage will be taken into consideration.

5. Review by PDS agent. The affidavit of borrower must be reviewed by the PDS agent for consistency with the eligible borrower's federal income tax returns and the credit report in order to support an opinion that the eligible borrower is not engaged in any employment activity or trade or business which has been conducted in his principal residence. Also, the PDS agent shall review the appraiser report of an authority approved appraiser and the required photographs to determine based on the location and the structural design and other characteristics of the dwelling that the residence is suitable for use as a permanent residence and not for use primarily in a trade or business or for recreational purposes. Based on such review, the PDS agent shall certify to its opinions in the checklist at the time the loan application is submitted to the authority for approval.

6. Post-closing procedures. The PDS agent shall establish procedures to (i) review correspondence, checks and other documents received from the borrower during the 120-day period following the loan closing for the purpose of ascertaining that the address of the residence and the address of the borrower are the same and (ii) notify the authority if such addresses are not the same. Subject to the authority's approval, the PDS agent may establish different procedures to verify compliance with this requirement.

D. New mortgage requirement.

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

1. Definition of mortgage. For purposes of applying the new mortgage requirement, a mortgage includes deeds of trust, conditional sales contracts (i.e. generally a sales contract pursuant to which regular installments are paid and are applied to the sales price), pledges, agreements to hold title in escrow, a lease with an option to purchase which is treated as an installment sale for federal income tax purposes

and any other form of owner-financing. Conditional land sale contracts shall be considered as existing loans or mortgages for purposes of this requirement.

2. Temporary financing. In the case of a mortgage loan (having a term of 24 months or less) made to refinance a loan for the construction of an eligible dwelling, the authority shall not make such mortgage loan until it has determined that such construction has been satisfactorily completed.

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

E. Multiple loans.

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

§ 2.2.2. Eligible dwellings.

A. In general.

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

1. Be located in the Commonwealth;
2. Be a one-family detached residence, a townhouse or one unit of an authority approved condominium; and
3. Satisfy the acquisition cost requirements set forth below.

B. Acquisition cost requirements.

1. General rule. The acquisition cost of an eligible dwelling may not exceed certain limits established by the U.S. Department of the Treasury in effect at the time of the application. Note: In all cases for new loans such federal limits equal or exceed the authority's sales price limits shown in § 2.3. Therefore, for new loans the residence is an eligible dwelling if the acquisition cost is not greater than the authority's sales price limit. In the event that the acquisition cost exceeds the authority's sales price limit, the PDS agent must contact the authority to determine if the residence is an eligible dwelling.

Final Regulations

2. Acquisition cost requirements for assumptions. To determine if the acquisition cost is at or below the federal limits for assumptions, the PDS agent must in all cases contact the authority.

3. Definition of acquisition cost. Acquisition cost means the cost of acquiring the eligible dwelling from the seller as a completed residence.

a. Acquisition cost includes:

(1) All amounts paid, either in cash or in kind, by the eligible borrower (or a related party or for the benefit of the eligible borrower) to the seller (or a related party or for the benefit of the seller) as consideration for the eligible dwelling. Such amounts include amounts paid for items constituting fixtures under state law, but not for items of personal property not constituting fixtures under state law. (See Exhibit R for examples of fixtures and items of personal property.)

(2) The reasonable costs of completing or rehabilitating the residence (whether or not the cost of completing construction or rehabilitation is to be financed with the mortgage loan) if the eligible dwelling is incomplete or is to be rehabilitated. As an example of reasonable completion cost, costs of completing the eligible dwelling so as to permit occupancy under local law would be included in the acquisition cost. A residence which includes unfinished areas (i.e. an area designed or intended to be completed or refurbished and used as living space, such as the lower level of a tri-level residence or the upstairs of a Cape Cod) shall be deemed incomplete, and the costs of finishing such areas must be included in the acquisition cost. (See Acquisition Cost Worksheet, Exhibit G, Item 4 and Appraiser Report, Exhibit H).

(3) The cost of land on which the eligible dwelling is located and which has been owned by the eligible borrower for a period no longer than two years prior to the construction of the structure comprising the eligible dwelling.

b. Acquisition cost does not include:

(1) Usual and reasonable settlement or financing costs. Such excluded settlement costs include title and transfer costs, title insurance, survey fees and other similar costs. Such excluded financing costs include credit reference fees, legal fees, appraisal expenses, points which are paid by the eligible borrower, or other costs of financing the residence. Such amounts must not exceed the usual and reasonable costs which otherwise would be paid. Where the buyer pays more than a pro rata share of property taxes, for example, the excess is to be treated as part of the acquisition cost.

(2) The imputed value of services performed by the eligible borrower or members of his family (brothers and sisters, spouse, ancestors and lineal descendants) in constructing or completing the residence.

4. Acquisition cost worksheet (Exhibit G) and Appraiser Report (Exhibit H). The PDS agent is required to obtain from each eligible borrower a completed acquisition cost worksheet which shall specify in detail the basis for the purchase price of the eligible dwelling, calculated in accordance with this subsection B. The PDS agent shall assist the eligible borrower in the correct completion of the worksheet. The PDS agent must also obtain from the appraiser a completed appraiser's report which may also be relied upon in completing the acquisition cost worksheet. The acquisition cost worksheet of the eligible borrower shall constitute part of the affidavit of borrower required to be submitted with the loan submission. The affidavit of seller shall also certify as to the acquisition cost of the eligible dwelling on the worksheet.

5. Review by PDS agent. The PDS agent shall for each new loan determine whether the acquisition cost of the eligible dwelling exceeds the authority's applicable sales price limit shown in § 2.4. If the acquisition cost exceeds such limit, the PDS agent must contact the authority to determine if the residence is an eligible dwelling for a new loan. (For an assumption, the PDS agent must contact the authority for this determination in all cases). Also, as part of its review, the PDS agent must review the acquisition cost worksheet submitted by each mortgage loan applicant, and the appraiser report, and must certify to the authority that it is of the opinion that the acquisition cost of the eligible dwelling has been calculated in accordance with this subsection B. In addition, the PDS agent must compare the information contained in the acquisition cost worksheet with the information contained in the affidavit of seller and other sources and documents such as the contract of sale for consistency of representation as to acquisition cost.

6. Independent appraisal. The authority reserves the right to obtain an independent appraisal in order to establish fair market value and to determine whether a dwelling is eligible for the mortgage loan requested.

§ 2.2.3. Targeted areas.

A. In general.

In accordance with the tax code, the authority will make a portion of the proceeds of an issue of its bonds available for financing eligible dwellings located in targeted areas for at least one year following the issuance of a series of bonds. The authority will exercise due diligence in making mortgage loans in targeted areas by

advising PDS agents and certain localities of the availability of such funds in targeted areas and by advising potential eligible borrowers of the availability of such funds through advertising and/or news releases. The amount, if any, allocated to a PDS agent exclusively for targeted areas will be specified in a forward commitment agreement between the PDS agent and the authority.

B. Eligibility.

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

1. Definition of targeted areas.

a. A targeted area is an area which is a qualified census tract, as described in b below, or an area of chronic economic distress, as described in c below.

b. A qualified census tract is a census tract in the Commonwealth in which 70% or more of the families have an income of 80% or less of the state-wide median family income based on the most recent "safe harbor" statistics published by the U.S. Treasury.

c. An area of chronic economic distress is an area designated as such by the Commonwealth and approved by the Secretaries of Housing and Urban Development and the Treasury under criteria specified in the tax code. PDS agents will be informed by the authority as to the location of areas so designated.

§ 2.3. Sales price limits.

The authority's maximum allowable sales prices for new loans for which reservations are taken by the authority on or after August 10, 1987, shall be as follows:

MAXIMUM ALLOWABLE SALES PRICES

Applicable to All New Loans for which Reservations are Taken by the Authority on or after August 10, 1987

	New Construction	Substantial Rehabilitation	Existing
Northern Virginia portion of Washington, DC-MD-VA MSA 1/	\$120,000	\$120,000	\$110,000
Norfolk-Virginia Beach- Newport News MSA 2/	\$ 78,500	\$ 78,500	\$ 68,300
Richmond-Petersburg			

MSA			
3/	\$ 71,000	\$ 71,000	\$ 67,500
North Piedmont/ Roanoke MSA			
4/	\$ 63,800	\$ 56,500	\$ 56,500
Remainder of State			
5/	\$ 61,100	\$ 56,500	\$ 56,500

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

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

3/ Richmond-Petersburg MSA includes: Charles City County, Chesterfield County, Colonial Heights City, Dinwiddie County, Goochland County, Hanover County, Henrico County, Hopewell City, New Kent County, Petersburg City, Powhatan County, Prince George County, Richmond City.

4/ Roanoke MSA includes: Botetourt County, Roanoke County, Roanoke City, Salem City.

North Piedmont includes: Albemarle County, Caroline County, Charlottesville City, Culpeper County, Fauquier County, Fluvanna County, Fredericksburg City, Greene County, King George County, Louisa County, Madison County, Orange County, Rappahannock County, Spotsylvania County.

5/ Any jurisdiction not a part of the Northern Virginia portion of the Washington, DC-MD-VA MSA, the Norfolk-Virginia Beach-Newport News MSA or the North Piedmont/Richmond Petersburg MSA/ Roanoke MSA.

	New Construction	Substantial Rehabilitation	Existing
Washington, DC-MD-VA MSA (Virginia Portion) 1/	\$120,000	\$120,000	\$110,000
Norfolk-Virginia Beach- Newport News MSA 2/	\$ 81,500	\$ 81,500	\$ 75,500
Richmond-Petersburg MSA 3/	\$ 77,000	\$ 71,500	\$ 68,500
Roanoke MSA 4/	\$ 73,500	\$ 56,500	\$ 56,500
Lynchburg MSA 5/	\$ 65,000	\$ 58,500	\$ 58,500
Charlottesville MSA			

Final Regulations

6/	\$ 77,000	\$ 74,500	\$ 68,500
<i>Fringe of Washington MSA</i>			
<i>Fauquier County</i>	\$ 77,000	\$ 77,000	\$ 77,000
<i>Fredericksburg</i>			
	\$ 64,000	\$ 60,000	\$ 60,000
<i>Spotsylvania County</i>			
	\$ 66,000	\$ 60,000	\$ 60,000
<i>Winchester Area</i>			
7/	\$ 64,000	\$ 58,500	\$ 58,500
<i>North Piedmont (Rural Pt)</i>			
8/	\$ 64,000	\$ 56,500	\$ 56,500
<i>Balance of State</i>			
	\$ 64,000	\$ 56,500	\$ 56,500

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

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

3/ Includes: Charles City County, Chesterfield County, Colonial Heights City, Dinwiddie County, Goochland County, Hanover County, Henrico County, Hopewell City, New Kent County, Petersburg City, Powhatan County, Prince George County, Richmond City.

4/ Includes: Botetourt County, Roanoke County, Roanoke City, Salem City.

5/ Includes: Amherst County, Campbell County, Lynchburg City.

6/ Includes: Albemarle County, Charlottesville City, Fluvanna County, Greene County.

7/ Includes: Clarke County, Frederick County, Winchester.

8/ Includes: Caroline County, Culpeper County, King George County, Louisa County, Madison County, Orange County, Rappahannock County.

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

§ 2.4. Net worth.

To be eligible for authority financing, an applicant cannot have a net worth exceeding \$20,000 plus an additional \$1,000 of net worth for every \$5,000 of adjusted income over \$20,000. (The value of furniture and household goods shall not be included in determining net worth.) In addition, the portion of the applicant's liquid assets which are used to make the down payment and to pay closing costs, up to a maximum of 25% of the sale price, will not be included in the net worth calculation.

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

§ 2.5. Income requirements.

A. Maximum income.

1. Maximum gross income (only applicable to loans for which reservations are taken by the authority on or after August 10, 1987, and for assumptions of loans for which applications are taken by the PDS agent on or after August 10, 1987). As provided in § 2.2.1.A.6 the gross family income of an applicant for an authority mortgage loan may not exceed the applicable income limitation imposed by the U.S. Department of the Treasury. Because the income limits of the authority imposed by this paragraph 1 apply to all loans to which such federal limits apply and are in all cases below such federal limits, the requirements of § 2.2.1.A.6 are met as long as the requirements of this subsection are met. The maximum annual gross family incomes for eligible borrowers shall be as follows:

MAXIMUM ALLOWABLE GROSS INCOMES

Applicable only to loans for which reservations are taken by the Authority and to assumptions for which applications are taken by the PDS agent on or after August 10, 1987

	New Construction	Substantial Rehabilitation	Existing
<i>Northern Virginia portion of Washington, DC-MD-VA MSA</i>			
1+	\$ 49,400	\$ 49,400	\$ 46,000
<i>Norfolk-Virginia Beach Newport News MSA</i>			
2+	\$ 36,100	\$ 36,100	\$ 30,800
<i>Richmond-Petersburg MSA</i>			
3+	\$ 32,700	\$ 32,700	\$ 31,500
<i>North Piedmont/ Roanoke MSA</i>			

Final Regulations

4/	\$ 32,700	\$ 32,700	\$ 31,500	County	\$ 34,400	\$ 34,400	\$ 34,400		
Remainder of State				Fredericksburg	\$ 32,700	\$ 32,700	\$ 31,500		
5/	\$ 32,200	\$ 32,200	\$ 30,000	Spotsylvania County	\$ 32,200	\$ 32,700	\$ 31,500		
1/ Includes: Alexandria City, Fairfax City, Falls Church City, Manassas City, Manassas Park City, Arlington County, Fairfax County, Loudoun County, Prince William County, Stafford County.				Winchester Area	7/	\$ 32,200	\$ 32,200	\$ 30,000	
				2/ Includes: Chesapeake City, Norfolk City, Portsmouth City, Suffolk City, Virginia Beach City, Hampton City, Newport News City, Poquoson City, Williamsburg City, Gloucester County, James City County, York County.				North Piedmont (Rural Pt)	8/
3/ Richmond-Petersburg MSA includes: Charles City County, Chesterfield County, Colonial Heights City, Dinwiddie County, Goochland County, Hanover County, Henrico County, Hopewell City, New Kent County, Petersburg City, Powhatan County, Prince George County, Richmond City.								Balance of State	
				4/ Roanoke MSA includes: Botetourt County, Roanoke County, Roanoke City, Salem City.				1/ Includes: Virginia Portion; Alexandria City, Arlington County, Fairfax City, Fairfax County, Falls Church City, Loudoun County, Manassas City, Manassas Park City, Prince William County, Stafford County.	
North Piedmont includes: Albemarle County, Caroline County, Charlottesville City, Culpeper County, Fauquier County, Fluvanna County, Fredericksburg City, Greene County, King George County, Louisa County, Madison County, Orange County, Rappahannock County, Spotsylvania County.								2/ Includes: Chesapeake City, Gloucester County, Hampton City, James City County, Newport News City, Norfolk City, Poquoson City, Portsmouth City, Suffolk City, Virginia Beach City, Williamsburg City, York County.	
				5/ Any jurisdiction not a part of the Northern Virginia portion of the Washington, DC-MD-VA MSA, the Norfolk-Virginia Beach-Newport News MSA or the North Piedmont/Richmond Petersburg MSA/Roanoke MSA.				3/ Includes: Charles City County, Chesterfield County, Colonial Heights City, Dinwiddie County, Goochland County, Hanover County, Henrico County, Hopewell City, New Kent County, Petersburg City, Powhatan County, Prince George County, Richmond City.	

	New Construction	Substantial Rehabilitation	Existing
Washington, DC-MD-VA MSA (Virginia Portion)			
1/	\$ 49,400	\$ 49,400	\$ 46,000
Norfolk-Virginia Beach-Newport News MSA			
2/	\$ 37,000	\$ 37,000	\$ 35,000
Richmond-Petersburg MSA			
3/	\$ 36,400	\$ 34,400	\$ 33,300
Roanoke MSA			
4/	\$ 35,100	\$ 32,700	\$ 31,500
Lynchburg MSA			
5/	\$ 32,200	\$ 32,200	\$ 30,000
Charlottesville MSA			
6/	\$ 36,400	\$ 35,400	\$ 33,300
Fringe of Washington MSA			
Fauquier			

- 1/ Includes: Virginia Portion; Alexandria City, Arlington County, Fairfax City, Fairfax County, Falls Church City, Loudoun County, Manassas City, Manassas Park City, Prince William County, Stafford County.
- 2/ Includes: Chesapeake City, Gloucester County, Hampton City, James City County, Newport News City, Norfolk City, Poquoson City, Portsmouth City, Suffolk City, Virginia Beach City, Williamsburg City, York County.
- 3/ Includes: Charles City County, Chesterfield County, Colonial Heights City, Dinwiddie County, Goochland County, Hanover County, Henrico County, Hopewell City, New Kent County, Petersburg City, Powhatan County, Prince George County, Richmond City.
- 4/ Includes: Botetourt County, Roanoke County, Roanoke City, Salem City.
- 5/ Includes: Amherst County, Campbell County, Lynchburg City.
- 6/ Includes: Albemarle County, Charlottesville City, Fluvanna County, Greene County.
- 7/ Includes: Clarke County, Frederick County, Winchester.
- 8/ Includes: Caroline County, Culpeper County, King George County, Louisa County, Madison County, Orange County, Rappahannock County.

2. Maximum adjusted family income. (Only applicable to loans for which reservations are taken by the authority before August 10, 1987, and to assumptions of loans for which applications are taken by the PDS agent before August 10, 1987.)

NOTE: No federal income limits apply to these loans. The maximum adjusted family incomes for eligible borrowers shall be as follows:

MAXIMUM ALLOWABLE ADJUSTED FAMILY

Final Regulations

INCOMES

Applicable only to loans for which reservations are taken by the authority or to assumptions for which applications are taken by the PDS agent before August 10, 1987.

	New Construction	Substantial Rehabilitation	Existing
Northern Virginia portion of Washington, DC-MD-VA MSA			
1/	\$ 46,600	\$ 46,600	\$ 43,200
Norfolk-Virginia Beach Newport News MSA			
2/	\$ 34,300	\$ 34,300	\$ 29,000
Richmond-Petersburg			
3/	\$ 29,900	\$ 29,900	\$ 28,700
Northern Piedmont/Roanoke MSA			
4/	\$ 29,900	\$ 29,900	\$ 28,700
Remainder of State			
5/	\$ 29,400	\$ 29,400	\$ 27,200

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

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

3/ Richmond-Petersburg MSA includes: Charles City County, Chesterfield County, Colonial Heights City, Dinwiddie County, Goochland County, Hanover County, Henrico County, Hopewell City, New Kent County, Petersburg City, Powhatan County, Prince George County, Richmond City.

4/ Roanoke MSA includes: Botetourt County, Roanoke County, Roanoke City, Salem City.

North Piedmont includes: Albemarle County, Caroline County, Charlottesville City, Culpeper County, Fauquier County, Fluvanna County, Fredericksburg City, Greene County, King George County, Louisa County, Madison County, Orange County, Rappahannock County, Spotsylvania County.

5/ Any jurisdiction not a part of the Northern Virginia portion of the Washington, DC-MD-VA-MSA, the Norfolk-Virginia Beach-Newport News MSA or the North Piedmont/Richmond Petersburg MSA/Roanoke MSA.

B. Minimum income (not applicable to applicants for

loans to be insured or guaranteed by the Federal Housing Administration or the Veterans Administration (hereinafter referred to as "FHA or VA loans").

An applicant satisfies the minimum income requirement for authority financing if the monthly principal and interest, tax, insurance (PITI) and other additional monthly fees such as condominium assessments, townhouse assessments, etc. do not exceed 32% of monthly gross income and if the monthly PITI plus outstanding monthly installment loans with more than six months duration do not exceed 40% of monthly gross income. (See Exhibit B) For units in condominiums, 60% of the monthly condominium assessment shall be used in the foregoing ratio calculations.

§ 2.6. Calculation of maximum loan amount.

Single family detached residence and townhouse (fee simple ownership) Maximum of 95% (or, in the case of a FHA or VA loan, such other percentage as may be permitted by FHA or VA) of the lesser of the sales price or appraised value, except as may otherwise be approved by the authority.

Condominiums - Maximum of 95% (or, in the case of a FHA or VA loan, such other percentage as may be permitted by FHA or VA) of the lesser of the sales price or appraised value, except as may be otherwise approved by the authority.

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

§ 2.7. Mortgage insurance requirements.

Unless the loan is an FHA or VA loan, the borrower is required to purchase at time of loan closing full private mortgage insurance (25% to 100% coverage, as the authority shall determine) on all loans which exceed 80% of the lesser of sales price or appraised value. The PDS agent is required to escrow for annual payment of mortgage insurance. If the authority requires FHA or VA insurance, the loan will either, at the election of the authority, (a) be closed in the authority's name in accordance with the procedures and requirements herein or (b) be closed in the PDS agent's name and purchased by the authority once the FHA Certificate of Insurance or VA Guaranty has been obtained. In the event the authority purchases an FHA or VA loan, the PDS agent must enter into a purchase and sale agreement. (See Exhibit C) For assumptions of conventional loans (i.e., loans other than FHA and VA loans), full private mortgage insurance as described above is required unless waived by the authority.

§ 2.8. Underwriting.

A. Conventional loans.

1. Employment and income.

a. Length of employment. The applicant must be employed a minimum of six months with present employer. An exception to the six-month requirement can be granted by the authority if it can be determined that the type of work is similar to previous employment and previous employment was of a stable nature.

b. Self-employed applicants. Note: Under the tax code, the residence may not be expected to be used in trade or business. (See § 2.2.1.C Principal residence requirement.) Any self-employed applicant must have a minimum of two years of self-employment with the same company and in the same line of work. In addition, the following information is required at the time of application:

(1) Federal income tax returns for the two most recent tax years.

(2) Balance sheets and profit and loss statements prepared by an independent public accountant.

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

c. Income derived from sources other than primary employment.

(1) Alimony and child support. A copy of the legal document and sufficient proof must be submitted to the authority verifying that alimony and child support are court ordered and are being received. Child support payments for children 15 years or older are not accepted as income in qualifying an applicant for a loan.

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

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

Part-time employment as the primary employment

will also be required to be continuous for six months.

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

2. Credit.

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

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

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

3. Appraisals. The authority reserves the right to obtain an independent appraisal in order to establish the fair market value of the property and to determine whether the dwelling is eligible for the mortgage loan requested.

B. FHA loans only.

1. In general. The authority will normally accept FHA underwriting requirements and property standards for FHA loans. However, most of the authority's basic eligibility requirements including those described in §§ 2.1 through 2.5 hereof remain in effect due to treasury restrictions or authority policy.

2. Mortgage insurance premium. Applicant's mortgage insurance premium fee may be included in the FHA acquisition cost and may be financed, except that, in the case of a condominium, such fee may not be paid in full in advance but instead is payable in annual installments.

3. Closing fees. The FHA allowable closing fees may be included in the FHA acquisition cost and may be financed *provided the final loan amount does not*

Final Regulations

exceed the authority's maximum allowable sales price

4. Appraisals. FHA appraisals are acceptable. VA certificates of reasonable value (CRV's) are acceptable if acceptable to FHA.

C. VA loans only.

1. In general. The authority will normally accept VA underwriting requirements and property guidelines for VA loans. However, most of the authority's basic eligibility requirements (including those described in §§ 2.1 through 2.5 hereof) remain in effect due to treasury restrictions or authority policy.

2. VA funding fee. 1.0% funding fee can be included in loan amount provided final loan amount does not exceed the authority's maximum allowable sales price.

3. Appraisals. VA certificates of reasonable value (CRV's) are acceptable.

§ 2.9. Funds necessary to close.

A. Cash (Not applicable to FHA or VA loans).

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

B. Gift letters.

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

C. Housing expenses.

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

§ 2.10. Loan assumptions.

A. Requirements for assumptions.

VHDA currently permits assumptions of all of its single family mortgage loans as long as certain requirements are

met. The requirements for each of the four different categories of mortgage loans listed below are as follows:

1. Assumptions of conventional loans.

a. For assumptions of conventional loans financed by the proceeds of bonds issued on or after December 17, 1981, the requirements of the following sections hereof must be met:

- (1) § 2.5 (Income requirement).
- (2) § 2.2.1.C (Principal residence requirement)
- (3) § 2.8 (Authority underwriting requirements)
- (4) § 2.2.1.B (Three year requirement)
- (5) § 2.2.2.B (Acquisition cost requirement)
- (6) § 2.7 (Mortgage insurance requirement).

b. For assumptions of conventional loans financed by the proceeds of bonds issued prior to December 17, 1981, the requirements of the following sections hereof must be met:

- (1) § 2.5 (Income requirements)
- (2) § 2.2.1.C (Principal residence requirements)
- (3) § 2.8 (Authority underwriting requirements)
- (4) § 2.7 (Mortgage insurance requirements).

2. Assumptions of FHA or VA loans.

a. For assumptions of FHA or VA loans financed by the proceeds of bonds issued on or after December 17, 1981 the following conditions must be met:

- (1) § 2.5.A (Maximum income requirement)
- (2) § 2.2.1.C (Principal residence requirement)
- (3) § 2.2.1.B (Three year requirement)
- (4) § 2.2.2.B (Acquisition cost requirements).

In addition, all applicable FHA or VA underwriting requirements, if any, must be met.

b. For assumptions of FHA or VA loans financed by the proceeds of bonds issued prior to December 17, 1981, only the applicable FHA or VA underwriting requirements, if any, must be met.

B. Requirement that the authority be contacted.

The PDS agent must in each case of a request for assumption of a mortgage loan contact the authority in

order to determine which category of loans described in subsection A above applies to the loan and whether or not the requirements of the applicable category are satisfied. (For example, in cases of assumptions, the PDS agent may not rely - as it may for new loans - on the fact that the acquisition cost of the dwelling is less than the authority's sales price limits to satisfy the acquisition cost requirement. It is therefore essential that the authority be contacted in each case.)

C. Application package for assumptions.

Once the PDS agent has contacted the authority and it has been determined which of the four categories described in subsection A above applies to the loan, the PDS agent must submit to the authority the information and documents listed below for the applicable category:

1. Assumption package for conventional loans:

a. Conventional loans financed by the proceeds of bonds issued on or after December 17, 1981:

- (1) Affidavit of borrower (Exhibit E).
- (2) Affidavit of seller (Exhibit F).
- (3) Acquisition cost worksheet (Exhibit G).
- (4) Appraiser's report (Exhibit H).
- (5) Three year's tax returns.
- (6) PDS agent's checklist (Exhibit A(1)).
- (7) 4506 form (Exhibit Q).
- (8) PDS agent's loan submission cover letter (Exhibit 0(1)).
- (9) Authority's completed application (Exhibit D).
- (10) Verification of employment (VOE's) (and other income related information).
- (11) Verification of deposit (VOD's).
- (12) Credit report.
- (13) Sales contract.
- (14) Truth-in-lending (Exhibit K) and estimate of charges.
- (15) Equal credit opportunity act (ECOA) notice (Exhibit I).
- (16) Authority underwriting qualification sheet (Exhibit B(1)).

b. Conventional loans financed by the proceeds of

bonds issued prior to December 17, 1981:

- (1) Authority's completed application (Exhibit D).
- (2) Verification of employment (VOE's) (and other income related information).
- (3) Verification of deposit (VOD's).
- (4) Credit report.
- (5) Sales contract.
- (6) Truth-in-lending (Exhibit K) and estimate of charges.
- (7) Equal credit opportunity act (ECOA) notice (Exhibit I).
- (8) Authority underwriting qualification sheet (Exhibit B(2)).

2. Assumption package for FHA or VA loans.

a. FHA or VA loans financed by the proceeds of bonds issued on or after December 17, 1981:

- (1) Affidavit of borrower (Exhibit E).
- (2) Affidavit of seller (Exhibit F).
- (3) Acquisition cost worksheet (Exhibit G).
- (4) Appraiser's Report (Exhibit H).
- (5) Three year's tax returns.
- (6) PDS agent's checklist (Exhibit A(1)).
- (7) 4506 form (Exhibit Q).
- (8) PDS agent's loan submission cover letter (Exhibit 0(2) or (3)).
- (9) Authority's completed application (Exhibit D).

(10) In addition, all applicable requirements, if any, of FHA or VA must also be met.

b. FHA or VA loans financed by the proceeds of bonds issued prior to December 17, 1981: Only the applicable requirements, if any, of FHA or VA must be met.

D. Review by the authority/additional requirements.

Upon receipt of an application package for assumption, the authority will determine whether or not the applicable requirements referenced above for assumption of the loan have been met and will advise the PDS agent of such determination in writing. The authority will further advise

Final Regulations

the PDS agent of all other requirements necessary to complete the assumption process. Such requirements may include but are not limited to the submission of satisfactory evidence of hazard insurance coverage on the property, approval of the deed of assumption, satisfactory evidence of mortgage insurance or mortgage guaranty including, if applicable, pool insurance and submission of an escrow transfer letter.

§ 2.11. Leasing, loan term, and owner occupancy.

A. Leasing.

The owner may not lease the property without first contacting the authority.

B. Loan term.

Loan terms may not exceed 30 years.

C. Owner occupancy.

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

§ 2.12. Reservations/fees.

A. Making a reservation.

The authority currently reserves funds for each mortgage loan on a first come, first served basis. In order to make a reservation of funds for a loan, the PDS agent shall:

1. First make a determination based on the information then made available to it by the applicant or otherwise that neither the applicant nor the property appears to violate any of the authority's eligibility requirements for a new loan.

2. Collect a \$100 nonrefundable reservation fee (or such other amount as the authority may require).

3. Determine what type of mortgage insurance will be required; specifically, whether the loan will be a conventional loan, an FHA loan or a VA loan.

4. Complete a reservation sheet (Exhibit C).

5. Call the authority (after completing the four preceding requirements) between 9 a.m. and 5 p.m. Monday through Friday for the assignment of a reservation number for the loan, an interest rate for the reserved funds and an expiration date for the reservation, all of which will be assigned after the PDS agent gives to the authority the following information:

- a. Name of primary applicant

- b. Social security number of applicant

- c. Estimated loan amount

- d. PDS agent's servicer number

- e. Gross family income of applicant and family, if any

- f. Location of property (city or county)

- g. Verification of receipt of the reservation fee

- h. Type of mortgage insurance to be used (if conventional, the authority will assign the loan a suffix "C;" if FHA, the suffix will be "F;" and, if VA, it will be "V").

6. Complete the reservation card by filling in the reservation number, interest rate, expiration date and by executing it (only an authorized representative of the PDS agent may sign the reservation card).

7. Submit the complete application package to the authority (see § 2.13) along with evidence of receipt of the reservation fee within 60 days after the authority assigns the reservation number to the loan (i.e., takes the reservation). Funds will not be reserved longer than 60 days unless the PDS agent requests and receives an additional one-time extension prior to the 60-day deadline.

B. More than one reservation.

An applicant may request a second reservation if the first has expired, but in no case may the interest rate be reduced without the authority's prior approval. In addition, a second reservation fee must be collected for a second reservation.

C. The reservation fee.

Under no circumstances is this fee refundable. If the loan closes, it will be retained by the PDS agent as part of its 1.0% origination fee. If the loan does not close, regardless of the reason, it is to be immediately submitted to the authority (see subsection E for other fees). No substitutions of applicants or properties are permitted.

D. Other fee.

1. Commitment fee. The PDS agent must collect at the time of the issuance of a commitment by the authority an amount equal to 1.0% of the loan amount less the amount of the reservation fee already collected (such that the total amount received by the PDS agent at that point equals 1.0% of the loan amount - please also note that for FHA loans the loan amount for the purpose of this computation is the base loan amount only). If the loan closes, the PDS agent retains the full 1.0% as its original fee. If the loan does not close the origination fee (which includes the reservation fee) must be submitted to the

authority when the failure to close is due to the fault of the applicant. On the other hand, if the failure to close is not due to the fault of the applicant, then everything collected except for the reservation fee may at the option of the authority be refunded to the applicant. (The reservation fee, as required in subsection C above is always submitted to the authority when a loan fails to close.)

2. Discount point. The PDS agent must collect at the time of closing an amount equal to 1.0% of the loan amount from the seller. This fee is retained by the PDS agent to be remitted to the authority by the PDS agent.

§ 2.13. Preparation of application package for new loans.

A. Conventional loans.

The application package submitted to the authority for approval of a conventional loan must contain the following:

1. Reservation sheet (Exhibit C).
2. Application - the application must be made on the authority's approved application form. (Exhibit D)
3. Preliminary underwriting form. (Exhibit B)
4. Credit report issued by local credit bureau and miscellaneous information as applicable explanation of bankruptcies, etc., (and any additional documentation).
5. Verification of employment (and any additional documentation).
6. Verification of other income.
7. Verification of deposits (and any additional documentation).
8. Gift letters (and verification).
9. Sales contract - contract must be signed by seller and all parties entering into the contract and state which parties are paying points and closing costs.
10. Appraisal (FHLMC No. 70) should be the Federal National Mortgage Association ("FNMA") or Federal Home Loan Mortgage Corporation ("FHLMC") form and should be completed by an appraiser who has been approved by FHLMC or a private mortgage insurer acceptable to the authority or who has a certification from a trade organization approved by the authority (photos and required supporting documentation).
11. Loan submission cover letter. (Exhibit O(1))
12. Appraiser's report. (Exhibit H)

13. Acquisition cost worksheet. (Exhibit G)

14. Affidavit of seller. (Exhibit F)

15. Affidavit of borrower. (Exhibit E)

16. Federal income tax returns - copy of borrower's federal income tax returns to the extent required by Item 6 in the affidavit of borrower and § 2.2.1.B.3 hereof.

(NOTE: If a letter from the Internal Revenue Service is to be delivered pursuant to paragraphs § 2.2.1.B.3 hereof, such letter must be enclosed instead).

17. PDS agent's checklist for certain requirements of the tax code. (Exhibit A(1))

18. Signed request for copy of tax returns. (Exhibit Q)

19. U.S. Department of Housing and Urban Development ("HUD") information booklet acknowledgement by applicant of receipt of HUD information booklet and estimate of the charges the borrower is likely to incur as required by the Real Estate Settlement Procedures Act of 1974, as amended the Real Estate Settlement Procedures Act Amendments of 1975 (RESPA), as amended, and Regulations Z (Truth-In-Lending), as amended. Acknowledgement can be made part of the application or can be a separate statement. Applicant must receive HUD information book the day application is made.

20. Equal Credit Opportunity Act ("ECOA") notice statement to borrower of provisions of the ECOA, with borrower's acknowledgement of receipt. (Exhibit I)

21. Truth-in-lending disclosure. (Exhibit K)

B. FHA loans.

The application package submitted to the authority for approval of an FHA loan must contain the following items:

1. Reservation sheet (Exhibit C).
2. Application - must be on the authority's form and can be handwritten if legible (Exhibit D).
3. Copy the HUD application (FHA form 92900).
4. Copy of the Mortgage Credit Analysis Worksheet (HUD form 92900-ws).
5. Copy of the credit report.
6. Copy of verification of employment.
7. Copy of verification of other income.

Final Regulations

8. Copy of verification of deposits.
 9. Copy of gift letters (and verification).
 10. Copy of sales contract.
 11. Assignment letter - this must reference the case number, name of applicant.
 12. Copy of appraisal - this must be on a form acceptable to FHA and must contain all supporting documentation necessary for valuation.
 13. FHA Notice to Buyers (Document F-9)
 14. Loan submission cover letter. (Exhibit O(2))
 15. Appraiser's report. (Exhibit H)
 16. Acquisition cost worksheet. (Exhibit G)
 17. Affidavit of seller. (Exhibit F)
 18. Affidavit of borrower. (Exhibit E)
 19. Federal income tax returns - copy of borrower's federal income tax returns to the extent required by Item 6 in the affidavit of borrower and § 2.2.1.B.3 hereof.
- (NOTE: If a letter from the Internal Revenue Service is to be delivered pursuant to paragraphs § 2.2.1 B3 hereof, such letter must be enclosed instead).
20. PDS agent's checklist for certain requirements of the tax code. (Exhibit A(1))
 21. Signed request for copy of tax returns (Exhibit Q)
 22. U.S. Department of Housing and Urban Development ("HUD") information booklet - acknowledgement by applicant of receipt of HUD information booklet and estimate of the charges the borrower is likely to incur as required by the Real Estate Settlement Procedures Act of 1974, as amended, the Real Estate Settlement Procedures Act Amendments of 1975 (RESPA), as amended, and Regulation Z (Truth-In-Lending), as amended. Acknowledgement can be made part of the application or can be a separate statement. Applicant must receive HUD information book the day application is made.
 23. Equal Credit Opportunity Act ("ECOA") notice statement to borrower of provisions of ECOA, with borrower's acknowledgement of receipt. (Exhibit I)
 24. Truth-in-lending disclosure. (Exhibit K)

C. VA loans.

The application package submitted to the authority for approval of a VA loan must contain the following items:

1. Reservation sheet (Exhibit C).
 2. Application - must be on the authority's form and can be handwritten if legible (Exhibit D).
 3. Copy the VA application (VA form 26-1802A).
 4. Copy of the Loan Analysis Worksheet (VA form 6393).
 5. Copy of the credit report.
 6. Copy of verification of employment.
 7. Copy of verification of other income.
 8. Copy of verification of deposits.
 9. Copy of gift letters (and verification).
 10. Copy of sales contract.
 11. Copy of appraisal - this must be on a form acceptable to VA and must contain all supporting documentation necessary for valuation.
 12. Loan submission cover letter. (Exhibit O(3))
 13. Appraiser's report. (Exhibit H)
 14. Acquisition cost worksheet. (Exhibit G)
 15. Affidavit of seller. (Exhibit F)
 16. Affidavit of borrower. (Exhibit E)
 17. Federal income tax returns - copy of borrower's federal income tax returns to the extent required by Item 6 in the affidavit of borrower and § 2.2.1.B.3 hereof.
- (NOTE: If a letter from the Internal Revenue Service is to be delivered pursuant to paragraphs § 2.2.1.B.3 hereof, such letter must be enclosed instead).
18. PDS agent's checklist for certain requirements of the tax code. (Exhibit A(1))
 19. Signed request for copy of tax returns (Exhibit Q)
 20. U.S. Department of Housing and Urban Development ("HUD") information booklet - acknowledgement by applicant of receipt of HUD information booklet and estimate of the charges the borrower is likely to incur as required by the Real Estate Settlement Procedures Act of 1974, as amended, the Real Estate Settlement Procedures Act Amendments of 1975 (RESPA), as amended, and

Regulation Z (Truth-In-Lending), as amended. Acknowledgement can be made part of the application or can be a separate statement. Applicant must receive HUD information book the day application is made.

21. Equal Credit Opportunity Act ("ECOA") notice statement to borrower of provisions of ECOA, with borrower's acknowledgement of receipt. (Exhibit I)

22. Truth-in-lending disclosure. (Exhibit K)

D. Delivery of package to authority.

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

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

§ 2.14. Commitment. (Exhibit J)

A. In general.

Upon approval of the applicant, the authority will send a mortgage loan commitment to the borrower in care of the PDS agent. Also enclosed in this package will be other documents necessary for closing. The PDS agent shall ask the borrower to indicate his acceptance of the mortgage loan commitment by signing and returning it to the PDS agent. A commitment must be issued in writing by an authorized officer of the authority and signed by the applicant before a loan may be closed. The term of a commitment may be extended in certain cases upon written request by the applicant and approved by the authority. Generally, no more than one commitment will be issued to an applicant in any calendar year. However, if an applicant who received a commitment fails to close the mortgage loan transaction through no fault of his own, that borrower may be considered for one additional commitment upon proper reapplication to the authority within the one year period from the cancellation or expiration of the original commitment; provided, however, that the interest rate offered in the additional commitment, if issued, may be higher than the rate offered in the original commitment. Such new rate and the availability of funds therefor shall in all cases be determined by the authority in its discretion.

B. Loan rejection.

If the application fails to meet any of the standards, criteria and requirements herein, a loan rejection letter will be issued by the authority (see Exhibit L). In order to have the application reconsidered, the applicant must resubmit the application within 30 days after loan rejection. If the application is so resubmitted, the credit documentation cannot be more than 90 days old and the appraisal not more than six months old.

§ 2.15. Loan settlement.

A. Loan closing.

1. In general. Upon the borrower's acceptance of the mortgage loan commitment, the PDS agent will send the authority's letter and closing instructions (see Exhibits M and N) and the closing papers to the closing attorney. The PDS agent should thoroughly familiarize himself with the closing instructions and should fill in all blanks such as per diem interest, appraisal fee, credit report charges to be collected at closing, and any special requirements of the commitment before the closing instructions are forwarded to the closing attorney. The authority will provide the PDS agent with the documents which the closing attorney is required to complete. After the authority reviews the closing attorney's preliminary work and has been advised by the PDS agent in the case of an FHA or VA loan that all applicable FHA or VA requirements have been met, it will approve closing and, a loan proceeds check will be sent to the closing attorney or firm named in the commitment or binder as approved under the issuing company's insured closing service, along with additional closing instructions. The closing attorney may disburse loan proceeds only after he has conducted the loan closing and recorded all necessary documents, including the deed of trust securing repayment of the loan to the authority and in all other respects is in a position to disburse proceeds in accordance with the authority's letter authorizing the closing, the commitment and the instructions previously issued by the PDS agent. It is the PDS agent's responsibility to see that all documents and checks are received immediately after loan closings and that they are completed in accordance with the authority's requirements, Regulation Z and ECOA.

2. Special note regarding check for buy-down points. A certified or cashier's check made payable to the authority is to be provided at loan closing for buy-down points, if any. Under the tax code, the original proceeds of a bond issue may not exceed the amount necessary for the "governmental purpose" thereof by more than 5.0%. If buy-down points are paid out of mortgage loan proceeds (which are financed by bonds), then this federal regulation is violated because bond proceeds have in effect been used to pay interest rather than for the proper "governmental purpose" of making mortgage loans. Therefore, it is required that buy-down fees be paid from the seller's own funds and not be deducted from loan proceeds. Because of this requirement, buy-down fees may not appear as a deduction from the seller's proceeds on the HUD-1 Settlement Statement.

B. Post-closing requirements.

All post-closing documents, including the post-closing cover letter (Exhibit P), should be forwarded as follows

Final Regulations

to:

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

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

Within 45 days after loan closing, the PDS agent shall forward to the authority the original recorded deed of trust and final mortgage title insurance policy. Within 55 days after loan closing the PDS agent shall forward to the authority the original hazard insurance policy.

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

§ 2.16. Property guidelines.

A. In general.

For each application the authority must make the determination that the property will constitute adequate security for the loan. The determination shall in turn be based solely upon a real estate appraisal's determination of the value and condition of the property.

In addition, manufactured housing may be financed only if it is new construction and insured 100% by FHA (see subsection C).

B. Conventional loans.

1. Existing housing and new construction. The following requirements apply to both new construction and existing housing to be financed by a conventional loan: (i) all property must be located on a state maintained road (easements or right-of-way to state maintained roads are not acceptable as access to

properties); (ii) any easements which will adversely affect the marketability of the property, such as high-tension power lines, drainage or other utility easements will be considered on a case-by-case basis to determine whether such easements will be acceptable to the authority; and (iii) joint ownership of well and septic will be considered on a case-by-case basis to determine whether such ownership is acceptable - to - the authority.

2. Additional requirements for new construction. New construction financed by a conventional loan must also meet Uniform Statewide Building Code and local code.

C. FHA or VA loans.

1. Existing housing and new construction. Both new construction and existing housing financed by an FHA or VA loan must meet all applicable requirements imposed by FHA or VA.

2. Additional requirements for new construction. If such homes being financed by FHA [or VA] loans are new manufactured housing they must meet federal manufactured home construction and safety standards, satisfy all FHA insurance requirements, be on a permanent foundation to be enclosed by a perimeter masonry curtain wall conforming to standards of the Uniform Statewide Building Code, be permanently affixed to the site owned by the borrowers and be insured 100% by FHA under its section 203B program. In addition, the property must be classified and taxed as real estate and no personal property may be financed.

§ 2.17. Substantially rehabilitated.

For the purpose of qualifying as substantially rehabilitated housing under the authority's maximum sales price limitations, the housing unit must meet the following definitions:

1. Substantially rehabilitated means improved to a condition which meets the authority's underwriting/property standard requirements from a condition requiring more than routine or minor repairs or improvements to meet such requirements. The term includes repairs or improvements varying in degree from gutting and extensive reconstruction to cosmetic improvements which are coupled with the cure of a substantial accumulation of deferred maintenance, but does not mean cosmetic improvements alone.

2. For these purposes a substantially rehabilitated housing unit means a dwelling unit which has been substantially rehabilitated and which is being offered for sale and occupancy for the first time since such rehabilitation. The value of the rehabilitation must equal at least 25% of the total value of the rehabilitated housing unit.

3. The authority's staff will inspect each house submitted as substantially rehabilitated to ensure compliance with our underwriting-property standards. An appraisal is to be submitted after the authority's inspection and is to list the improvements and estimate their value.

4. The authority will only approve rehabilitation loans to eligible borrowers who will be the first resident of the residence after the completion of the rehabilitation. As a result of the tax code, the proceeds of the mortgage loan cannot be used to refinance an existing mortgage, as explained in § 2.2.1.D (New mortgage requirement). The authority will approve loans to cover the purchase of a residence, including the rehabilitation:

a. Where the eligible borrower is acquiring a residence from a builder or other seller who has performed a substantial rehabilitation of the residence; and

b. Where the eligible borrower is acquiring an unrehabilitated residence from the seller and the eligible borrower contracts with others to perform a substantial rehabilitation or performs the rehabilitation work himself prior to occupancy.

§ 2.18. Condominium requirements.

A. Conventional loans.

1. The PDS agent must provide evidence that the condominium is approved by any two of the following: FNMA, FHLMC or VA. The PDS agent must submit evidence at the time the borrower's application is submitted to the authority for approval.

2. At the time the borrower's loan application is submitted for the financing of a unit in any condominium in which the authority has not previously financed the purchase of any units, Exhibit S providing basic information about the condominium must be completed by the Unit Owners Association. The most recent financial statement and operating budget of the condominium (or, in the case of a newly constructed or converted condominium, a copy of the projected operating budget and a copy of the most recent financial statement, if any) must also be submitted. The authority will review the above described form and financial information. If on the basis of such review the authority finds the condominium to be acceptable, the condominium will be approved and the individual loan application will be processed. Exhibit S requires that the Unit Owners Association agree to submit to the authority upon its request, the condominium's annual financial statements, operating budget and other information as the authority may require. The association is also required to agree that the authority shall have a right to inspect the condominium and its records. The form

states that failure to comply with the foregoing shall be grounds for the authority's termination of its approval of the condominium.

3. Each year the authority will send Exhibit T to the Unit Owners Association requesting information concerning the condominium including a statement as to the status of the approvals of VA, FNMA and FHLMC, as applicable, and a copy of the condominium's financial statement and operating budget. The association will be advised that if the request for information is not received within 90 days from the date of the request, the authority may terminate its approval of the condominium. The authority will review the financial statement and operating budget and the questionnaire and if the condominium remains in satisfactory condition, the authority will continue to make mortgage loans on the units subject to the limitations in paragraph 4 below. In the event the authority determines a condominium is not in satisfactory condition, the Unit Owners Association will be given 60 days to correct the deficiencies. If the deficiencies are not corrected to the satisfaction of the authority, the condominium will no longer be approved for financing. The requirements and procedures in this section will also apply to condominiums previously approved by the authority.

4. If a condominium is approved by FNMA, the authority will make mortgage loans on no more than 50% of the units in the condominium. If the condominium is not approved by FNMA, the authority will make mortgage loans on no more than 25% of the units in the condominium. If a condominium is to be phased, the foregoing percentage limits will be applied to each phase until all phases are completed. If the condominium has been previously approved by the authority and exceeds the foregoing percentage limitations, the authority will make no further mortgage loans for the purchase of the units in the condominium until such time as its percentage limits are no longer violated.

B. FHA or VA loans. The authority will accept a loan to finance a condominium if the condominium is approved by FHA, in the case of an FHA loan, or by VA, in the case of a VA loan.

The effective date of the foregoing amendments shall be August 10, 1987 March 16, 1988 .

Title of Regulation: VR 400-02-0014. Procedures, Instructions and Guidelines for the Acquisition of Multi-Family Housing Developments.

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

Final Regulations

Effective Date: March 16, 1988

Summary:

These regulations establish procedures and requirements for the solicitation, submission, review, underwriting and selection of proposals for (i) the acquisition by the authority, or an entity formed by the authority on its own behalf or in conjunction with others, of multi-family housing developments intended for occupancy by persons of low and moderate income and (ii) for the financing by the authority of the construction of such developments prior to their acquisition by the authority or by a related entity as described above. Other related matters addressed by these proposed regulations include income limits and general restrictions on occupancy of the developments, terms of acquisitions and construction loans, procedures applicable during the construction phase of developments, requirements for the consummation of acquisitions by the authority or a related entity, the making of permanent mortgage loans by the authority to finance the acquisition of developments by such related entities, purchase price and construction loan increases and procedures and requirements with regard to the operation, management and marketing of developments by the authority or a related entity.

VR 400-02-0014. Procedures, Instructions and Guidelines for the Acquisition of Multi-Family Housing Developments.

§ 1. Purpose and applicability.

The following procedures, instructions and guidelines will be applicable to the acquisition, ownership and operation by the Virginia Housing Development Authority (the "authority") or by any entity formed by the authority, on its own behalf or in conjunction with other parties, of multi-family housing developments intended for occupancy by persons and families of low and moderate income ("development" or "developments"). The developments to be acquired pursuant to these procedures, instructions and guidelines may be existing developments or may be developments to be constructed prior to acquisition. If the authority is to acquire an existing development, the provision of these procedures, instructions and guidelines relating to construction shall, to the extent determined by the executive director, not be applicable to such development. These procedures, instructions and guidelines shall also be applicable to the making of mortgage loans by the authority (i) to finance the construction of such developments prior to the acquisition thereof by the authority (such mortgage loans are referred to herein as construction loans) and (ii) to finance the acquisition and ownership of such developments by entities formed by the authority as described herein. If any development is to be subject to federal mortgage insurance or is otherwise to be assisted or aided, directly or indirectly, by the federal government, the applicable federal rules and regulations shall be

controlling over any inconsistent provision herein. Furthermore, if the development is to be subject to mortgage insurance by the federal government, the provisions of these procedures, instructions and guidelines shall be applicable to such development only to the extent determined by the executive director to be necessary in order to (i) protect any interest of the authority which, in the judgment of the executive director, is not adequately protected by such insurance or by the implementation or enforcement of the applicable federal rules, regulations or requirements or (ii) to comply with the Virginia Housing Development Authority Act (the "Act") or fulfill the authority's public purpose and obligations thereunder. The term "construct" or "construction," as used herein, shall include the rehabilitation, preservation or improvement of existing structures.

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

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

All reviews, analyses, evaluations, inspections, determinations and other actions by the authority pursuant to the provisions of these procedures, instructions and guidelines shall be made for the sole and exclusive benefit and protection of the authority and shall not be construed to waive or modify any of the rights, benefits, privileges, duties, liabilities or responsibilities of the authority, the applicant, any mortgagor, or any contractor or other members of the development team under the initial closing documents as described in § 7 of these procedures, instructions and guidelines.

These procedures, instructions and guidelines are intended to provide a general description of the authority's processing requirements and are not intended to include all actions involved or required in the processing and administration of proposals for the authority to acquire developments or to provide financing for such developments under the authority's multi-family housing acquisition program. These procedures, instructions and guidelines are subject to change at any time by the authority and may be supplemented by policies, procedures, instructions and guidelines adopted by the authority from time to time with respect to any particular development or developments.

§ 2. Income limits and general restrictions.

In order to be eligible for occupancy of a multi-family dwelling unit, a person or family shall not have an

adjusted family income (as defined in the authority's rules and regulations) greater than seven times the annual rent, including utilities except telephone, applicable to such dwelling unit. In addition to the foregoing, at least 20% of the units in each development shall be occupied or held available for occupancy by persons and families whose annual adjusted family incomes (at the time of their initial occupancy of such units) do not exceed 80% of the area median income as determined by the authority, and the remaining units shall be occupied or held available for occupancy by persons and families whose annual adjusted family incomes (at the time of their initial occupancy of such units) do not exceed 150% of such area median income as so determined.

Furthermore, in the case of developments which are subject to federal mortgage insurance or assistance or are financed by notes or bonds exempt from federal income taxation, federal regulations may establish lower income limitations which in effect supersede the authority's income limits as described above. If federal law or rules and regulations impose limitations on the incomes of the persons or families who may occupy all or any of the units in a development, the adjusted family incomes (as defined in the authority's rules and regulations) of applicants for occupancy of all of the units in the development shall be computed, for the purpose of determining eligibility for occupancy thereof under the authority's rules and regulations and these procedures, instructions and guidelines, in the manner specified in such federal law and rules and regulations, subject to such modifications as the executive director shall require or approve in order to facilitate processing, review and approval of such applications.

Notwithstanding anything to the contrary herein, all developments and the processing thereof under the terms hereof must comply with (i) the Act and the authority's rules and regulations, (ii) the applicable federal laws and regulations governing the federal tax exemption of the notes or bonds, if any, issued by the authority to finance such developments, (iii) in the case of developments subject to federal mortgage insurance or other assistance, all applicable federal laws and regulations relating thereto and (iv) the requirements set forth in the resolutions pursuant to which the notes or bonds are issued by the authority to finance the developments. Copies of the authority's note and bond resolutions are available upon request.

§ 3. Terms of acquisition and construction loan.

The purchase price for a development to be acquired by the authority pursuant hereto shall be determined by the authority in such manner and shall be based upon such factors (including the fair market value of the development based on an appraisal thereof as well as on the estimated costs of the construction of the development, if applicable) as it deems relevant to the security of its ownership interest in the development and the fulfillment of its public purpose. The terms and

conditions of such acquisition shall be contained in the commitment described in § 6 hereof and in the contract, if any, to acquire the development described in § 7 hereof.

In addition to the acquisition of developments, the authority may make or finance construction mortgage loans secured by a lien on real property or, subject to certain limitations in the Act, a leasehold estate in order to finance the construction of such developments. The term of such a construction loan shall be equal to the period determined by the executive director to be necessary to complete construction of the development and to consummate the acquisition thereof by the authority. Such construction loans shall be made on such other terms and conditions as the authority shall prescribe in (i) the commitment described in § 6 hereof and (ii) any other applicable initial closing documents, described in § 7 hereof. Such construction loans may be made to: (i) for-profit housing sponsors in original principal amounts not to exceed the lesser of the maximum principal amount specified in the commitment or such percentage of the estimated housing development costs of the development as is established in such commitment, but in no event to exceed 95%, and (ii) nonprofit housing sponsors in original principal amounts not to exceed the lesser of the maximum principal amount specified in the commitment or such percentage of the estimated housing development costs of the development as is established in such commitment, but in no event to exceed 100%. The maximum principal amount and percentage of estimated housing development costs specified or established in the commitment shall be determined by the authority in such manner and based upon such factors as it deems relevant to the security of the mortgage loan and the fulfillment of its public purpose. Such factors may include the fair market value of the proposed development as completed. The interest rate on the construction loan shall be established at the initial closing and may be thereafter adjusted in accordance with the authority's rules and regulations and the terms of the deed of trust note. The authority shall charge a financing fee equal to 1.0% of the construction loan amount, unless the executive director shall for good cause require the payment of a different financing fee. Such fee shall be payable at initial closing or at such other times as the executive director shall for good cause require.

§ 4. Solicitation of proposals.

The executive director may from time to time take such action as he may deem necessary or proper in order to solicit proposals for the authority's acquisition and, if applicable, construction financing of developments. 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 of proposals

Final Regulations

and the selection of developments for acquisition and, if applicable, construction financing 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 funds of the authority are to be allocated for such acquisitions and financings and such other matters as he shall deem appropriate relating to the selection of proposals. The authority may also consider and approve proposals for acquisition and, if applicable, construction financing of developments submitted from time to time to the authority without any solicitation therefor on the part of the authority.

§ 5. Application and acceptance for processing.

Application for consideration of each proposal for the authority to acquire a development and, if applicable, to finance the construction thereof shall be commenced by filing with the authority an application, 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, including, but not limited to: initial site, elevation and unit plans; information with respect to the status of the proposed development site and the surrounding community; any option or sales contract to acquire the site; an evaluation of the need and effective demand for the proposed development in the market area of such site; information regarding the legal, business and financial status and experience of the members of the applicant's proposed development team and of the principals in any entity which is a member thereof, including current financial statements (which shall be audited in the case of a business entity) for the owner (if existing), the general contractor and the principals therein; information regarding amenities and services proposed to be offered to the tenants; a preliminary estimate of the housing development costs and the individual components thereof; the proposed schedule of rents; a preliminary estimate of the annual operating budget and the individual components thereof; the estimated utility expenses to be paid by the tenants of dwelling units in the proposed development; and the amount of any federal insurance, subsidy or assistance which the applicant is requesting for the proposed development.

The authority's staff shall review each application and any additional information submitted by the applicant or obtained from other sources by the authority in its review of each proposed development. Such review shall be performed in accordance with subdivision 2 of subsection D of § 36-55.33:1 of the Code of Virginia, if applicable, and shall include, but not be limited to, the following:

1. An analysis of the site characteristics, surrounding land uses, available utilities, transportation, employment opportunities, recreational opportunities, shopping facilities and other factors affecting the site;
2. An evaluation of the ability, experience and

financial capacity of the applicant and general contractor and the qualifications of the architect, management agent and other members of the proposed development team;

3. A preliminary evaluation of the estimated construction costs and the proposed design and structure of the proposed development;

4. A preliminary review of the estimated operating expenses and proposed rents and a preliminary evaluation of the adequacy of the proposed rents to sustain the proposed development based upon the assumed occupancy rate and estimated purchase price and financing costs; and

5. A preliminary evaluation of the marketability of the proposed development.

Based on the authority's review of the applications, documents and any additional information submitted by the applicants or obtained from other sources by the authority in its review of the proposed developments, the executive director shall accept for processing those applications which he determines best satisfy the following criteria:

1. The vicinity of the proposed development is and will continue to be a residential area suitable for the proposed development and is not now, nor is it likely in the future to become, subject to uses or deterioration which could cause undue depreciation in the value of the proposed development or which could adversely affect its operation, marketability or economic feasibility.

2. There are or will be available on or before the estimated completion date (i) direct access to adequate public roads and utilities and (ii) such public and private facilities (such as schools, churches, transportation, retail and service establishments, parks, recreational facilities and major public and private employers) in the area of the proposed development as the executive director determines to be necessary or desirable for the use and enjoyment by the contemplated residents.

3. The characteristics of the site (such as its size, topography, terrain, soil and subsoil conditions, vegetation, and drainage conditions) are suitable for the construction and operation of the proposed development, and the site is free from any defects which would have a materially adverse effect on such construction and operation.

4. The location of the proposed development will promote and enhance the marketability of the units to the persons and families intended for occupancy thereof.

5. The applicant either owns or leases the site of the

proposed development or has the legal right to acquire or lease the site in such manner, at such time and subject to such terms as will permit the applicant to process the application and consummate the initial closing.

6. The design of the proposed development is functional and appropriate for its intended use, will contribute to the marketability of the proposed development, makes use of materials to reduce energy and maintenance costs, provides for a proper mix of units for the residents intended to be benefited by the authority's program, provides for units with adequate, well-designed space, includes equipment and facilities customarily used or enjoyed in the area by the contemplated residents, and will otherwise provide a safe, habitable and pleasant living environment for such residents.

7. Subject to further review and evaluation by the authority's staff under § 6 of these procedures, instructions and guidelines, the estimated construction costs and operating expenses appear to be complete, reasonable and comparable to those of similar developments.

8. Subject to further review and evaluation by the authority's staff under § 6 of these procedures, instructions and guidelines, the proposed rents appear to be at levels which will (i) be affordable by the persons and families intended to be assisted by the authority, (ii) permit the successful marketing of the units to such persons and families, and (iii) sustain the operation of the proposed development.

9. The applicant and general contractor have the experience, ability and financial capacity necessary to carry out their respective responsibilities for the construction and, prior to acquisition thereof by the authority, the ownership, operation, marketing, maintenance and management of the proposed development.

10. The architect, management agent and other members of the proposed development team have the qualifications necessary to perform their respective functions and responsibilities.

11. The application and proposed development conform to the requirements, limitations and conditions, if any, imposed by the executive director pursuant to § 4 of these procedures, instructions and guidelines.

12. The proposed development will contribute to the implementation of the policies and programs of the authority in providing decent, safe and sanitary rental housing for low and moderate income persons and families who cannot otherwise afford such housing and will assist in meeting the need for such housing in the market area of the proposed development.

13. It appears that the proposed development and applicant will be able to meet the requirements for feasibility and commitment set forth in § 6 of these procedures, instructions and guidelines and that the proposed development will otherwise continue to be processed through initial closing and will be completed and conveyed to the authority all in compliance with the Act and the authority's rules and regulations, the documents and contracts executed at initial closing, applicable federal laws, rules and regulations, and the provisions of these procedures, instructions and guidelines and without unreasonable delay, interruptions or expense.

If only one application is being reviewed for acceptance for processing, the executive director shall accept such application for processing if he determines that such application adequately satisfies the foregoing criteria.

In the selection of an application or applications for processing, the executive director may take into account the desirability of acquiring developments from different sponsors throughout the Commonwealth of Virginia.

Applications shall be selected only to the extent that the authority has or expects to have funds available from the sale of its notes or bonds to finance the acquisition of and, if applicable, the construction loan for the proposed developments.

Nothing contained herein shall require the authority to select any application which, in the judgment of the executive director, does not adequately satisfy the foregoing criteria.

The executive director's determinations with respect to the above criteria shall be based only on the documents and information received or obtained by him at that time and are subject to modification or reversal upon his receipt of additional documents or information at a later time. In addition, the application shall be subject to further review in accordance with § 6 of these procedures, instructions and guidelines.

The executive director may impose such terms and conditions with respect to acceptance for processing as he shall deem necessary or appropriate. If any proposed development is so accepted for processing, the executive director shall notify the sponsor of such acceptance and of any terms and conditions imposed with respect thereto.

If the executive director determines that a proposed development to be accepted for processing does not adequately satisfy one or more of the foregoing criteria, he may nevertheless accept such proposed development for processing subject to satisfaction of the applicable criteria in such manner and within such time period as he shall specify in his notification of acceptance. If the executive director determines not to accept any proposed development for processing, he shall so notify the sponsor.

Final Regulations

§ 6. Feasibility and commitment.

In order to continue the processing of the application, the applicant shall file, within such time limit as the executive director shall specify, such forms, documents and information as the executive director shall require with respect to the feasibility of the proposed development, including without limitation the following:

1. Any additions, modifications or other changes to the application and documents previously submitted as may be necessary or appropriate to make the information therein complete, accurate and current;

2. Architectural and engineering plans, drawings and specifications in such detail as shall be necessary or appropriate to determine the requirements for construction of the proposed development;

3. The applicant's best estimates of (i) the housing development costs and the components thereof, (ii) proposed construction loan amount (if applicable), (iii) proposed rents, (iv) proposed annual operating budget and the individual components thereof, (v) best estimates of the monthly utility expenses and other costs for each dwelling unit if paid by the resident, and (vi) amount of any federal insurance, subsidy or assistance that the applicant is requesting for the proposed development. The applicant's estimates shall be in such detail and with such itemization and supporting information as shall be requested by the executive director;

4. The applicant's marketing and tenant selection plans, including description and analysis of marketing and tenant selection strategies, techniques and procedures to be followed in marketing the units and selecting tenants prior to acquisition of the development by the authority; and

5. Any documents required by the authority to evidence compliance with all conditions and requirements necessary to construct, and, prior to the acquisition by the authority of the development, to own, operate and manage the proposed development, including local governmental approvals, proper zoning status, availability of utilities, licenses and other legal authorizations necessary to perform requisite functions and any easements necessary for the construction and operation of the development.

The executive director may for good cause permit the applicant to file one or more of the foregoing forms, documents and information at a later time, and any review, analysis, determination or other action by the authority or the executive director prior to such filing shall be subject to the receipt, review and approval by the executive director of such forms, documents and information.

An appraisal of the proposed development will be

obtained at this time or as soon as practical thereafter from an independent real estate appraiser selected by the authority. The authority may also obtain such other reports, analyses, information and data as the executive director deems necessary or appropriate to evaluate the proposed development.

If at any time the executive director determines that the applicant is not processing the application with due diligence and best efforts or that the application cannot be successfully processed to commitment and initial closing within a reasonable time, he may, in his discretion, terminate the application and retain any fees previously paid to the authority.

The authority staff shall review and evaluate the documents and information received or obtained pursuant to this § 6. Such review and evaluation shall include, but not be limited to, the following:

1. An analysis of the estimates of construction costs and the proposed operating budget and an evaluation as to the economic feasibility of the proposed development;

2. A market analysis as to the present and projected demand for the proposed development in the market area, including: (i) an evaluation of existing and future market conditions; (ii) an analysis of trends and projections of housing production, employment and population for the market area; (iii) a site evaluation (such as access and topography of the site, neighborhood environment of the site, public and private facilities serving the site and present and proposed uses of nearby land); and (iv) an analysis of competitive projects;

3. A review of the marketing and tenant selection plans, including their effect on the economic feasibility of the proposed development and their efficacy in carrying out the programs and policies of the authority;

4. A final review of the (i) ability, experience and financial capacity of the applicant and general contractor and (ii) the qualifications of the architect, management agent and other members of the proposed development team.

5. An analysis of the architectural and engineering plans, drawings and specifications, including the functional use and living environment for the proposed residents, the marketability of the units, the amenities and facilities to be provided to the proposed residents, and the management, maintenance and energy conservation characteristics of the proposed development.

Based upon the authority staff's analysis of such documents and information and any other information obtained by the authority in its review of the proposed

development, the executive director shall prepare a recommendation to the board that a commitment of the authority to enter into a contract with the applicant for the acquisition of the development by the authority and, if applicable, to make a construction loan for the development be issued to the applicant only if he determines that all of the following criteria have been satisfied:

1. Based on the data and information received or obtained pursuant to this § 6, no material adverse change has occurred with respect to compliance with the criteria set forth in § 5 of these procedures, instructions and guidelines.
2. The applicant's estimates of housing development costs (i) include all costs necessary for the development and construction of the proposed development, (ii) are reasonable in amount, (iii) are based upon valid data and information, and (iv) are comparable to costs for similar multi-family rental developments; provided, however, that if the applicant's estimates of such costs are insufficient in amount under the foregoing criteria, such criteria may nevertheless be satisfied if, in the judgment of the executive director, the applicant will have the financial ability to pay any costs estimated by the executive director to be in excess of the total of the applicant's estimates of housing development costs.
3. Any administrative, community, health, nursing care, medical, educational, recreational, commercial or other nonhousing facilities to be included in the proposed development are incidental or related to the proposed development and are necessary, convenient or desirable with respect to the ownership, operation or management of the proposed development.
4. All operating expenses (including replacement and other reserves) necessary or appropriate for the operation of the proposed development are included in the proposed operating budget, and the estimated amounts of such operating expenses are reasonable, are based on valid data and information and are comparable to operating expenses experienced by similar developments.
5. Based upon the proposed rents and projected occupancy level required or approved by the executive director, the estimated income from the proposed development is reasonable. The estimated income may include (i) rental income from commercial space within the proposed development if the executive director determines that a strong, long-term market exists for such space and (ii) income from other sources relating to the operation of the proposed development if determined by the executive director to be reasonable in amount and comparable to such income received on similar developments.
6. The estimated income from the proposed

development, including any federal subsidy or assistance, is sufficient to pay when due the estimates of the debt service on the notes or bonds issued by the authority to acquire the development (plus such additional amounts as the authority shall determine to be appropriate as compensation for its administrative costs and its risks as owner of the development), the operating expenses, and replacement and other reserves required by the authority.

7. The units will be occupied by persons and families intended to be served by the proposed development and eligible under the Act, the authority's rules and regulations, and these procedures, instructions and guidelines and under any applicable federal laws, rules and regulations. Such occupancy of the units will be achieved in such time and manner that the proposed development (i) will attain self-sufficiency (i.e., the rental and other income from the development is sufficient to pay all operating expenses, replacement and other reserves required by the authority, and debt service on the notes or bonds issued by the authority to acquire the development, plus such additional amounts as the authority shall determine to be appropriate as compensation for its administrative costs and its risks as owner of the development) within the usual and customary time for a development for its size, nature, location and type and (ii) will continue to be self-sufficient for the full term of such notes or bonds.
8. The estimated utility expenses and other costs to be paid by the residents are reasonable, are based upon valid data and information and are comparable to such expenses experienced by similar developments, and the estimated amounts of such utility expenses and costs will not have a materially adverse effect on the occupancy of the units in accordance with the paragraph above.
9. The architectural drawings, plans and specifications shall demonstrate that: (i) the proposed development as a whole and the individual units therein shall provide safe, habitable, and pleasant living accommodations and environment for the contemplated residents; (ii) the dwelling units of the proposed housing development and the individual rooms therein shall be furnishable with the usual and customary furniture, appliances and other furnishings consistent with their intended use and occupancy; and (iii) the proposed housing development shall make use of measures promoting environmental protection, energy conservation and maintenance and operating efficiency to the extent economically feasible and consistent with the other requirements of this § 6.
10. The proposed development includes such appliances, equipment, facilities and amenities as are customarily used or enjoyed by the contemplated residents in similar developments.

Final Regulations

11. The marketing and tenant selection plans submitted by the applicant shall comply with the authority's rules and regulations and shall provide for actions to be taken prior to acquisition of the development by the authority such that (i) the dwelling units in the proposed development will be occupied in accordance with the paragraph above and any applicable federal laws, rules and regulations by those eligible persons and families who are expected to be served by the proposed development, (ii) the residents will be selected without regard to race, color, religion, creed, sex or national origin and (iii) units intended for occupancy by handicapped and disabled persons will be adequately and properly marketed to such persons and such persons will be given priority in the selection of residents for such units. The tenant selection plan shall describe the requirements and procedures (including any occupancy criteria and priorities established pursuant to § 11 of these procedures, instructions and guidelines) to be applied by the owner in order to select those residents who are intended to be served by the proposed development and who are best able to fulfill their obligation and responsibilities as residents of the proposed development.

12. In the case of any development to be subject to mortgage insurance or otherwise to be assisted or aided by the federal government, the proposed development will comply in all respects with any applicable federal laws, rules and regulations, and adequate federal insurance, subsidy, or assistance is available for the development and will be expected to remain available in the due course of processing with the applicable federal agency, authority or instrumentality.

13. The proposed development will comply with: (i) all applicable federal laws and regulations governing the federal tax exemption of the notes or bonds issued or to be issued by the authority to finance the acquisition and, if applicable, the construction of the proposed development and (ii) all requirements set forth in the resolutions pursuant to which such notes or bonds are issued or to be issued.

14. The prerequisites necessary for the members of the applicant's development team to construct and, prior to the acquisition thereof by the authority, to operate and manage the proposed development have been satisfied or can be satisfied prior to initial closing. These prerequisites include, but are not limited to obtaining: (i) site plan approval, (ii) proper zoning status, (iii) assurances of the availability of the requisite public utilities, (iv) commitments by public officials to construct such public improvements and accept the dedication of streets and easements that are necessary or desirable for the construction and use of the proposed development, (v) licenses and other legal authorizations necessary to permit each member to perform his or its duties and

responsibilities in the Commonwealth of Virginia, (vi) building permits, and (vii) fee simple ownership of the site, a sales contract or option giving the applicant the right to purchase the site for the proposed development and obtain fee simple title, or a leasehold interest of the time period required by the Act (any such ownership or leasehold interest acquired or to be acquired shall be free of any covenants, restrictions, easements, conditions, or other encumbrances which would adversely affect the construction or the authority's ownership or operation of the proposed development).

15. The proposed development will comply with all applicable state and local laws, ordinances, regulations and requirements.

16. The proposed development will provide valid and sound security for the authority's notes or bonds and will contribute to the fulfillment of the public purposes of the authority as set forth in its Act.

17. Subject to a final determination by the board, the acquisition and financing of the proposed development will meet the requirements set forth in §§ 36-55.33.2 and 36-55.39 of the Code of Virginia, as applicable.

If the executive director determines that the foregoing criteria are satisfied and that he will recommend approval of the application and issuance of a commitment to acquire the development and, if applicable, to finance the construction of the development, he shall present his analysis and recommendations to the board. If the executive director determines that one or more of the foregoing criteria have not been adequately satisfied, he may nevertheless in his discretion recommend to the board that the application be approved and that a commitment be issued subject to the satisfaction of such criteria in such manner and within such time period as he shall deem appropriate.

The board shall review and consider the analysis and recommendation of the executive director, and if it concurs with such recommendation, it shall by resolution approve the application and authorize the issuance of a commitment to acquire the development and, if applicable, to finance the construction thereof, subject to such terms and conditions as the board shall require in such resolution.

If the development is to be acquired by a successor entity formed by the authority as described in § 9 hereof, the commitment shall authorize (i) the assignment to such successor entity of the authority's interest in the contract to acquire the development and (ii), if applicable, the making of an authority mortgage loan to such successor entity in an amount equal to the acquisition cost of the development.

The resolution and commitment issued pursuant to this § 6 shall in all respects conform to the requirements of

the Act and the authority's rules and regulations.

If the executive director determines not [~~be to~~] recommend approval of an application and issuance of a commitment, he shall so notify the applicant. If any application is not so recommended for approval, the executive director may select for processing one or more applications in its place.

§ 7. Initial closing.

Upon issuance of the commitment, the applicant shall direct its attorney to prepare and submit the legal documentation (the "initial closing documents") required by the commitment within the time period specified. When the initial closing documents have been submitted and approved by the authority staff and all other requirements in the commitment have been satisfied, the authority shall execute and deliver to the applicant a contract to acquire the development; provided, however, that in the case of the acquisition of any existing development, the applicant shall convey the development to the authority at the initial closing, and the authority shall pay the purchase price therefor to the applicant, all in accordance with the terms of the commitment. Also at the initial closing, the initial closing documents (including, in the case of an existing development, a housing management agreement between the authority and the management agent proposed by the authority or, in the case of a development to be constructed, an agreement between the authority and such agent to enter into a housing management agreement at final closing) shall be, where required, executed and recorded, and the applicant will make any initial equity investment required by the commitment and the initial closing documents and will fund such other deposits, escrows and reserves as required by the commitment. If the authority is to provide construction financing for the development, the closing of the construction loan shall also be held at this time, the financing fee of 1.0% of the construction loan amount shall be paid to the authority, and the initial disbursement of construction loan proceeds will be made by the authority, if appropriate under the commitment and the initial closing documents. The actual interest rate on the construction loan shall be established by the executive director at initial closing and may thereafter be altered by the executive director in accordance with the authority's rules and regulations and the terms of the deed of trust note.

If a successor entity as described in § 9 hereof is to acquire an existing development, the sale and conveyance of such development and the making of any permanent mortgage loan to such entity by the authority, all as set forth in § 9 hereof, shall be consummated at the initial closing.

The executive director may require such accounts, reserves, deposits, escrows, bonds, letters of credit and other assurances as he shall deem appropriate to assure the satisfactory construction and, prior to acquisition by

the authority, completion, occupancy and operation of the development, including without limitation one or more of the following: working capital deposits, construction contingency funds, operating reserve accounts, payment and performance bonds or letters of credit and latent construction defect escrows. The foregoing shall be in such amounts and subject to such terms and conditions as the executive director shall require and as shall be set forth in the initial closing documents.

§ 8. Construction.

The construction of the development shall be performed in accordance with the initial closing documents. The authority shall have the right to inspect the development as often as deemed necessary or appropriate by the authority to determine the progress of the work and compliance with the initial closing documents and to ascertain the propriety and validity of any construction loan disbursements requested by the mortgagor. Such inspections shall be made for the sole and exclusive benefit and protection of the authority. If the authority is providing construction financing, a disbursement of construction loan proceeds may only be made upon a determination by the authority that the terms and conditions of the initial closing documents with respect to any such disbursement have been satisfied; provided, however, that in the event that such terms and conditions have not been satisfied, the executive director may, in his discretion, permit such disbursement if additional security or assurance satisfactory to him is given. The amount of any disbursement by the authority shall be determined in accordance with the terms of the initial closing documents and shall be subject to such retainage or holdback as is therein prescribed.

§ 9. Completion of construction and final closing.

The initial closing documents shall specify those requirements and conditions that must be satisfied in order for the development to be deemed to have attained final completion.

Prior to or concurrently with final closing, the applicant, the owner, the general contractor, the management agent and other members of the development team shall perform all acts and submit all contracts and documents required by the initial closing documents (including the contract to acquire the development) in order to attain final completion, obtain any federal insurance, subsidy or assistance and otherwise consummate the acquisition and the final closing. The owner shall deliver to the authority a fully executed deed conveying to the authority fee simple title to the development in accordance with the contract and shall execute and deliver such other final closing documents as the authority may prescribe. The authority shall pay to the owner the purchase price specified in the contract to acquire the development. The management agreement shall be executed by the authority and the management agent at the final closing. If the authority had provided

Final Regulations

the construction loan, such loan shall be repaid in full at final closing.

Prior to or concurrently with final closing, the executive director shall, if authorized by the commitment, assign its interest in the contract to acquire the development to an entity (the "successor entity") formed by the authority, on its own behalf or in conjunction with other parties, pursuant to the Act. Any reference to the authority in these procedures, instructions and guidelines with respect to the conveyance to or the acquisition, ownership or operation by the authority of a development shall be deemed to refer also to any such successor entity of the authority. Such successor entity shall purchase the development at final closing and otherwise perform the obligations of the authority as purchaser under the contract. The applicant shall convey title to the development to such successor entity and shall perform all of its other obligations as seller under such contract. Furthermore, if authorized by the commitment, the authority shall at final closing provide to such successor entity a permanent mortgage loan secured by a first lien on the development in an amount equal to the acquisition cost of the development paid by the successor entity in accordance with the contract or such other amount as the authority may approve consistent with the Act, the authority's rules and regulations and these procedures, instructions and guidelines. The making of such permanent mortgage loan shall take place at final closing upon the execution, delivery and recordation of such documents. Such permanent loan shall bear such interest rate and shall be subject to such terms and conditions as the executive director shall prescribe pursuant to and in accordance with the commitment.

At the final closing, the authority shall determine in accordance with the initial closing documents any funds due the authority, the applicant, the owner, general contractor, the architect or other parties that the authority requires to be disbursed or paid as part of the final closing.

§ 10. Construction loan and purchase price increases.

Prior to initial closing, the purchase price or the principal amount of any construction loan or both may be increased, if such an increase is justified by an increase in the estimated costs of the proposed development, is necessary or desirable to effect the successful construction of the proposed development, will not have a material adverse effect on the financial feasibility or proper operation and maintenance of the development or on the security of the authority's construction loan or ownership interest in the development, can be funded from available proceeds of the authority's notes or bonds, and will not result in noncompliance with the provisions of the Act or the authority's rules and regulations or any of the provisions of these procedures, instructions and guidelines (including, without limitation, the criteria set forth in § 6 hereof). Any such increase shall be subject to such terms and conditions as the authority shall require.

Subsequent to initial closing, the authority will consider and, where appropriate, approve an increase in the purchase price or principal amount of the construction loan or both in the following instances:

- 1. Cost increases are incurred as the direct result of (i) changes in work required or requested by the authority or (ii) betterments to the development approved by the authority which will improve the quality or value of the development or will reduce the costs of operating or maintaining the development;*
- 2. An increase is determined by the authority, in its sole and absolute discretion, to be in the best interests of the authority in protecting its security for the construction loan or its ownership interest to be acquired in the development; or*
- 3. The authority has entered into an agreement with the mortgagor prior to initial closing to provide an increase if certain cost overruns occur, but only to the extent set forth in such agreement.*

Any such increase in the construction loan or purchase price subsequent to initial closing may be subject to such terms and conditions as the authority shall require, including (but not limited to) one or more of the following, as applicable:

- 1. The ability of the authority to sell bonds to finance the increase in amounts, at rates and under terms and conditions satisfactory to the authority (applicable only to an increase to be financed from the proceeds of the authority's notes or bonds).*
- 2. The obtaining by the owner of additional federal subsidy (if the development is to receive such subsidy) in amounts necessary to fund the additional debt service on the authority's notes and bonds to be paid as a result of any such increase in the purchase price, plus such additional amounts as the authority shall determine to be appropriate as compensation for its administrative costs and its risks as owner of the development. The provision of such additional subsidy shall be made subject to and in accordance with all applicable federal regulations.*
- 3. A determination by the authority that the increase in the purchase price will have no material adverse effect on the financial feasibility or proper operation and maintenance of the development or on the security of the authority's ownership interest to be acquired in the development.*
- 4. A determination by the authority that the construction loan, as increased, does not exceed such percentage of the estimated total development cost as is established in the resolution authorizing the construction loan, as applicable, in accordance with § 3 of these procedures, instructions and guidelines.*

5. Such terms and conditions as the authority shall require in order to protect the security of its interest in the construction loan and its ownership interest to be acquired in the development, to comply with covenants and agreements with the holders of its bonds, if any, issued to finance the construction loan or the acquisition of the development, to comply with the Act and the authority's rules and regulations, and to carry out its public purpose.

The executive director may, without further action by the board, increase the purchase price or the principal amount of the construction loan at any time by an amount not to exceed 2.0% of the purchase price or the principal amount of the construction loan, respectively, as set forth in the commitment, provided that such increase is consistent with the Act and the authority's rules and regulations and the provisions of these procedures, instructions and guidelines. Any increase in excess of such 2.0% shall require the approval of the board.

Nothing contained in this § 10 shall impose any duty or obligation on the authority to increase any purchase price or the principal amount of any construction loan, as the decision as to whether to grant a purchase price or construction loan increase shall be within the sole and absolute discretion of the authority.

§ 11. Operation, management and marketing.

The authority shall establish the rents to be charged for dwelling units in the development. Units in the development shall only be leased to persons and families who are eligible for occupancy thereof as described in § 2 of these procedures, instructions and guidelines. The authority (or any successor entity acquiring the development pursuant to § 9 hereof) shall examine and determine the income and eligibility of applicants for their initial occupancy of the dwelling units of the development and shall reexamine and redetermine the income and eligibility of all occupants of such dwelling units every two years following such initial occupancy or at more frequent intervals at the option of the authority in accordance with § 8.3 of the authority's rules and regulations. The provisions of § 8.3 of the authority's rules and regulations shall govern any person or family occupying a dwelling unit of a development whose family's adjusted family income as determined by a periodic examination and redetermination as aforesaid then exceeds the maximum limit for occupancy of such dwelling unit applicable at the time of such reexamination and redetermination.

In addition to the eligibility requirements of the authority, the executive director may establish occupancy criteria and priorities based on the following:

1. The age, family size, financial status, health conditions (including, without limitation, any handicaps or disabilities) and other circumstances of the applicants for the dwelling units;

2. The status and physical condition of the housing then occupied by such applicants; and

3. Any other factors or matters which the executive director deems relevant to the effectuation of the public purposes of the authority.

The authority (or any successor entity as described in § 9 hereof) shall develop a tenant selection plan for tenants eligible to occupy the development. In selecting eligible residents, the authority (or any such successor entity) shall comply with such occupancy criteria and priorities and with the tenant selection plan.

The executive director is authorized to prepare and from time to time revise a housing management handbook which shall set forth the authority's procedures and requirements with respect to the management of developments by management agents. Copies of the housing management handbook shall be available upon request.

The management of the development shall also be subject to a management agreement by and between the management agent and the authority (or any successor entity). Such management agreement shall govern the policies, practices and procedures relating to the management, marketing and operation of the development. The term of the management agreement shall be as prescribed by the executive director, and upon the expiration of such term the authority may renew or extend such management agreement or may contract with a different management agent on such terms and conditions as the executive director shall require. The development shall be managed in accordance with the Act, the authority's rules and regulations, the management agreement and the authority's housing management handbook, if applicable.

If any successor entity formed pursuant to § 9 hereof is not within the exclusive control of the authority, the executive director may require that such entity and the development owned by and mortgage loan made to such entity be subject to such of the provisions of the authority's procedures, instructions and guidelines for multi-family housing developments as he shall require to protect its security for the mortgage loan, to protect its interest in such entity and to fulfill its public purpose under the Act.

The effective date of the foregoing procedures, instructions and guidelines for the acquisition of multi-family housing developments shall be March 16, 1988.

Final Regulations

DEPARTMENT OF LABOR AND INDUSTRY

Safety and Health Codes Board

REGISTRAR'S NOTICE: The following Department of Labor and Industry regulations are excluded from Article 2 of the Administrative Process Act in accordance with § 9-6.14:4.1 C 4(c) of the Code of Virginia, which excludes from Article 2 regulations which are necessary to meet the requirements of federal law or regulations, provided such regulations do not differ materially from those required by federal law or regulation. The Department of Labor and Industry will receive, consider and respond to petitions by any interested person at any time with respect to reconsideration or revision of these regulations.

Title of Regulations: VR 425-02-35. Formaldehyde Standard. (1910.1048)

VR 425-02-15. Special Provisions for Air Contaminants. (1910.19)

VR 425-02-36. Air Contaminants. (1910.1000)

Statutory Authority: § 40.1-22 (5) of the Code of Virginia.

Effective Date: May 11, 1988, except as noted below

A. Laboratories:

Anatomy, histology and pathology laboratories effective date is May 3, 1988, for all sections of the standard except those listed below. For all other laboratories, paragraphs (a) and (c) of this standard shall become effective May 3, 1988, and paragraphs (b) and (d)-(o) of this standard shall become effective on September 1, 1988, except as noted below.

B. Exposure Determinations:

Initial monitoring or objective determinations that no monitoring is required by the standard shall be completed by August 1, 1988.

C. Medical Surveillance:

The initial medical surveillance of all eligible employees shall be completed by August 1, 1988.

D. Emergencies:

The emergency procedures required by this standard shall be implemented by August 1, 1988.

E. Respiratory Protection:

Respiratory protection as required in this standard shall be provided as soon as possible and no later than November 1, 1988.

F. Engineering and Work Practice Controls:

Engineering and work practice controls required by this

standard shall be implemented as soon as possible, but no later than February 1, 1989.

Summary:

On December 4, 1988, Federal OSHA published (52 Fed. Reg. 46168) a final Formaldehyde Standard, 29 CFR 1910.1048. The standard reduces the permissible worker exposure level from 3 parts per million of air (ppm) and includes an action level of 0.5 ppm; and provisions for employee exposure monitoring, medical surveillance, recordkeeping, regulated areas, emergency procedures, personal protective equipment and hazard communication.

A. Summary of the Standard.

"This standard reduces the permissible exposure level (PEL) for formaldehyde in all workplaces (including the general, construction and maritime industries) covered by the OSH Act to 1 part per million parts of air (1 ppm) averaged over 8 hours and establishes a short term exposure level (STEL - i.e. exposure during any 15-minute period) of 2 ppm.

It also sets an "action level" of 0.5 ppm measured over 8 hours. If the exposure level is maintained below the STEL and the action level, employers may discontinue exposure monitoring and certain employee training.

The standard applies to formaldehyde gas, its solutions, and a variety of materials such as trioxane, paraformaldehyde, and resin formulations, solids and any mixtures containing formaldehyde that serve as sources of the substance.

In addition to monitoring and training, the standard requires medical surveillance, recordkeeping, regulated areas, emergency procedures, primary reliance on engineering and work practice to control exposure, and maintenance and selection of personal protective equipment." ("OSHA Reduces Formaldehyde Permissible Worker Exposure Level by Two Thirds," Office of Information News Release, U.S. Department of Labor, November 20, 1987).

B. Properties, Manufacture and Uses of Formaldehyde.

"The chemical 'formaldehyde' is a colorless, pungent gas at room temperature with an approximate odor threshold of about 1 ppm." (52 Fed. Reg. 46172).

"Formaldehyde is a major industrial chemical ranked 24th in production volume in the United States. In 1985, 5.7 billion pounds of 37 percent formaldehyde (by weight) was produced. Formaldehyde is produced in 49 plants in the U.S. by either of two processes; the mixed oxide catalyst process or the silver oxide catalyst process. Both processes use methanol as the product precursor and they differ in catalyst type,

operating temperature, and methanol/air ratios. About two-thirds of the annual production is used on-site or at nearby locations. For example, a major use of formaldehyde is in the preparation of adhesive resins for use in the wool products industry. These resin-producing facilities tend to be located in lumber producing areas of the South and West."

"Formaldehyde has four basic uses: as an intermediate in the production of resins; as an intermediate in the production of industrial chemicals; as a bactericide or fungicide; and as a component in the formulation of end-use consumer items. The manufacture of three types of resins: urea-formaldehyde, phenol-formaldehyde, and melamine formaldehyde, accounts for about 59 percent of total consumption. An additional seven percent is consumed in the production of thermoplastic acetal resins. About one-third is used in the synthesis of high volume chemical derivatives, including pentaerythritol, hexamethylene-tetramine, and butanediol. Two percent is used in textile treating and small amounts of formaldehyde are present as preservatives or bactericides in consumer and industrial products, such as cosmetics, shampoos, and glues." (52 Fed. Reg. 46172).

"Over 60 percent of urea-formaldehyde resin production in 1977 was consumed by particleboard and plywood manufacturing, where the resin is used as a glue. Urea-formaldehyde resins are also used in decorative laminates, textiles, paper, and foundry sand molds.

Textile treating to impart wrinkle-resistance to clothing is not a major use of formaldehyde on a strict volume basis. However, apparel manufacture is the sixth largest industry sector in the United States. About 60-65 percent of all apparel fabric is finished with formaldehyde-containing resins, and this use is the major source of widespread exposure to formaldehyde because of the large number of workers potentially exposed." (52 Fed. Reg. 46172).

"Formaldehyde's uses can lead to widespread exposure in downstream industries. For example, when formaldehyde is present in disinfectants, preservatives, and embalming fluid, worker exposure can occur." (52 Fed. Reg. 46173).

Note on Incorporation by Reference


Pursuant to § 9-6.18 of the Code of Virginia, the Formaldehyde Standard (1910.1058), the Special Provisions for Air Contaminants (1910.19) and Air Contaminants (1910.1000) are declared documents generally available to the public and appropriate for incorporation by reference. For this reason, the entire documents will not be printed in the Virginia Register of Regulations. Listed below are the standards contained in Part 1910 which are being amended. Copies of these documents are available for inspection at the Department of Labor and Industry, 205 North Fourth Street, Richmond, Virginia, and in the Office of the Registrar of Regulations, Room 215, General Assembly Building, Capitol Square, Richmond, Virginia.

- VR 425-02-35. Formaldehyde Standard (1910.1048)
- VR 425-02-15. Special Provisions for Air Contaminants (1910.19)
- VR 425-02-36. Air Contaminants (1910.1000)

The Virginia Occupational Safety and Health Codes Board adopted the Federal OSHA Formaldehyde Standard as codified in 29 CFR 1910.1048, Special Provisions for Air Contaminants, 29 CFR 1910.19, and Air Contaminants, 29 CFR 1910.1000, and published in the Federal Register, Vol. 52, No. 233, pp. 46291-46312, Friday, December 4, 1987. When the regulations as set forth in the Formaldehyde Standard 1910.1048 are applied to the Commissioner of the Department of Labor and Industry, Virginia employers, or both, the following federal terms shall be considered to read as below:

<u>FEDERAL TERMS</u>	<u>VOSH EQUIVALENT</u>
OSHA	VOSH
29 CFR	VOSH Standard
Assistant Secretary	Commissioner of Labor and Industry

The amendments as adopted are not set out.



COMMONWEALTH of VIRGINIA

JOHN W. SMITH
REGISTRAR OF REGULATIONS

VIRGINIA CODE COMMISSION
General Assembly Building
910 Capitol Street
Richmond, Virginia

FIRST OFFICE BUILDING
RICHMOND, VIRGINIA 23204
(804) 788-2000

March 11, 1988

Mr. L. C. Bowman, Jr., Chairman
Virginia Safety and Health Codes Board
Department of Labor and Industry
205 North Fourth Street
Richmond, Virginia 23241

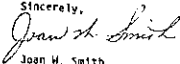
Attention: Margaret Gravett, Administrative Staff Specialist

Re: VR 425-02-35, VR 425-02-15 and VR 425-02-36.
Formaldehyde Standard

Dear Mr. Bowman:

This will acknowledge receipt of the above-referenced standard from the Department of Labor and Industry.

As required by § 9-6.14:4.1 C.4.(c), of the Code of Virginia, I have determined that these Regulations are exempt from the operation of Article 2 of the Administrative Process Act since they do not differ materially from those required by federal law.

Sincerely,

John W. Smith
Registrar of Regulations

JWS:s11

Title of Regulations: VR 425-02-37. Grain Handling Facilities Standard. (1910.272)
VR 425-02-03. Marine Terminals Standard. (1917)

Final Regulations

Statutory Authority: § 40.1-22 (5) of the Code of Virginia.

Effective Date: May 11, 1988

Summary:

The proposed standard "focuses on both controlling dust accumulation and eliminating ignition sources in grain handling facilities."

"The standard calls for special housekeeping procedures in priority areas in grain elevators near potential ignition sources. It sets a 1/8 inch "action level" to trigger clean up of accumulated dust. Employers have the option of using other methods such as wetting down grain dust or using additions to the grain stream, if such alternatives provide equivalent protection.

The standard prohibits the use of compressed air for cleaning except when machinery is shut down and all other sources of potential ignition are removed or controlled.

Other provisions require employers to develop emergency action plans, provide means of emergency escape from tunnels and galleries, and train employees to deal with potential hazards in their facility or associated with their specific tasks."

("OSHA Issues New Grain Handling Standard Emphasizing Housekeeping to Save Lives, and Prevent Injuries," Office of Information News Release, U.S. Department of Labor, December 30, 1987.)

The standard provides procedures for entry into bins, silos and tanks (requires permit in certain circumstances, equipment to be disabled, atmospheric testing, attendant must be present, suitable rescue equipment and rescue training).

The employer must develop a written, performance oriented program to reduce dust and designate priority housekeeping areas for grain elevators near known potential ignition sources. The employer must also conduct preventative maintenance inspections. (Id.)

Finally § 1910.272(f)(1) of the standard requires a permit system in certain circumstances when doing "hot work" (i.e. welding) in bins, silos, and tanks; and § 1910.272(f)(2) requires that the permit certify that the requirements contained in § 1910.252(d) (entitled "Fire Prevention and Protection") of the Welding Standard were implemented prior to beginning the hot work operations.

Section 1910.272(f)(2) of the standard was amended by the Safety and Health Codes Board to add a reference to the Virginia Confined Space Standard, § 1910.146.8.D. which states:

D. Cylinders of compressed gases shall never be taken into a confined space, and shall be turned off at the cylinder valve when not in use. When to be left unattended the torch and hose shall be removed from the confined space. Open-end fuel gas and oxygen hoses shall be immediately removed from enclosed spaces when they are disconnected from the torch or other gas-consuming device.

The requirements referenced above in § 1910.146.8.D. are comparable to § 1910.252(d)(4)(ii) which was deleted from the Welding Standard in 1987 when Virginia adopted its unique Confined Space Standard to apply to all confined space activities (i.e. Federal OSHA does not have a Confined Space Standard so they never deleted § 1910.252(d)(4)(ii)). Since the Grain Handling Facilities Standard contains safeguards for entry into such confined spaces as bins, silos and tanks it will apply to those situations to the exclusion of the Confined Space Standard (except for § 1910.146.8.D.). The additional reference to § 1910.146.8.D. is needed to provide protection to Virginia employees in grain handling facilities that is "as effective as" the protection provided by Federal OSHA.

Note on Incorporation by Reference

Pursuant to § 9-6.18 of the Code of Virginia, the Grain Handling Facilities Standard (1910.272) and the Marine Terminals Standard (1917) are declared documents generally available to the public and appropriate for incorporation by reference. For this reason, the entire documents will not be printed in the Virginia Register of Regulations. Listed below are the standards contained in Parts 1910 and 1917 which are being amended. Copies of these documents are available for inspection at the Department of Labor and Industry, 205 North Fourth Street, Richmond, Virginia, and in the Office of the Registrar of Regulations, Room 215, General Assembly Building, Capitol Square, Richmond, Virginia.

VR 425-02-37. Grain Handling Facilities. (1910.272)


VR 425-02-03. Marine Terminals Standard. (1917)

The Virginia Occupational Safety and Health Codes Board adopted the Federal OSHA Grain Handling Facilities Standard as codified in 29 CFR 1910.272 and the Marine Terminals Standard, 29 CFR 1910.1000, and published in the Federal Register, Vol. 52, No. 251, pp. 49624-49631, Thursday, December 31, 1987. When the regulations as set forth in the Grain Handling Facilities Standard (1910.272) are applied to the Commissioner of the Department of Labor and Industry, Virginia employers, or both, the following federal terms shall be considered to read as below:

<u>FEDERAL TERMS</u>	<u>VOSH EQUIVALENT</u>
OSHA	VOSH

The amendments as adopted are not set out.

Final Regulations


COMMONWEALTH of VIRGINIA

VIRGINIA CODE COMMISSION
General Assembly Building
810 Capitol Street
Richmond, Virginia

POST OFFICE BOX 240
RICHMOND, VIRGINIA 23208
(804) 778-2091

March 11, 1988

JOAN W. SMITH
REGISTRAR OF REGULATIONS

Mr. L. C. Bowman, Jr., Chairman
Virginia Safety and Health Codes Board
Department of Labor and Industry
205 North Fourth Street
Richmond, Virginia 23241

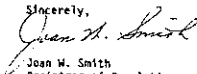
Attention: Margaret Grovett, Administrative Staff Specialist

Re: VR 425-02-37 and VR 425-02-03,
Grain Handling Facilities Standard

Dear Mr. Bowman:

This will acknowledge receipt of the above-referenced standard from the Department of Labor and Industry.

As required by § 9-6.14-4.1 C.4.(c), of the Code of Virginia, I have determined that these Regulations are exempt from the operation of Article 2 of the Administrative Process Act since they do not differ materially from those required by federal law.

Sincerely,

Joan W. Smith
Registrar of Regulations

JWS:s11

pending final action by the State Board of Social Services.

VR 615-08-1. Virginia Fuel Assistance Program.

PART I. DEFINITIONS.

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

"Department" means the Department of Social Services.

"Disabled person" means a person receiving Social Security disability, Railroad Retirement Disability, Supplemental Security Income as disabled, or an individual who has been certified as permanently and totally disabled for Medicaid purposes.

"Elderly person" means anyone who is 60 years of age or older.

"Household" means an individual or group of individuals who occupy a housing unit and function as an economic unit by: purchasing residential energy in common (share heat); or, making undesignated payments for energy in the form of rent (heat is included in the rent).

"Poverty guidelines" means the Poverty Income Guidelines as established and published annually by the Department of Health and Human Services.

"Primary heating system" means the system that is currently used to heat the majority of the house.

"Resources" means cash, checking accounts, savings account, saving certificates, stocks, bonds, money market certificates, certificates of deposit, credit unions, Christmas clubs, mutual fund shares, promissory notes, deeds of trust, individual retirement accounts, prepaid funeral expenses in excess of \$900, or any other similar resource which can be liquidated in not more than 60 days.

"Energy-related, weather-related, or supply shortage emergency" means a household has: no heat or an imminent utility cut-off; inoperable or unsafe heating equipment; major air infiltration of housing unit; or a need for air conditioning because of medical reasons.

PART II. FUEL ASSISTANCE.

§ 2.1. The purpose of the Fuel Assistance Program is to provide heating assistance to eligible households to offset the costs of home energy that are excessive in relation to household income.

A. Eligibility criteria.

1. Income limits. Maximum income limits shall be at

DEPARTMENT OF SOCIAL SERVICES (BOARD OF)

REGISTRAR'S NOTICE: This regulation was published as a final regulation in 3:24 V.A.R. 2884-2886 August 31, 1987, and became effective October 1, 1987. At that time the Board of Social Services did not take action on the proposed Part IV of the regulation which concerned the Cooling Assistance Program. It was determined at that time that this proposed amendment to the regulation could be held in suspension pending final action by the board, and upon the board's approval, Part IV could be inserted without repeating the Administrative Process Act process since a public hearing had previously been held. Part IV, Cooling Assistance Program, of this regulation will become effective on June 15, 1988.

Title of Regulation: VR 615-08-1. Virginia Fuel Assistance Program.

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

Effective Date: June 15, 1988

Summary:

Cooling assistance will be a separate component under the Fuel Assistance Program rather than a type of assistance under the Energy Crisis Assistance Program (ECAP).

Final action is now being taken on this proposed amendment which had been held in suspension

Final Regulations

or below 150% of the Poverty Guidelines. In order to be eligible for Fuel Assistance, a household's income must be at or below the maximum income limits.

2. Resource limits. The resource limit for a household containing an elderly or disabled person shall be \$3,000. The resource limit for all other households shall be \$1,500. In order to be eligible for Fuel Assistance, a household's resources must be at or below the amount specified.

B. Resource transfer.

Any applicant of fuel assistance shall be ineligible for that fuel season if he improperly transfers or otherwise improperly disposed of his legal or equitable interest in nonexempt liquid resources without adequate compensation within one year of application for Fuel Assistance.

Compensation that is adequate means goods, services or money that approximates the value of the resources.

This policy does not apply if any of the following occur:

1. The transfer was not done in an effort to become eligible for Fuel Assistance;
2. The resource was less than the allowable resource limit;
3. The disposition or transfer was done without the person's full understanding.

§ 2.2. Benefits.

Benefit levels shall be established based on income in relation to household size, fuel type, and geographic area, with the highest benefit given to households with the least income and the highest energy need.

Geographic areas are the six climate zones for Virginia recognized by the National Oceanic and Atmospheric Administration and the United States Department of Commerce. The six climate zones are: Northern, Tidewater, Central Mountain, Southwestern Mountain, Eastern Piedmont, and Western Piedmont.

Each year, the Division of Energy within the Department of Mines, Minerals and Energy will supply data on the average costs of various fuels.

Each year the benefit amounts for each geographic area shall be determined by the following method:

A. A projection will be made of the number of households who will apply for Fuel Assistance. The projection will be based on the number of households who applied the previous year increased by the additional number of people who applied the year before.

B. An average grant per household will be determined

based on the estimated amount of funds that will be available for benefits.

$$\frac{\$ \text{ available}}{\text{no. of households}} = \text{average grant}$$

C. The benefits for each geographic area will be determined by using the average grant as a base figure and obtaining the highest and lowest benefits by using a ratio for each area based on degree days and the cost of various fuel types.

PART III.

ENERGY CRISIS ASSISTANCE PROGRAM.

§ 3.1. The purpose of the Energy Crisis Assistance Program component is to assist households with energy-related, weather-related or supply shortage emergencies. This component is intended to meet energy emergencies that cannot be met by the Fuel Assistance Program or other local resources.

A. Eligibility criteria.

In order to be eligible for Energy Crisis Assistance, a household shall meet the following criteria:

1. All of the Fuel Assistance Program criteria as set forth in Part II, § 2.1;
2. Have an energy-related, weather-related or supply shortage emergency as defined in Part I;
3. Other resources cannot meet the emergency (including Fuel Assistance);
4. Did not receive Energy Crisis Assistance during the current federal fiscal year: October 1 - September 30 August 31 .

B. Benefits.

An eligible household can receive no more than \$200 for Energy Crisis Assistance during any federal fiscal year, unless the assistance is for the *major* repair or replacement of heating equipment or the purchase of an air conditioner, in which case the maximum amount of assistance shall be \$400 \$500 .

The following forms of assistance must shall be provided:

1. Repairs or replacement of inoperable or unsafe heating equipment;
2. Paying secondary heating sources. Secondary heating source means the energy source used Payment of electricity when it is needed to operate the primary heating equipment. Payment will be limited to a portion of the bill unless the household's income is [very low zero] in which case the entire bill will

be paid up to the \$200 maximum.

3. ~~Paying~~ A one-time-only payment per fuel type of a heat-related utility security deposit.

The following forms of assistance can be provided at local option:

1. Providing space heaters.
2. Providing blankets or warm clothing.
3. Providing emergency shelter.
4. ~~Paying for cooling assistance when it is medically needed.~~
5. 4. Emergency repairs of dwelling to prevent heat loss.
6. 5. Other (locality must specify).

[PART IV.
COOLING ASSISTANCE PROGRAM.

§ 4.1. *The Cooling Assistance Program is an optional component of the Fuel Assistance Program that is designed to provide help to persons medically in need of cooling assistance due to the heat.*

Local agencies who choose this option will be given a separate allocation that will be based on a percentage of their ECAP allocation and will provide the assistance no earlier than June 1 through no later than August 31.

A. *Eligibility criteria.*

In order to be eligible for cooling assistance, a household must meet all of the Fuel Assistance eligibility criteria and must be [medically] in [critical medical] need of cooling.

B. *Benefits.*

The assistance is limited to: no more than \$200 for repairing or renting a fan or air conditioner, purchasing a fan, or paying an electric bill or security deposit; or no more than \$400 for purchasing an air conditioner.]

PART [~~IV~~ V.]
ADMINISTRATIVE COSTS.

[§ 4.1, § 5.1.] Local administrative expenditures for the implementation of the Fuel Assistance Program shall not be reimbursed in excess of whichever is the higher of 9.0% of the agency's allocation or 125% of the average administrative cost per case for the previous year.

DEPARTMENT OF TAXATION

Title of Regulation: VR 630-10-17. Brackets for Collection of the Tax (Retail Sales and Use Tax).

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

Effective Date: May 15, 1988

Summary:

This regulation references the 0.5% increase in the state sales and use tax rate that was enacted by the 1986 Special Session of the General Assembly and which took effect on January 1, 1987. The regulation sets forth the bracket chart to be used by dealers in computing the sales tax on all transactions of \$5.00 or less.

This regulation represents a revision of an earlier emergency regulation on the subject.

VR 630-10-17. Brackets for Collection of the Tax (Retail Sales and Use Tax).

A. § 1. Generally.

The rate of the sales and use tax is 4.5% which is composed of a 3.5% state tax and a 1.0% local tax applicable throughout Virginia. (See VR 630-10-110 for special tax rate and provisions applicable to sales through vending machines.) The bracket system is used to eliminate fractions of \$.01 and must be used to compute the tax on transactions of \$5.00 or less. On transactions over \$5.00, the tax is computed at a straight 4.5%, with one half cent or more is treated as \$.01. Any dealer who collects the tax in accordance with the bracket system set forth herein shall not be deemed to have overcollected the tax. (For overcollection of the tax generally, see VR 630-10-24(D).)

B. § 2. Exception.

The bracket system does not relieve the dealer from the liability to pay an amount equal to 4.5% of his gross taxable sales. However, there is one exception. If the dealer can prove to the department that more than 85% of the gross taxable sales for the period ~~was were~~ from individual sales of \$.10 or less (and that he was unable to adjust prices to avoid the situation), the department will determine the proper tax liability of the dealer based on the portion of gross taxable sales that came from sales of \$.11 or more. Any dealer who may claim this exception must file with each return a separate statement explaining his claim in detail for consideration by the department.

C. § 3. Bracket chart for combined state and local tax. Below is the bracket system for *the combined state and local tax of 4.5% on transactions of \$5.00 or less:*

\$ ~~0-01~~ 0.00 to \$ ~~0-14~~ 0.11 no tax

Final Regulations

0-15	0.12 to 0-34	0.33	\$.01 tax
0-35	0.34 to 0-59	0.55	\$.02 tax
0-60	0.56 to 0-84	0.77	\$.03 tax
0-85	0.78 to 1-14	0.99	\$.04 tax
1-15	1.00 to 1-34	1.22	\$.05 tax
1-35	1.23 to 1-59	1.44	\$.06 tax
1-60	1.45 to 1-84	1.66	\$.07 tax
1-85	1.67 to 2-14	1.88	\$.08 tax
2-15	1.89 to 2-34	2.11	\$.09 tax
2-35	2.12 to 2-59	2.33	\$.10 tax
2-60	2.34 to 2-84	2.55	\$.11 tax
2-85	2.56 to 3-14	2.77	\$.12 tax
3-15	2.78 to 3-34	2.99	\$.13 tax
3-35	3.00 to 3-59	3.22	\$.14 tax
3-60	3.23 to 3-84	3.44	\$.15 tax
3-85	3.45 to 4-14	3.66	\$.16 tax
4-15	3.67 to 4-34	3.88	\$.17 tax
4-35	3.89 to 4-59	4.11	\$.18 tax
4-60	4.12 to 4-84	4.33	\$.19 tax
4-85	4.34 to 5-00	4.55	\$.20 tax
	4.56 to 4.77		\$.21 tax
	4.78 to 5-00	4.99	\$.22 tax
	5.00		\$.23 tax

For differential rate on fuels for domestic consumption, see VR 630-10-40.2.

Section revised 7/69; 1/79; 1/85; 1/87, [~~1/87~~ 5/88].

* * * * *

Title of Regulation: VR 630-10-31. Dealer's Returns and Payment of the Tax (Retail Sales and Use Tax).

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

Effective Date: May 15, 1988

Summary:

This regulation references the 0.5% increase in the state sales and use tax rate that was enacted by the 1986 Special Session of the General Assembly and which took effect on January 1, 1987. The regulation sets forth changes to the formula for computation of the dealer's discount that were enacted in conjunction with the recent rate increase.

This regulation does not differ from the earlier emergency regulation on the subject.

VR 630-10-31. Dealer's Returns and Payment of the Tax (Retail Sales and Use Tax).

A. § 1. Generally.

Except as otherwise provided in this section, every dealer is required to file a return on or before the 20th day of the month following each reporting period even if no tax is due. Returns are prescribed and furnished by the Department of Taxation.

In the case of dealers regularly keeping books and accounts on the basis of an annual period that varies 52 to 53 weeks, reporting consistent with such accounting period is acceptable, provided a satisfactory explanatory statement is attached to the dealer's first return filed under such annual accounting period. Each return filed by these dealers must include all accounting periods which end during the period covered by the return.

B. § 2. Quarterly filing.

A dealer may be notified by the Department of Taxation to file sales or use tax returns on a basis other than monthly. A new dealer will not be placed on a basis other than monthly until the dealer has been in business sufficient time to determine that he should fall into another reporting category. If a dealer is required to file other than monthly, returns will be due on or before the 20th day of the month following the close of the reporting period. The change of a dealer's filing status from monthly to quarterly will be made automatically by the department; dealers should not request a conversion of filing status.

C. § 3. Temporary filing.

Any person who has been granted a temporary certificate of registration must file a return in accordance with the requirements set out in VR 630-10-21.

D. § 4. Seasonal filing.

Any person whose business operates only during certain months during the year, may request that his registration be set up on a seasonal basis (see VR 630-10-21). Taxpayers who hold a seasonal registration must file returns in the manner set forth in § 1 of this regulation only for the months in which the business operates. However, the fact that a business is registered on a seasonal basis does not relieve such dealer from the filing of a return and the remittance of tax for any other period in which a retail sale may be made.

E. § 5. Consolidated returns.

Any dealer who has been granted permission to file a consolidated sales and use tax return (see VR 630-10-21)

must file such return in accordance with the provisions set forth when permission is granted. Both the return and the accompanying schedule of local taxes must be filed. Failure to comply with these requirements may result in a revocation of consolidated filing status.

F. § 6. Payment to accompany dealer's return.

At the time of filing the return, the dealer must pay the amount of tax due after making appropriate adjustments for purchases returned, repossessions, and accounts uncollectible and charged off. Failure to pay the tax will cause it to become delinquent.

G. § 7. Dealer's compensation or discount.

As compensation for accounting for and paying the state tax, a dealer is allowed 3.0% of the amount first 3.0% of the state tax due in the form of a deduction, provided the amount due was not delinquent at the time of payment. No compensation is allowed on the additional 0.5% state tax levied effective January 1, 1987 or on the local tax. Thus, to compute the dealer's discount, a dealer (other than a vending machine dealer) would multiply the 3.5% state tax listed on his return by 2.57% (or .0257).

For example, a dealer making taxable sales of \$10,000 during the month would report state and local tax of \$450 (\$350 state tax and \$100 local tax), from which he would retain a dealer's discount of \$9.00, provided that his return is timely filed and the state and local tax is timely paid. The \$9.00 discount is computed by multiplying the 3.5% state tax (\$350) by 2.57%.

In the case of a vending machine dealer who pays combined state and local tax at the rate of 5.5% on his wholesale purchases for resale, the dealer's discount would be computed by multiplying the 4.5% state tax listed on his return by 2.66% (or .0266). For example, a vending machine dealer with \$15,000 in wholesale purchases for resale during the month would report state and local tax of \$825 (\$675 state tax and \$150 local tax), from which he would retain a dealer's discount of \$17.96, provided that his return is timely filed and the state and local tax is timely paid. The \$17.96 discount is computed by multiplying the 4.5% state tax (\$675) by 2.66%.

Any amount of tax refunded by the department to a dealer will be reduced by any dealer's discount claimed on the transaction to which the refund relates. For example, if a dealer sells an item for \$1,000, timely files a return reporting the \$ 40 45 tax on the transaction and claims the discount, the amount refunded would be \$ ~~30.10~~ 44.10 (\$ 40 45 less ~~3~~ 2.57 % of the \$ ~~30 35~~ state tax = 40 \$45 - .90 = \$ ~~30.10~~ 44.10).

For extensions, see VR 630-10-36; for penalties and interest, see VR 630-10-80. Section revised 7/69; 1/79; 1/85; 1/87.

Title of Regulation: VR 630-10-106. Transitional Provisions (Retail Sales and Use Tax).

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

Effective Date: May 15, 1988

Summary:

This regulation references the 0.5% increase in the state sales and use tax rate that was enacted by the 1986 Special Session of the General Assembly and which took effect on January 1, 1987. The regulation sets forth transitional provisions relating to purchases or leases of tangible personal property pursuant to bona fide real estate construction contracts, contracts for the sale of tangible personal property, and leases entered into prior to the enactment of the rate increase. Under these transitional provisions, the purchaser or lessee will be able under certain circumstances to receive a refund of the additional 0.5% tax paid on or after January 1, 1987.

This regulation represents a revision of the earlier emergency regulation on the subject.

VR 630-10-106. Transitional Provisions (Retail Sales and Use Tax).

§ 1. Generally.

Effective January 1, 1987, the state sales and use tax rate increases increased from 3.0% to 3.5%, while the local sales and use tax rate of 1.0% will remain remained the same.

The increased rate applies to all tangible personal property delivered to a purchaser and paid for on or after January 1, 1987 even though the property may have been ordered prior to January 1, 1987. The increased rate will not apply to tangible personal property delivered prior to January 1, 1987 but paid for on or after January 1, 1987. The increased rate also will not apply when a taxable sale or lease payment is paid for in full prior to January 1, 1987 even though delivery may occur on or after January 1, 1987 or the lease payment may cover a period beginning on or after January 1, 1987.

However, Notwithstanding the January 1, 1987 increase in the sales and use tax rate, § 58.1-639 of the Code of Virginia provides for the refund of the additional 0.5% tax paid on tangible personal property purchased or leased under certain contracts and leases entered into before October 27, 1986 (the date the sales and use tax rate increase was enacted).

The contracts and leases subject to the transitional provisions are (i) bona fide real estate construction contracts (including highway construction contracts), (ii) contracts for the sale of tangible personal property, and (iii) leases of tangible personal property.

Final Regulations

§ 2. Bona fide real estate construction contracts.

A. Generally.

Refunds of the additional 0.5% sales and use tax paid on and after January 1, 1987, are available when tangible personal property is purchased or leased under a bona fide real estate construction contract or bona fide highway construction contract entered into before October 27, 1986. A "bona fide" contract is one that contained plans and specifications before October 27, 1986. *Refunds will not be available, however, in the event that a bona fide contract is renegotiated or to the extent that a contract is expanded to include additional work or the furnishing of additional materials (also see § 2.D relating to extensions of a contractually stated completion date).*

Refunds will be available only for the additional 0.5% tax paid on (i) materials permanently incorporated into real estate, and (ii) construction supplies, fixtures, equipment, etc., that enter into the construction of or become a part of a structure, highway, etc. Further, refunds will be limited to property purchased or leased in connection with a specific contract and used exclusively in such contract. Thus, refunds will not be available for the additional 0.5% tax paid on equipment, materials, supplies, tools, etc. that will be used in more than one contract.

As noted below, rules for obtaining refunds of the additional 0.5% tax paid on and after January 1, 1987, on purchases or leases under bona fide real estate construction contracts vary depending on whether or not the contract contains a specific and stated date of completion.

B. Contracts that do not contain a specific and stated date of completion.

In the case of bona fide real estate construction contracts that do not contain a specific and stated date of completion, refunds of the additional 0.5% tax may be claimed only with respect to purchased or leased tangible personal property that is delivered to the contractor on or before March 30, 1987.

Example:

Contractor A enters into a bona fide contract before October 27, 1986, for the erection of a home, but the contract does not contain a specific and stated date of completion. After January 1, 1987, Contractor A makes two orders of materials for use in the project and pays the full 4.5% sales tax on the materials. Because the contract did not contain a specific and stated date of completion, Contractor A must take delivery of goods purchased for use in the project on or before March 30, 1987, in order to receive a refund of the 0.5% tax. The first order is delivered to Contractor A on March 30, 1987, but the second order is delivered to Contractor A on April, 1987. Thus, Contractor A may receive a refund of the additional

0.5% tax paid on the first order, but will not be able to receive a similar refund on the second order because it was delivered after March 30, 1987.

C. Contracts that contain a specific and stated date of completion.

In the case of bona fide real estate construction contracts that contain a specific and stated date of completion, refunds of the additional 0.5% tax paid on and after January 1, 1987 will be available for all property delivered to the contractor on or before the completion date specified in the contract.

[When a subcontractor performs work for a general contractor, the date of completion for purposes of this section is the date stated in the subcontract and not the completion date specified in the contract between the general contractor and the customer.]

Example:

Contractor B enters into a bona fide contract before October 27, 1986, for the erection of a bridge. The contract contains a specific and stated completion date of June 30, 1989. On and after January 1, 1987, Contractor B pays the full 4.5% sales and use tax on his purchases of materials for use in the contract and all such materials, except one shipment, are delivered to the contractor by the June 30, 1989 date of completion. The last shipment of materials is delivered to Contractor B on July 1, 1989. Refunds of the additional 0.5% tax paid by Contractor B will be available for all materials delivered to him by the specified completion date stated in his contract, June 30, 1989. However, a refund will not be available for the additional tax paid on the last delivery because that delivery occurred after the specified and stated completion date for the project.

[Both contracts containing a specific date for completion, e.g., July 1, 1988, and contracts containing a specific number of calendar days for completion, e.g., 150 calendar days, shall be considered as contracts with a specific and stated date of completion.

When a subcontractor performs work for a general contractor, the date of completion for purposes of this section is the date stated in the subcontract and not the completion date specified in the contract between the general contractor and the customer.]

D. Extension of contractual completion date.

The refund provisions of § 2.C, contracts that contain a specific and stated date of completion, do not apply when the completion date specified in a bona fide real estate construction contract is extended for any reason. In the event that the completion date specified in a bona fide real estate construction contract is extended, refunds of the additional 0.5% tax paid on and after January 1, 1987 will be available only for property delivered on or before

the completion date specified in the original contract.

D. E. Nonbona fide real estate construction contracts.

Refunds of the additional 0.5% tax paid by contractors on and after January 1, 1987 will not be available when purchases or leases are made pursuant to nonbona fide real estate construction contracts. A nonbona fide contract is one that did not contain plans or specifications before October 27, 1986. Contracts that are entered into on or before October 27, 1986 without plans or specifications but which are amended after October 27, 1986 to include plans or specifications are also not bona fide contracts.

§ 3. Contracts for the sale of tangible personal property.

A. Generally.

Refunds of the additional 0.5% tax paid on and after January 1, 1987, may be claimed for tangible personal property purchased under sale contracts entered into before October 27, 1986, provided the property is delivered to the purchaser on or before March 30, 1987. Refunds will not be available if a sale contract was entered into on or after October 27, 1986, or if the property purchased is delivered to the purchaser after March 30, 1987.

B. Layaway sales.

The provisions for the refund of the additional 0.5% tax apply to all layaways made before October 27, 1986 and delivered to the purchaser on or before March 30, 1987.

Examples:

1. Customer A makes a layaway of an item of merchandise on October 26, 1986, and takes delivery of the merchandise on March 1987. Customer A will be required to pay the full 4.5% tax when he completes the layaway purchase, but he will be able to request a refund of the additional 0.5% tax he pays.

2. Customer B makes a layaway of an item of merchandise on October 26, 1986, but does not take delivery of the merchandise until April 1, 1987. Customer A will be required to pay the full 4.5% sales tax on the purchase, but will not be able to request a refund of the additional 0.5% tax because he did not take delivery of the merchandise until after March 30, 1987.

C. Gift certificates.

Pursuant to VR 630-10-44, the sales tax is not to be collected on the sale of gift certificates, but is to be collected when gift certificates are redeemed for merchandise. Because gift certificates are not taxable until redeemed, refunds of the additional 0.5% tax paid on purchases made with gift certificates on and after January 1, 1987, will not be available.

D. Installment sales.

Pursuant to VR 630-10-28, the sales and use tax is due in full when an agreement for an installment sale is made. VR 630-10-28 does not permit the tax on an installment sale to be paid in installments. Therefore, all installment sales prior to January 1, 1987, will be subject to state and local sales and use tax at a rate of 4.0%, while sales on and after January 1, 1987, will be subject to tax at a 4.5% rate. Because the tax on installment sales is due as of the date the contract of sale is entered into, refunds of the additional 0.5% tax paid on an installment sale on and after January 1, 1987, will not be available.

E. Maintenance contracts.

The sale of maintenance contracts which provide in whole or in part for the furnishing or replacement of parts is a taxable sale of tangible personal property pursuant to VR 630-10-62.1. As with other sales of tangible personal property, the sales and use tax becomes due in full when the contract is entered into. Therefore, all taxable maintenance contracts entered into before January 1, 1987, will be subject to the tax at a rate of 4.0%, while those taxable maintenance contracts entered into on or after January 1, 1987, will be subject to the tax at a rate of 4.5%. Because the tax on such contracts becomes due as of the date the contract is entered into, refunds of the additional 0.5% tax paid on and after January 1, 1987, will not be available.

§ 4. Leases of tangible personal property.

Refunds of the additional 0.5% sales tax paid on leases on and after January 1, 1987, will be available, provided that (i) the lease is entered into before October 27, 1986, and (ii) the leased property is delivered to the lessee by March 30, 1987. However, refunds will not be available for the additional tax paid on leases entered into on or after October 27, 1986, or where leased property is delivered to the lessee after March 30, 1987.

So long as the above two conditions are met, refunds may be requested for the additional 0.5% tax paid over the course of a lease. For instance, a person who enters into a five-year equipment lease on October 26, 1986, and who takes delivery of the equipment by March 30, 1987, would be able to seek refunds of the extra 0.5% tax paid for periods through the end of the five-year lease period.

However, if the lessee assigns the lease, or if the property is turned over to anyone else, refunds of the additional 0.5% tax will not be available for tax paid after the change. In addition, refunds of the additional 0.5% tax will not be available if there are replacements of the property leased (except for replacements due to defective goods), if additional property is added to the lease, or if the lease is renegotiated or renewed.

§ 5. Refunds.

Final Regulations

A. Limited to purchaser or lessee only.

Refunds of the additional 0.5% tax paid on purchases or leases of tangible personal property under bona fide real estate construction contracts, contracts for the sale of tangible personal property, or leases of tangible personal property will be limited only to the purchaser or lessee of the property.

B. Refunds to be requested from Department of Taxation only.

The purchaser or lessee of tangible personal property under qualifying contracts or leases ~~must~~ shall request refunds of the additional 0.5% tax directly from the Department of Taxation and not from the seller or lessor of the property. In seeking refunds, the purchaser or lessee shall furnish the Department of Taxation with copies of the contract or lease under which property is purchased or leased. In addition, the purchaser or lessee shall indicate the delivery date of all items for which refunds are claimed and shall be able to demonstrate that the 4.5% Virginia tax was actually paid to his suppliers or lessors. Copies of invoices will be required to verify that the 4.5% tax was paid on purchases or leases of tangible personal property for which refunds are requested.

C. Time limitation on seeking refunds.

Pursuant to § 58.1-1823 of the Code of Virginia and VR 630-10-89, requests for refunds of the additional 0.5% tax paid pursuant to qualified contracts or leases must be made within three years of the date tax became due. For instance, tax paid by a lessee in January 1987 does not become due to the department from the lessor until February 20, 1987; thus, the lessee would have until February 20, 1990, to seek a refund.

D. Interest on refunds.

Interest on refunds will be computed in the manner set forth in § 58.1-1833 of the Code of Virginia. Under this statute, interest is computed from a date beginning 60 days after the due date of the tax and ending on a date not more than 30 days preceding the date of the refund check (also see VR 630-1-1833). For example, the tax paid by a purchaser in February 1987 does not become due to the department until March 20, 1987; thus, interest on the refund of the additional 0.5% tax would be computed starting on May 19, 1987, which is 60 days from the March 20 due date.

Regulation added 1/87, regulation revised [~~11/87~~ 5/88].

Title of Regulation: VR 630-10-110. Vending Machine Sales (Retail Sales and Use Tax).

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

Effective Date: May 15, 1988

Summary:

This regulation references the 0.5% increase in the state sales and use tax rate that was enacted by the 1986 Special Session of the General Assembly and which took effect on January 1, 1987. The regulation sets forth the application of the sales and use tax to vending machine operators, including the provisions of § 58.1-614 of the Code of Virginia relating to certain vending machine operators.

This regulation represents a revision of an earlier emergency regulation on the subject.

VR 630-10-110. Vending Machine Sales (Retail Sales and Use Tax).

A. § 1. Generally.

Dealers engaged in the business of placing vending machines and selling tangible personal property through such machines are subject to the provisions in § 2 of this regulation; however, those dealers, all of whose machines are under contract to nonprofit organizations, are subject to the provisions in § 3 of this regulation. Dealers who are not engaged in placing vending machines, but sell tangible personal property through vending machines, e.g. service station operators, are required to report and pay sales tax in the manner set out in § 4 of this regulation.

B. § 2. Dealers engaged in the business of placing vending machines.

1- A. Registration requirements.

Except as otherwise authorized by the Tax Commissioner, every person engaged in the business of placing vending machines and selling tangible personal property through such machines ~~must~~ shall apply for a Certificate of Registration for each county and city in which machines are placed. A separate registration is required for each place of business from which nonvending machine sales are made. Dealers holding or applying for multiple vending or nonvending registrations may request permission at the time of application to file consolidated vending or nonvending returns.

2- B. Computation of tax.

All items of tangible personal property sold through vending machines by those vending machines dealers engaged in placing vending machines and selling tangible personal property through such machines are taxable at the rate of ~~5~~ 5.5 % (~~4~~ 4.5 % state and 1.0% local).

Any dealers, all of whose machines are under contract to nonprofit organizations, should refer to § 3 of this regulation. Dealers acquiring items from other suppliers and selling them in the same condition which they were

acquired ~~must~~ shall compute the 5.5 % tax on the cost price of the purchased tangible personal property. Dealers who manufacture the tangible personal property to be sold through vending machines ~~must~~ shall compute the 5.5 % tax on the cost of the manufactured tangible personal property (cost of goods manufactured). The cost of manufactured personal property includes raw material cost plus labor and overhead attributable to the manufacture of the item being sold.

[Example: Dealer A purchases (or manufactures) items, with a total cost price of \$1,000, during the month for sale through vending machines. Dealer A would compute the tax as follows:

Total cost price (\$1,000) x State tax rate (.045) = State tax (\$45)

Total cost price (\$1,000) x Local tax rate (.01) = Local tax (\$10)

..... TOTAL TAX = \$55]

The method of accounting used for federal income tax purposes shall be the accounting method used in determining the cost price of purchased tangible personal property and the cost of manufactured tangible personal property. For example, if the first-in, first-out method of accounting is used for federal income tax purposes, this accounting method shall be used each month for computing the cost price of purchased tangible personal property ~~and~~ or the cost of manufactured tangible personal property.

As an alternative method of computing the tax, any dealer unable to maintain satisfactory records to determine the cost price of purchased tangible personal property and the cost of manufactured tangible personal property may request in writing to the Tax Commissioner authority to remit an amount based on a percentage of gross receipts which takes into account the inclusion of the 4.5 % sales tax.

[EXAMPLE: Dealer B, who has been authorized by the Tax Commissioner to compute the tax based on gross receipts, had gross receipts from vending machine sales during the month of \$3,000. Dealer B would compute the tax as follows:

Gross receipts (\$3,000) x State tax rate (.035) = State tax (\$105)

Gross receipts (\$3,000) x Local tax rate (.01) = Local tax (\$30)

..... TOTAL TAX = \$135]

Upon receiving such authorization from the Tax Commissioner, a return Form ST-9 ~~must~~ shall be filed to report the 4.5 % sales tax beginning with the period set out in the authorization letter. All subsequent returns ~~must~~

shall be filed using this method unless the dealer applies in writing to the Tax Commissioner and is given authorization in writing to change his filing status. Authorization to compute the tax using this alternative method will not eliminate the requirement to maintain records which show the location of each vending machine, purchases and inventories of merchandise bought for sale through vending machines, and total gross receipts for each vending machine.

3. C. Filing of returns.

Except as otherwise authorized by the Tax Commissioner, dealers engaging in the business of placing vending machines and selling tangible personal property through such machines must file a Form VM-2 to report the tax on the items sold through vending machines. Returns are due by the 20th day of the month following the period in which tangible personal property is sold through vending machines ~~and~~, with the tax ~~shall~~ to be computed in the manner set out in subsection B above. A return is required to be filed for each locality where vending machines are located unless a dealer has requested and been granted authority to file a consolidated return.

Nonvending machine sales ~~must~~ shall not be reported on Form VM-2 but ~~must~~ shall be reported on Form ST-9, Dealer's Retail Sales and Use Tax Return.

4. D. Purchases.

Tangible personal property purchased for resale through vending machines may be purchased under Certificate of Exemption, Form ST-10. ~~Vending machines, including repair parts for such machines,~~ All other tangible property purchased for use or consumption by the dealer and not for resale, ~~including vending machines and repair parts for such machines,~~ and withdrawals of tangible personal property from a tax exempt manufacturing or resale inventory for use or consumption by the dealer are subject to the tax at the rate of 4.5 % of the cost price of the property. If the supplier does not charge the tax on purchases for use or consumption, the vending machine dealer ~~must~~ shall pay the tax directly to the ~~department~~ Department of Taxation on Form ST-9, Dealer's Retail Sales and Use Tax Return (if he is registered for nonvending sales) or Form ST-7, Consumer's Use Tax Return. Tax on purchases for the vending machine dealer's own use or consumption ~~must~~ shall not be reported on Form VM-2. Dealers who manufacture or process tangible personal property for sale may be entitled to the industrial exemption for tangible personal property used directly in manufacturing or processing as set forth in § 58.1-608.1 (a) of the Code of Virginia and VR 630-10-63.

5. E. Records.

Records ~~must~~ shall be kept for a period of three years and ~~must~~ shall show the location of each machine;

Final Regulations

purchases and inventories of merchandise bought for sales through vending machines; and the cost price of purchased tangible personal property ~~and~~ or the cost of manufactured tangible personal property for each machine.

~~C.~~ § 3. Dealers under contract with nonprofit organizations.

~~1.~~ A. Registration requirements.

A separate Certificate of Registration (application Form R-1) is required for each county and city in which vending machines are placed. Dealers holding multiple registrations may request permission to file a consolidated return at the time of application.

~~2.~~ B. Computation of tax.

Effective July 1, 1982, Dealers engaged in the business of placing vending machines all of which are under contract to nonprofit organizations may deduct sales of \$.10 or less from gross receipts and divide the remaining balance by ~~1.04~~ 1.045 to determine the amount of taxable sales upon which the ~~4~~ 4.5 % tax is due and payable. To qualify for this method of computing the tax, all machines of the vending machine dealer must be under contract to nonprofit organizations.

~~3.~~ C. Filing of returns.

Form ST-9, Dealer's Retail Sales and Use Tax Return, is required to be filed for each locality in which vending machines are placed by the 20th day of the month to report the ~~4~~ 4.5 % tax on (i) sales made in the previous period and (ii) untaxed purchases for use or consumption by the dealer or withdrawals from tax exempt inventory for use or consumption by the dealer.

~~4.~~ D. Records.

A contract ~~must~~ shall be kept for each vending machine under contract to nonprofit organizations. Additionally, records ~~must~~ shall be kept for a period of four years to show the location of each vending machine, purchases and inventories of merchandise bought for sale, and total gross receipt for each vending machine separating items sold for \$.10 or less from items sold for more than \$.10.

~~D.~~ § 4. Other dealers selling tangible personal property through vending machines.

Dealers not engaged in the business of placing vending machines but ~~using~~ who use vending machines at their places of business to sell merchandise, e.g. service station operators, must report the tax at the rate of ~~4~~ 4.5 % of gross taxable sales on the same return on which nonvending machine sales are reported (Form ST-9, Dealer's Retail Sales and Use Tax Return).

Section revised 7/69; 1/79; 1/85; 12/86, [~~11/87~~ 5/88].

COMMONWEALTH TRANSPORTATION BOARD

Title of Regulation: VR 385-01-5. Hazardous Materials Transportation Rules and Regulations at Bridge-Tunnel Facilities.

Publication: VA.R. 4:11 1091 February 29, 1988

The regulations previously published in the Virginia Register of Regulations are being withdrawn. The board intends to resubmit the final regulation after technical working changes, clarifications and typographical modifications are incorporated in the regulation. The proposed changes are minor in nature and shall have no substantive impact.

EMERGENCY REGULATION

STATE CERTIFIED SEED BOARD

Title of Regulation: Rules and Regulations Providing for the Certification of Seeds and Other Material Used for Plant Propagation Purposes.

Statutory Authority: § 3.1-280 of the Code of Virginia.

Effective Date: March 16, 1988 through June 15, 1988

Statement of Emergency:

Due to unfavorable weather conditions during the 1987 growing and harvesting season, peanuts produced for seed were adversely affected. At the completion of the harvest, the peanuts were shelled, cleaned and samples were submitted to the seed laboratory for analysis. It was not until February 11 that sufficient numbers of test were completed to make an evaluation of the quantity of seed available for 1988. It was evident because of immature seed, less filled seed pods and a 20% reduction in the amount of "shell out" that not enough seed, meeting the Certification Standards, would be available to plant the estimated 93,000 acres. Best available estimates are that approximately 10 million pounds are needed, but only about 9 million pounds meet Certification Standards. Another estimated 900,000 pounds would be available if the Certification Standards are amended to increase the inert matter from 3% to 5%. North Carolina already allows the maximum 5% inert matter.

The planting season will begin in Mid-April and there is not sufficient time to follow the normal Administrative Process Act procedures to amend the current Certification Standards except under the Emergency provisions.

Situation and/or Background:

The State Certified Seed Board (Board) is responsible for promulgating standards by which the Virginia Crop Improvement Association issues tags that assure the genetic purity and other quality factors. A meeting of the Board was called at the first opportunity when it was established some amendments to the current standards should be considered. Section 3.1-280 of the Code of Virginia provides the State Certified Seed Board with authority to:

"...promulgate reasonable rules and regulations, after a public hearing and investigation, and upon due publication of notice of the general object, time, and place, at least fifteen days before the date fixed for the hearing, in a newspaper of general circulation published in the city of Richmond, together with such other dissemination of notice as is deemed advisable, governing the certifying, branding and labeling of seed, and the tagging of certified seeds, other than those now provided by law. Such rules and regulations

shall be reasonably adapted to the promotion of the objects of this and other laws on the subject, and of the agricultural interests of the State."

Notwithstanding this provision, the Attorney General's office expressed the opinion that amendments to Certification Standards must be according to normal procedures of the Administrative Process Act.

The State Certified Seed Board received a recommendation from the Board of Directors of the Virginia Crop Improvement Association that the Certification Standards for Peanut Seed be amended to allow those peanuts found to contain between 3% and 5% inert matter be labeled and sold as substandards for inert matter only for 1988.

Certification Standards are established at a level which under normal conditions can be reasonably achieved. Because of adverse weather or other uncontrollable environmental factors, Certification Standards do require occasional amending. For peanuts, 1980 was the last year that adjustments were necessary.

Peanut producers normally purchase only Certified seed when they are available for their planting needs. This class of seed is their best assurance of obtaining the highest quality seed of the recommended genetically pure variety.

The present Certification Standards provide for a maximum of 3% inert matter. With this limitation, it is evident there will be a shortage of approximately 900,000 pounds to plant the 93,000 acres. This shortage can be accommodated by amending the regulations and establishing the maximum "inert matter" at 5% for 1988. This additional poundage of available seed will also help to offset the shortage being experienced by producers who save their own seed for planting, which is only 49% of that saved in 1986.

The most popular and productive varieties of peanuts are "NC6," "NC7" and "NC9." These varieties are protected by the owner under the Certification provision of the Plant Variety Protection Act. If for any reason the seed does not meet the minimum Certification standards, the seed is essentially lost for planting purposes because protected varieties cannot be sold by variety name without being Certified, unless substandard analysis tags can be issued.

Summary:

Peanuts rank fourth in Virginia's cash crop with \$58.5 million value of production. In 1986 the return from 89,000 acres of peanuts was about equal to 570,000 acres of soybeans. Such economical value could not be realized without an adequate supply of seed of the recommended genetically pure varieties along with other factors of high quality.

Emergency Regulation

Unless the Certification Standards are amended by emergency action, the Virginia peanut producers would be unable to purchase sufficient quantities of Certified seed. It is not available from any other source.

Rules and Regulations Providing for the Certification of Seeds and Other Material Used for Plant Propagation Purposes.

EMERGENCY REGULATION
Pertaining to the Sale of Certified Seed
PEANUT CERTIFICATION STANDARDS

IV. SEED STANDARDS

	Foundation	Class Registered	Certified
Pure Seed (minimum)	97.0%	97.0%	97.0%
Inert Matter (maximum)	[3-0% 5.0%	3-0% 5.0%	3-0% 5.0%
Weed Seed (maximum)	None	None	None
Other Crop Seed Other Kinds (maximum)	.01%	.01%	.01%
Other Varieties (maximum)	None	None	None
Germination (minimum)	85.0%	75.0%*	75.0%*
Bottom Screen Size (minimum)	16/64	16/64	16/64

*Registered and Certified Peanut Seeds that germinate 85% or higher must be labeled no less than 85% and Registered and Certified seed that germinates 80-84% must be labeled no less than 80% and those seed that germinate 75-79% must be labeled no less than 75%.

Duration of Emergency Regulation - This regulation shall remain in effect until June 15, 1988 or until permanent regulations are adopted under the Administrative Process Act, whichever first occurs.

Submitted by:

/s/ S. Mason Carbaugh
Commissioner of Agriculture and Consumer Services
Member of State Certified Seed Board On Behalf of and at the Request of the State Certified Seed Board

Approved by:

/s/ Richard M. Bagley
Secretary of Economic Development

Approved by: /s/ Gerald L. Baliles, Governor

Commonwealth of Virginia

Filed by: /s/ Joan W. Smith
Registrar of Regulations

Date: March 16, 1988 - 1:40 p.m.

* * * * *

DEPARTMENT OF TAXATION

Title of Regulation: VR 630-5-490. Fiduciary Income Tax - Estimated Tax.

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

Effective Date: March 11, 1988 through December 31, 1988

ORDER ADOPTING AN EMERGENCY REGULATION OF THE DEPARTMENT

Pursuant to the authority vested in the Department of Taxation by § 58.1-203 of the Code of Virginia, and in accordance with § 9-6.14:9 of the Code of Virginia,

IT IS ORDERED that the following regulation be, and the same is hereby adopted

VR 630-5-490: FIDUCIARY INCOME TAX - ESTIMATED TAX.

IT IS FURTHER ORDERED that this regulation shall be adopted upon the signature of the Governor and shall become effective on publication in the Virginia Register of Regulations and remain in effect until adoption of a permanent regulation under the procedures set forth under the Administrative Process Act or until December 31, 1988, whichever is earlier.

IT IS FINALLY ORDERED that this regulation be published and filed as required by the provisions of §§ 58.1-204, 9-6.14:9 and 9-6.14:22 of the Code of Virginia.

VIRGINIA DEPARTMENT OF TAXATION

Enter:

/s/ W. H. Forst, Tax Commissioner
Date: January 8, 1988

SEAL:

/s/ Gerald L. Baliles, Governor
Date: January 22, 1988

/s/ Joan W. Smith, Registrar of Regulations
Date: March 11, 1988 - 10:05 a.m.

* * *

Preamble:

Two acts of the 1987 General Assembly affect estates and trusts. The first act amends § 58.1-490 of the Code of Virginia to require estates and trusts to pay estimated tax beginning January 1, 1988 (1987 Acts of Assembly, chapter 484, SB 554). This substantially conforms to federal legislation imposing a similar requirement on estates and trusts.

The second act amends § 58.1-490 of the Code of Virginia to change the requirements regarding the filing of a declaration of estimated income tax by individuals (1987 Acts of Assembly, chapter 599, SB 599). This amendment requires that the Tax Commissioner, by regulation, set the filing threshold for filing a declaration of estimated income tax. Emergency Regulation VR 630-490.2 sets the filing threshold for individuals at \$150 of the Virginia income tax.

The Department of Taxation finds that an emergency situation exists which requires the immediate promulgation of this regulation; that this emergency precludes the usual procedures set forth for the promulgation of regulations under the Virginia Administrative Process Act ("APA," § 9-6.14:1 of the Code of Virginia, et seq.); and that promulgation of this emergency regulation is permitted in accordance with the APA.

The precise reason and factual basis for the emergency situation is that estates and trusts affected by this change will be required to file a Declaration of Estimated Income Tax (Form 760ES) prior to the time the Department of Taxation would be able to comply with the provisions of the APA. It is therefore necessary to provide immediate guidance to estates and trusts for their use from January 1, 1988 until such time as a regulation can be formally adopted under the APA.

This emergency regulation shall be adopted upon the signature of the Tax Commissioner and the Governor and shall take effect upon adoption and publication in the Virginia Register of Regulations. It will expire upon the adoption of a permanent regulation under the procedures set forth under the APA or on December 31, 1988, whichever is earlier.

As part of the process of adopting the permanent regulation under the APA, the Department of Taxation will receive, consider and respond to any comments or suggestions to reconsider or revise this emergency regulation.

VR 630-5-490. Fiduciary Income Tax: Estimated Tax.

§ 1. Definitions.

The following words and terms, when used in these

regulations, shall have the following meaning unless the context clearly indicates otherwise:

"Estimated tax" means the amount which the fiduciary reasonably estimates to be the income tax due for the taxable year, less the amount estimated to be the sum of any credits allowable against the income tax. For this purpose, the refund of an overpayment of income tax which the fiduciary directs to be applied toward the estimated tax for the succeeding taxable year shall be considered an installment payment of estimated tax and not a credit against the income tax.

"Fiduciary" means the person who is required to file federal and Virginia income tax returns for the estate or trust, including the trustee of a trust and the executor or personal representative of an estate.

"Taxable year" means the taxable year for federal and Virginia income tax purposes.

§ 2. Declarations of estimated tax.

A. Requirement.

1. If the estimated tax is greater than \$150, the fiduciary shall make a declaration of estimated tax for

i. any taxable year of an estate which ends two or more years after the date of death of the decedent; and

ii. every taxable year of a trust.

2. Examples.

a. Decedent A died on September 1, 1986. For the taxable year 1988 the executor of A's estate expects to receive \$10,000 income which will not be used to meet administrative expenses or distributed to the beneficiaries. The executor must file a declaration because the fiduciary income tax due on \$10,000 will exceed \$150 and the end of the taxable year, December 31, 1988, is more than two years after the date of death of the decedent.

b. The ABC trust expects to receive \$10,000 income in 1988 but under the terms of the trust instrument the trustee is required to distribute all income to the beneficiaries. No declaration is required because the trustee's fiduciary income tax liability will be zero.

c. Same facts as in example b except that the beneficiaries are minors. The trustee may accumulate income during the minority of the beneficiaries, and anticipates doing so. The trustee must file a declaration because the trustee's fiduciary income tax on \$10,000 will exceed \$150.

Emergency Regulation

B. Contents.

The declaration shall state the amount which the fiduciary reasonably estimates is the income tax for which the estate or trust will be liable for the taxable year.

C. Time for filing.

1. If the requirements of subsection A are met on or before April 15, then the fiduciary shall file the declaration on or before May 1 of the taxable year.

2. If the requirements of subsection A are met for the first time after April 15 and before June 2, then the fiduciary shall file the declaration on or before June 15 of the taxable year.

3. If the requirements of subsection A are met for the first time after June 1 and before September 2, then the fiduciary shall file the declaration on or before September 15 of the taxable year.

4. If the requirements of subsection A are met for the first time after September 1 of the taxable year, then the fiduciary shall file the declaration on or before January 15 of the succeeding year.

5. If the estate or trust has a taxable year other than a calendar year then the declaration shall be due on the fifteenth day of the fourth, sixth, or ninth month of the taxable year or on the fifteenth day of the first month of the succeeding taxable year, as appropriate.

6. Examples.

a. On April 15, 1988, the fiduciary of the ABC trust expects to receive \$25,000 income in 1988. Under the terms of the trust instrument the fiduciary is required to distribute all income to adult beneficiaries, but may accumulate the income of a minor beneficiary. There are two adult beneficiaries and no minor beneficiaries. No declaration is required because the trust's estimated tax liability is zero.

b. Same facts as in example a except that as a result of the death of one of the beneficiaries on August 1, 1988, a minor has become a beneficiary and the fiduciary anticipates accumulating the income of the minor. The minor's share of income for the remaining five months of the taxable year will be 1/2 of 5/12 of \$25,000 or \$5,208. The trust's estimated tax on \$5,208 is more than \$150, therefore a declaration must be filed on September 15, 1988.

D. Amendments.

A fiduciary may amend a declaration at any time throughout the year by increasing or decreasing the amount of any installment payment of estimated tax and

reporting the changed amount on the payment-voucher form accompanying the installment payment.

E. Return as declaration or payment.

1. If on or before March 1 of the succeeding taxable year a fiduciary files the return for the estate or trust for the taxable year for which a declaration is required under subsection A, and pays the full amount of the tax shown to be due on the return:

i. such return shall be considered as the declaration if no declaration was required to be filed during the taxable year, but is otherwise required to be filed on or before January 15; and

ii. such return and payment shall be considered as the last installment payment of estimated tax which would otherwise have been payable on or before January 15.

2. Filing a return on or before March 1 of the succeeding taxable year or filing a declaration or payment of the last installment on January 15 will not relieve a taxpayer of liability for additions to tax for underpayment of any of the installments of estimated tax that were due on May 1, June 15, or September 15 of the taxable year.

F. Short taxable year.

1. A declaration must be filed if a return is required for a period of less than twelve months, unless the short period is less than four months or if the requirements of subsection A are first met after the first day of the last month in the short taxable period.

2. For the purpose of determining whether the estimated tax exceeds \$150, the estimated tax for the short taxable period shall be placed on an annual basis by multiplying the estimated tax for the short taxable period by 12 and dividing the result by the number of months in the short taxable period.

§ 3. Installment payments.

A. Due dates and amounts.

The estimated tax shown on the declaration shall be paid in equal installments as follows:

1. If the declaration is filed on or before May 1 of the taxable year, the estimated tax shall be paid in four equal installments. The first installment shall be paid at the time the declaration is filed and the second, third and fourth installments shall be paid on the following June 15, September 15, and January 15, respectively.

2. If the declaration is not required to be filed on or

before May 1 of the taxable year, and is filed after May 1 but on or before June 15 of the taxable year, the estimated tax shall be paid in three equal installments. The first installment shall be paid at the time the declaration is filed and the second and third installments shall be paid on the following September 15 and January 15, respectively.

3. If the declaration is not required to be filed on or before June 15 of the taxable year, and is filed after June 15 but on or before September 15 of the taxable year, the estimated tax shall be paid in two equal installments. The first installment shall be paid at the time the declaration is filed and the second installment shall be paid on the following January 15.

4. If the declaration is not required to be filed on or before September 15 of the taxable year, and is filed after September 15, the estimated tax shall be paid in full at the time the declaration is filed.

5. If the declaration is filed after the due date, including cases where an extension of time has been granted, paragraphs 2, 3, and 4 of this subsection shall not apply. All installments of estimated tax which would have been due if the declaration had been timely filed shall be paid at or before the time of filing. The remaining installments shall be paid when, and in the amounts which, they would have been payable if the declaration had been filed when due.

6. Examples.

a. On April 15, 1988, the fiduciary of the ABC trust expects to receive \$50,000 income in 1988. Under the terms of the trust instrument the fiduciary is required to distribute all income to adult beneficiaries, but may accumulate the income of a minor beneficiary. There are two beneficiaries, both of whom are adults. No declaration or payment is required on May 1, 1988, because the trust's estimated tax liability is zero. However, as a result of the death of one of the beneficiaries on August 1, 1988, a minor has become a beneficiary and the fiduciary anticipates accumulating the income of the minor. The minor's share of income for the remaining five months of the taxable year will be $1/2$ of $5/12$ of \$50,000 or \$10,417. The trust's estimated tax on \$10,417 is \$391 for the taxable year which must be paid in installments, one-half on September 15, 1988, and the remaining half on January 15, 1989.

b. On April 15, 1988, the fiduciary of Trust DEF expected its estimated tax for 1988 to be \$500. Therefore a declaration and an installment payment of \$125 were due on May 1, 1988, but were not made. The omission is discovered on September 1, 1988. The first three installments of \$375 are due on or before September 15, 1988. The remaining

installment of \$125 is due on January 15, 1989.

c. Same facts as in example b except that due to a change in circumstances the fiduciary discovers on August 31 that the estimated tax for 1988 should be \$2,000 instead of \$500. The first three installments of \$1,500 are due on or before September 15, 1988, and the remaining installment of \$500 is due on January 15, 1989.

B. Amendments of declaration.

If any amendment of a declaration is filed, the remaining installments, if any, shall be ratably increased or decreased (as the case may be) to reflect any increase or decrease in the estimated tax by reason of such amendment. If any amendment is made after September 15 of the taxable year, any increase in the estimated tax by reason thereof shall be paid at the time of making such amendment.

C. Application to short taxable year.

1. In the case of a short taxable year of an estate or trust for which a declaration is required to be filed the estimated tax shall be paid in equal installments, one at the time of filing the declaration, one on the 15th day of the sixth month of the taxable year and another on the 15th day of the ninth month of such year unless the short taxable year closed during or prior to such sixth or ninth month, and one on the 15th day of the first month of the succeeding taxable year.

2. The provisions of paragraph A.5 relating to payment of estimated tax in any case in which the declaration is filed after the due date, shall also apply to the payment of the estimated tax for short taxable years.

3. For example, if the short taxable year is the period of 10 months from March 1, 1988 to December 31, 1988, and the declaration is required to be filed on or before June 15, 1988 (the fifteenth day of the fourth month), the estimated tax is payable in four equal installments on June 15 with the declaration, August 15, 1988, November 15, 1988 and January 15, 1989.

D. Fiscal year.

If the estate or trust has a taxable year other than a calendar year then the payments shall be due on the fifteenth day of the fourth, sixth, or ninth month of the taxable year or on the fifteenth day of the first month of the succeeding taxable year, as appropriate.

E. Installments or entire estimated tax paid in advance.

A fiduciary may elect to pay any installment of the estimated tax before the date prescribed for its payment. A fiduciary may also elect to file a declaration of

Emergency Regulation

estimated tax in the closing days of a calendar year for the taxable year about to begin, and may pay in full the amount of the estimated tax for such taxable year at the time the declaration is filed.

F. Application of payments.

All payments of estimated tax shall be applied toward the income tax liability of the estate or trust for the taxable year. Payments of estimated tax may not be applied toward any other tax or taxable year unless and until an income tax return is filed showing a refund. Payments of estimated tax may not be applied toward the income or estimated tax liability of a beneficiary of an estate or trust even if the fiduciary distributes all or a portion of the distributable net income to the beneficiary. In extraordinary circumstances where the fiduciary is not required to file a Virginia income tax return the fiduciary may request a refund of estimated tax.

G. Credit against estimated tax liability.

If the annual income tax return shows that the estate or trust is entitled to a refund of income tax by reason of overestimating and overpaying estimated tax the fiduciary may elect to have all or a portion of such refund applied to the payment of estimated tax liability for the following taxable year.

§ 4. Additions to the tax.

A. In the case of any underpayment of estimated tax by an estate or trust, except as provided in subsection D, there shall be added to the income tax for the taxable year an amount determined at the rate established for interest under § 58.1-15 of the Code of Virginia, upon the amount of the underpayment (determined under subsection B), for the period of the underpayment (determined under subsection C). The amount of such addition to the tax shall be reported and paid at the time of filing the fiduciary income tax return for the taxable year.

B. Amount of underpayment.

For the purpose of subsection A, the amount of the underpayment shall be the excess of:

1. The amount of the installment which would be required to be paid if the estimated tax were equal to 90% of the income tax, whether or not the fiduciary filed a return for such taxable year, over

2. The amount, if any, of the installment paid on or before the last date prescribed for such payment.

C. Period of underpayment.

The period of the underpayment shall run from the date the installment was required to be paid to the earlier of the following dates:

1. May 1, if a calendar year, or the 15th day of the fourth month following the close of the taxable year, if a fiscal year, or

2. With respect to any portion of the underpayment, the date on which such portion is paid. For purposes of this paragraph, a payment of estimated tax on any installment date shall be considered a payment of any previous underpayment only to the extent such payment exceeds the amount of the installment determined under subsection B.1 for such installment date.

D. Exception.

1. Notwithstanding the provisions of the preceding subsections A, B, and C, the addition to the tax shall not be imposed if the income tax for the taxable year is less than \$150.

2. Notwithstanding the provisions of the preceding subsections A, B, and C, the addition to the tax with respect to an underpayment of any installment shall not be imposed if the total payments of estimated tax made on or before the last date prescribed for the payment of such installment equals or exceeds the amount which would have been required to be paid on or before such date if the estimated tax were any of the following:

a. The tax shown on the return of the estate or trust for the preceding taxable year, if a return showing a liability for tax was filed for the preceding taxable year and such preceding year was a taxable year of 12 months, or

b. An amount equal to the tax computed, at the rates applicable to the taxable year, on the basis of the facts shown on the return for, and the law applicable to, the preceding taxable year, or

c. An amount equal to 90% of the tax for the taxable year computed by placing on an annualized basis the taxable income for the months in the taxable year ending before the month in which the installment is required to be paid. For purposes of this paragraph the taxable income shall be placed on an annualized basis by:

i. multiplying by 12 (or, in the case of a taxable year of less than 12 months, the number of months in the taxable year) the taxable income for the months in the taxable year ending before the month in which the installment is required to be paid,

ii. dividing the resulting amount by the number of months in the taxable year ending before the month in which such installment date falls, or

d. An amount equal to 90% of the tax computed, at the rates applicable to the taxable year, on the

basis of the actual taxable income for the months in the taxable year ending before the month in which the installment is required to be paid. The periods involved, for a calendar year taxpayer, are January 1 to April 30, January 1 to May 31, and January 1 to August 31. Virginia taxable income for the applicable period is computed in accordance with § 58.1-361 of the Code of Virginia for the four, five or eight month period, as applicable.

3. If a fiduciary has any discretion in the distributing or accumulating distributable net income, the computation of 90% of the tax for purposes of subparagraphs 1.c and 1.d shall be based upon amounts actually distributed to the beneficiaries as of the applicable date.

VIRGINIA TAX BULLETIN

DEPARTMENT OF TAXATION

Virginia Tax Bulletin No. 88-1

DATE: March 15, 1988

SUBJECT: Interest Rates

State and certain local interest rates are subject to change every quarter. The rates for the second quarter of 1988 will be 9% for tax overpayments and 10% for tax underpayments. This is a change from the first quarter of 1988 when the rates were 10% for tax overpayments and 11% for tax underpayments.

Rate for Addition to Tax for Underpayments of Estimated Tax

Individuals: Tax returns for the calendar year 1987 are due on May 1, 1988. For the purpose of computing the addition to the tax for underpayment of Virginia estimated income taxes on Form 760C (for individuals) or Form 760F (for farmers and fishermen), the first quarter 11% rate will apply through the due date of the return, May 1, 1988.

Corporations: Tax returns for the calendar year 1987 are due on April 15, 1988. For the purpose of computing the addition to the tax for underpayment of Virginia estimated income taxes on Form 500C, the first quarter 11% rate will apply through the due date of the return, April 15, 1988.

Taxpayers whose taxable year ends on March 31, 1988: For the purpose of computing the addition to the tax for underpayment of Virginia estimated income taxes on Form 760C (for individuals), Form 760F (for farmers and fishermen) or Form 500C (for corporations), the second quarter 10% rate will apply through the due date of the return, July 15, 1988.

Local Tax

Localities assessing interest on delinquent taxes pursuant to Virginia Code § 58.1-3916 may impose interest at a rate not to exceed the underpayment rates which are in effect for the applicable quarters of the second and subsequent years of delinquency. For the second quarter of 1988, the underpayment rate is 10%. Localities which have provided for refund of erroneously assessed taxes may provide by ordinance that such refund be repaid with interest at a rate which does not exceed the rate imposed by the locality for delinquent taxes.

7/1/86 - 12/31/86	9%	9%
1/1/87 - 9/30/87	9%	8%
10/1/87 - 12/31/87	10%	9%
1/1/88 - 3/31/88	11%	10%
4/1/88 - 6/30/88	10%	9%

Questions about interest rates may be directed to the Taxpayer Assistance Section, Office Services Division, Virginia Department of Taxation, P.O. Box 6-L, Richmond, Virginia 23282, or (804) 367-8031 (Individual) or (804) 367-8036 (Corporation).

Recent Interest Rates

Period	Rate for Underpayment (Assessments)	Rate for Overpayment (Refunds)
7/1/83 - 12/31/84	11%	11%
1/1/85 - 6/30/85	13%	13%
7/1/85 - 12/31/85	11%	11%
1/1/86 - 6/30/86	10%	10%

TABLE OF PRO RATA FACTORS FOR COMPUTING DAILY INTEREST
AT 09% PER ANNUM FOR A 366-DAY YEAR

1	.00025	51	.01254	101	.02484	151	.03713
2	.00049	52	.01279	102	.02508	152	.03738
3	.00074	53	.01303	103	.02533	153	.03762
4	.00098	54	.01328	104	.02557	154	.03787
5	.00123	55	.01352	105	.02582	155	.03811
6	.00148	56	.01377	106	.02607	156	.03836
7	.00172	57	.01402	107	.02631	157	.03861
8	.00197	58	.01426	108	.02656	158	.03885
9	.00221	59	.01451	109	.02680	159	.03910
10	.00246	60	.01475	110	.02705	160	.03934
11	.00270	61	.01500	111	.02730	161	.03959
12	.00295	62	.01525	112	.02754	162	.03984
13	.00320	63	.01549	113	.02779	163	.04008
14	.00344	64	.01574	114	.02803	164	.04033
15	.00369	65	.01598	115	.02828	165	.04057
16	.00393	66	.01623	116	.02852	166	.04082
17	.00418	67	.01648	117	.02877	167	.04107
18	.00443	68	.01672	118	.02902	168	.04131
19	.00467	69	.01697	119	.02926	169	.04156
20	.00492	70	.01721	120	.02951	170	.04180
21	.00516	71	.01746	121	.02975	171	.04205
22	.00541	72	.01770	122	.03000	172	.04230
23	.00566	73	.01795	123	.03025	173	.04254
24	.00590	74	.01820	124	.03049	174	.04279
25	.00615	75	.01844	125	.03074	175	.04303
26	.00639	76	.01869	126	.03098	176	.04328
27	.00664	77	.01893	127	.03123	177	.04352
28	.00689	78	.01918	128	.03148	178	.04377
29	.00713	79	.01943	129	.03172	179	.04402
30	.00738	80	.01967	130	.03197	180	.04426
31	.00762	81	.01992	131	.03221	181	.04451
32	.00787	82	.02016	132	.03246	182	.04475
33	.00811	83	.02041	133	.03270	183	.04500
34	.00836	84	.02066	134	.03295	184	.04525
35	.00861	85	.02090	135	.03320	185	.04549
36	.00885	86	.02115	136	.03344	186	.04574
37	.00910	87	.02139	137	.03369	187	.04598
38	.00934	88	.02164	138	.03393	188	.04623
39	.00959	89	.02189	139	.03418	189	.04648
40	.00984	90	.02213	140	.03443	190	.04672
41	.01008	91	.02238	141	.03467	191	.04697
42	.01033	92	.02262	142	.03492	192	.04721
43	.01057	93	.02287	143	.03516	193	.04746
44	.01082	94	.02311	144	.03541	194	.04770
45	.01107	95	.02336	145	.03566	195	.04795
46	.01131	96	.02361	146	.03590	196	.04820
47	.01156	97	.02385	147	.03615	197	.04844
48	.01180	98	.02410	148	.03639	198	.04869
49	.01205	99	.02434	149	.03664	199	.04893
50	.01230	100	.02459	150	.03689	200	.04918

TABLE OF PRO RATA FACTORS FOR COMPUTING DAILY INTEREST
AT 9% PER ANNUM FOR A 366-DAY YEAR

201	.04943	251	.06172	301	.07402	351	.08631
202	.04967	252	.06197	302	.07426	352	.08656
203	.04992	253	.06221	303	.07451	353	.08680
204	.05016	254	.06246	304	.07475	354	.08705
205	.05041	255	.06270	305	.07500	355	.08730
206	.05066	256	.06295	306	.07525	356	.08754
207	.05090	257	.06320	307	.07549	357	.08779
208	.05115	258	.06344	308	.07574	358	.08803
209	.05139	259	.06369	309	.07598	359	.08828
210	.05164	260	.06393	310	.07623	360	.08852
211	.05189	261	.06418	311	.07648	361	.08877
212	.05213	262	.06443	312	.07672	362	.08902
213	.05238	263	.06467	313	.07697	363	.08926
214	.05262	264	.06492	314	.07721	364	.08951
215	.05287	265	.06516	315	.07746	365	.08975
216	.05311	266	.06541	316	.07770	366	.09000
217	.05336	267	.06566	317	.07795		
218	.05361	268	.06590	318	.07820		
219	.05385	269	.06615	319	.07844		
220	.05410	270	.06639	320	.07869		
221	.05434	271	.06664	321	.07893		
222	.05459	272	.06689	322	.07918		
223	.05484	273	.06713	323	.07943		
224	.05508	274	.06738	324	.07967		
225	.05533	275	.06762	325	.07992		
226	.05557	276	.06787	326	.08016		
227	.05582	277	.06811	327	.08041		
228	.05607	278	.06836	328	.08066		
229	.05631	279	.06861	329	.08090		
230	.05656	280	.06885	330	.08115		
231	.05680	281	.06910	331	.08139		
232	.05705	282	.06934	332	.08164		
233	.05730	283	.06959	333	.08189		
234	.05754	284	.06984	334	.08213		
235	.05779	285	.07008	335	.08238		
236	.05803	286	.07033	336	.08262		
237	.05828	287	.07057	337	.08287		
238	.05852	288	.07082	338	.08311		
239	.05877	289	.07107	339	.08336		
240	.05902	290	.07131	340	.08361		
241	.05926	291	.07156	341	.08385		
242	.05951	292	.07180	342	.08410		
243	.05975	293	.07205	343	.08434		
244	.06000	294	.07230	344	.08459		
245	.06025	295	.07254	345	.08484		
246	.06049	296	.07279	346	.08508		
247	.06074	297	.07303	347	.08533		
248	.06098	298	.07328	348	.08557		
249	.06123	299	.07352	349	.08582		
250	.06148	300	.07377	350	.08607		

TABLE OF PRO RATA FACTORS FOR COMPUTING DAILY INTEREST
AT 10% PER ANNUM FOR A 366-DAY YEAR

1	.00027	51	.01393	101	.02760	151	.04126
2	.00055	52	.01421	102	.02787	152	.04153
3	.00082	53	.01448	103	.02814	153	.04180
4	.00109	54	.01475	104	.02842	154	.04208
5	.00137	55	.01503	105	.02869	155	.04235
6	.00164	56	.01530	106	.02896	156	.04262
7	.00191	57	.01557	107	.02923	157	.04290
8	.00219	58	.01585	108	.02951	158	.04317
9	.00246	59	.01612	109	.02978	159	.04344
10	.00273	60	.01639	110	.03005	160	.04372
11	.00301	61	.01667	111	.03033	161	.04399
12	.00328	62	.01694	112	.03060	162	.04426
13	.00355	63	.01721	113	.03087	163	.04454
14	.00383	64	.01749	114	.03115	164	.04481
15	.00410	65	.01776	115	.03142	165	.04508
16	.00437	66	.01803	116	.03169	166	.04536
17	.00464	67	.01831	117	.03197	167	.04563
18	.00492	68	.01858	118	.03224	168	.04590
19	.00519	69	.01885	119	.03251	169	.04617
20	.00546	70	.01913	120	.03279	170	.04645
21	.00574	71	.01940	121	.03306	171	.04672
22	.00601	72	.01967	122	.03333	172	.04699
23	.00628	73	.01995	123	.03361	173	.04727
24	.00656	74	.02022	124	.03388	174	.04754
25	.00683	75	.02049	125	.03415	175	.04781
26	.00710	76	.02077	126	.03443	176	.04809
27	.00738	77	.02104	127	.03470	177	.04836
28	.00765	78	.02131	128	.03497	178	.04863
29	.00792	79	.02158	129	.03525	179	.04891
30	.00820	80	.02186	130	.03552	180	.04918
31	.00847	81	.02213	131	.03579	181	.04945
32	.00874	82	.02240	132	.03607	182	.04973
33	.00902	83	.02268	133	.03634	183	.05000
34	.00929	84	.02295	134	.03661	184	.05027
35	.00956	85	.02322	135	.03689	185	.05055
36	.00984	86	.02350	136	.03716	186	.05082
37	.01011	87	.02377	137	.03743	187	.05109
38	.01038	88	.02404	138	.03770	188	.05137
39	.01066	89	.02432	139	.03798	189	.05164
40	.01093	90	.02459	140	.03825	190	.05191
41	.01120	91	.02486	141	.03852	191	.05219
42	.01148	92	.02514	142	.03880	192	.05246
43	.01175	93	.02541	143	.03907	193	.05273
44	.01202	94	.02568	144	.03934	194	.05301
45	.01230	95	.02596	145	.03962	195	.05328
46	.01257	96	.02623	146	.03989	196	.05355
47	.01284	97	.02650	147	.04016	197	.05383
48	.01311	98	.02678	148	.04044	198	.05410
49	.01339	99	.02705	149	.04071	199	.05437
50	.01366	100	.02732	150	.04098	200	.05464

Virginia Tax Bulletin

TABLE OF PRO RATA FACTORS FOR COMPUTING DAILY INTEREST
AT 10% PER ANNUM FOR A 366-DAY YEAR

201	.05492	251	.06858	301	.08224	351	.09590
202	.05519	252	.06885	302	.08251	352	.09617
203	.05546	253	.06913	303	.08279	353	.09645
204	.05574	254	.06940	304	.08306	354	.09672
205	.05601	255	.06967	305	.08333	355	.09699
206	.05628	256	.06995	306	.08361	356	.09727
207	.05656	257	.07022	307	.08388	357	.09754
208	.05683	258	.07049	308	.08415	358	.09781
209	.05710	259	.07077	309	.08443	359	.09809
210	.05738	260	.07104	310	.08470	360	.09836
211	.05765	261	.07131	311	.08497	361	.09863
212	.05792	262	.07158	312	.08525	362	.09891
213	.05820	263	.07186	313	.08552	363	.09918
214	.05847	264	.07213	314	.08579	364	.09945
215	.05874	265	.07240	315	.08607	365	.09973
216	.05902	266	.07268	316	.08634	366	.10000
217	.05929	267	.07295	317	.08661		
218	.05956	268	.07322	318	.08689		
219	.05984	269	.07350	319	.08716		
220	.06011	270	.07377	320	.08743		
221	.06038	271	.07404	321	.08770		
222	.06066	272	.07432	322	.08798		
223	.06093	273	.07459	323	.08825		
224	.06120	274	.07486	324	.08852		
225	.06148	275	.07514	325	.08880		
226	.06175	276	.07541	326	.08907		
227	.06202	277	.07568	327	.08934		
228	.06230	278	.07596	328	.08962		
229	.06257	279	.07623	329	.08989		
230	.06284	280	.07650	330	.09016		
231	.06311	281	.07678	331	.09044		
232	.06339	282	.07705	332	.09071		
233	.06366	283	.07732	333	.09098		
234	.06393	284	.07760	334	.09126		
235	.06421	285	.07787	335	.09153		
236	.06448	286	.07814	336	.09180		
237	.06475	287	.07842	337	.09208		
238	.06503	288	.07869	338	.09235		
239	.06530	289	.07896	339	.09262		
240	.06557	290	.07923	340	.09290		
241	.06585	291	.07951	341	.09317		
242	.06612	292	.07978	342	.09344		
243	.06639	293	.08005	343	.09372		
244	.06667	294	.08033	344	.09399		
245	.06694	295	.08060	345	.09426		
246	.06721	296	.08087	346	.09454		
247	.06749	297	.08115	347	.09481		
248	.06776	298	.08142	348	.09508		
249	.06803	299	.08169	349	.09536		
250	.06831	300	.08197	350	.09563		

STATE CORPORATION COMMISSION

BUREAU OF INSURANCE

January 15, 1988

Administrative Letter 1988-1

MEMORANDUM

TO: All Persons Licensed as Surplus Lines Brokers in Virginia.

RE: Gross Premiums Tax Report - Calendar Year 1987 Application for License.

ON OR BEFORE MARCH 1, 1988, every person who held a license as a Surplus Lines Broker in the preceding calendar year must file a "Gross Premiums Tax Report" on business transacted during the preceding calendar year and must pay the applicable premium taxes and/or assessment. Failure to file and/or pay on or before March 1st will subject you to the penalties prescribed by law.

The Bureau has made some minor changes on the Gross Premiums Tax Report form (SLB-7). The information requested in the form is presented in a different order to facilitate data entry. Also enclosed are revised SLB-7a (Monthly Gross Premiums), SLB-8 Part 1 (Annual Gross Premiums), and SLB-11 Part 1 (Quarterly Gross Premiums) forms which have been reduced in size for ease in handling. Please use the revised SLB-7 and SLB-8 Part 1 forms in reporting taxes this year, and begin using revised SLB-7a and SLB-11 Part 1 forms in future monthly and quarterly tax reporting.

In addition to the forms pertaining to your filing of the "Gross Premiums Tax Report," enclosed are the necessary forms to apply for renewal of your license as a Surplus Lines Broker, which expires March 15, 1988. To assure that a lapse in licensing does not occur, the application, fee remittance, bond, affidavit and acknowledgements, all properly completed, must be received by the Bureau of Insurance at the earliest possible moment, but in any event, prior to March 15, 1988.

PLEASE OBSERVE THE FOLLOWING INSTRUCTIONS IN COMPLETING THE ENCLOSED "GROSS PREMIUMS TAX REPORT" FORMS:

1. ALL FORMS MUST BE COMPLETED AND FILED WHETHER OR NOT YOU TRANSACTED BUSINESS IN THE PRECEDING CALENDAR YEAR. PER THE ATTACHED ORDER, THE 1988 ASSESSMENT IS SEVEN HUNDREDTH'S OF ONE PERCENT OF THE GROSS PREMIUMS SUBJECT TO A \$300.00 MINIMUM. THE ASSESSMENT IS DUE WITH YOUR TAX PAYMENT AND IS APPLICABLE IN ALL CASES IF THE LICENSE WAS IN EFFECT JANUARY 1, 1988.

2. REPORT PREMIUMS ACCURATELY AS FOLLOWS:

a. INITIAL GROSS PREMIUMS taken from monthly reports on Forms SLB-7a or SLB-5b (must agree with premiums on original affidavits). If "NIL," so state. Please note that either legible copies of the previously filed monthly reports, or a summary for all policies using Form SLB-8 Part 1, must be attached.

b. ADDITIONAL PREMIUMS BY ENDORSEMENTS AND AUDITS form SLB-8 Part 2. If "NIL," so state.

c. RETURN PREMIUMS BY ENDORSEMENTS, AUDITS, CANCELLATIONS Form SLB-8 Part 3. If "NIL," so state.

3. ENTER TOTALS FROM FORMS SLB-7a, SLB-5b, or SLB-8 PART 1, SLB-8 PART 2 AND SLB-8 PART 3 to FORM SLB-7, EXECUTE FORM SLB-7 BEFORE A NOTARY PUBLIC.

4. INCLUDE YOUR REMITTANCE FOR THE TAXES AND ASSESSMENT WITH THE REPORT.

Please direct any questions you might have to Jerry Lathrop at (804) 786-6099 or in Virginia only 1-800-552-7945.

/s/ Steven T. Foster, Commissioner of Insurance

* * *

AT RICHMOND, December 21, 1987

COMMONWEALTH OF VIRGINIA

At the relation of the

STATE CORPORATION COMMISSION

CASE NO. INS870404

Ex Parte, in re: Assessment upon certain companies and surplus lines brokers to pay the expense of maintaining the Bureau of Insurance for the calendar year 1988

ASSESSMENT ORDER

Pursuant to Virginia Code §§ 38.2-400 and 38.2-403,

IT IS ORDERED that there be assessed, for the calendar year 1988, upon each company and surplus lines broker subject to Title 38.2 of the Code of Virginia, except premium finance companies and providers of continuing care registered pursuant to Chapter 49 of Title 38.2 of the Code of Virginia, the greater of (i) \$300 or (ii) in proportion to its direct gross premium income on business done in this Commonwealth during the calendar year 1987, a sum equal to seven hundredths of one percent of such direct gross premium income as its just share of the expense of maintaining the Bureau of Insurance of the State Corporation Commission.

State Corporation Commission

AN ATTESTED COPY hereof shall be sent by the Clerk of the Commission to the Bureau of Insurance in care of Deputy Commissioner David S. Bordner who shall forthwith cause a copy thereof to be furnished to each such company and surplus lines broker as notice of the aforesaid assessment as required by Virginia Code § 38.2-403; and Welton H. Jones Jr., Fiscal Director, State Corporation Commission.

VIRGINIA
FORM SLB-1
(REV. 5/87)

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION
BUREAU OF INSURANCE
Richmond, Virginia

APPLICATION FOR LICENSE
AS SURPLUS LINES BROKER

TO: STATE CORPORATION COMMISSION, BUREAU OF INSURANCE, RICHMOND, VIRGINIA

The undersigned applicant who is currently licensed as a Property & Casualty Agent in the Commonwealth of Virginia hereby applies for a license as a Surplus Lines Broker under the provisions of Chapter 48, Title 38.2 of the Code of Virginia and the Commission's Rules Governing Surplus Lines Insurance (Regulation 25), for the term expiring on the 15th day of March next succeeding the license issue date.

Remittance of (\$50.00) (\$25.00) is submitted herewith to cover the required license fee. (If license application is filed on or before September 15, the license fee is \$50.00; if filed after September 15, the license fee is \$25.00).

The applicant submits the following statements and answers in support of this application:

- Name of Applicant _____ IRS # _____
Tel No. () _____
- Business Address _____
(Street Number) _____
(Town or City) _____ (State) _____ (Zip Code) _____
() Individual
() Partnership
() Corporation
- Residence Address (if applicant is an INDIVIDUAL)

(Street Number) _____ (Town or City) _____ (State) _____ (Zip Code) _____
- Active Members (if applicant is a PARTNERSHIP or a CORPORATION)
NOTE: Individuals to act for partnership or corporation in the transaction of insurance under authority of license applied for - limited to partners, officers, directors, or employees of applicant, each of whom is individually licensed as a Property and Casualty Insurance Agent as defined in Section 38.2-1800 of the Code of Virginia.

NAME	SS#	TITLE	RESIDENCE ADDRESS

VIRGINIA
FORM SLB-1
(continued)

STATE OF VIRGINIA)
County (City) of _____) To-Wit:

This day _____ personally appeared
(Name of individual Surplus Lines Broker)

before me in the County (City) aforesaid, and verified that the foregoing answers and declarations given in this application are true and correct.

Given under my hand this _____ day of _____, 19 _____.

(Notary Public)

My commission expires _____.

STATE OF VIRGINIA)
County (City) of _____) To-Wit:

This day _____ of _____
(Name of authorized individual)

(Name of Corporation or Partnership)

personally appeared before me in the County (City) aforesaid, and verified that the foregoing answers and declarations given in this application are true and correct.

Given under my hand this _____ day of _____, 19 _____.

(Notary Public)

My commission expires _____.

VIRGINIA
FORM SLB-2
(REV. 5/87)

BOND FOR SURPLUS LINES INSURANCE BROKER
(To comply with Section 38.2-4804 of the Code of Virginia)

KNOW ALL MEN BY THESE PRESENTS, That _____ of _____ as Principal, and the _____ Company, a corporation organized and existing under the laws of the State of _____, and authorized to do business in the Commonwealth of Virginia, as Surety, are held and firmly bound unto the COMMONWEALTH OF VIRGINIA in the penal sum of TWENTY-FIVE THOUSAND DOLLARS (\$25,000) for the payment of which, well and truly to be made, we, and each of us, bind ourselves, our heirs, successors and assigns, jointly and severally, firmly by these presents.

SIGNED, SEALED, AND DATED THIS _____ day of _____, 19__.

THE CONDITION OF THIS OBLIGATION IS SUCH THAT:

WHEREAS, the said Principal has applied to the State Corporation Commission of the Commonwealth of Virginia for a license to act as a Surplus Lines Broker pursuant to Chapter 48, Title 38.2 of the Code of Virginia and, in accordance with Section 38.2-4804 thereof, is required to give a corporate surety bond unto the COMMONWEALTH OF VIRGINIA in the penal sum of TWENTY-FIVE THOUSAND DOLLARS (\$25,000);

NOW THEREFORE, the condition of this obligation is such that if the said Principal shall conduct business under said license in accordance with the provisions of the laws and regulations of the Commonwealth of Virginia pertaining to Surplus Lines Brokers, and, further, shall promptly remit the taxes and assessments provided by such laws and regulations, then this obligation shall be null and void; otherwise, to remain in full force and effect;

PROVIDED, this bond shall cover the acts of the Principal during the period beginning on the date such license becomes effective and ending on the fifteenth day of March next succeeding; and in no event shall the Surety's aggregate liability hereunder for all losses exceed the penal sum of TWENTY-FIVE THOUSAND DOLLARS (\$25,000);

PROVIDED FURTHER, the Surety may be released from liability for future breaches of the conditions of this bond only after thirty days have elapsed from the giving of written notice to the State Corporation Commission of the Commonwealth of Virginia of its desire to be so released;

IN WITNESS WHEREOF, the said Principal has caused these presents to be signed and the said Surety has caused these presents to be signed by its duly authorized officer or Attorney-in-Fact and its corporate seal affixed on the day and year first written above.

(Principal)

BY _____
(If Principal is Partnership or Corporation)

(SEAL OF SURETY)

TITLE _____

(Surety)

BY _____
(Officer or Attorney-in-Fact)

VIRGINIA
FORM SLB-2a
(REV. 5/87)

**ACKNOWLEDGMENT OF PRINCIPAL
(INDIVIDUAL OR PARTNERSHIP)**

STATE OF VIRGINIA
CITY (COUNTY) OF _____, to wit:

I, _____, a Notary Public in and for the City (County) aforesaid, in the State of Virginia, do certify that _____

whose name or names is or are signed to Virginia Form SLB-2 bearing date on the _____ day of _____, 19__, personally appeared before me and acknowledged the same.

My term of office expires on the _____ day of _____, 19__.

Given under my hand this _____ day of _____, 19__.

Notary Public

AFFIDAVIT AND ACKNOWLEDGMENT OF SURETY

STATE OF VIRGINIA
CITY (COUNTY) OF _____, to wit:

I, _____, a Notary Public in and for the City (County) aforesaid, in the State of Virginia, do certify that _____ personally appeared before me and made oath that he is _____ of the _____; that he is duly authorized to execute the foregoing bond by virtue of a certain power of attorney of said company, dated _____ and recorded in the Clerk's office of the _____ of _____, in Deed Book No. _____, page _____; that said power of attorney has not been revoked; that the said company has complied with all the requirements of law regulating the admission of such companies to transact business in the State of Virginia; that the said company holds a license authorizing it to do business in the State of Virginia; that it has a surplus to policyholders of \$ _____; that the penalty of the foregoing bond is not in excess of ten per centum of said sum; that the said company is not by said bond incurring in the aggregate on behalf or on account of the principal named in said bond a liability for an amount larger than one-tenth of its surplus to policyholders; that the said company is solvent and fully able to meet promptly all of its obligations, and the said _____ thereupon, in the name and on behalf of the said company, acknowledging the foregoing writing as its act and deed.

My term of office expires on the _____ day of _____, 19__.

Given under my hand this _____ day of _____, 19__.

Notary Public

VIRGINIA FORM SLB-2b (REV. 5/87)

ACKNOWLEDGMENT OF PRINCIPAL (CORPORATIONS ONLY)

STATE OF VIRGINIA CITY (COUNTY) OF _____, to wit:

I, _____, a Notary Public in and for the City (County) aforesaid, in the State of Virginia, do certify that _____ appeared before me personally on the _____ day of _____, 19____ and, being duly sworn by me, deposed and stated that he resides in _____; that he is the _____ of the _____, the corporation described in and which executed Virginia Form SLB-2; and that he signed his name thereto by like order.

I further certify that my term of office expires on the _____ day of _____, 19____.

Given under my hand this _____ day of _____, 19____.

(Notary Public)

AFFIDAVIT AND ACKNOWLEDGMENT OF SURETY

STATE OF VIRGINIA CITY (COUNTY) OF _____, to wit:

I, _____, a Notary Public in and for the City (County) aforesaid, in the State of Virginia, do certify that _____ personally appeared before me and made oath that he is _____ of the _____; that he is duly authorized to execute the foregoing bond by virtue of a certain power of attorney of said company, dated _____, and recorded in the Clerk's office of the _____, in Deed Book No. _____, page _____; that said power of attorney has not been revoked; that the said company has complied with all the requirements of law regulating the admission of such companies to transact business in the State of Virginia; that the said company holds a license authorizing it to do business in the State of Virginia; that it has a surplus to policyholders of \$ _____; that the penalty of the foregoing bond is not in excess of ten per centum of said sum; that the said company is not by said bond incurring in the aggregate on behalf or on account of the principal named in said bond a liability for an amount larger than one-tenth of its surplus to policyholders; that the said company is solvent and fully able to meet promptly all of its obligations, and the said _____ thereupon, in the name and on behalf of the said company, acknowledging the foregoing writing as its act and deed.

My term of office expires on the _____ day of _____, 19____.

Given under my hand this _____ day of _____, 19____.

Notary Public

VIRGINIA FORM SLB-7 (REV. 12/87)

COMMONWEALTH OF VIRGINIA STATE CORPORATION COMMISSION BUREAU OF INSURANCE Richmond, Virginia 23209

SURPLUS LINES BROKER'S

ANNUAL GROSS PREMIUMS TAX REPORT

Year ended December 31, 19____.

(Surplus Lines Broker)

(Address)

TO: STATE CORPORATION COMMISSION, BUREAU OF INSURANCE, Richmond, Virginia

In compliance with §§ 38.2-4807 and 38.2-4808 of the Code of Virginia, following is a report of ALL GROSS PREMIUMS, ASSESSMENTS, DUES AND FRES charged on contracts of insurance effected in unlicensed insurers on Virginia risks by the undersigned. This report also includes details of all additional and return premiums on such business.

Table with 2 columns: Description and Amount. Rows include: 1. GROSS PREMIUMS (SLB-8, Part 1, attached, or Monthly Reports attached) \$; 2. ADDITIONAL PREMIUMS (See Form SLB-8, Part 2, attached) \$; 3. Less: RETURN PREMIUMS (See Form SLB-8, Part 3, attached) \$; 4. BALANCE (Taxable Premium Income) \$; 5. Premium Tax (2 3/4% of BALANCE, Line 4) \$; 6. Less: QUARTERLY AMOUNT(S) PREVIOUSLY PAID (if any) \$; 7. TOTAL TAX AMOUNT DUE \$; 8. Assessment for Maintenance of Bureau of Insurance (based upon Taxable Premium (Line 4) at 7/100ths of 1% subject to minimum of \$300.00) \$; 9. BALANCE DUE (Lines 7 & 8) AND CHECK MADE PAYABLE TO THE TREASURER OF VIRGINIA ATTACHED \$; 10. RETURN DUE IF LINE 6 IS GREATER THAN LINE 7 \$.

(Date)

By _____

(Title)

(over)

BUREAU OF INSURANCE

January 26, 1988

Administrative Letter 1988-2

TO: All Companies Licensed to Write Commercial Liability Insurance.

RE: Report of Certain Liability Claims as Required by Virginia Code Section 38.2-2228.1.

In response to concerns about the commercial general liability insurance market, the 1987 General Assembly enacted legislation to require additional data to be reported by each insurance company writing commercial liability insurance as defined in §§ 38.2-117 (Personal injury liability) and 38.2-118 (Property damage liability). To collect the data required by this legislation, the State Corporation Commission Bureau of Insurance has developed the attached market definitions and reporting formats that each insurer is required to complete. A separate report is required for each of the market definitions attached. These reports are due September 1, 1988.

The current law provides that each insurer must report the data requested. This prohibits combined reports by groups of insurance companies under common ownership, management, or control. It also does not allow the exemption of any company, regardless of the size or nature of their premium writings. We are recommending that the 1988 Virginia General Assembly modify the Code to allow group reports, and to allow that certain small premium companies be exempted from supplying the reports, unless specifically requested by the State Corporation Commission. We will advise all companies of any change in the Code that affects the completion of the required reports.

Insurers should report data in the greatest detail prescribed by the report formats. If an insurer cannot report the data requested, a complete explanation must accompany the report detailing why limited data is being provided.

The market definitions provided are to be used as a guide in defining specific markets which are required to be reported. Companies should also report the required information for policies written under any comparable classification in use by the individual company.

Companies and statistical agents should contact Jan Fatouros (804) 786-4418 at the State Corporation Commission for details regarding the computerized transmission of the reports to the Bureau of Insurance. While the receipt of computerized reports is preferred, manual reports will be accepted.

Actuarial questions about the report may be addressed to our consulting actuary at the following address:

Denis R. Hanry, FCAS, MAAA
Huggins Financial Services, Inc.
229 South 18th Street
Philadelphia, PA 19103
(215) 875-2837

/s/ Steven T. Foster, Commissioner of Insurance

* * *

VIRGINIA LIABILITY CLAIMS REPORT
DEFINITIONS

Calendar Year Earned Premium (# 2)

Report premium that is earned during the Calendar year beginning January 1st and ending December 31st for each year.

Incurred But Not Reported (IBNR) Loss and Allocated Loss Adjustment Expenses

Report IBNR loss and allocated loss adjustment expense reserves segregated by year of accident or occurrence at annual intervals for each accident year. IBNR is the amount held in reserve for claims which have occurred, but have not yet been reported, plus the amount held in reserve for the deficiency (or redundancy) of known case reserves. It is the estimated ultimate incurred loss and allocated loss adjustment expenses for each accident year as of the particular evaluation date minus the incurred loss and allocated loss adjustment expenses for all reported accidents as of the particular evaluation date.

Evaluation Dates

Report data on a cumulative basis for the evaluation points indicated up to 120 months.

Market Definitions

The attached Insurance Services Office (ISO) Commercial Statistical Plan (CSP) subline and classification codes are to be used as a guide in defining specific markets which are required to be reported. Companies should also report the required premium and loss data written under any comparable classification in use by the individual company.

Attorney's Fees (# 3)

Attorney's fees are all expenses billed by an attorney to the insurer including hourly billings, expert or other witnesses, stenographic, summons and copies of documents.

Annual Report of Virginia Commercial Liability Claims
As Required by Section 38.2-2228.1 of the Code of Virginia

Insurer: _____ NAIC# _____
 Address: _____

This report is due September 1, 1988. For each type of coverage described in the Market Definitions attached, provide the information requested for the state of Virginia.

1. Type of coverage _____

	(\$000 omitted)						6 months
	<u>1981</u>	<u>1982</u>	<u>1983</u>	<u>1984</u>	<u>1985</u>	<u>1986</u>	<u>1987</u>
2. Calendar year earned premium	_____	_____	_____	_____	_____	_____	_____
3. Total amount of attorney's fees paid in connection with the claim(s) to the extent these amounts are known (evaluated as of 3/31/87 on an accident year basis)	_____	_____	_____	_____	_____	_____	XXX
4. Total amount of paid and outstanding unallocated loss adjustment expense in connection with the claim(s) to the extent these amounts are known (evaluated as of 3/31/87 on an accident year basis).	_____	_____	_____	_____	_____	_____	XXX

5. Signed: _____
 Telephone: _____
 Date: _____

6. Title: _____
 Print Name: _____

VCRI(1/13/88)

VIRGINIA LIABILITY CLAIMS REPORT
(\$000 omitted)

Insurer
NAIC#

7. Type of coverage:
(from #1 on page 1)

8. For accident years beginning with 1979, list the cumulative paid loss and allocated loss adjustment expense at the various points in time.

PAID LOSS AND ALLOCATED LOSS ADJUSTMENT EXPENSES EVALIATED AS OF:

Accident Year	6 Mos	12	15	18	21	24	27	30	33	36	39	42	45	48	51	54	57	60	63	66	69	72	75	78	81	84	87	90	93	96	99	102	105	108				
1979	XXX	XXX	XXX	XXX	XXX																																	
1980	XXX																																					
1981	XXX																																					
1982	XXX																																					
1983	XXX																																					
1984	XXX																																					
1985	XXX																																					
1986	XXX																																					
1987																																						

9. For accident years beginning with 1979, list the case outstanding loss and allocated loss adjustment expense (excluding IBNR) at the various points in time.

CASE OUTSTANDING LOSS AND ALLOCATED LOSS ADJUSTMENT EXPENSES EVALIATED AS OF:

Accident Year	6 Mos	12	15	18	21	24	27	30	33	36	39	42	45	48	51	54	57	60	63	66	69	72	75	78	81	84	87	90	93	96	99	102	105	108				
1979	XXX	XXX	XXX	XXX	XXX																																	
1980	XXX																																					
1981	XXX																																					
1982	XXX																																					
1983	XXX																																					
1984	XXX																																					
1985	XXX																																					
1986	XXX																																					
1987																																						

VCR2(11/19/87)

VIRGINIA LIABILITY CLAIMS REPORT
(\$000 omitted)

Insurer
NAIC#

10. Type of coverage:
(from #1 on page 1)

11. For accident years beginning with 1979, list the cumulative incurred loss and allocated loss adjustment expense at (excluding IBNR) the various points in time.
(sum of 8 and 9)

INCURRED LOSS AND ALLOCATED LOSS ADJUSTMENT EXPENSES EVALUATED AS OF:

Accident Year	6 Mos	12	15	18	21	24	27	30	33	36	39	42	45	48	51	54	57	60	63	66	69	72	75	78	81	84	87	90	93	96	99	102	105	108				
1979	XXX	XXX	XXX	XXX	XXX																																	
1980	XXX																																					
1981	XXX																																					
1982	XXX																																					
1983	XXX																																					
1984	XXX																																					
1985	XXX																																					
1986	XXX																																					
1987																																						

12. For accident years beginning with 1979, list the cumulative number of incurred claims at the various points in time.

ACTUAL NUMBER OF INCURRED CLAIMS AS OF:

Accident Year	6 Mos	12	15	18	21	24	27	30	33	36	39	42	45	48	51	54	57	60	63	66	69	72	75	78	81	84	87	90	93	96	99	102	105	108					
1979	XXX	XXX	XXX	XXX	XXX																																		
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1983	XXX																																						
1984	XXX																																						
1985	XXX																																						
1986	XXX																																						
1987																																							

VCR3(11/19/87)

State Corporation Commission

VIRGINIA LIABILITY CLAIMS REPORT (\$000 omitted)

Insurer
NAIC#

13. Type of coverage:
(from #1 on page 1)

14. For accident years beginning with 1979, list the IBNR for loss and allocated loss adjustment expense for each evaluation.

INCURRED BUT NOT REPORTED (IBNR) LOSS AND ALLOCATED LOSS ADJUSTMENT EXPENSE EVALUATED AS OF:

Accident Year	12 Mos	24	36	48	60	72	84	96	108	120
1979	XXX									
1980										
1981										
1982										
1983										
1984										
1985										
1986										
1987										

VCR4(11/19/87)

Market Definitions

Market	Commercial Statistical Plan (CSP) Classes
OWNERS LANDLORDS AND TENANTS	All Subline 314 Classes
Municipal Liability	See Exhibit 1
Public School Liability	See Exhibit 2
Day Care Liability	See Exhibit 3
Recreational Liability	See Exhibit 4
Public Housing	See Exhibit 5
MANUFACTURERS AND CONTRACTORS LIABILITY	All Subline 313 Classes
Exterminators Liability	See Exhibit 6
Commercial Contracting Liability	See Exhibit 7
PREMISES/OPERATIONS LIABILITY	All Subline 334 Classes
Municipal Liability	See Exhibit 1
Public School Liability	See Exhibit 2
Day Care Liability	See Exhibit 3
Recreational Liability	See Exhibit 4
Exterminator Liability	See Exhibit 6
Commercial Contracting Liability	See Exhibit 7
Public Housing	See Exhibit 5
LIQUOR LIABILITY	All Subline 312 & 332 Classes
	See Exhibit 8
PROFESSIONAL LIABILITY OTHER THAN MEDICAL (Including Insurance Agents, Architects and Engineers, Real Estate Agents, and Lawyers)	All Subline 317 Classes
Lawyers Professional Liability	Classes 81113, 81114, 81220, 81330, 81400 and 81420
Pollution/Environmental Impairment Liability	
POLLUTION/ENVIRONMENTAL IMPAIRMENT LIABILITY	See Exhibit 9
PRODUCTS AND COMPLETED OPERATIONS LIABILITY	All Subline 316 and 336 Classes
CONTRACTUAL LIABILITY	All Subline 311 Classes
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY	All Subline 315 and 335 Classes
COMMERCIAL UMBRELLA LIABILITY	All Classes
MEDICAL PROFESSIONAL LIABILITY	All Subline 210, 220, 230 and 240 Classes
DIRECTORS AND OFFICERS LIABILITY	All Classes including for-profit and not-for-profit organizations
LAW ENFORCEMENT AGENCIES LIABILITY	See Exhibit 10

Exhibit 1

MUNICIPAL LIABILITY		Commercial Statistical Plan (CSP) Classes	
GOVERNMENTAL SUBDIVISIONS - NOT STATE OR FEDERAL			
Municipalities (including boroughs, cities, towns, townships, etc.)			
Class Code		Subline 314 Classes	
Old	New	Population	Exposure Base
91250	44100	Under 2,500	Total Operating Expenditures
91251	44101	2,501 - 10,000	Total Operating Expenditures
91252	44102	10,001 - 25,000	Total Operating Expenditures
91253	44103	25,001 - 50,000	Total Operating Expenditures
91254	44104	50,001 - 100,000	Total Operating Expenditures
91255	44105	100,001 - 250,000	Total Operating Expenditures
91256	44106	Over 250,000	Total Operating Expenditures
91263	Included	Personal Injury Coverage	No Exposure
Counties or Parishes			
91257	44108	Under 10,000	Total Operating Expenditures
91258	44109	10,001 - 25,000	Total Operating Expenditures
91259	44110	25,001 - 50,000	Total Operating Expenditures
91260	44111	50,001 - 100,000	Total Operating Expenditures
91261	44112	100,001 - 250,000	Total Operating Expenditures
91262	44113	Over 250,000	Total Operating Expenditures
91263	Included	Personal Injury Coverage	No Exposure

"Total Operating Expenditures" defined as total expenditures (including grants, entitlements and shared revenue) without regard to source of revenue during the policy period, including accounts payable and excluding:

- (a) Capital improvements
- (b) Expenditures for independent contractors operations
- (c) Welfare benefits (not administrative costs)
- (d) Expenditures on the following exposures which are separately classified and rated:

- Amusement parks
- Exhibition or convention buildings (including arenas and auditoriums)
- Dams, levees or dikes - existence hazard
- Golf courses
- Housing projects - e.g., urban development and public housing
- Lakes or reservoirs - existence hazard
- Medical care facilities - e.g., hospitals, clinics and sanitariums
- Penal institutions, jails - e.g., correctional institutions
- Schools or colleges
- Ski facilities
- Stadiums, bleachers or grandstands with total seating capacity in excess of 5,000
- Streets, roads, highways or bridges - existence hazard only for "old" and existence and maintenance hazard for "new"

Exhibit 1

Page 2

MUNICIPAL LIABILITY

OTHER GOVERNMENTAL SUBDIVISION CLASSES (A)

- Street, road, highway or bridge construction
- Transportation systems, facilities and services including airports, bus systems or other transit facilities such as subways and aircraft
- Utilities - electric, gas, water, steam
- Wharves, piers, docks, marinas and watercraft
- Zoos

<u>Class Code</u>		<u>Description</u>	<u>Exposure Base</u>
<u>Old</u>	<u>New</u>		
93050	93050	Governmental Composite Rate Risks	No Exposure
<u>Streets, Roads, Highways or Bridges (B)</u>			
93151		Streets, Roads or Highways - with or without sidewalks - including bridges and culverts but excluding toll bridges and drawbridges - existence hazard only (excluding New York)	Number of Miles
	48727	Streets, Roads, Highways or Bridges - existence and maintenance hazard only	Number of Miles

- (A) The data reported for these classes reflect primarily governmental exposure.
 (B) Separately rated classes for Governmental Subdivisions.

Exhibit 2

PUBLIC SCHOOL LIABILITY (A)

<u>Class Code</u>		<u>Description</u>	<u>Exposure Base</u>
<u>Old</u>	<u>New</u>		
<u>Schools - Public</u>			
82113		Schools - high or junior colleges - public - Not Otherwise Classified	Number of Pupils
	47473	Schools - public - high	Number of Pupils
93221		Schools - elementary, kindergarten, junior high - public	Number of Pupils
	47471	Schools - public - elementary, kindergarten, junior high	Number of Pupils
<u>Schools - Other Schools (B)</u>			
82420		Schools - manual training, trade, vocational - public or private	Number of Pupils
	47474	Schools - trade or vocational	Number of Pupils
82116		Schools - Not Otherwise Classified	Square Feet
	67507	Schools - Not otherwise Classified	Square Feet

- (A) Separately rated classes for Governmental Subdivisions.
 (B) To varying degrees, the data for these classes reflect both public and private exposure.

Exhibit 3

<u>Class Code</u>		<u>Description</u>	<u>Exposure Base</u>
<u>Old</u>	<u>New</u>		
DAYCARE LIABILITY			
82115		Day Nurseries	Square Feet
	41712	Day Care Centers	Square Feet
	41714	Day Care Centers	Number of Persons

Exhibit 4

<u>Class Code</u>		<u>Description</u>	<u>Exposure Base</u>
<u>Old</u>	<u>New</u>		
RECREATIONAL LIABILITY			
<u>Amusement Parks, Centers, Devices, etc.</u>			
	77110-135	Various Amusement Devices, Stands, Shows, etc.	Receipts
	77139	General Park Operations - Ground Hazard	Receipts
	77199	Amusement Parks, Centers Devices, etc. - Contingent Liability	Receipts
	79431	Penny Arcades and Shooting Galleries	Receipts
	79439	Hobby Horses or Rocket Ships - not on premises of insured or in amusement parks - coin operated	Receipts
	40039	Amusement Devices - operated in connection with carnivals or fairs	Gross Sales
	40040	Amusement Devices - Not Otherwise Classified	Gross Sales
	10020	Amusement Parks	Gross Sales
	10015	Amusement Centers	Gross Sales
<u>Animals</u>			
	47891	Animals - not saddle	Number of Animals
	79434	Animals - saddle - for hire	Number of Animals
	47893	Animals - saddle - private	Number of Animals
	40046	Animals - saddle - for rent	Number of Animals
	40047	Animals - saddle - private	Number of Animals

Exhibit 4
Page 2

RECREATIONAL LIABILITY

<u>Class Code</u>		<u>Description</u>	<u>Exposure Base</u>
<u>Old</u>	<u>New</u>		
79492		Archery Ranges Code 79492 also includes: "Golf Driving Ranges" and "Tennis, Handball or Shuffleboard Courts - operated for commercial purpose - not private or municipal"	Receipts
	10052	Archery Ranges - Indoor	Gross Sales
	10054	Archery Ranges - Not Otherwise Classified	Gross Sales
<u>Athletic Games, Teams, Programs, etc.</u>			
79422		Athletic Games Sponsored by the Insured - no admission other than for charitable purpose	Number of Games
79495		Athletic Games or Sports Contests - in buildings Code 79495 also includes: "Automobile Shows - in buildings", "Caves" and "Exhibitions in buildings"	Number of Admissions
79429		Athletic Teams - games away from premises operated by insured Code 79429 also includes: "Baseball Programs - Little League, Pony League, etc."	Number of Games
	40060	Athletic Games Sponsored by the Insured	Number of Games
	40062	Athletic Games or Sports Contests - in buildings - lessees	Number of Admissions
	40065	Athletic Programs - amateur	Number of Games

Exhibit 4
Page 3

RECREATIONAL LIABILITY

<u>Class Code</u>		<u>Description</u>	<u>Exposure Base</u>
<u>Old</u>	<u>New</u>		
	40069	Athletic Teams - professional or semi-professional	Number of Games
	72992	Awnings or Canopies - loaned or rented to others Code 72992 also includes: "Chairs Not Rolling Chairs - rented to others" and "Beach Chairs and Umbrellas - rented to others"	Receipts
	79411	Baseball Parks - operated by insured	Number of Admissions
	79436	Baseball Parks - operated by insured Code 79436 also includes: "Exhibition or Convention Buildings or Armories" and "Schools - Stadiums or Outdoor Grandstands or Bleachers"	Receipts
	79401	Sports Programs - Youth - Not Otherwise Classified	Number of Games
	47894	Teams - Not Otherwise Classified	Number of Team Months
<hr/>			
	79426	Bazaars - operated by the insured	No Exposure
	10131	Bazaars - operated by the insured	Gross Sales
<u>Beaches, Baths, Swimming Pools, etc.</u>			
	79493	Bathhouses or Bathing Pavilions	Receipts
	10120	Bathhouses or Bathing Pavilions	Gross Sales
	80927	Baths - Not Otherwise Classified	Gross Sales
	47420	Saunas & Baths - public	Gross Sales

Exhibit 4
Page 4

RECREATIONAL LIABILITY

<u>Class Code</u>		<u>Description</u>	<u>Exposure Base</u>
<u>Old</u>	<u>New</u>		
	10133	Beach Chairs and Umbrellas - rented to others	Gross Sales
79306		Private Beaches - not swimming clubs	No Exposure
	40072	Beaches - bathing - not commercially operated	Number of Beaches
79307		Public beaches - commercially operated	Receipts
	10135	Beaches - bathing - commercially operated	Gross Sales
72993		Chairs - rolling operation and Rolling Chairs - operation	Receipts
79416		Swimming Pools - commercially operated in connection with hotels or apartment hotels (operator or owned)	Receipts
	48924	Swimming Pools - commercially operated	Gross Sales
79417		Swimming Pools - Not Otherwise Classified	Receipts
	48925	Swimming Pools - Not Otherwise Classified	Number of Pools
72997		Swimming Pools - in parks - not amusement parks - no admission charge	Number of Pools

Code 72997 also includes:
 "Apartment, Tenement, Boarding or Rooming Houses - Not Otherwise Classified and Apartment Hotels - Swimming Pools or Bathing Beaches (not commercial)," "Mobile Home Parks or Courts - Swimming Pools or Bathing Beaches (not commercial)" and "Clubs - Swimming Pools or Bathing Beaches (not commercial)"

Exhibit 4
Page 5

RECREATIONAL LIABILITY

<u>Class Code</u>		<u>Description</u>	<u>Exposure Base</u>
<u>Old</u>	<u>New</u>		
79428		Bicycles - rented to others	Receipts
	10151	Bicycles - rented to others	Gross Sales
79300		Billiard or Pool Halls and Bowling Alleys	Square Feet
	10160	Billiard or Pool Halls	Gross Sales
	10220	Bowling Lanes	Gross Sales

Exhibit 4
Page 6

<u>Class Code</u>		<u>Description</u>	<u>Exposure Base</u>
<u>Old</u>	<u>New</u>		
79415		Bleachers or Grandstands in Connection with Baseball Programs (on any premises) Code 79415 also includes: "Grandstands or Bleachers - Not Otherwise Classified"	No Exposure
79424		Bingo Games - in public halls or theaters - commercially operated	Number of Admissions
	40075	Bingo Games - in public halls or theaters - commercially operated	Number of Admissions
<u>Boats</u>			
	10107	Boat yards or marinas - public	Gross Sales
44693		Canoes or Rowboats - for hire - not equipped with motor Code 44693 also includes "Motorboats or Sailboats - for hire - not operated by the insured - Not Otherwise Classified"	Receipts
	10110	Canoes or Rowboats - for rent - not equipped with motors	Gross Sales
44696		Canoes or Rowboats - private - with or without sails - no motors	Number of Boats
	40111	Canoes or Rowboats - not for rent - not equipped with motors	Number of Boats
44598		Camps, Clubs, Hotels etc. - Motorboats and Sailboats - Not Otherwise Classified	Number of Boats
44617		Houseboats	No Exposure

Exhibit 4
Page 7

<u>Class Code</u>		<u>Description</u>	<u>Exposure Base</u>
<u>Old</u>	<u>New</u>		
<u>Boats (continued)</u>			
	10119	Boats - Not Otherwise Classified - rented to others	Gross Sales
	10117	Boats - motor or sail - rented to others	Gross Sales
	40117	Boats - Not Otherwise Classified - not for rent	Number of Boats
	44613	Boats - private passenger - motor or sail- stored out of water or tied to buoys or docks for storage purposes away from insured's premises	No Exposure
	40115	Boats - motor or sail - not for rent	Number of Boats
	44607	Boats - inboard motor - not exceeding 10 horsepower	Number of Boats
	44615	Boats - outboard motor - not for hire - 25 horsepower or more	Number of Boats
	44614	Boats - not for hire - with outboard motors less than 25 horsepower	Number of Boats
	44614	Boats - private passenger - motor or sail - non-owned	Number of Boats
	40140	Boats - non-owned over 26 feet	Number of Boats
	44507 44517 44557 44567 44577 44587 44597 44598	inboard Motorboats and Sailboats (not equipped with auxiliary power) - Private Passenger - not applicable to Camps, Clubs or Hotels	Number of Boats

Exhibit 4
Page 8

<u>Class Code</u>		<u>RECREATIONAL LIABILITY</u>	<u>Description</u>	<u>Exposure Base</u>
<u>Old</u>	<u>New</u>			
<u>Camps</u>				
70322			Camps - Boy or Girl - Not Otherwise Classified	Number of Camper Days
	41421		Camps - for profit	Per Camper Day
	10330		Campgrounds	Gross Sales
70321			Camps - Boy or Girl - non-profit	Number of Camper Days
	41422		Camps - not for profit	Number of Camper Days
80998			Camps - first aid to campers	Number of Camper Days
<u>Carnivals and Circuses</u>				
79221			Carnivals or Circus Companies - excluding mechanical amuse- ment devices	No Exposure
	10375		Carnival or Circus Companies	Gross Sales
	10377		Carnival or Circuses - in tents (sponsor's risk only)	Gross Sales
	10376		Carnival - outside (sponsor's risk only)	Gross Sales
79421			Carnival - outside (sponsor's risk only)	Receipts
79464			Circuses - in tents (sponsor's risk only)	Receipts

Exhibit 4
Page 9

<u>Class Code</u>		<u>RECREATIONAL LIABILITY</u>	<u>Description</u>	<u>Exposure Base</u>
<u>Old</u>	<u>New</u>			
<u>Clubs</u>				
	79498		Clubs - athletic sports, games or contests away from club premises	Number of Games
	79472		Clubs - country, golf, polo or tennis	Square Feet
		11138	Clubs - country or golf	Gross Sales
	70411		Clubs - Not Otherwise Classified (including lodges, fraternal orders and sororities)	Square Feet
			Code 70411 also includes: "Clubs - riding - private without riding rings, etc. - not commercial (not riding academies)"	
	79496		Clubs - riding - private, with riding rings - not commercial (not riding academies)	Square Feet
			Code 79496 also includes: "Riding Academies - with riding rings, etc."	
		41664	Clubs - horseback riding - no commercial riding instructions	Square Feet
	86990		Clubs - swimming (not commercial)	Number of Clubs
	41666		Clubs - swimming	Gross Sales
	41665		Clubs - racquet sports and handball	Gross Sales

Exhibit 4
Page 10

<u>Class Code</u>		<u>Description</u>	<u>Exposure Base</u>
<u>Old</u>	<u>New</u>		
86110		Conventions	No Exposure
	41671	Conventions (sponsor's risk)	Number of Convention Days
79112		Dance Halls - admission charge	Receipts
79301		Dance Halls - no admission charge	Number of Halls
	11270	Dance Halls or Ballrooms	Gross Sales
86414		Day Camps and Youth Recreation Programs	No Exposure
		Code 86414 also includes: "Fair Grounds - non operating season" and "Parks or Play Grounds - Not Otherwise Classified"	
79467		Dog Shows - outside	Receipts
70323		Dude Ranches	Number of Guests
	43117	Dude Ranches	Gross Sales
80996		Exercise or Health Institutes	Square Feet
	44311	Exercise or Health Clubs	Gross Sales
<u>Exhibitions</u>			
79435		Exhibitions or Convention Buildings or Armories	Square Feet
	63212	Exhibition or Convention Buildings	Square Feet
	63213	Exhibitions in Buildings - Not Otherwise Classified	Number of Admissions
79499		Exhibition - in Buildings - trade or educational exhibitions - no admission charge	Number of Exhibitions

Exhibit 4
Page 11

<u>Class Code</u>		<u>Description</u>	<u>Exposure Base</u>
<u>Old</u>	<u>New</u>		
<u>Exhibitions (continued)</u>			
	63214	Exhibitions - in Buildings - no admission charge	Number of Exhibitions
79418		Exhibitions - Not Otherwise Classified - outside - no stadiums or grandstands	Receipts
79462		Exhibitions - Not Otherwise Classified - outside - in stadiums or on premises having grandstands - ushers not provided by insured	Number of Admissions
	43421	Exhibitions - outside - in stadiums or on premises having grandstands not erected by or for insured - ushers not provided by insured	Number of Admissions
79413		Exhibitions - Not Otherwise Classified - outside - in stadiums or grandstands - ushers provided by insured	Number of Admissions
		Code 79413 also includes: "Stadiums - Not Otherwise Classified - operated by insured"	
	43424	Exhibitions - outside - no stadiums or grandstands	Gross Sales
	43422	Exhibitions - outside - in stadiums or on premises having grandstands - ushers provided by insured	Number of Admissions
	43517	Fair Grounds - non operating season	Number of Fairgrounds
79465		Fairs - outside	Receipts
	43518	Fairs - outside (operator's risk only)	Gross Sales

Exhibit 4
Page 12

RECREATIONAL LIABILITY

<u>Class Code</u>		<u>Description</u>	<u>Exposure Base</u>
<u>Old</u>	<u>New</u>		
79463		Fireworks exhibitions - contractor's risk only	No Exposure
	43626	Fireworks exhibitions - contractor's risk only	Gross Sales
79461		Fireworks exhibition - sponsor's risk only	Number of Location Days
	43627	Fireworks exhibition - sponsor's risk only	Number of Location Days
79407		Firing ranges - indoor - not amusement parks or shooting galleries	No Exposure
<u>Fishing</u>			
44637		Fishing Piers - commercially operated - no boats rented by insured	Receipts
	43754	Fishing Piers	Number of Fishing Piers
79478		Fishing Ponds or Lakes - commercially operated - includes boats rented	Receipts
	43760	Fishing Ponds or Lakes - commercially operated	Gross Sales
44636		Fishing Ponds or Lakes - commercially operated - no boats rented by insured	Receipts
<u>Golf</u>			
	44071	Golf Driving Ranges	Gross Sales
79497		Golf Courses - miniature	Receipts
	44069	Golf Courses - miniature	Gross Sales
79420		Golf Courses - municipal or public - not golf or country club	Receipts
	44070	Golf Courses - municipal or public - not golf or country club	Gross Sales

Exhibit 4
Page 13

RECREATIONAL LIABILITY

<u>Class Code</u>		<u>Description</u>	<u>Exposure Base</u>
<u>Old</u>	<u>New</u>		
<u>Golf (continued)</u>			
79410		Golfmobiles - loaned or rented to others	Number of Golfmobiles
	44072	Golfmobiles - loaned or rented to others	Gross Sales
79433		Additional Charge Class under Golf Courses: "Golfmobiles loaned or rented to others"	Number of Golfmobiles
<hr/>			
	44192	Grandstands or Bleachers	Number of Grandstands or Bleachers
93120		Halls - Not Otherwise Classified	Square Feet
	44275	Halls	Square Feet
79466		Horse shows - outside	Receipts
	07410	Hunting on insured premises for a charge	Receipts
	45223	Hunting preserves	Gross Sales
	45322	Lakes or reservoirs - existence hazard only	Number of Lakes or Reservoirs
82310		Libraries	Square Feet
Code 82310 also includes: "Museums" and "Mausoleums"			
	66309	Libraries	Square Feet
79302		Model Airplane Contests	Number of Contests
	46425	Museums	Square Feet

Exhibit 4
Page 14

Class Code		Description	Exposure Base
Old	New		
	15655	Nightclubs, cabarets and discotheques	Gross Sales
79303		Parades	No Exposure
	46390	Parades (Note: does not apply to parades organized or sponsored by a governmental body)	Number of Parades
	46671	Parks or Playgrounds (Note: does not apply to parks or playgrounds owned by a governmental body)	Number of Parks or Playgrounds
79305		Picnic Grounds - commercially operated	Number of Picnic Grounds
	46773	Picnic Grounds - commercially operated	Number of Picnic
<u>Racing: Auto, horse, dog, etc.</u>			
79483		Horse racing, dog racing, race tracks	Number of Admissions
	46911	Race tracks - motorized vehicles - operators	Gross Sales
79482		Auto racing - midget and not midget; Motorcycle Racing	Number of Admissions
	46912	Race tracks - Not Otherwise Classified - operators	Gross Sales
	46913	Race tracks - motorized vehicles (lessor's risk only)	Gross Sales
	46914	Racing - Not Otherwise Classified (lessors risk only)	Gross Sales
	46915	Race Tracks - motorized vehicles (sponsor's risk only)	Number of Admissions
	46916	Racing - Not Otherwise Classified (sponsor's risk only)	Number of Admissions
	47221	Riding academies	Square Feet

Exhibit 4
Page 15

Class Code		Description	Exposure Base
Old	New		
	86411	Recreation Centers	Square Feet
Code 86411 includes: "YMCA and YWCA Institutions"			
	79255	Rifle Ranges - indoor - not on insured premises	Number of Ranges
	47253	Rifle or Pistol Ranges - indoor	Number of Ranges
	79308	Rifle Ranges - open air - private - away from other premises - owned or operated by the insured	Each
	47254	Rifle or Pistol Ranges - Not Otherwise Classified	Number of Ranges
	79468	Rodeos - includes parades	Receipts
	47318	Rodeos	Gross Sales
	79451	Skating Rinks - ice	Receipts
	48177	Skating Rinks - ice	Gross Sales
	79452	Skating Rinks - roller	Receipts
	48178	Skating Rinks - roller	Gross Sales
	79444	Skeet shooting or trap shooting ranges	No Exposure
	48206	Skeet shooting or trap shooting ranges	Number of Ranges
	41191	Ski lifts or tows - including ski runs - commercially operated	Receipts
	48252	Ski lifts, Tows or Runs	Gross Sales
	70324	Ski lifts or Tows - not commercial	Number of Lifts or Tows
	79481	Soap box derbies - without seating arrangements for spectators	No Exposure

RECREATIONAL LIABILITY

<u>Class Code</u>		<u>Description</u>	<u>Exposure Base</u>
<u>Old</u>	<u>New</u>		
	48441	Soap Box Derbies	Number of Contestants
79111		Social Gatherings and Meetings - on premises not owned or operated by the insured	No Exposure
	48556	Social Gatherings and Meetings - on premises not owned or operated by the insured	Number of Locations
	99111	Stables - boarding, livery, racing	Payroll
79413		Stadiums - Not Otherwise Classified - operated by insured	Number of Admissions
79414		Stadiums - Not Otherwise Classified - operated by insured	Receipts
	48634	Stadiums - operated by insured	Gross Sales
	48808	Sun Tanning Salons	Gross Sales
72995		Tents - loaned or rented to others	Receipts
	49111	Tents or Canopies - loaned or rented to others	Gross Sales
<u>Theaters</u>			
78821		Theaters - Not Otherwise Classified	Number of Admissions
	49182	Theaters - Not Otherwise Classified	Number of Admissions
78330		Theaters - drive in - admissions	Number of Admissions

RECREATIONAL LIABILITY

<u>Class Code</u>		<u>Description</u>	<u>Exposure Base</u>
<u>Old</u>	<u>New</u>		
<u>Theaters (continued)</u>			
	49181	Theaters - drive in - admissions	Number of Admissions
78331		Theaters - drive in - receipts	Receipts
	49183	Theaters - motion picture	Number of Admissions
78329		Theaters (not drive in) - Halls or Auditoriums - not operated by insured (lessor's risk only)	Square Feet
78320		Theaters - motion picture	Number of Admissions
<hr/>			
	99718	Theatrical Companies - traveling	Payroll
70324		Toboggan Slides - not commercial	Number of Slides
	49333	Travel Agency Tours	Number of Passenger Days
70329		Vacation Farms	Number of Guests
	49870	YMCA, YWCA or similar institutions	Square Feet
	49889	Youth Recreation Programs	Number of Registrants
07292		Additional Charge Class under Parks or Playgrounds - Not Otherwise Classified: "Zoos"	Number of Zoos
	49901	Zoos	Number of Zoos

Exhibit 5
PUBLIC HOUSING

<u>Class Code</u>		<u>Description</u>	<u>Exposure Base</u>
<u>Old</u>	<u>New</u>		
93181		Housing Projects - Federal, State, Local - Apartment Houses - not three or four family dwellings	Square footage
93182		Housing Projects - Federal, State, Local - Dwellings - four family	Number of dwellings
93183		Housing Projects - Federal, State, Local - Dwellings - three family	Number of dwellings
93184		Housing Project - Federal, State, Local - Dwellings - two family	Number of dwellings
93185		Housing Projects - Federal, State, Local - Private Residences	Number of residences
64500		Housing Projects - Federal, State, Local	Number of units

Exhibit 6
EXTERMINATOR LIABILITY

<u>Class Code</u>		<u>Description</u>	<u>Exposure Base</u>
<u>Old</u>	<u>New</u>		
73420		Exterminators including Pest Control - excluding the use of gas	Receipt
	43470	Exterminators	Gross Sales

Exhibit 7

MARKET DEFINITIONS
COMMERCIAL CONTRACTING (NON-SIMPLIFIED CSP CODES)

	<u>Class Codes</u>
Air Conditioning, Heating, or Refrigeration Systems or Combined Heating and Air Conditioning Systems - including duct work and piping - installation, servicing or repair	17140
Airport Runway or Warming Apron Construction, Paving or Repaving	16135
Boiler Inspecting or Scaling	76992
Boiler Installation or Repair - steam-including construction or repair of foundation	17145
Bridge or Elevated Highway Construction	16275
Building Equipment Installation, Erection, Servicing or Repair	17835
Building or Structure Raising, Moving or Underpinning - including incidental shoring, removal or rebuilding of walls, foundations, columns or piers	17885
Cable Installation in Conduits or Subways	17314
Caisson Work - foundations for buildings - including pile driving, excavation, masonry or concrete work up to completion of substructure only	17805
Caisson Work - not foundations for buildings - including pile driving, excavation, masonry or concrete work up to completion of substructure only	16235
Carpentry NOC	17535
Ceiling or Wall Installation - metal	17621
Ceiling or Wall Installation - not plastering	17535
Cement, Concrete or Granolithic Floor Construction, Finishing or Surfacing	17745
Chimney Construction - stone, brick or concrete - including foundations	17425
Cleaning or Renovating - outside surfaces of buildings	17965
Cofferdam Work - including pile driving, excavation, masonry or concrete work up to completion of substructure only	16235
Concrete Block Construction - buildings	17741
Concrete Construction - including foundations, making, setting up or taking down forms, scaffolds, false-work or concrete distributing apparatus	17745
Conduit Construction for Cables or Wires	16285

Exhibit 7

Page 2

Contractors Equipment - cranes, derricks, power shovels and equipment incidental thereto - rented to others with operators including installation, repair or removal	73912
Contractors Equipment - cranes, derricks, power shovels, and equipment incidental thereto - rented to others without operators - including installation repair or removal	73917
Contractors Equipment - earth moving equipment other than cranes, derricks and power shovels - rented to others with operators - including installation, repair or removal	17861
Contractors Equipment - excluding automobiles - rented to others - without operators - including installation, removal or repair	73911
Contractors Equipment - excluding automobiles - rented to others - without operators - including installation, repair or removal	73913
Contractors Equipment - hod or material platform hoists and equipment incidental thereto - rented to others with operators - excluding installation, repair or removal	17875
Contractors Equipment - hod or material platform hoists and equipment incidental thereto - rented to others without operators - excluding installation, repair or removal	73914
Contractors Equipment - ladders, scaffolds, scaffolding, sidewalk bridges, towers and equipment incidental thereto - rented to others - excluding installation, repair or removal	73915
Contractors Equipment - steam boilers, compressors, air pressure tanks, pneumatic tools and equipment incidental thereto - rented to others with operators - including installation, repair or removal	73916
Contractors Equipment Distributors - ladders or hoists - excluding scaffolds or towers	59991
Contractors Equipment Distributors - ladders or hoists - including scaffolds or towers	59991
Contractors Permanent Yards - maintenance or storage of equipment or material	42264
Core Drilling	17755
Dam or Reservoir Construction	16232
Dike or Revetment Construction - river work only	16295
Door, Window or Assembled Millwork Erection - metal covered	17511
Dredging - not gold dredging	16293
Drilling	17755

Exhibit 7
Page 3

Drilling - Water	17755
Driveway, Parking Area or Sidewalk Construction, Paving or Repaving	16144
Dry Wall or Wallboard Installation	17946
Electric Light or Power Line Construction	16245
Electric Light or Power Line Construction - Rural Electrification Administration Projects Only	16242
Electrical Wiring - within buildings, including installation or repair of fixtures or appliances	17315
Elevator Installation, Service or Repair	17845
Excavation	15111
Exterminators - including termite control - excluding the use of gas of any kind	73420
Fence Erection - metal	17985
Garbage, Ashes or Refuse Collection	49531
Gas Appliances of Equipment - household type - installation, servicing or repair	17140
Gas Mains or Connections Construction-including Tunneling at street crossings	16225
Grading of Land	07313
Insulation Work - installation or application of acoustical or thermal insulating material in buildings or within building walls	15161
Iron or Steel Erection - bridges	16275
Iron or Steel Erection - frame structures, iron-work on outside of buildings including erecting or repairing balconies, fire escapes, railings, staircases, coal chutes or fireproof shutters	17765
Iron or Steel Erection - steel lock gates, gas holders, standpipes, water towers, smoke stacks, tanks, silos, prison cells or fire or burglar proof vaults	15122
Iron or Steel Erection NOC	15125
Irrigation or Drainage System Construction - including pile driving or dredging	16255
Jetty or Breakwater Construction	16295
Levee Construction	16295
Masonry Work	17425
Military Reservation Construction - Carpentry	15142
Military Reservation Construction - iron or steel erection - not over two stories in height	17762

Exhibit 7
Page 4

Modular Units - buildings - erection	17535
Oil or Gas Pipeline Construction - including pile driving or dredging	16365
Painting - oil or gasoline tanks - including shop operations	17235
Painting, Decorating or Paperhanging - including shop operations	17235
Painting - Ship hulls	17215
Painting - steel structures or bridges	17225
Pile Driving - building foundations only	17805
Pile Driving - including timber wharf building	16294
Pile Driving - sonic method	16296
Pipeline Construction - including pile driving or dredging	16365
Plumbing - gas, steam, hotwater or other pipe fitting	17185
Prefabricated Building Erection	17535
Roofing - all kinds - including yard employees	17625
Sewer Mains or Connections Construction - including tunneling at street crossings	16225
Shaft Sinking - including pile driving, excavation, concrete work or lining	16235
Sheet Metal Work - erection, installation or repair - shop and outside	34401
Scaffolds, Scaffoldings, Ladders, Sidewalk Bridges, Towers and equipment incidental thereto - rented to others - excluding installation, repair or removal	73915
Sign Painting or Lettering on Buildings or Structures - including shop operations	17235
Steam Mains or Connections Construction - including tunneling at street crossings	16225
Steam Pipe or Boiler Installation - applying cork, asbestos or other non-conducting materials - including shop	17141
Street Cleaning - including snow removal from street and highways	49531
Street or Road Construction or Reconstruction - clearing of right-of-way, excavation, filling or grading, bridge or culvert building	16115
Street or Road Paving or Repaving, Surfacing or Resurfacing or Scraping	16125
Subway Construction	16205
Swimming Pools - below ground - installation, service or repair	17802
Tank Erection or Repair - metal - within buildings exclusively - including construction or repair of foundations	17145

Exhibit 8

LIQUOR LAW LIABILITY

<u>Class Code</u>		<u>Description</u>	<u>Exposure Base</u>	
<u>Old</u>	<u>New</u>		<u>Old</u>	<u>New</u>
49950		Host Liability	No Exposure	
	70414	Additional Interests		No Exposure
11111	11111	Liquor Liability - Not Otherwise Classified	No Exposure	No Exposure
70416	70416	States Where No Liquor Liability Is Imposed by Statute or Under Common Law Practice	No Exposure	No Exposure

Exhibit 7

Page 5

Telephone, Telegraph or Alarm Line Construction	16245
Tunneling - including lining	16235
Underpinning Buildings or Structures - including incidental shoring, removal or rebuilding of walls, foundations, columns or piers	17885
Water Mains or Connections Construction - including tunneling at street crossings	16225
Wrecking Buildings or Structure - not marine - including salesmen or clerical at site of wrecking	17822
Wrecking - marine - including salvage operations	17821

Exhibit 9

POLLUTION/ENVIRONMENTAL IMPAIRMENT LIABILITY

Class Code		Description	Exposure Base
Old	New		
90000		Pollution Liability	No Exposure
	90100	Pollution Liability Form - Including Clean-up Costs Coverage	No Exposure
	90105	Pollution Liability Form - Excluding Clean-up Costs Coverage	No Exposure
	90110	CGL Coverage Form - Pollution Extension Endorsement (Excludes Clean-up Costs Coverage)	No Exposure

Exhibit 10

LAW ENFORCEMENT AGENCIES

All classes, including, but not limited to the following:

Agencies whose employees deal directly with the public and exercise general powers of arrest such as:

- (a) County Sheriff/Police Chief
- (b) Peace Officers

Agencies whose employees do not deal directly with the public and exercise limited power of arrest such as:

- (a) Jailers
- (b) Matrons
- (c) County Security
- (d) Civil Process Officers

Agencies who do not exercise power of arrest and whose duties are administrative such as:

- (a) County Commissioners
- (b) City Council
- (c) Mayors or City Managers
- (d) Auxiliary or Reserve Police
- (e) Coroner
- (f) School Crossing Guards, Humane Officers, Crime Prevention Officers

Agencies whose employees whose ordinary duties are only indirectly related to enforcement of criminal laws such as:

- (a) Clerical staff/fingerprinting/license examination
- (b) Stenographic Personnel/food service/photographic
- (c) Dispatcher/Record Keeping

State Corporation Commission

BUREAU OF INSURANCE

January 26, 1988

Administrative Letter 1988-3

TO: All Companies Licensed to Write Commercial Liability Insurance.

RE: Supplemental Report for Certain Lines and Subclassifications of Liability Insurance as Required by Virginia Code Section 38.2-1905.2.

Virginia Code § 38.2-1905.2 provides that all insurers licensed to write the classes of insurance defined in §§ 38.2-117 (Personal injury liability) and 38.2-118 (Property damage liability) shall file a report showing their direct experience in the Commonwealth attributable to all lines and subclassifications of liability insurance designated by the State Corporation Commission (SCC) in accordance with subsection B of § 38.2-1905.1; provided such reports shall be required only of insurers actually writing any such designated line or subclassification of insurance. Section 38.2-1905.1 requires the SCC to designate lines and subclassifications where it believes competition may not be an effective regulator of rates.

The lines and subclassifications where the Commission has cause to believe that competition may not be an effective regulator of rates have been identified in the SCC's report, "The Level of Competition, Availability and Affordability in the Commercial Liability Insurance Industry," submitted to the General Assembly in November, 1987. Copies of this report may be obtained from Legislative Services at (804) 786-6530.

To collect the data required by the legislation, the SCC has adopted the attached supplemental report format (see Exhibit 1) that each insurer is required to complete for the designated lines and subclassifications. A separate report is required of each insurer actually writing any of the lines or subclassifications described in the attached market definitions. The market definitions provided are to be used as a guide in defining specific markets which are required to be reported. Companies should also report the required information for policies written under any comparable classification in use by the individual company.

Companies and statistical agents should contact Jan Fatouros (804) 786-4418 at the State Corporation Commission for details regarding the computerized transmission of the reports to the Bureau of Insurance. While the receipt of computerized reports is preferred, manual reports will be accepted.

The report is due May 1, 1988. Insurers shall report data in the greatest detail prescribed by the report format. If an insurer cannot report the data requested, a complete

explanation should accompany the report detailing why limited data was provided.

Actuarial questions may be addressed to our consulting actuary at the following address:

Dennis R. Henry, FCAS, MAAA
Huggins Financial Services, Inc.
229 South 18th Street
Philadelphia, PA 19103
(215) 875-2837

/s/ Steven T. Foster, Commissioner of Insurance

* * *

AT RICHMOND, JANUARY 20, 1988

COMMONWEALTH OF VIRGINIA

At the relation of the

STATE CORPORATION COMMISSION

CASE NO. INS870345

Ex Parte. In re: Adoption of reporting form for lines and subclassifications of insurance designated pursuant to Virginia Code §§ 38.2-1905.1.B and 38.1-1905.2.B.

ORDER ADOPTING SUPPLEMENTAL REPORTING FORM

WHEREAS, pursuant to an order entered herein November 17, 1987, a hearing was conducted by the Commission in its Courtroom at 10:00 a.m. on December 16, 1987 for the purpose of receiving comments from interested parties concerning the adoption of a proposed supplemental reporting form for lines and subclassifications of insurance designated by the Commission pursuant to Virginia Code §§ 38.2-1905.1.B and 38.2-1905.2.B; and

WHEREAS, the Commission has considered the supplemental reporting form, as proposed and as amended at the hearing, the comments of interested parties and the law applicable herein,

THE COMMISSION is of the opinion and ORDERS that the reporting form entitled "Supplemental Report Required by § 38.2-1905.2 for Certain Lines of Subclassifications of Liability Insurance," which is attached hereto and made a part hereof, should be, and it is hereby, ADOPTED for filing with the Commission's Bureau of Insurance by licensed insurers in this Commonwealth on or before May 1, 1988.

AN ATTESTED COPY hereof shall be sent by the Clerk of the Commission to Honorable Mary Sue Terry, Attorney General of Virginia, in care of Anthony Gambardella, Esquire and Gale D. Jaspen, Esquire, Office of the Consumer Counsel of the Office of the Attorney General,

101 North 8th Street, Richmond, Virginia 23219; C. William Waechter, Jr., Esquire, 6722 Patterson Avenue, Richmond, Virginia 23226, counsel for the Alliance of American Insurers; Donald G. Owens, Esquire, P.O. Box 1122, Richmond, Virginia 23208-9970, counsel for the American Insurance Association; John William Crews, Esquire, 700 E. Main Street, Suite 1015, 700 Building, Richmond, Virginia 23219, counsel for The Virginia Insurance Reciprocal; and the Bureau of Insurance in care of Robert A. Miller, Deputy Commissioner, who shall forthwith cause a copy of this order and the attachment thereto to be sent to all insurers licensed to transact the lines and subclassifications designated in Attachment A of the order entered herein November 17, 1987 and all rate service organizations licensed pursuant to Chapter 19 of Title 38.2 of the Code of Virginia.

SUPPLEMENTAL REPORT FOR CERTAIN LINES OR SUBCLASSIFICATIONS OF LIABILITY INSURANCE AS REQUIRED BY VIRGINIA CODE 38.2-1905.2

Market Definitions	
Market	Commercial Statistical Plan (CSP) Classes
1. Products and Completed Operations (including Discontinued Operations)	all 316 and 336 classes
2. Environmental Impairment Liability including Hazardous Waste	See Exhibit 2
3. Liquor Liability	All Subline 312 and 332 classes See Exhibit 3
4. Directors and Officers Liability	All classes including for profit and not for profit organization
5. Premises/Operations Liability as identified below:	
Commercial Contracting	See Exhibit 5
Law Enforcement Agencies	See Exhibit 6
Pest Control/Exterminators	See Exhibit 7
Governmental or Municipal Liability	See Exhibit 8
School Divisions	See Exhibit 9
Public Housing	See Exhibit 10
Recreation Liability (all types, including special events)	See Exhibit 11
Daycare/Child Care Liability	See Exhibit 12
6. Professional Liability	
Medical Professional	All Subline 210, 220, 230 and 240 classes
Lawyers Professional Liability	Classes 81113, 81114, 81220, 81330, 81400 and 81420
Insurance Agents Errors and Omissions	All classes
Architects and Engineers Errors and Omissions	All classes
Real Estate Agents Errors and Omissions	All classes

The above market definitions are to be used as a guide in defining specific markets which are required to be reported. Companies should also report the required information for policies written under any comparable classification in use by the individual company.

Exhibit 2

ENVIRONMENTAL IMPAIRMENT LIABILITY

Class Code	Description	Exposure Base
90000	Pollution Liability	No Exposure
90100	Pollution Liability Form - Including Clean-up Costs Coverage	No Exposure
90105	Pollution Liability Form - Excluding Clean-up Costs Coverage	No Exposure
90110	CGL Coverage Form - Pollution Extension Endorsement (Excludes Clean-up Costs Coverage)	No Exposure

Exhibit 3

LIQUOR LAW LIABILITY

<u>Class Code</u>		<u>Description</u>	<u>Exposure Base</u>	
<u>Old</u>	<u>New</u>		<u>Old</u>	<u>New</u>
49950		Host Liability	No Exposure	
	70414	Additional Interests		No Exposure
11111	11111	Liquor Liability - Not Otherwise Classified	No Exposure	No Exposure
70416	70416	States Where No Liquor Liability is imposed by Statute or Under Common Law Practice	No Exposure	No Exposure

Exhibit 4

DIRECTORS AND OFFICERS LIABILITY

All classes including for-profit and not-for-profit organizations.

Exhibit 5

MARKET DEFINITIONS
COMMERCIAL CONTRACTING (NON-SIMPLIFIED CSP CODES)

	<u>Class Codes</u>
Air Conditioning, Heating, or Refrigeration Systems or Combined Heating and Air Conditioning Systems - including duct work and piping - installation, servicing or repair	17140
Airport Runway or Warming Apron Construction, Paving or Repaving	16135
Boiler Inspecting or Scaling	76992
Boiler Installation or Repair - steam-including construction or repair of foundation	17145
Bridge or Elevated Highway Construction	16275
Building Equipment Installation, Erection, Servicing or Repair	17835
Building or Structure Raising, Moving or Underpinning - including incidental shoring, removal or rebuilding of walls, foundations, columns or piers	17885
Cable Installation in Conduits or Subways	17314
Caisson Work - foundations for buildings - including pile driving, excavation, masonry or concrete work up to completion of substructure only	17805
Caisson Work - not foundations for buildings - including pile driving, excavation, masonry or concrete work up to completion of substructure only	16235
Carpentry NOC	17535
Ceiling or Wall Installation - metal	17621
Ceiling or Wall Installation - not plastering	17535
Cement, Concrete or Granolithic Floor Construction, Finishing or Surfacing	17745
Chimney Construction - stone, brick or concrete - including foundation	17425
Cleaning or Renovating - outside surfaces of buildings	17965
Cofferdam Work - including pile driving, excavation, masonry or concrete work up to completion of substructure only	16235
Concrete Block Construction - buildings	17741
Concrete Construction - including foundations, making, setting up or taking down forms, scaffolds, false-work or concrete distributing apparatus	17745
Conduit Construction for Cables or Wires	16285

Exhibit 5

Page 2

Contractors Equipment - cranes, derricks, power shovels and equipment incidental thereto - rented to others with operators including installation, repair or removal	73912
Contractors Equipment - cranes, derricks, power shovels, and equipment incidental thereto - rented to others without operators - including installation repair or removal	73917
Contractors Equipment - earth moving equipment other than cranes, derricks and power shovels - rented to others with operators - including installation, repair or removal	17861
Contractors Equipment - excluding automobiles - rented to others - without operators - including installation, removal or repair	73911
Contractors Equipment - excluding automobiles - rented to others - without operators - including installation, repair or removal	73913
Contractors Equipment - hod or material platform hoists and equipment incidental thereto - rented to others with operators - excluding installation, repair or removal	17875
Contractors Equipment - hod or material platform hoists and equipment incidental thereto - rented to others without operators - excluding installation, repair or removal	73914
Contractors Equipment - ladders, scaffolds, scaffolding, sidewalk bridges, towers and equipment incidental thereto - rented to others - excluding installation, repair or removal.	73915
Contractors Equipment - steam boilers, compressors, air pressure tanks, pneumatic tools and equipment incidental thereto - rented to others with operators - including installation, repair or removal	73916
Contractors Equipment Distributors - ladders or hoists - excluding scaffolds or towers	59991
Contractors Equipment Distributors - ladders or hoists - including scaffolds or towers	59991
Contractors Permanent Yards - maintenance or storage of equipment or material	42264
Core Drilling	17755
Dam or Reservoir Construction	16232
Dike or Revetment Construction - river work only	16295
Door, Window or Assembled Millwork Erection - metal covered	17511
Dredging - not gold dredging	16293
Drilling	17755

Exhibit 5
Page 3

Drilling - Water	17755
Driveway, Parking Area or Sidewalk Construction, Paving or Repaving	16144
Dry Wall or Wallboard Installation	17946
Electric Light or Power Line Construction	16245
Electric Light or Power Line Construction - Rural Electrification Administration Projects Only	16242
Electrical Wiring - within buildings, including installation or repair of fixtures or appliances	17315
Elevator Installation, Service or Repair	17845
Excavation	15111
Exterminators - including termite control - excluding the use of gas of any kind	73420
Fence Erection - metal	17985
Garbage, Ashes or Refuse Collection	49531
Gas Appliances of Equipment - household type - installation, servicing or repair	17140
Gas Mains or Connections Construction-including Tunneling at street crossings	16225
Grading of Land	07313
Insulation Work - installation or application of acoustical or thermal insulating material in buildings or within building walls	15161
Iron or Steel Erection - bridges	16275
Iron or Steel Erection - frame structures, iron-work on outside of buildings including erecting or repairing balconies, fire escapes, railings, staircases, coal chutes or fireproof shutters	17765
Iron or Steel Erection - steel lock gates, gas holders, standpipes, water towers, smoke stacks, tanks, silos, prison cells or fire or burglar proof vaults	15122
Iron or Steel Erection NOC	15125
Irrigation or Drainage System Construction - including pile driving or dredging	16255
Jetty or Breakwater Construction	16295
Levee Construction	16295
Masonry Work	17425
Military Reservation Construction - Carpentry	15142
Military Reservation Construction - iron or steel erection - not over two stories in height	17762

Exhibit 5
Page 4

Modular Units - buildings - erection	17535
Oil or Gas Pipeline Construction - including pile driving or dredging	16365
Painting - oil or gasoline tanks - including shop operations	17235
Painting, Decorating or Paperhanging - including shop operations	17235
Painting - Ship hulls	17215
Painting - steel structures or bridges	17225
Pile Driving - building foundations only	17805
Pile Driving - including timber wharf building	16294
Pile Driving - sonic method	16296
Pipeline Construction - including pile driving or dredging	16365
Plumbing - gas, steam, hotwater or other pipe fitting	17185
Prefabricated Building Erection	17535
Roofing - all kinds - including yard employees	17625
Sewer Mains or Connections Construction - including tunneling at street crossings	16225
Shaft Sinking - including pile driving, excavation, concrete work or lining	16235
Sheet Metal Work - erection, installation or repair - shop and outside	34401
Scaffolds, Scoffoldings, Ladders, Sidewalk Bridges, Towers and equipment incidental thereto - rented to others - excluding installation, repair or removal	73915
Sign Painting or Lettering on Buildings or Structures - including shop operations	17235
Steam Mains or Connections Construction - including tunneling at street crossings	16225
Steam Pipe or Boiler Installation - applying cork, asbestos or other non-conducting materials - including shop	17141
Street Cleaning - including snow removal from street and highways	49531
Street or Road Construction or Reconstruction - clearing of right-of-way, excavation, filling or grading, bridge or culvert building	16115
Street or Road Paving or Repaving, Surfacing or Resurfacing or Scraping	16125
Subway Construction	16205
Swimming Pools - below ground - installation, service or repair	17802
Tank Erection or Repair - metal - within buildings exclusively - including construction or repair of foundations	17145

Exhibit 5
Page 5

Telephone, Telegraph or Alarm Line Construction	16245
Tunneling - including lining	16235
Underpinning Buildings or Structures - including incidental shoring, removal or rebuilding of walls, foundations, columns or piers	17885
Water Mains or Connections Construction - including tunneling at street crossings	16225
Wrecking Buildings or Structure - not marine - including salesmen or clerical at site of wrecking	17822
Wrecking - marine - including salvage operations	17821

Exhibit 6
LAW ENFORCEMENT AGENCIES

All Classes, including, but not limited to the following:

Agencies whose employees deal directly with the public and exercise general powers of arrest such as:

- (a) County Sheriff/Police Chief
- (b) Peace Officers

Agencies whose employees do not deal directly with the public and exercise limited power of arrest such as:

- (a) Jailers
- (b) Matrons
- (c) County Security
- (d) Civil Process Officers

Agencies who do not exercise power of arrest and whose duties are administrative such as:

- (a) County Commissioners
- (b) City Council
- (c) Mayors or City Managers
- (d) Auxillary or Reserve Police
- (e) Coroner
- (f) School Crossing Guards, Humane Officers, Crime Prevention Officers

Agencies whose employees whose ordinary duties are only indirectly related to enforcement of criminal laws such as:

- (a) Clerical staff/fingerprinting/license examination
- (b) Stenographic Personnel/food service/photographic
- (c) Dispatcher/Record Keeping

Exhibit 7

EXTERMINATOR LIABILITY

Class Code		Description	Exposure Base
Old	New		
73420		Exterminators including Pest Control - excluding the use of gas	Receipts
	43470	Exterminators	Gross Sales

Exhibit 8

MUNICIPAL LIABILITY

GOVERNMENTAL SUBDIVISIONS - NOT STATE OR FEDERAL

Municipalities (including boroughs, cities, towns, townships, etc.)

Class Code		Population	Exposure Base
Old	New		
91250	44100	Under 2,500	Total Operating Expenditures
91251	44101	2,501 - 10,000	Total Operating Expenditures
91252	44102	10,001 - 25,000	Total Operating Expenditures
91253	44103	25,001 - 50,000	Total Operating Expenditures
91254	44104	50,001 - 100,000	Total Operating Expenditures
91255	44105	100,001 - 250,000	Total Operating Expenditures
91256	44106	Over 250,000	Total Operating Expenditures
91263	Included	Personal Injury Coverage	No Exposure

Counties or Parishes

91257	44108	Under 10,000	Total Operating Expenditures
91258	44109	10,001 - 25,000	Total Operating Expenditures
91259	44110	25,001 - 50,000	Total Operating Expenditures
91260	44111	50,001 - 100,000	Total Operating Expenditures
91261	44112	100,001 - 250,000	Total Operating Expenditures
91262	44113	Over 250,000	Total Operating Expenditures
91263	Included	Personal Injury Coverage	No Exposure

"Total Operating Expenditures" defined as total expenditures (including grants, entitlements and shared revenue) without regard to source of revenue during the policy period, including accounts payable and excluding:

- (a) Capital improvements
- (b) Expenditures for independent contractors operations
- (c) Welfare benefits (not administrative costs)
- (d) Expenditures on the following exposures which are separately classified and rated:

- Amusement parks
- Exhibition or convention buildings (including arenas and auditoriums)
- Dams, levees or dikes - existence hazard
- Golf courses
- Housing projects - e.g., urban development and public housing
- Lakes or reservoirs - existence hazard
- Medical care facilities - e.g., hospitals, clinics and sanitariums
- Penal institutions, jails - e.g., correctional institutions
- Schools or colleges
- Ski facilities
- Stadiums, bleachers or grandstands with total seating capacity in excess of 5,000
- Streets, roads, highways or bridges - existence hazard only for "old" and existence and maintenance hazard for "new"

Exhibit 8
Page 2

MUNICIPAL LIABILITY
OTHER GOVERNMENTAL SUBDIVISION CLASSES (A)

- Street, road, highway or bridge construction
- Transportation systems, facilities and services including airports, bus systems or other transit facilities such as subways and aircraft
- Utilities - electric, gas, water, steam
- Wharves, piers, docks, marinas and watercraft
- Zoos

Class Code		Description	Exposure Base
Old	New		
93050	93050	Governmental Composite Rate Risks	No Exposure
<u>Streets, Roads, Highways or Bridges (B)</u>			
93151		Streets, Roads or Highways - with or without sidewalks - including bridges and culverts but excluding toll bridges and drawbridges - existence hazard only (excluding New York)	Number of Miles
	48727	Streets, Roads, Highways or Bridges - existence and maintenance hazard only	Number of Miles

- (A) The data reported for these classes reflect primarily governmental exposure.
(B) Separately rated classes for Governmental Subdivisions.

Exhibit 9
PUBLIC SCHOOL LIABILITY (A)

Class Code		Description	Exposure Base
Old	New		
<u>Schools - Public</u>			
82113		Schools - high or junior colleges - public - Not Otherwise Classified	Number of Pupils
	47473	Schools - public - high	Number of Pupils
93221		Schools - elementary, kindergarten, junior high - public	Number of Pupils
	47471	Schools - public - elementary, kindergarten, junior high	Number of Pupils
<u>Schools - Other Schools (B)</u>			
82420		Schools - manual training, trade, vocational - public or private	Number of Pupils
	47474	Schools - trade or vocational	Number of Pupils
82116		Schools - Not Otherwise Classified	Square Feet
	67507	Schools - Not otherwise Classified	Square Feet

- (A) Separately rated classes for Governmental Subdivisions.
(B) To varying degrees, the data for these classes reflect both public and private exposure.

Exhibit 11

Exhibit 10
PUBLIC HOUSING

Class Code	Description	Exposure Base
93181	Housing Projects - Federal, State, Local - Apartment Houses - not three or four family dwellings	Square footage
93182	Housing Projects - Federal, State, Local - Dwellings - four family	Number of dwellings
93183	Housing Projects - Federal, State, Local - Dwellings - three family	Number of dwellings
93184	Housing Project - Federal, State, Local - Dwellings - two family	Number of dwellings
93185	Housing Projects - Federal, State, Local - Private Residences	Number of residences
64500	Housing Projects - Federal, State, Local	Number of units

RECREATIONAL LIABILITY

Class Code	Description	Exposure Base
<u>Amusement Parks, Centers, Devices, etc.</u>		
77110-135	Various Amusement Devices, Stands, Shows, etc.	Receipts
77139	General Park Operations - Ground Hazard	Receipts
77199	Amusement Parks, Centers Devices, etc. - Contingent Liability	Receipts
79431	Penny Arcades and Shooting Galleries	Receipts
79439	Hobby Horses or Rocket Ships - not on premises of insured or in amusement parks - coin operated	Receipts
40039	Amusement Devices - operated in connection with carnivals or fairs	Gross Sales
40040	Amusement Devices - Not Otherwise Classified	Gross Sales
10020	Amusement Parks	Gross Sales
10015	Amusement Centers	Gross Sales
<u>Animals</u>		
47891	Animals - not saddle	Number of Animals
79434	Animals - saddle - for hire	Number of Animals
47893	Animals - saddle - private	Number of Animals
40046	Animals - saddle - for rent	Number of Animals
40047	Animals - saddle - private	Number of Animals

Exhibit 11

Page 2

RECREATIONAL LIABILITY

<u>Class Code</u>		<u>Description</u>	<u>Exposure Base</u>
<u>Old</u>	<u>New</u>		
79492		Archery Ranges Code 79492 also includes: "Golf Driving Ranges" and "Tennis, Handball or Shuffleboard Courts - operated for commercial purpose - not private or municipal"	Receipts
10052		Archery Ranges - Indoor	Gross Sales
10054		Archery Ranges - Not Otherwise Classified	Gross Sales
<u>Athletic Games, Teams, Programs, etc.</u>			
79422		Athletic Games Sponsored by the Insured - no admission other than for charitable purpose	Number of Games
79495		Athletic Games or Sports Contests - in buildings Code 79495 also includes: "Automobile Shows - in buildings", "Caves" and "Exhibitions in buildings"	Number of Admissions
79429		Athletic Teams - games away from premises operated by insured Code 79429 also includes: "Baseball Programs - Little League, Pony League, etc."	Number of Games
40060		Athletic Games Sponsored by the Insured	Number of Games
40062		Athletic Games or Sports Contests - in buildings - lessees	Number of Admissions
40065		Athletic Programs - amateur	Number of Games

Exhibit 11

Page 3

RECREATIONAL LIABILITY

<u>Class Code</u>		<u>Description</u>	<u>Exposure Base</u>
<u>Old</u>	<u>New</u>		
	40069	Athletic Teams - professional or semi-professional	Number of Games
	72992	Awnings or Canopies - loaned or rented to others Code 72992 also includes: "Chairs Not Rolling Chairs - rented to others" and "Beach Chairs and Umbrellas - rented to others"	Receipts
	79411	Baseball Parks - operated by insured	Number of Admissions
	79436	Baseball Parks - operated by insured Code 79436 also includes: "Exhibition or Convention Buildings or Armories" and "Schools - Stadiums or Outdoor Grandstands or Bleachers"	Receipts
	79401	Sports Programs - Youth - Not Otherwise Classified	Number of Games
	47894	Teams - Not Otherwise Classified	Number of Team Months
	79426	Bazaars - operated by the insured	No Exposure
	10131	Bazaars - operated by the insured	Gross Sales
<u>Beaches, Baths, Swimming Pools, etc.</u>			
	79493	Bathhouses or Bathing Pavilions	Receipts
	10120	Bathhouses or Bathing Pavilions	Gross Sales
	80927	Baths - Not Otherwise Classified	Gross Sales
	47420	Saunas & Baths - public	Gross Sales

Exhibit 11

Page 4

RECREATIONAL LIABILITY

<u>Class Code</u>		<u>Description</u>	<u>Exposure Base</u>
<u>Old</u>	<u>New</u>		
	10133	Beach Chairs and Umbrellas - rented to others	Gross Sales
79306		Private Beaches - not swimming clubs	No Exposure
	40072	Beaches - bathing - not commercially operated	Number of Beaches
79307		Public beaches - commercially operated	Receipts
	10135	Beaches - bathing - commercially operated	Gross Sales
72993		Chairs - rolling operation and Rolling Chairs - operation	Receipts
79416		Swimming Pools - commercially operated in connection with hotels or apartment hotels (operator or owned)	Receipts
	48924	Swimming Pools - commercially operated	Gross Sales
79417		Swimming Pools - Not Otherwise Classified	Receipts
	48925	Swimming Pools - Not Otherwise Classified	Number of Pools
72997		Swimming Pools - in parks - not amusement parks - no admission charge	Number of Pools
<p>Code 72997 also includes: "Apartment, Tenement, Boarding or Rooming Houses - Not Otherwise Classified and Apartment Hotels - Swimming Pools or Bathing Beaches (not commercial)," "Mobile Home Parks or Courts - Swimming Pools or Bathing Beaches (not commercial)" and "Clubs - Swimming Pools or Bathing Beaches (not commercial)"</p>			

Exhibit 11

Page 5

RECREATIONAL LIABILITY

<u>Class Code</u>		<u>Description</u>	<u>Exposure Base</u>
<u>Old</u>	<u>New</u>		
	79428	Bicycles - rented to others	Receipts
	10151	Bicycles - rented to others	Gross Sales
79300		Billiard or Pool Halls and Bowling Alleys	Square Feet
	10160	Billiard or Pool Halls	Gross Sales
	10220	Bowling Lanes	Gross Sales

Exhibit 11
Page 6

<u>Class Code</u>		<u>RECREATIONAL LIABILITY</u> <u>Description</u>	<u>Exposure Base</u>
<u>Old</u>	<u>New</u>		
79415		Bleachers or Grandstands in Connection with Baseball Programs (on any premises) Code 79415 also includes: "Grandstands or Bleachers - Not Otherwise Classified"	No Exposure
79424		Bingo Games - in public halls or theaters - commercially operated	Number of Admissions
	40075	Bingo Games - in public halls or theaters - commercially operated	Number of Admissions
<u>Boats</u>			
	10107	Boat yards or marinas - public	Gross Sales
44693		Canoes or Rowboats - for hire - not equipped with motor Code 44693 also includes "Motorboats or Sailboats - for hire - not operated by the insured - Not Otherwise Classified"	Receipts
	10110	Canoes or Rowboats - for rent - not equipped with motors	Gross Sales
44696		Canoes or Rowboats - private - with or without sails - no motors	Number of Boats
	40111	Canoes or Rowboats - not for rent - not equipped with motors	Number of Boats
44598		Camps, Clubs, Hotels etc. - Motorboats and Sailboats - Not Otherwise Classified	Number of Boats
44617		Houseboats	No Exposure

Exhibit 11
Page 7

<u>Class Code</u>		<u>RECREATIONAL LIABILITY</u> <u>Description</u>	<u>Exposure Base</u>
<u>Old</u>	<u>New</u>		
<u>Boats (continued)</u>			
	10119	Boats - Not Otherwise Classified - rented to others	Gross Sales
	10117	Boats - motor or sail - rented to others	Gross Sales
	40117	Boats - Not Otherwise Classified - not for rent	Number of Boats
	44613	Boats - private passenger - motor or sail- stored out of water or tied to buoys or docks for storage purposes away from insured's premises	No Exposure
	40115	Boats - motor or sail - not for rent	Number of Boats
	44607	Boats - inboard motor - not exceeding 10 horsepower	Number of Boats
	44615	Boats - outboard motor - not for hire - 25 horsepower or more	Number of Boats
	44614	Boats - not for hire - with outboard motors less than 25 horsepower	Number of Boats
	44614	Boats - private passenger - motor or sail - non-owned	Number of Boats
	40140	Boats - non-owned over 26 feet	Number of Boats
	44507	Inboard Motorboats and Sailboats (not equipped with auxiliary power) - Private Passenger - not applicable to Camps, Clubs or Hotels	Number of Boats
	44517		
	44557		
	44567		
	44577		
	44587		
	44597		
	44598		

Exhibit 11
Page 8

<u>Class Code</u>		<u>Description</u>	<u>Exposure Base</u>
<u>Old</u>	<u>New</u>		
<u>Camps</u>			
70322		Camps - Boy or Girl - Not Otherwise Classified	Number of Camper Days
	41421	Camps - for profit	Per Camper Day
	10330	Campgrounds	Gross Sales
70321		Camps - Boy or Girl - non-profit	Number of Camper Days
	41422	Camps - not for profit	Number of Camper Days
80998		Camps - first aid to campers	Number of Camper Days
<u>Carnivals and Circuses</u>			
79221		Carnivals or Circus Companies - excluding mechanical amuse- ment devices	No Exposure
	10375	Carnival or Circus Companies	Gross Sales
	10377	Carnival or Circuses - in tents (sponsor's risk only)	Gross Sales
	10376	Carnival - outside (sponsor's risk only)	Gross Sales
79421		Carnival - outside (sponsor's risk only)	Receipts
79464		Circuses - in tents (sponsor's risk only)	Receipts

Exhibit 11
Page 9

<u>Class Code</u>		<u>Description</u>	<u>Exposure Base</u>
<u>Old</u>	<u>New</u>		
<u>Clubs</u>			
79498		Clubs - athletic sports, games or contests away from club premises	Number of Games
	79472	Clubs - country, golf, polo or tennis	Square Feet
	11138	Clubs - country or golf	Gross Sales
	70411	Clubs - Not Otherwise Classified (including lodges, fraternal orders and sororities)	Square Feet
		Code 70411 also includes: "Clubs - riding - private without riding rings, etc. - not commercial (not riding academies)"	
	79496	Clubs - riding - private, with riding rings - not commercial (not riding academies)	Square Feet
		Code 79496 also includes: "Riding Academies - with riding rings, etc.	
	41664	Clubs - horseback riding - no commercial riding instructions	Square Feet
	86990	Clubs - swimming (not commercial)	Number of Clubs
	41666	Clubs - swimming	Gross Sales
	41665	Clubs - racquet sports and handball	Gross Sales

Exhibit 11
Page 10

RECREATIONAL LIABILITY

<u>Class Code</u>		<u>Description</u>	<u>Exposure Base</u>
<u>Old</u>	<u>New</u>		
86110		Conventions	No Exposure
	41671	Conventions (sponsor's risk)	Number of Convention Days
79112		Dance Halls - admission charge	Receipts
79301		Dance Halls - no admission charge	Number of Halls
	11270	Dance Halls or Ballrooms	Gross Sales
86414		Day Camps and Youth Recreation Programs	No Exposure
		Code 86414 also includes: "Fair Grounds - non operating season" and "Parks or Play Grounds - Not Otherwise Classified"	
79467		Dog Shows - outside	Receipts
70323		Dude Ranches	Number of Guests
	43117	Dude Ranches	Gross Sales
80996		Exercise or Health Institutes	Square Feet
	44311	Exercise or Health Clubs	Gross Sales
<u>Exhibitions</u>			
79435		Exhibitions or Convention Buildings or Armories	Square Feet
	63212	Exhibition or Convention Buildings	Square Feet
	63213	Exhibitions in Buildings - Not Otherwise Classified	Number of Admissions
79499		Exhibition - in Buildings - trade or educational exhibitions - no admission charge	Number of Exhibitions

Exhibit 11
Page 11

RECREATIONAL LIABILITY

<u>Class Code</u>		<u>Description</u>	<u>Exposure Base</u>
<u>Old</u>	<u>New</u>		
<u>Exhibitions (continued)</u>			
	63214	Exhibitions - in Buildings - no admission charge	Number of Exhibitions
79418		Exhibitions - Not Otherwise Classified - outside - no stadiums or grandstands	Receipts
79462		Exhibitions - Not Otherwise Classified - outside - in stadiums or on premises having grandstands - ushers not provided by insured	Number of Admissions
	43421	Exhibitions - outside - in stadiums or on premises having grandstands not erected by or for insured - ushers not provided by insured	Number of Admissions
79413		Exhibitions - Not Otherwise Classified - outside - in stadiums or grandstands - ushers provided by insured	Number of Admissions
		Code 79413 also includes: "Stadiums - Not Otherwise Classified - operated by insured"	
	43424	Exhibitions - outside - no stadiums or grandstands	Gross Sales
	43422	Exhibitions - outside - in stadiums or on premises having grandstands - ushers provided by insured	Number of Admissions
	43517	Fair Grounds - non operating season	Number of Fairgrounds
79465		Fairs - outside	Receipts
	43518	Fairs - outside (operator's risk only)	Gross Sales

Exhibit 11
Page 12

<u>Class Code</u>		<u>Description</u>	<u>Exposure Base</u>
<u>Old</u>	<u>New</u>		
<u>RECREATIONAL LIABILITY</u>			
79463		Fireworks exhibitions - contractor's risk only	No Exposure
	43626	Fireworks exhibitions - contractor's risk only	Gross Sales
79461		Fireworks exhibition - sponsor's risk only	Number of Location Days
	43627	Fireworks exhibition - sponsor's risk only	Number of Location Days
79407		Firing ranges - indoor - not amusement parks or shooting galleries	No Exposure
<u>Fishing</u>			
44637		Fishing Piers - commercially operated - no boats rented by insured	Receipts
	43754	Fishing Piers	Number of Fishing Piers
79478		Fishing Ponds or Lakes - commercially operated - includes boats rented	Receipts
	43760	Fishing Ponds or Lakes - commercially operated	Gross Sales
44636		Fishing Ponds or Lakes - commercially operated - no boats rented by insured	Receipts
<u>Golf</u>			
44071		Golf Driving Ranges	Gross Sales
79497		Golf Courses - miniature	Receipts
	44069	Golf Courses - miniature	Gross Sales
79420		Golf Courses - municipal or public - not golf or country club	Receipts
	44070	Golf Courses - municipal or public - not golf or country club	Gross Sales

Exhibit 11
Page 13

<u>Class Code</u>		<u>Description</u>	<u>Exposure Base</u>
<u>Old</u>	<u>New</u>		
<u>RECREATIONAL LIABILITY</u>			
<u>Golf (continued)</u>			
79410		Golfmobiles - loaned or rented to others	Number of Golfmobiles
	44072	Golfmobiles - loaned or rented to others	Gross Sales
79433		Additional Charge Class under Golf Courses: "Golfmobiles loaned or rented to others"	Number of Golfmobiles
<hr/>			
	44192	Grandstands or Bleachers	Number of Grandstands or Bleachers
93120		Halls - Not Otherwise Classified	Square Feet
	44275	Halls	Square Feet
79466		Horse shows - outside	Receipts
07410		Hunting on insured premises for a charge	Receipts
	45223	Hunting preserves	Gross Sales
	45522	Lakes or reservoirs - existence hazard only	Number of Lakes or Reservoirs
82310		Libraries	Square Feet
Code 82310 also includes: "Museums" and "Mausoleums"			
	66309	Libraries	Square Feet
79302		Model Airplane Contests	Number of Contests
	46425	Museums	Square Feet

Exhibit 11
Page 14

<u>Class Code</u>		<u>Description</u>	<u>Exposure Base</u>
<u>Old</u>	<u>New</u>		
	15655	Nightclubs, cabarets and discotheques	Gross Sales
79303		Parades	No Exposure
	46590	Parades (Note: does not apply to parades organized or sponsored by a governmental body)	Number of Parades
	46671	Parks or Playgrounds (Note: does not apply to parks or playgrounds owned by a governmental body)	Number of Parks or Playgrounds
79305		Picnic Grounds - commercially operated	Number of Picnic Grounds
	46773	Picnic Grounds - commercially operated	Number of Picnic Grounds
<u>Racing: Auto, horse, dog, etc.</u>			
79483		Horse racing, dog racing, race tracks	Number of Admissions
	46911	Race tracks - motorized vehicles - operators	Gross Sales
79482		Auto racing - midget and not midget; Motorcycle Racing	Number of Admissions
	46912	Race tracks - Not Otherwise Classified - operators	Gross Sales
	46913	Race tracks - motorized vehicles (lessor's risk only)	Gross Sales
	46914	Racing - Not Otherwise Classified (lessor's risk only)	Gross Sales
	46915	Race Tracks - motorized vehicles (sponsor's risk only)	Number of Admissions
	46916	Racing - Not Otherwise Classified (sponsor's risk only)	Number of Admissions
	47221	Riding academies	Square Feet

Exhibit 11
Page 15

RECREATIONAL LIABILITY

<u>Description</u>	<u>Exposure Base</u>	<u>Class Code</u>	
		<u>Old</u>	<u>New</u>
Recreation Centers	Square Feet	86411	
Code 86411 includes: "YMCA and YWCA Institutions"			
Rifle Ranges - indoor - not on insured premises	Number of Ranges	79255	
Rifle or Pistol Ranges - indoor	Number of Ranges		47253
Rifle Ranges - open air - private - away from other premises - owned or operated by the insured	Each	79308	
Rifle or Pistol Ranges - Not Otherwise Classified	Number of Ranges		47254
Rodeos - includes parades	Receipts	79468	
Rodeos	Gross Sales		47318
Skating Rinks - ice	Receipts	79451	
Skating Rinks - ice	Gross Sales		48177
Skating Rinks - roller	Receipts	79452	
Skating Rinks - roller	Gross Sales		48178
Skeet shooting or trap shooting ranges	No Exposure	79444	
Skeet shooting or trap shooting ranges	Number of Ranges		48206
Ski lifts or tows - including ski runs - commercially operated	Receipts	41191	
Ski lifts, Tows or Runs	Gross Sales		48252
Ski lifts or Tows - not commercial	Number of Lifts or Tows	70324	
Soap box derbies - without seating arrangements for spectators	No Exposure	79481	

Exhibit 11
Page 16

RECREATIONAL LIABILITY

<u>Class Code</u>		<u>Description</u>	<u>Exposure Base</u>
<u>Old</u>	<u>New</u>		
	48441	Soap Box Derbies	Number of Contestants
79111		Social Gatherings and Meetings - on premises not owned or operated by the insured	No Exposure
	48556	Social Gatherings and Meetings - on premises not owned or operated by the insured	Number of Locations
	99111	Stables - boarding, livery, racing	Payroll
79413		Stadiums - Not Otherwise Classified - operated by insured	Number of Admissions
79414		Stadiums - Not Otherwise Classified - operated by insured	Receipts
	48634	Stadiums - operated by insured	Gross Sales
	48808	Sun Tanning Salons	Gross Sales
72995		Tents - loaned or rented to others	Receipts
	49111	Tents or Canopies - loaned or rented to others	Gross Sales
<u>Theaters</u>			
78821		Theaters - Not Otherwise Classified	Number of Admissions
	49182	Theaters - Not Otherwise Classified	Number of Admissions
78330		Theaters - drive in - admissions	Number of Admissions

Exhibit 11
Page 17

RECREATIONAL LIABILITY

<u>Class Code</u>		<u>Description</u>	<u>Exposure Base</u>
<u>Old</u>	<u>New</u>		
<u>Theaters (continued)</u>			
	49181	Theaters - drive in - admissions	Number of Admissions
	78331	Theaters - drive in - receipts	Receipts
	49183	Theaters - motion picture	Number of Admissions
	78329	Theaters (not drive in) - Halls or Auditoriums - not operated by insured (lessor's risk only)	Square Feet
	78320	Theaters - motion picture	Number of Admissions
	99718	Theatrical Companies - traveling	Payroll
	70324	Toboggan Slides - not commercial	Number of Slides
	49333	Travel Agency Tours	Number of Passenger Days
	70329	Vacation Farms	Number of Guests
	49870	YMCA, YWCA or similar institutions	Square Feet
	49889	Youth Recreation Programs	Number of Registrants
	07292	Additional Charge Class under Parks or Playgrounds - Not Otherwise Classified: "Zoos"	Number of Zoos
	49901	Zoos	Number of Zoos

Exhibit 12

Class Code		Description	Exposure Base
Old	New		
82115	41712 41714	Day Nurseries Day Care Centers Day Care Centers	Square Feet Square Feet Number of Persons

State Corporation Commission

* * * * *

BUREAU OF INSURANCE

March 15, 1988

Administrative Letter 1988-4

TO: All Licensed Insurers and Other Interested Parties.

RE: Withdrawal of Administrative Letter 1983-5 Dated June 1, 1983 and Amendments to Administrative Letter 1983-5 Dated August 22, 1983.

Please be advised that the above-referenced Administrative Letter, along with the amendments thereto dated August 22, 1983 is withdrawn, effective immediately.

With the implementation of automated examinations administered by the Insurance Testing Institute, the Bureau of Insurance is revising its requirements for the Life and Health, Health, and Property and Casualty study courses, which are now set forth in the Virginia Licensing Information Bulletin available from the Insurance Testing Institute.

Information concerning the requirements for Bureau approval of prelicensing study courses and instructors, as well as appropriate forms and instructions, may be obtained by written request to:

Agent Licensing Section
Bureau of Insurance
State Corporation Commission of Virginia
Post Office Box 1157
Richmond, Virginia 23209

/s/ Steven T. Foster, Commissioner of Insurance

GOVERNOR

GOVERNOR'S COMMENTS ON PROPOSED REGULATIONS

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

DEPARTMENT OF EDUCATION

Title of Regulation: VR 270-01-0051. Regulations Governing
Criteria to Identify Toxic Art Materials; Labeling; Use in
Elementary Grades Prohibited.

Governor's Comment:

No objection to the proposed regulation as presented.

/s/ Gerald L. Baliles
March 12, 1988

DEPARTMENT OF SOCIAL SERVICES Division of Licensing Programs

Title of Regulation: VR 615-22-02. Standards and
Regulations for Licensed Homes for Adults.

Governor's Comment:

These regulations appear to be carefully drawn to
improve and clarify existing requirements of licensed
homes for adults. Subject to the review of any public
comments which are received about the regulations, I
have no objections to the proposals as presented.

/s/ Gerald L. Baliles
March 10, 1988

GENERAL NOTICES/ERRATA

Symbol Key †

† Indicates entries since last publication of the Virginia Register

DEPARTMENT FOR THE AGING

Notice of Intended Regulatory Action

Notice is hereby given in accordance with this agency's public participation guidelines that the Department for the Aging intends to consider promulgating regulations entitled: **Area Agencies on Aging**. The purpose of the proposed regulation is to set forth the methods for (i) designating a planning and service area and an area agency on aging and (ii) suspending or terminating the designation of an area agency on aging.

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

Written comments may be submitted until July 20, 1988.

Contact: J. James Cotter, Director, Division of Program Development and Management, Virginia Department for the Aging, 101 N. 14th St., 18th Fl., Richmond, Va. 23219-2797, telephone (804) 225-2271 or SCATS 225-2271

Notice of Intended Regulatory Action

Notice is hereby given in accordance with this agency's public participation guidelines that the Department of Aging intends to consider promulgating regulations entitled: **Area Plans for Aging Services**. The purpose of the proposed regulation is to regulate the process by which an Area Agency on Aging develops and implements its Area Plan for Aging Services.

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

Written comments may be submitted until July 20, 1988.

Contact: J. James Cotter, Director, Division of Program Development and Management, Virginia Department for the Aging, 101 N. 14th St., 18th Fl., Richmond, Va. 23219-2797, telephone (804) 225-2271 or SCATS 225-2271

Notice of Intended Regulatory Action

Notice is hereby given in accordance with this agency's public participation guidelines that the Department for the Aging intends to consider promulgating regulations entitled: **Financial Management Policies Applicable to Area Agencies on Aging**. The purpose of the proposed regulation is to provide policies and standards for an Area Agency on Aging in the administration of federal and state grants to provide supportive and nutrition services to older persons.

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

Written comments may be submitted until July 20, 1988.

Contact: J. James Cotter, Director, Division of Program Development and Management, Virginia Department for the Aging, 101 N. 14th St., 18th Fl., Richmond, Va. 23219-2797, telephone (804) 225-2271 or SCATS 225-2271

Notice of Intended Regulatory Action

Notice is hereby given in accordance with this agency's public participation guidelines that the Department for the Aging intends to consider promulgating regulations entitled: **Hearings**. The purpose of the proposed regulation is to describe the hearing procedures of the Department for the Aging.

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

Written comments may be submitted until July 20, 1988.

Contact: J. James Cotter, Director, Division of Program Development and Management, Virginia Department for the Aging, 101 N. 14th St., 18th Fl., Richmond, Va. 23219-2797, telephone (804) 225-2271 or SCATS 225-2271

Notice of Intended Regulatory Action

Notice is hereby given in accordance with this agency's public participation guidelines that the Department of Aging intends to consider promulgating regulations entitled: **Long-Term Care Ombudsman Program**. The purpose of the proposed regulations is to describe the policies by which the Department for the Aging establishes and operates the Office of the State Long-Term Care Ombudsman and designates and supervises an area or local ombudsman entity.

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

Written comments may be submitted until July 20, 1988.

Contact: J. James Cotter, Director, Division of Program Development and Management, Virginia Department for the Aging, 101 N. 14th St., 18th Fl., Richmond, Va. 23219-2797, telephone (804) 225-2271 or SCATS 225-2271

DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES

Notice of Intended Regulatory Action

Notice is hereby given in accordance with this agency's public participation guidelines that the Department of Agriculture and Consumer Services intends to consider amending regulations entitled: **Standards for Classification of Real Estate as Devoted to Agricultural Use and to Horticultural Use under the Virginia Land Use Assessment Law**. The purpose of the proposed regulation is to amend the Standards for Classification of Real Estate as Devoted to Agricultural Use and to Horticultural Use under the Virginia Land Use Assessment Law to clarify the standards and strengthen eligibility requirement for participation.

Statutory Authority: § 58.1-3230 of the Code of Virginia.

Written comments may be submitted until April 28, 1988, to S. Mason Carbaugh, Commissioner of Agriculture and Consumer Services, P. O. Box 1163, Richmond, Va. 23209.

Contact: T. Graham Copeland, Jr., Director, Policy Analysis and Development, P. O. Box 1163, Richmond, Va. 23209, telephone (804) 786-3539 or SCATS 786-3539

STATE AIR POLLUTION CONTROL BOARD

† Notice of Intended Regulatory Action

Notice is hereby given in accordance with this agency's public participation guidelines that the State Air Pollution Control Board intends to consider amending regulations entitled: **VR 120-01. Regulations for the Control and Abatement of Air Pollution, concerning documents incorporated by reference**. The purpose of the proposed regulation is to provide the latest edition of referenced technical and scientific documents and to incorporate newly promulgated federal New Source Performance Standards and National Emission Standards for Hazardous Air Pollutants.

Statutory Authority: § 10-17.18(b) of the Code of Virginia.

Written comments may be submitted until May 18, 1988, to Director of Program Development, State Air Pollution Control Board, P. O. Box 10089, Richmond, Virginia 23240.

Contact: Nancy Saylor, Policy and Program Analyst, Division of Program Development, State Air Pollution Control Board, P. O. Box 10089, Richmond, Va. 23240, telephone (804) 786-1246

CHILD DAY-CARE COUNCIL

Notice of Intended Regulatory Action

Notice is hereby given in accordance with this agency's public participation guidelines that the Child Day-Care Council intends to consider promulgating regulations entitled: **Minimum Standards for Licensed Child Care Centers, Regulation for Criminal Record Checks for Licensed Child Care Centers, and General Procedures for Child Care Centers**.

Statutory Authority: § 63.1-202 of the Code of Virginia.

Written comments may be submitted until April 13, 1988.

Contact: Arlene Kasper, Program Development Supervisor, Department of Social Services, Division of Licensing Programs, 8007 Discovery Dr., Richmond, Va. 23229, telephone (804) 662-9025 or SCATS 662-9025

DEPARTMENT OF CORRECTIONS (STATE BOARD OF) Division of Youth Services

Notice of Intended Regulatory Action

Notice is hereby given in accordance with this agency's public participation guidelines that the Department of Corrections, Division of Youth Services intends to consider amending regulations entitled: **Rules and Regulations Governing Applications for Virginia Delinquency Prevention and Youth Development Act Grants**. The purpose of the proposed regulation is to provide regulations governing applications for Virginia Delinquency Prevention and Youth Development Act grants with respect to eligibility, developmental process, criteria for application review and funding, and the review process.

Statutory Authority: §§ 53.1-5 and 53.1-253 of the Code of Virginia.

Written comments may be submitted until June 1, 1988.

Contact: Thomas J. Northern, III, Delinquency Prevention Specialist, Department of Corrections, P. O. Box 26963, Richmond, Va. 23261, telephone (804) 367-1633 or SCATS 367-1633

DEPARTMENT OF FORESTRY

Notice of Intended Regulatory Action

Notice is hereby given in accordance with this agency's public participation guidelines that the Department of Forestry intends to consider amending regulations entitled: **Standards for Classification of Real Estate as Devoted to Forest Use under the Virginia Land Use Assessment Law Entitled: Special Assessments for Agricultural, Horticultural Forest Open Space or Newly Annexed Real**

General Notices/Errata

Estate. The purpose of the proposed regulation is to amend the standards for classification of real estate as devoted to forest use under the Virginia Land Use Assessment Law to clarify the standards and strengthen eligibility requirements for participation.

Statutory Authority: § 58.1-3230 of the Code of Virginia.

Written comments may be submitted until April 28, 1988, to James W. Garner, State Forester, Department of Forestry, P. O. Box 3758, Charlottesville, Virginia 22903.

Contact: W. C. Stanley, Chief, Forest Management, Department of Forestry, P. O. Box 3758, Charlottesville, Va. 22903, telephone (804) 997-6555 or SCATS 487-1230

STATE BOARD OF HEALTH

Notice of Intended Regulatory Action

Notice is hereby given in accordance with this agency's public participation guidelines that the State Board of Health intends to consider amending regulations entitled: **Regulations Prohibiting the Taking of Finfish in Designated Portions of the James River and Its Tributaries.** The purpose of the proposed regulation is to continue regulations which prohibit the taking of specific finfish in designated portions of the James River and its tributaries. Continuation of the regulations is recommended for a one-year period (July 1, 1988 through June 30, 1989).

Statutory Authority: §§ 28.1-176, 28.1-177 and 32.1-248 of the Code of Virginia.

Written comments may be submitted until 5 p.m., May 2, 1988.

Contact: Robert B. Stroube, M.D., M.P.H., Deputy Commissioner for Community Health Services, Department of Health, Room 400, Richmond, Va. 23219, telephone (804) 786-3575 or SCATS 786-3575

VIRGINIA STATE BOARD OF NURSING

† Notice of Intended Regulatory Action

Notice is hereby given in accordance with this agency's public participation guidelines that the Virginia State Board of Nursing intends to consider promulgating and amending regulations entitled: **VR 495-01-1. Board of Nursing Regulations.** The purpose of the proposed regulation is to (i) promulgate regulations for the direction or supervision of licensed practical nurses as required by § 54-367.2 of the Code of Virginia as amended by the General Assembly, 1988; (ii) promulgate a regulation to require licensees to report change of address; and (iii) amend regulations related to approval of nursing education programs for clarity and enforceability.

Statutory Authority: §§ 54-367.2 and 54-367.11 of the Code of Virginia.

Written comments may be submitted until May 20, 1988.

Contact: Corinne F. Dorsey, Executive Director, Virginia State Board of Nursing, 1601 Rolling Hills Dr., Richmond, Va. 23229, telephone (804) 662-9909 or SCATS 662-9909

DEPARTMENT OF SOCIAL SERVICES (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 Social Services intends to consider promulgating regulations entitled: **Adult Protective Services Disclosure of Information.** The purpose of the proposed regulation is to promote interagency, interdisciplinary cooperation in adult protective services investigations by defining information to be disclosed by local departments of social services and by specifying circumstances under which such information will be disclosed.

Statutory Authority: §§ 63.1-25 and 63.1-55.4 of the Code of Virginia.

Written comments may be submitted until May 2, 1988.

Contact: Joy Duke, Adult Protective Services Program Supervisor, Department of Social Services, 8007 Discovery Dr., Richmond, Va. 23229-8699, telephone (804) 662-9241 or SCATS 662-9241

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 promulgating regulations entitled: **General Relief (GR) Program - Relocation Assistance.** The purpose of the proposed regulation is to add a component to general relief that will allow local departments to provide assistance for relocation when employment has been secured outside the locality.

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

Written comments may be submitted until April 13, 1988.

Contact: Carolyn Sturgill, Program Specialist, Division of Benefit Programs, 8007 Discovery Dr., Richmond, Va. 23229-8699, telephone (804) 662-9046 or SCATS 662-9046

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: **Job Training Partnership Act (JTPA), Title IV,**

Part A, Income Disregards in the Aid to Dependent Children (ADC) Program. The purpose of the proposed amendments is to disregard children's earnings derived through participation in JTPA, Title IV, Part A, for six calendar months per year and children's unearned income derived through participation in JTPA, Title IV, Part A, indefinitely.

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

Written comments may be submitted until April 13, 1988.

Contact: Carol I. Holmes, Program Specialist, Division of Benefit Programs, 8007 Discovery Dr., Richmond, Va. 23229-8699, telephone (804) 662-9046 or SCATS 662-9046

DEPARTMENT OF TRANSPORTATION (COMMONWEALTH TRANSPORTATION BOARD)

Notice of Intended Regulatory Action

Notice is hereby given in accordance with this agency's public participation guidelines that the Department of Transportation intends to consider promulgating regulations entitled: **State Noise Abatement Policy**. The purpose of the proposed regulation is to implement a statewide noise abatement program for all new federal and nonfederal highway projects.

Statutory Authority: § 33.1-12 of the Code of Virginia.

Written comments may be submitted until May 27, 1988, to J.S. Hodge, Chief Engineer, Department of Transportation, 1401 E. Broad St., Richmond, Va. 23219.

Contact: A.C. Anday, Coordinator, Air, Noise & Energy, Department of Transportation, 1401 E. Broad St., Room 1111, Richmond, Va. 23219, telephone (804) 786-6556 or SCATS 786-6556

GENERAL NOTICES

DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES

† DIVISION ADMINISTRATION DIRECTIVE

NUMBER: 79-1

DATE: November 29, 1979

Division of Animal Health

REVISION: September 15, 1987

Department of Agriculture and Consumer Services

EFFECTIVE: October 1, 1987

METHODS PRESCRIBED OR APPROVED FOR ANIMAL EUTHANASIA

I. PURPOSE

This Directive sets forth methods that are currently prescribed and approved by the State Veterinarian for use in the euthanasia of animals by animal wardens, employees of humane societies and/or public animal shelters, and other officers as defined in § 3.1-796.96 of the Comprehensive Animal Laws.

II. AUTHORITY

Chapter 27.4, Article 4, § 3.1-796.96 of the Code of Virginia (1950), as amended, cited as the Authority of Local Governing Bodies and Licensing of Dogs, states, in part, "Any animal destroyed following the provisions of this chapter shall be euthanized by one of the methods prescribed or approved by the State Veterinarian."

III. APPROVED METHODS

A. Sodium pentobarbital administered parenterally.

*B. Sodium pentobarbital with lidocaine administered parenterally (**NOTE: See below**).

C. Carbon monoxide gas dispensed into a chamber.

D. Firearms under specified conditions.

IV. APPROVED PROCEDURES

Methods currently prescribed or approved by the State Veterinarian for the euthanasia of animals pursuant to the provisions contained in § 3.1-796.96 of Chapter 27.4 are as follows:

A. Sodium pentobarbital

Sodium pentobarbital is to be administered by hypodermic syringe and needle in a concentration of not less than 4 grains of sodium pentobarbital per cubic centimeter (cc) of water. Current regulations of the Board of Pharmacy specify that the drug must be ordered in the injectable form only.

*B. Sodium Pentobarbital with Lidocaine

Several new products are available which are composed of sodium pentobarbital with lidocaine. The effect of lidocaine is most notable in intraperitoneal injections, because it increases absorption of the drug into the blood stream and also acts directly on the heart and brain to decrease the time it takes for unconsciousness to occur. It appears that this drug will be a valuable asset in humane euthanasia. *At this time, however, the State Board of Pharmacy only allows the procurement of Schedule II sodium pentobarbital for euthanasia of impounded animals. However, the new products containing lidocaine

General Notices/Errata

are Schedule III drugs. Therefore, the State Board of Pharmacy or the Federal Food and Drug Administration do not currently allow the procurement or use of sodium pentobarbital with lidocaine by nonveterinarians. Approval of this drug combination by the State Veterinarian as an approved method of euthanasia does not sanction its procurement or use by nonveterinarians in violation Board of Pharmacy statute or Federal law.

Sodium pentobarbital can legally be procured and used by a licensed veterinarian. Any euthanasia performed using this drug combination by a nonveterinarian must be performed while under the direct supervision of a licensed veterinarian.

Route, Methods and Dosages of Administration of Sodium Pentobarbital with or without Lidocaine

Intravenously

The preferred route of administration is intravenous if (1) performed by a trained and skilled operator capable of properly performing intravenous injection; (2) the animal is able to be handled and can be properly restrained without undue stress; and (3) a vein is readily accessible. The amount of drug needed will be dependent upon the body weight of the animal. In general, one (1) cc per 10 pounds of body weight is needed, but dosage directions on the product should be followed. In all cases, an overdose rather than an underdose is preferred. The minimum use, regardless of size, is one (1) cc. The use of a 20- or 22-gauge needle, one inch in length, is suggested for injection in dogs.

Intravenous euthanasia of cats requires increased expertise and requires the use of a smaller gauge (i.e. 24- or 25-gauge) one inch needle. Cats can be euthanized using the alternate method of intraperitoneal injection.

Intraperitoneally

An alternate method of sodium pentobarbital injection is intraperitoneal. This is the easiest method to learn and is especially effective for young animals, cats and small dogs, wildlife or animals that are difficult to handle.

It is suggested that the solution be injected into the peritoneal cavity about one inch behind the umbilicus. Again, a trained and skilled person is necessary to administer the injection and proper restraint must be used. A one inch, 20-gauge needle is suggested for dogs over 20 pounds; for cats and dogs under 10 pounds, a 24-gauge needle works well. The volume of the drug used should be double or triple the intravenous dose; a rule of thumb is 2 or 3 cc per 20 pounds of body weight. The minimum dosage, regardless of size, is 3 cc. The higher dose required for intraperitoneal injection is due to the increased time it takes for the drug to be adsorbed and take effect when given in the abdomen. Due to this prolonged time, death does not occur instantaneously, often taking up to 30 minutes. After intraperitoneal injection, the

animal should be placed in a cage or run, preferably in a quiet area, and observed so that it does not injure itself by stumbling or falling as unconsciousness occurs. The time from unconsciousness to death will vary.

Intracardiac

According to the 1986 American Veterinary Medical Association Report on Euthanasia, "Because crying and struggling may follow improper intracardiac injection, this route of administration is objectionable. Skill is required to penetrate the heart of an animal with one thrust of a hypodermic needle, especially if the animal is not easily restrained. Intracardiac injection of drugs is not recommended for euthanasia, except in depressed, anesthetized, or comatose animals." Therefore, intracardiac injection is not approved.

Considerations

All animals, regardless of route of injection, should be carefully checked for lack of a heartbeat, pupillary reflexes, and respiratory movement to be sure death has occurred before disposal.

It is preferable that euthanasia by injection be done when two people are present, one to administer the drug and one to restrain the animal. This reduces stress on the animal, ensures proper administration of the drug, and protects the administrator.

The procedure to obtain and use sodium pentobarbital involves state (Board of Pharmacy) and federal (Drug Enforcement Agency) licensing.

C. Carbon Monoxide Gas

Carbon monoxide gas at a chamber concentration of at least 6% may be a preferred method for euthanasia of wildlife and animals that are difficult to manage. It is also acceptable for euthanasia of most dogs and cats. Puppies and kittens under eight weeks of age cannot be effectively euthanized with carbon monoxide gas due to their small lung capacity and the use of carbon monoxide to euthanize such young animals should not be used unless absolutely necessary. If parenteral or intraperitoneal administration of sodium pentobarbital cannot be used to euthanize such young animals, the concentration of gas in the chamber should be increased to 10% or more and the young animals put in small, lightweight, open-wire cages with solid metal-pan bottoms. Time until unconsciousness and death is prolonged for young animals. Commercial-grade carbon monoxide gas shall be dispensed from a cylinder into the chamber at a pressure and rate that it achieves a 6% concentration within the chamber. Too much or too little gas will result in animal struggling and suffering. Unconsciousness should result in 45 to 60 seconds; death should occur within 2 to 4 minutes. Some reflex movements and sounds may occur from the unconscious animals; this must be differentiated from conscious struggling.

The chamber should be well sealed, should have a functioning light inside the chamber and should be used during the operation of the chamber, and should have a window through which the animals may be observed to ensure that euthanasia is occurring properly. Animals should never be crowded together or placed in the chamber with other animals already euthanized. Only compatible animals of the same size and species should be placed in the chamber together. Cats should be placed into chamber individually in separate lightweight open-wire cages with metal-pan bottoms.

Carbon monoxide euthanasia should occur only in well ventilated areas because of the danger to the operator. The animals should be left in the chamber at least ten minutes after death has occurred before the chamber is opened. The operator should open the chamber in a well ventilated area and again leave the animals another 5 to 10 minutes.

Animals euthanized by carbon monoxide must be carefully examined to ensure death has occurred, using the absence of heartbeat, breathing and eye reflexes to indicate death prior to disposal.

D. Firearms

The shooting of animals with firearms for the purpose of effecting euthanasia is not approved for routine use. According to the authority granted to the State Veterinarian by Chapter 27.4, the shooting of animals for the purpose of effecting euthanasia is approved for use only when conditions do not permit the employment of the aforementioned prescribed or approved methods of euthanasia and when all humanely accepted methods of capture have failed.

NOTE: Please observe local rules and regulations governing the use of firearms.

V. APPROVAL OF ADDITIONAL METHODS AND PROCEDURES

Advances in animal euthanasia research will be continually monitored by the Office of the State Veterinarian and those methods which are proved to be acceptable will be added to the approved list.

Local authorities or individuals seeking approval of specific methods of animal euthanasia may submit request for the consideration of such proposal to:

State Veterinarian
Division of Animal Health
Washington Building, Suite 600
1100 Bank Street
Richmond, VA 23219
PHONE: 804-786-2481

VI. PUBLIC HEARING

This Directive, relating to the approval of the State Veterinarian of methods of animal euthanasia, is drawn pursuant to § 3.1-796.96 of the Code of Virginia (1950), as amended.

No public hearing or comment has been solicited concerning the publishing of this Directive. The State Veterinarian will receive, consider, and respond to, any petition for a hearing or for reconsideration of the methods prescribed or approved for animal euthanasia.

Such petitions should be submitted to State Veterinarian, Division of Animal Health, Washington Building, Suite 600, 1100 Bank Street, Richmond, Virginia 23219, Telephone 804-786-2481.

Done in Richmond, Virginia, on this 1st day of October, 1987.

/s/ William D. Miller, D.V.M.
State Veterinarian

DIVISION ADMINISTRATION DIRECTIVE

NUMBER: 83-1

DATE: January 3, 1983

Division of Animal Health

REVISION: September 15, 1987

Department of Agriculture and Consumer Services

EFFECTIVE: October 1, 1987

APPROVED DRUGS AND DRUG ADMINISTERING EQUIPMENT

I. PURPOSE

This Directive sets forth drugs and drug administering equipment approved by the State Veterinarian for use in the capture of dogs by animal wardens and other officers as defined in § 3.1-796.119 of the Comprehensive Animals Laws.

II. AUTHORITY

Chapter 27.4, Article 5, § 3.1-796.119 of the Code of Virginia of 1984, states, in part, "All drugs and drug administering equipment used by animal wardens or other officers to capture dogs pursuant to this chapter shall have been approved by the State Veterinarian".

III. APPROVED DRUGS AND DRUG ADMINISTERING EQUIPMENT

A. Drugs

The following drugs are currently approved by the State Veterinarian for the chemical restraint of dogs pursuant to provisions contained in § 3.1-796.119 of the Comprehensive

General Notices/Errata

Animal Laws:

<u>GENERIC NAME</u>	<u>TRADE NAME</u>	<u>CLASS OF DRUG</u>
Xylazine	Rompun	1-3-Thiazine derivative
*Xylazine & Ketamine hydrochloride combination (NOTE: See below)	Rompun & Ketaset	1-3-Thiazine derivative & cyclohexamine

According to Leon Nielsen, author of the book Chemical Immobilization in Urban Animal Control Work, intramuscular administration of a combination of Ketamine (5 mg/kg of body weight) and 10% Xylazine (1 mg/kg of body weight) is recommended for dogs only.

This regimen can induce immobilization (recumbency) in dogs in 2.6 to 3.6 minutes, with a recovery time of 131 and 110 minutes respectively. A practical way to prepare the combination is to add 2 ml (200 mg) of xylazine to 10 ml (1,000 mg) of ketamine. This premixed solution will remain stable with undiminished potency for 6 months. The recommended dosage to use of this combination is 6.0 mg/kg of body weight.

The above recommended dosage of the combination is calculated to be 0.027 ml per pound of body weight or 0.82 ml per 30 pounds of body weight, using a 10% concentration of xylazine.

The suggested dose for xylazine alone must be determined by the supervising veterinarian. As a rule, animals under 25 pounds should not be captured chemically by means of remote injection.

***NOTE: Ketamine has not been approved by the Food and Drug Administration for use in dogs. Therefore, although the combination of xylazine and ketamine as recommended above is effective for use in the capture of dogs, the approval of the State Veterinarian only acknowledges this effectiveness but does not sanction the procurement or use of ketamine or any other drug in violation of Federal law or of any Virginia Board of Pharmacy statute.**

Veterinary supervision is required for the purchase and administration of the above drugs. It is important that animal wardens and other officers receive instructions and training in the handling of hazardous drugs such as those administered for the chemical restraint of dogs.

B. Drug Administering Equipment

Drug administering equipment manufactured by the following named companies is currently approved by the State Veterinarian for administering chemical restraint drugs to capture dogs:

COMPANY NAME AND ADDRESS

CAP-CHUR Equipment

Palmer Chemical & Equipment Company, Inc.
P. O. Box 867, Palmer Village
Douglasville, GA 30133

DIST-INJECT Equipment
Glasgow Veterinary Supply
Fort Peck Route
Glasgow, MT 59230

PAXARMS Equipment
Nielsen Associates
P. O. Box 17375
Milwaukee, WI 53217

SIMMONS Equipment
ZooLu Arms of Omaha
10315 Wright Street
Omaha, NE 68124

TELINJECT Equipment
Telinject, U.S.A., Inc.
16133 Ventura Boulevard
Suite 635
Encino, CA 91436

Research conducted by the State Veterinarian verifies that equipment manufactured by the above named firms will do an acceptable job of administering chemical restraint drugs used in the capture of dogs, provided that users of the equipment are well trained in its use, and that they follow operating instructions prescribed by the manufacturer. It is important that the equipment be well maintained and in a high state of repair at all times. The State Veterinarian does not recommend the equipment produced by one manufacturer over that of another.

IV. APPROVAL OF ADDITIONAL DRUGS AND DRUG ADMINISTERING EQUIPMENT

Advances in research relative to drugs and drug administering equipment for use in capturing dogs will be monitored on a continuing basis by the Office of the State Veterinarian. Chemical restraint drugs and drug administering equipment which are proved to be acceptable will be added to the approved list.

Firms or individuals seeking approval of specific drugs or drug administering equipment for use in capturing dogs may submit a request for the consideration of such proposals to:

State Veterinarian
Division of Animal Health
Washington Building, Suite 600
1100 Bank Street
Richmond, VA 23219
PHONE: 804-786-2481

V. PUBLIC HEARING

This Directive, relating to the approval of the State

Veterinarian of approved drugs and drug administering equipment, is drawn pursuant to § 3.1-796.119 of the Code of Virginia (1950), as amended.

No public hearing or comment has been solicited concerning the publishing of this Directive. The State Veterinarian will receive, consider, and respond to, any petition for a hearing or for reconsideration of the approval of drugs and drug administering equipment.

Such petitions should be submitted to:

State Veterinarian
Division of Animal Health
Washington Building, Suite 600
1100 Bank Street
Richmond, VA 23219
PHONE: 804-786-2481

Done in Richmond, Virginia, on this 1st day of October, 1987.

/s/ William D. Miller, D.V.M.
State Veterinarian

AIDS: LIVING AND WORKING WITH A NEW EPIDEMIC

† May 9 and 10, 1988

The Omni Richmond Hotel, Richmond, Virginia

SPONSORS: The Health Policy Office, Virginia Commonwealth University; Office of the Secretary of Human Resources, Commonwealth of Virginia

PURPOSE: AIDS: Living and Working with a New Epidemic is a conference designed for all individuals concerned about AIDS in health care institutions, schools, businesses, government, community organizations, religious bodies, legal services, media, and the insurance industry. The program will utilize a multidisciplinary approach to meet the following objectives:

- To provide a comprehensive overview of the facts of AIDS
- To identify the major issues
- To provide an opportunity for discussion of the facts and issues and their policy implications for society

FORMAT: Presentations will include lectures and panel discussions examining a variety of issues related to AIDS including: An Overview of the Medical Aspects of AIDS, Approaches to Prevention, Provision and Economics of Health Care, Psychosocial Dimensions, Impact on the Marketplace, The Roles of the Media, Government, Churches and Schools, and The Community Response.

Luncheon Discussion Sessions will provide an opportunity for participants with specific areas of interest and

expertise to identify and discuss AIDS issues. Speakers, panelists and other identified resource individuals will serve as facilitators during the discussion groups.

REGISTRATION INFORMATION: The course registration fee is \$165.00. The registration fee includes tuition, course materials, continental breakfasts, coffee breaks, luncheons, and a complimentary reception. All registrations include a non-refundable \$35.00 administrative fee. For further information and/or a program brochure, please contact:

Ann Potter
Box 48, MCV Station
Richmond, VA 23298-0048
Telephone: (804) 786-0494

HOTEL INFORMATION: The Omni Richmond Hotel, 100 S. 12th Street, Richmond is our conference site. Group rates are \$68.00 single or double occupancy, plus 9.5% sales and lodging taxes. The cut-off date for reservations is April 22, 1988. To make reservations or for further information, please call (804) 344-7000.

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: Jane Chaffin, Virginia Code Commission, P.O. Box 3-AG, Richmond, Va. 23208, telephone (804) 786-3591.

FORMS:

NOTICE OF INTENDED REGULATORY ACTION - RR01
NOTICE OF COMMENT PERIOD - RR02
PROPOSED (Transmittal Sheet) - RR03
FINAL (Transmittal Sheet) - RR04
EMERGENCY (Transmittal Sheet) - RR05
NOTICE OF MEETING - RR06
AGENCY RESPONSE TO LEGISLATIVE OR GUBERNATORIAL OBJECTIONS - RR08
DEPARTMENT OF PLANNING AND BUDGET (Transmittal Sheet) - DPBRR09

Copies of the 1987 Virginia Register Form, Style and Procedure Manual may also be obtained from Jane Chaffin at the above address.

CALENDAR OF EVENTS

Symbols Key

- † Indicates entries since last publication of the Virginia Register
☒ Location accessible to handicapped
☎ Telecommunications Device for Deaf (TDD)/Voice Designation

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

STATE BOARD OF ACCOUNTANCY

- † April 18, 1988 - 10 a.m. - Open Meeting
† April 19, 1988 - 8 a.m. - Open Meeting
Traveler's Building, 3600 West Broad Street, Richmond, Virginia. ☒

A meeting to (i) review applications for examination, certification and licensure; (ii) review correspondence; and (iii) review enforcement cases.

Contact: Roberta L. Banning, Assistant Director, Department of Commerce, 3600 W. Broad St., Richmond, Va. 23230, telephone (804) 367-8590 or toll-free 1-800-552-3016

VIRGINIA AGRICULTURAL COUNCIL

- May 16, 1988 - 9 a.m. - Open Meeting
Holiday Inn - Airport, 5203 Williamsburg Road, Sandston, Virginia

A meeting to (i) review progress reports on approved funded research projects; (ii) hear any new project proposals which are properly supported by the Board of Directors of a commodity group; and (iii) 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

STATE AIR POLLUTION CONTROL BOARD

- April 11, 1988 - 9 a.m. - Open Meeting
General Assembly Building, Capitol Square, Senate Room A, Richmond, Virginia. ☒

A general meeting.

Contact: Richard Stone, Public Information Office, State Air Pollution Control Board, P. O. Box 10089, Richmond, Va. 23240, telephone (804) 786-5478

ALCOHOLIC BEVERAGE CONTROL BOARD

- April 19, 1988 - 9:30 a.m. - Open Meeting
2901 Hermitage Road, Richmond, Virginia. ☒

A meeting to receive and discuss reports on activities from staff members. Other matters not yet determined.

Contact: Robert N. Swinson, 2901 Hermitage Rd., Richmond, Va., telephone (804) 367-0617

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

Virginia State Board of Land Surveyors

- April 14, 1988 - 9 a.m. - Open Meeting
Travelers Building, 3600 West Broad Street, 5th Floor, Richmond, Virginia. ☒

A meeting to (i) approve minutes of February 5, 1988; (ii) review applications; and (iii) consider enforcement cases.

Contact: Bonnie S. Salzman, Assistant Director, 3600 W. Broad St., Richmond, Va. 23230, telephone (804) 367-8506, toll-free 1-800-552-3016 or SCATS 367-8506

AUCTIONEERS BOARD

- May 3, 1988 - 10 a.m. - Open Meeting
Roanoke City Circuit Court, 315 W. Church Avenue, Roanoke, Virginia

The board will meet to conduct a formal

administrative hearing: Virginia Auctioneers Board v. Earl Frith.

Contact: Sylvia Bryant, Hearings Coordinator, Department of Commerce, 3600 W. Broad St., Richmond, Va. 23230, telephone (804) 367-8524

BEDFORD COUNTY LOCAL EMERGENCY PLANNING COMMITTEE

April 13, 1988 - 7:30 p.m. - Open Meeting
Courthouse, Room B-105 (Board of Supervisors), Bedford, Virginia. ☒

An organizational meeting for the (i) elections of officers; (ii) appointments of subcommittees chairpersons; and (iii) statement of objectives.

April 27, 1988 - 7:30 p.m. - Open Meeting
Courthouse, Room B-105 (Board of Supervisors), Bedford, Virginia. ☒

A meeting to consider (i) adoption of constitution and by-laws; (ii) staff report; (iii) reports of committees; and (iv) establishment of goals.

Contact: John P. Tansey, Chairman, Pro-tem, Courthouse, Room B-105, Bedford, Va., telephone (703) 586-0179

STATE BUILDING CODE TECHNICAL REVIEW BOARD

† April 22, 1988 - 10 a.m. - Open Meeting
Fourth Street State Office Building, 205 North 4th Street, 2nd Floor Conference Room, Richmond, Virginia. ☒ (Interpreter for deaf provided if requested)

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

Contact: Jack A. Proctor, 205 N. 4th St., Richmond, Va. 23219, telephone (804) 786-4752

CHESAPEAKE BAY COMMISSION

† April 29, 1988 - 9 a.m. - Open Meeting
Holiday Inn, 516 Baltimore Street, Gettysburg, Pennsylvania

A quarterly meeting.

Contact: J. Claiborne Jones, 60 West St., Suite 200, Annapolis, MD 21401, telephone (301) 263-3420

LOCAL EMERGENCY PLANNING COMMITTEE OF CHESTERFIELD COUNTY

† April 21, 1988 - 5:30 p.m. - Open Meeting
† May 5, 1988 - 5:30 p.m. - Open Meeting
† May 19, 1988 - 5:30 p.m. - Open Meeting
† June 2, 1988 - 5:30 p.m. - Open Meeting
Chesterfield County Administration Building, 10001 Ironbridge Road, Room 303, Chesterfield, Virginia. ☒

A meeting to review contingency plans of local businesses. (To meet requirements of SARA 1986.)

Contact: Lynda G. Furr, Assistant Emergency Services Coordinator, Chesterfield Fire Department, P. O. Box 40, Chesterfield, Va. 23832, telephone (804) 748-1236

CHILD DAY-CARE COUNCIL

† April 14, 1988 - 8:30 a.m. - Open Meeting
Koger Executive Center, West End, Blair Building, 8007 Discovery Drive, Conference Rooms A and B, Richmond, Virginia. ☒ (Interpreter for deaf provided if requested)

A meeting to discuss issues, concerns, and programs that impact licensed child care centers. The morning will consist of committees discussing ways to revise the standards and regulations of child care centers and then presenting the proposed changes to the full council.

Contact: Arlene Kasper, Program Development Supervisor, Department of Social Services, Division of Licensing, 8007 Discovery Dr., Richmond, Va. 23229-8699, telephone (804) 662-9025 or SCATS 662-9025

* * * * *

May 16, 1988 - 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 Child Day-Care Council intends to adopt regulations entitled: **VR 175-01-01. Public Participation Guidelines.** The purpose of the proposed regulation is to set guidelines for obtaining public participation prior to and during the drafting, promulgation and final adoption process of regulations applicable to child care centers.

Statutory Authority: § 63.1-202 of the Code of Virginia.

Written comments may be submitted until May 16, 1988.

Contact: Arlene Kasper, Program Development Supervisor, Department of Social Services, Division of Licensing, 8007 Discovery Dr., Richmond, Va. 23229-8699, telephone (804) 662-9025 or SCATS 662-9025

Calendar of Events

INTERDEPARTMENTAL COUNCIL ON RATE-SETTING FOR CHILDREN'S FACILITIES

† April 11, 1988 - 10 a.m. - Open Meeting
United Methodist Family Services, 3900 West Broad Street, Administrative Building, Richmond, Virginia. ☒ (Interpreter for deaf provided if requested)

The council will (i) review any legislative changes that might impact the Rate-Setting Rules and Regulations, (ii) approve the 1988-89 budget and (iii) plan the council's focus for the coming year.

Contact: Nancy Bockes, P. O. Box 434, Independence, Va. 24348, telephone (703) 773-2452

INTERDEPARTMENTAL LICENSURE AND CERTIFICATION OF CHILDREN'S RESIDENTIAL FACILITIES

Coordinating Committee

May 13, 1988 - 8 a.m. - Open Meeting
Department of Corrections, 4615 West Broad Street, Room 105, Richmond, Virginia. ☒

June 10, 1988 - 8 a.m. - Open Meeting
Tyler Building, 1603 Santa Rosa Road, Suite 221, Richmond, Virginia. ☒

A regularly scheduled monthly meeting to discuss administrative and policy areas related to the Interdepartmental Licensure and Certification of Residential Facilities for Children.

Contact: John J. Allen, Jr., Coordinator, Office of the Coordinator, Interdepartmental Licensure and Certification, 8007 Discovery Dr., Richmond, Va. 23229-8699, telephone (804) 662-9025 or SCATS 662-9025

BOARD OF COMMERCE

† April 14, 1988 - 11 a.m. - Open Meeting
Travelers Building, 3600 West Broad Street, Conference Room 1, 5th Floor, Richmond, Virginia. ☒

A regular meeting of the board. The agenda items include legislative report, exam subcommittee report, appointment of nominating committee, regulatory review, and annual retreat planning.

Contact: Catherine Walker Green, Policy Analyst, Department of Commerce, 3600 W. Broad St., Richmond, Va. 23230, telephone (804) 367-8564, toll-free 1-800-552-3016 or SCATS 367-8564

DEPARTMENT OF CONSERVATION AND HISTORIC RESOURCES

Falls of the James Advisory Committee

April 15, 1988 - noon - Open Meeting
May 20, 1988 - noon - Open Meeting
Richmond City Hall, 3rd Floor Conference Room, Richmond, Virginia. ☒

A regular meeting to discuss general business and issues affecting the portion of the James River that runs through the City of Richmond.

Contact: Richard G. Gibbons, Division of Parks and Recreation, 1201 Washington Bldg., Capitol Sq., Richmond, Va. 23219, telephone (804) 786-4132

Division of Historic Landmarks

April 19, 1988 - 10 a.m. - Open Meeting
State Capitol, Capitol Square, House Room 1, Richmond, Virginia. ☒

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

Bon Air Historic District, Chesterfield County
Mount Columbia, Hanover County
Beaverdam Depot, Hanover County
John Vowles House, Charlottesville
Bloomsburg, Orange County
DeWitt Cottage, Virginia Beach
Leesburg Methodist Church Site, Loudoun County
Solitude, Montgomery County
Pine Knot, Albemarle County.

Virginia Historic Landmarks Board

April 19, 1988 - 2 p.m. - Open Meeting
State Capitol, Capitol Square, House Room 1, Richmond, Virginia. ☒

A general business meeting.

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

Division of Soil and Water Conservation

† April 27, 1988 - 2 p.m. - Open Meeting
Virginia War Memorial Auditorium, 621 South Belvidere Street, Richmond, Virginia

The Division of Soil and Water Conservation has completed, in accordance with § 319 of the Clean Water Act of 1987, an assessment report of nonpoint sources of pollution affecting Virginia's waters. The results of this assessment will be discussed as well as

ongoing work on the development of a nonpoint source management plan required under § 319. Copies of the report will be available.

Contact: Stuart Wilson, Division of Soil and Water Conservation, 203 Governor St., Suite 206, Richmond, Va. 23219, telephone (804) 786-2064

VIRGINIA COUNCIL ON COORDINATING PREVENTION

† April 15, 1988 - 10 a.m. - Open Meeting
State Capitol, Capitol Square, House Room 4, Richmond, Virginia. ☐

A quarterly meeting. The agenda includes discussion of objectives for the Comprehensive Prevention Plan of Virginia and a speaker to highlight national trends in prevention.

Contact: Harriet M. Russell, P. O. Box 1797, Richmond, Va. 23214, telephone (804) 786-1530

STATE BOARD OF CORRECTIONS

April 13, 1988 - 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) 367-6274

DEPARTMENT OF CORRECTIONS (STATE BOARD OF)

† June 28, 1988 - 7 p.m. - Public Hearing
Holiday Inn, Wytheville, Virginia

† July 7, 1988 - 7 p.m. - Public Hearing
Omni Norfolk Hotel, Norfolk, Virginia

† July 13, 1988 - 10 a.m. - Public Hearing
6900 Atmore Drive, 3rd Floor Board Room, Richmond, Virginia

Notice is hereby given in accordance with § 9-6.14:7.1 of the Code of Virginia that the Department of Corrections intends to adopt regulations entitled: **VR 230-40-005. Minimum Standards for Virginia Delinquency Prevention and Youth Development Act Grant Programs.** These proposed regulations set forth operating standards for Virginia Delinquency Prevention and Youth Development Act grant programs pertaining to program administration, services, personnel and fiscal management, staff training, and monitoring and evaluation.

STATEMENT

Purpose: The Code of Virginia authorizes the Director of the Department of Corrections to make grants to localities for delinquency prevention and youth development programs. The Board of Corrections is authorized to promulgate regulations to govern applications for these grants and to provide standards for the operation of programs developed and implemented under the grants. These proposed standards have been promulgated to fulfill the requirements as outlined in the Code.

Estimated impact:

1. These standards will affect 32 presently operating Virginia Delinquency Prevention and Youth Development Act grant programs in 36 localities (two programs are multijurisdictional).
2. The projected additional costs to presently participating localities would be an estimated maximum total of \$80,900.
3. The projected additional costs to the Virginia Department of Corrections for implementation of these new regulations would be an estimated maximum total of \$144,528.
4. General funds will be used for implementation of, and compliance with, these standards.

Further information about these standards may be obtained from Austen C. Micklem, Jr., Acting Chief of Operations-Programs, DYS, Department of Corrections, P. O. Box 26963, 6900 Atmore Drive, Richmond, Virginia 23261, telephone (804) 367-0130.

These standards have no impact upon small businesses or organizations in Virginia.

These standards will be entered into the Department of Corrections' regulation review suspense system, whereby a review will automatically take place every two years, or upon a legislative change.

These proposed standards, if adopted, will become effective July 1, 1989.

Statutory Authority: §§ 53.1-5 and 53.1-253 of the Code of Virginia.

Written comments may be submitted until June 13, 1988.

Contact: Austen C. Micklem, Jr., Acting Chief of Operations for Programs, Division of Youth Services, Department of Corrections, P. O. Box 26963, Richmond, Va. 23261, telephone (804) 367-0130

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† June 28, 1988 - 7 p.m. - Public Hearing

Calendar of Events

Holiday Inn, Wytheville, Virginia

† July 7, 1988 - 7 p.m. - Public Hearing
Omni Norfolk Hotel, Norfolk, Virginia

† July 13, 1988 - 10 a.m. - Public Hearing
6900 Atmore Drive, 3rd Floor Board Room, Richmond,
Virginia

Notice is hereby given in accordance with § 9-6.14:7.1 of the Code of Virginia that the Department of Corrections intends to adopt regulations entitled: **VR 230-40-006. Rules and Regulations Governing Applications for Virginia Delinquency Prevention and Youth Development Act Grants.** These regulations govern application for Virginia Delinquency Prevention and Youth Development Act grants including eligibility, criteria for review and funding, and the review process.

STATEMENT

Purpose: The Code of Virginia authorizes the Director of the Department of Corrections to make grants to localities for delinquency prevention and youth development programs. The Board of Corrections is authorized to promulgate regulations to govern applications for these grants. These proposed regulations have been promulgated to fulfill the requirements as outlined in the Code.

Estimated impact:

1. These regulations will affect 32 presently operating Virginia Delinquency Prevention and Youth Development Act grant programs in 36 localities (two programs are multijurisdictional).
2. There are no projected additional costs to presently participating localities as a result of these regulations.
3. There are no projected additional costs to the Virginia Department of Corrections for implementation of these new regulations.

Further information about these standards may be obtained from Austen C. Micklem, Jr., Acting Chief of Operations-Programs, DYS, Department of Corrections, P. O. Box 26963, 6900 Atmore Drive, Richmond, Virginia 23261, telephone (804) 367-0130.

These regulations have no impact upon small businesses or organizations in Virginia.

These regulations will be entered into the Department of Corrections' regulation review suspense system, whereby a review will automatically take place every two years, or upon a legislative change.

These proposed standards, if adopted, will become effective July 1, 1989.

Statutory Authority: §§ 53.1-5 and 53.1-253 of the Code of Virginia.

Written comments may be submitted until June 13, 1988.

Contact: Austen C. Micklem, Jr., Acting Chief of Operations for Programs, Division of Youth Services, Department of Corrections, P. O. Box 26963, Richmond, Va. 23261, telephone (804) 367-0130

VIRGINIA BOARD OF COSMETOLOGY

† April 25, 1988 - 9 a.m. - Open Meeting
Traveler's Building, 3600 West Broad Street, Richmond,
Virginia. ☒

A meeting to (i) discuss enforcement cases; (ii) review proposed regulations; (iii) review applications; and (iv) review correspondence.

Contact: Roberta L. Banning, Assistant Director, Department of Commerce, 3600 W. Broad St., Richmond, Va. 23230, telephone (804) 367-8590 or toll-free 1-800-552-3016

DANVILLE LOCAL EMERGENCY PLANNING COMMITTEE

† April 21, 1988 - 2 p.m. - Open Meeting
Municipal Building, 1st Floor Conference Room, Danville,
Virginia. ☒

Local Committee, SARA Title III. Hazardous Material Community Right to Know.

Contact: C. David Lampley, Chairman, LEPC, 297 Bridge St., Danville, Va. 24541, telephone (804) 799-5228

VIRGINIA BOARD OF DENTISTRY

April 15, 1988 - 8:30 a.m. - Open Meeting
April 16, 1988 - 8:30 a.m. - Open Meeting
April 17, 1988 - 8:30 a.m. - Open Meeting
Cascades Conference Center, Williamsburg, Virginia

The Virginia Board of Dentistry meeting will cover (i) general board business; (ii) officer's reports; (iii) disciplinary hearings; and (iv) proposed regulations.

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

STATE BOARD OF EDUCATION

† April 26, 1988 - 10 a.m. - Open Meeting
† April 27, 1988 - 9 a.m. - Open Meeting

† April 28, 1988 - 9 a.m. - Open Meeting
Marine Science Museum, 717 General Booth Boulevard,
Virginia Beach, Virginia

† May 26, 1988 - 9 a.m. - Open Meeting
† May 27, 1988 - 9 a.m. - Open Meeting
† June 22, 1988 - 9 a.m. - Open Meeting
† June 23, 1988 - 9 a.m. - Open Meeting
James Monroe Building, 101 North 14th Street, Conference
Rooms D and E, Richmond, Virginia. ☒ (Interpreter for
deaf provided if requested)

A regularly scheduled meeting. Business will be
conducted 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. 23219, telephone (804)
225-2540

LOCAL EMERGENCY PLANNING COMMITTEE OF FAIRFAX COUNTY - TOWN OF VIENNA - CITY OF FAIRFAX - TOWN OF HERNDON

† April 14, 1988 - 10 a.m. - Open Meeting
Wood Municipal Center, Old Lee Highway, Fairfax,
Virginia. ☒

A meeting to review contingency plans of local
businesses. (To meet requirements of SARA 1986)

Contact: Melanie Pearson, Community Information
Coordinator, 4031 University Dr., Suite 400, Fairfax, Va.
22030, telephone (703) 246-2331

LOCAL EMERGENCY PLANNING COMMITTEE FOR THE CITY OF MARTINSVILLE AND HENRY COUNTY

April 14, 1988 - 9:30 a.m. - Open Meeting
Martinsville Municipal Building, Martinsville, Virginia. ☒

May 12, 1988 - 9:30 a.m. - Open Meeting
Henry County Administration Building, Collinsville, Virginia.
☒

An open meeting to discuss general business relating
to SARA Title III and development of the emergency
response plan.

Contact: Benny Summerlin, Public Safety Director, Henry
County Administration Building, P. O. Box 7, Collinsville,
Va. 24078, telephone (703) 638-5311, ext. 256

VIRGINIA FARMERS' MARKET BOARD

† April 21, 1988 - 10 a.m. - Open Meeting

Washington Building, 1100 Bank Street, 2nd Floor Board
Room, Richmond, Virginia

A business meeting.

Contact: R. Duke Burruss, 1100 Bank St., Washington Bldg.,
Richmond, Va. 23219, telephone (804) 786-1949

GOVERNOR'S MIGRANT AND SEASONAL FARMWORKERS BOARD

April 12, 1988 - 10 a.m. - Open Meeting
State Capitol, Capitol Square, House Room 1, Richmond,
Virginia. ☒

A regular meeting of the board.

Contact: Marilyn Mandel, Staff Director, Department of
Labor and Industry, P. O. Box 12064, Richmond, Va. 23241,
telephone (804) 786-2385

VIRGINIA FIRE SERVICES BOARD

† April 21, 1988 - 7:30 p.m. - Public Hearing
Harrisonburg Fire Department, 80 Maryland Avenue,
Station 1, Harrisonburg, Virginia. ☒

A public hearing to discuss fire training, policies and
open discussion with the public.

† April 22, 1988 - 9 a.m. - Open Meeting
Sheraton Harrisonburg Inn, I-81 and U.S. 33, Harrisonburg,
Virginia. ☒

A regular business meeting to discuss fire training and
fire policies. The meeting is open to the public for
their input.

Fire Prevention and Control Committee

† April 21, 1988 - 10:30 a.m. - Open Meeting
Sheraton Harrisonburg Inn, I-81 and U.S. 33, Harrisonburg,
Virginia. ☒

Committee meetings to discuss fire training and fire
policies. The meetings are open to the public.

Fire/EMS Education Training Committee

† April 21, 1988 - 1 p.m. - Open Meeting
Sheraton Harrisonburg Inn, I-81 and U.S. 33, Harrisonburg,
Virginia. ☒

Committee meetings to discuss fire training and fire
policies. The meetings are open to the public.

Legislative Committee

† April 21, 1988 - 1 p.m. - Open Meeting

Calendar of Events

Sheraton Harrisonburg Inn, I-81 and U.S. 33, Harrisonburg, Virginia. ☒

Committee meetings to discuss fire training and fire policies. The meetings are open to the public.

Contact: Anne J. Bales, James Monroe Bldg., 101 N. 14th St., 17th Fl., Richmond, Va. 23219, telephone (804) 225-2681

VIRGINIA BOARD OF FUNERAL DIRECTORS AND EMBALMERS

April 11, 1988 - 9:30 a.m. - Open Meeting
Department of Health Regulatory Boards, 1601 Rolling Hills Drive, Koger Center-West, Conference Room 1, Richmond, Virginia

A general board meeting to include (i) certifying candidates for the May examination; (ii) formal administrative hearing and (iii) possible discussion of proposed regulations. The administering of the state board exam of the Virginia Board of Funeral Directors and Embalmers will also be given.

April 22, 1988 - 9 a.m. - CANCELLED
Department of Health Regulatory Boards, 1601 Rolling Hills Drive, Koger Center-West, Conference Room 1, Richmond, Virginia

The general board meeting has been cancelled.

May 17, 1988 - 9 a.m. - Open Meeting
Department of Health Regulatory Boards, 1601 Rolling Hills Drive, Koger Center-West, Conference Room 1, Richmond, Virginia

A meeting to (i) administer examinations; (ii) conduct formal administrative hearings; (iii) conduct a general board meeting; and (iv) discuss proposed regulations.

Contact: Mark L. Forberg, Executive Secretary, 1601 Rolling Hills Dr., Richmond, Va. 23229-5005, telephone (804) 662-9907

STATE BOARD OF HEALTH

May 2, 1988 - 10 a.m. - Public Hearing
James Madison Building, 109 Governor Street, Main Floor Conference Room, Richmond, Virginia. ☒

Notice is hereby given in accordance with § 9-6.14:7.1 of the Code of Virginia that the State Board of Health intends to amend regulations entitled: **VR 355-22-1.1. Regulations Prohibiting the Taking of Finfish in Designated Portions of the James River and Its Tributaries.** These regulations prohibit the removal, for the purpose of sale, of specific finfish from designated areas of the James River and its

tributaries.

Statutory Authority: §§ 28.1-176, 28.1-177 and 32.1-248 of the Code of Virginia.

Written comments may be submitted until May 2, 1988.

Contact: Robert B. Stroube, M.D., M.P.H., Deputy Health Commissioner, Department of Health, 109 Governor St., Richmond, Va. 23219, telephone (804) 786-3575

HEALTH POLICY OFFICE, VIRGINIA COMMONWEALTH UNIVERSITY OFFICE OF THE SECRETARY OF HUMAN RESOURCES, COMMONWEALTH OF VIRGINIA

† **May 9, 1988 - 8 a.m. - Open Meeting**
† **May 10, 1988 - 8 a.m. - Open Meeting**
Omni Richmond Hotel, 100 South 12th Street, Richmond, Virginia. ☒

VCU Conference - AIDS: Living and Working With a New Epidemic.

See General Notices section.

Contact: Ann Potter, MCV Station, Box 48, Richmond, Va. 23298-0048, telephone (804) 786-0494

COUNCIL ON HEALTH REGULATORY BOARDS

April 18, 1988 - 11 a.m. - Open Meeting
General Assembly Building, Capitol Square, House Room D, Richmond, Virginia. ☒

Informational Hearing on the Regulation of Allied Health Professions. The council solicits comments on the recommendations of a study of the regulations of allied health professions. Specifically:

1. Should the council endorse the formation of a new congregate Board of Allied Health Regulation?
2. Should the council revise the criteria and process used to evaluate the need to regulate additional health occupations and professions?

A copy of the report and recommendations is available on request.

April 19, 1988 - 11 a.m. - Open Meeting
Department of Health Regulatory Boards, 1601 Rolling Hills Drive, Conference Room 1, Richmond, Virginia. ☒

A regular quarterly meeting of the council. Agenda items include the review of reports of standing and special committees with special attention to the plan for evaluation by the council of the health professional regulatory enforcement system.

Committee to Study Allied Health Recommendations

† April 18, 1988 - 10 a.m. - Open Meeting
General Assembly Building, Capitol Square, 4th Floor West
Conference Room, Richmond, Virginia. ☒

The committee will meet before and after the information hearing on the Regulation of Allied Health Professions scheduled from 11 a.m. - 4 p.m. on this date in House Room D.

By-Laws Committee

† April 14, 1988 - 5 p.m. - Open Meeting
Department of Social Services, Blair Building, 8007
Discovery Drive, Koger Center-West, 2nd Floor, Richmond,
Virginia. ☒

The committee will review and identify need to amend bylaws of the Council on Health Regulatory Boards.

Compliance and Disciplinary Committee

April 14, 1988 - 11 a.m. - Open Meeting
Department of Social Services, Blair Building, 8007
Discovery Drive, Koger Center-West, Conference Room B,
2nd Floor, Richmond, Virginia. ☒

A regular monthly meeting of the committee to consider progress reports on evaluation of the health professional regulatory enforcement system.

Regulatory Evaluation and Research Committee

† April 19, 1988 - 10 a.m. - Open Meeting
Department of Health Regulatory Boards, 1601 Rolling
Hills Drive, Conference Room 1, Richmond, Virginia. ☒

The committee will discuss studies requested by 1988 General Assembly and proposals for regulation of currently unregulated health professions.

Executive Committee

† April 19, 1988 - 9 a.m. - Open Meeting
Department of Health Regulatory Boards, 1601 Rolling
Hills Drive, Conference Room 3, Richmond, Virginia. ☒

The committee will review all materials requiring action in preparation for quarterly meeting of the Council on Health Regulatory Boards.

Legislative Committee

† April 18, 1988 - 5 p.m. - Open Meeting
General Assembly Building, Capitol Square, 4th Floor West
Conference Room, Richmond, Virginia. ☒

The committee will review relevant legislation enacted by the 1988 General Assembly.

Public Information Committee

† April 19, 1988 - 9 a.m. - Open Meeting
Department of Health Regulatory Boards, 1601 Rolling
Hills Drive, Conference Room 2, Richmond, Virginia. ☒

The committee will review public information activities of the Department of Health Regulatory Boards.

Contact: Richard D. Morrison, Executive Director, 1601
Rolling Hills Dr., Richmond, Va. 23229-5005, telephone
(804) 662-9904

VIRGINIA HEALTH SERVICES COST REVIEW COUNCIL

† April 27, 1988 - 9:30 a.m. - Open Meeting
Department of Rehabilitative Services, 4901 Fitzhugh
Avenue, Richmond, Virginia. ☒

A monthly meeting to address 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 or
SCATS 786-6371

HENRICO COUNTY LOCAL EMERGENCY PLANNING COMMITTEE

† April 21, 1988 - 7 p.m. - Open Meeting
A. H. Robins Company, 1407 Cummings Drive, Main
Conference Room, Richmond, Virginia

Formulation of the Emergency Planning and Community Right to Know required Chemical Emergency Response Plan for Henrico County.

Contact: Timothy H. Reid, Assistant Emergency Services
Coordinator, Henrico County, Division of Fire, P. O. Box
27032, Richmond, Va. 23273, telephone (804) 672-4906

HOPEWELL INDUSTRIAL SAFETY COUNCIL

May 3, 1988 - 9 a.m. - Open Meeting
Hopewell Community Center, Second and City Point Road,
Hopewell, Virginia. ☒ (Interpreter for deaf provided if
requested)

Local Emergency Preparedness Committee meeting on
emergency preparedness as required by SARA Title
III.

Contact: Robert Brown, Emergency Service Coordinator,
City of Hopewell, 300 N. Main St., Hopewell, Va. 23860,
telephone (804) 541-2298

Calendar of Events

VIRGINIA HOUSING DEVELOPMENT AUTHORITY

April 18, 1988 – 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 amend regulations entitled: **VR 400-02-0001. Procedures, Instructions and Guidelines for Multi-Family Housing Developments.** The proposed amendment will authorize the executive director to require that the owner of a multi-family development on which the regulatory controls are to be modified pursuant to § 14 grant to the authority an option to purchase and right of first refusal which may be exercised upon a prepayment of the authority's mortgage loan or upon sale of the development.

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

Written comments may be submitted until April 18, 1988.

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

† April 19, 1988 - 10 a.m. – Open Meeting
13 South 13th Street, Richmond, Virginia. ☒

A regular monthly meeting of the board to (i) review and, if appropriate, approve the minutes from the prior monthly meeting; (ii) consider for approval and ratification mortgage loan commitments under its various programs; (iii) review to authority's operations for the prior month; (iv) consider and, if appropriate, approve the proposed Amendments to Procedures, Instructions and Guidelines for Multi-Family Housing Developments; 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

STATE HUMAN RIGHTS COMMITTEE

† April 22, 1988 - 9 a.m. – Open Meeting
Grafton School, Inc., Administration Building, Box 112, Berryville, Virginia. ☒

A regular meeting to discuss business relating to human rights issues. Agenda items are listed prior to meeting.

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

COUNCIL ON INDIANS

† May 11, 1988 - 2 p.m. – Open Meeting
Ninth Street Office Building, Cabinet Conference Room, 6th Floor, Richmond, Virginia. ☒

A regular business meeting.

Contact: Mary Zoller, Special Assistant, Office of the Secretary of Human Resources, Ninth Street Office Bldg., Richmond, Va. 23219, telephone (804) 786-7765

GOVERNOR'S JOB TRAINING COORDINATING COUNCIL

† April 25, 1988 - 10:30 a.m. – Open Meeting
State Capitol, Capitol Square, House Room 1, Richmond, Virginia. ☒

A general meeting of the council open to the public.

Contact: Gladys Walker, Governor's Employment and Training Department, P. O. Box 12083, Richmond, Va. 23219, telephone (804) 786-7900

DEPARTMENT OF LABOR AND INDUSTRY

April 18, 1988 - 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 Labor and Industry intends to amend regulations entitled: **VR 425-01-27. Regulations Governing the Administration of Apprenticeship Programs in the Commonwealth of Virginia, XI. Program Sponsor Evaluation Procedure.** The program sponsor evaluation procedure will be used when program sponsors are evaluated once every two years to determine their compliance with the intent of the Voluntary Apprenticeship Act.

Statutory Authority: § 40.1-118 of the Code of Virginia.

Written comments may be submitted until April 15, 1988.

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

Apprenticeship Council

† April 22, 1988 - 11 a.m. – Open Meeting
Williamsburg Council Chambers, Court House, South Henry Street, Williamsburg, Virginia

A regular quarterly meeting.

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

LIBRARY BOARD

April 26, 1988 - 9:30 a.m. - Open Meeting
Virginia State Library and Archives, 11th Street and Capitol Square, Supreme Court Room, Richmond, Virginia. ☐

A regular meeting to discuss administrative matters.

Contact: Jean K. Reynolds, Virginia State Library and Archives, 11th St. and Capitol Sq., Richmond, Va. 23219, telephone (804) 786-2332

Public Records Advisory Council

† **May 19, 1988 - 10 a.m. - Open Meeting**
Virginia State Library and Archives, 11th Street and Capitol Square, Richmond, Virginia. ☐ (Interpreter for deaf provided if requested)

This will be an organizational meeting. Items to be discussed include: (i) general records retention and disposition schedules; (ii) standards for microfilm, recorded instruments, plats, and paper; and (iii) the Public Records Act.

Contact: Louis H. Manarin, State Archivist, Virginia State Library and Archives, 11th St. and Capitol Sq., Richmond, Va. 23219, telephone (804) 786-5579 or SCATS 786-5579

COMMISSION ON LOCAL GOVERNMENT

May 17, 1988 - 9 a.m. - Open Meeting
Ninth Street Office Building, Ninth and Grace Streets, Room 901, Richmond, Virginia. ☐

A regular meeting of the Commission on Local Government to consider such matters as may be presented.

Contact: Barbara W. Bingham, Executive Secretary Senior, Ninth Street Office Bldg., Room 901, Richmond, Va. 23219, telephone (804) 786-6508

MARINE RESOURCES COMMISSION

May 3, 1988 - 9:30 a.m. - Open Meeting
Newport News City Council Chambers, 2400 Washington Avenue, Newport News, Virginia. ☐

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. The commission will hear and decide cases on fishing licensing; oyster ground leasing; environmental permits in wetlands, bottomlands, coastal sand dunes and beaches. It will also hear and decide appeals made on local wetlands board decisions.

Fishery management and conservation measures will be 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: Sandra S. Schmidt, Secretary to the Commission, 2401 West Ave., P. O. Box 756, Newport News, Va. 23607-0756, telephone (804) 247-2206

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Habitat Management Division

May 3, 1988 - 9:30 a.m. - Public Hearing
Newport News City Council Chambers, Newport News, Virginia

Notice is hereby given in accordance with § 9-6.14:7.1 of the Code of Virginia that the Marine Resources Commission intends to adopt guidelines entitled: **VR 450-01-0047. Criteria for the Siting of Marinas or Community Facilities for Boat Mooring.** The purpose of these guidelines is to set forth criteria which will be used by the Virginia Marine Resources Commission to evaluate the siting of marinas and community boat mooring facilities pursuant to the permitting authority provided in § 62.1-3 of the Code of Virginia.

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

Written comments may be submitted until April 15, 1988.

Contact: Norman E. Larsen, Chief, Habitat Management, Marine Resources Commission, P. O. Box 756, Newport News, Va. 23607-0756, telephone (804) 247-2200

GOVERNOR'S ADVISORY BOARD ON MEDICAID AND MEDICARE

† **April 26, 1988 - 2 p.m. - Open Meeting**
Richmond Hyatt, West Broad Street and I-64, Richmond, Virginia. ☐

An open meeting to discuss (i) amendments to the Medicaid State Plan and (ii) other business pertinent to the board.

Contact: Jacqueline M. Fritz, 600 E. Broad St., Suite 1300, Richmond, Va. 23219, telephone (804) 786-7958

Calendar of Events

BOARD OF MEDICAL ASSISTANCE SERVICES

† **May 10, 1988 - 10 a.m.** – Open Meeting
600 East Broad Street, Suite 1300, Richmond, Virginia. ☒

An open meeting to discuss (i) amendments to Medicaid State Plan; and (ii) other business pertinent to the board.

Contact: Jacqueline M. Fritz, Department of Medical Assistance Services, 600 E. Broad St., Suite 1300, Richmond, Va. 23219, telephone (804) 786-7958

DEPARTMENT OF MEDICAL ASSISTANCE SERVICES (BOARD OF)

April 15, 1988 – 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 amend regulations entitled: **The State Plan for Medical Assistance Relating to Audit Requirements**. This proposed amendment replaces provision requiring audits every three years with proposed provision for periodic audits as determined from internal desk audits.

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

Written comments may be submitted until 4:30 p.m., April 15, 1988, to N. Stanley Fields, Director, Provider Reimbursement, Department of Medical Assistance Services, 600 E. Broad St., Richmond, Va. 23219.

Contact: Victoria P. Simmons, Regulatory Coordinator, Department of Medical Assistance Services, 600 E. Broad St., Suite 1300, Richmond, Va. 23219, telephone (804) 786-7933 or SCATS 786-7933

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April 15, 1988 – 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 amend **The State Plan for Medical Assistance Relating to the Cost Report Filing Requirements**. The amendments standardize information to be supplied by institutional providers which is necessary for the process of finalizing cost reports.

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

Written comments may be submitted until 4:30 p.m., April 15, 1988, to N. Stanley Fields, Director, Provider Reimbursement, Department of Medical Assistance

Services, 600 E. Broad St., Suite 1300, Richmond, Va. 23219.

Contact: Victoria P. Simmons, Regulatory Coordinator, Department of Medical Assistance Services, 600 E. Broad St., Suite 1300, Richmond, Va. 23219, telephone (804) 786-7933 or SCATS 786-7933

* * * * *

April 14, 1988 – 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 amend **The State Plan for Medical Assistance Relating to Rehabilitative Services**. These proposed amendments clarify requirements for inpatient and outpatient admission authorizations, add criteria for rehab nursing and make technical corrections to existing language.

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

Written comments may be submitted until 4:30 p.m., April 14, 1988, to Tinnie Conover, Manager of Institutional Services, Division of Medical Social Services, Department of Medical Assistance Services, 600 E. Broad St., Suite 1300, Richmond, Va. 23219.

Contact: Victoria P. Simmons, Regulatory Coordinator, Department of Medical Assistance Services, 600 E. Broad St., Suite 1300, Richmond, Va. 23219, telephone (804) 786-7933 or SCATS 786-7933

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May 16, 1988 – 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: **State Plan for Medical Assistance Relating to Extended Repayment Schedule (VR 460-02-4.191, 460-02-4.192, 460-03-4.193)**. The proposed regulation authorizes the director to extend scheduled repayments of overpayments in certain circumstances.

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

Contact: Victoria P. Simmons, Regulatory Coordinator, Department of Medical Assistance Services, 600 E. Broad St., Suite 1300, Richmond, Va. 23219, telephone (804) 786-7933 or SCATS 786-7933

VIRGINIA STATE BOARD OF MEDICINE

April 20, 1988 - 9:30 a.m. – Public Hearing

Calendar of Events

Department of Health Regulatory Boards, 1601 Rolling Hills Drive, Surry Building, Board Room 1, Richmond, Virginia

Notice is hereby given in accordance with § 9-6.14:7.1 of the Code of Virginia that the Virginia State Board of Medicine intends to adopt regulations entitled: **VR 465-02-1. Practice of Medicine, Osteopathic Medicine, Chiropractic, Podiatry, Clinical Psychology, and Acupuncture** and repeal existing regulations. The purpose of this action is to establish the requirements governing the practice of medicine, osteopathic medicine, chiropractic, clinical psychology, podiatry, acupuncture and other healing arts.

Statutory Authority: § 54-291 of the Code of Virginia.

Written comments may be submitted until April 29, 1988, to Hilary H. Connor, M.D., Executive Director, Board of Medicine, 1601 Rolling Hills Dr., Surry Bldg., Richmond, Va. 23229-5005.

Contact: Eugenia K. Dorson, Board Administrator, Board of Medicine, 1601 Rolling Hills Dr., Surry Bldg., Richmond, Va. 23229-5005, telephone (804) 662-9925

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April 20, 1988 - 10:30 a.m. - Public Hearing
Department of Health Regulatory Boards, 1601 Rolling Hills Drive, Surry Building, Board Room 1, Richmond, Virginia

Notice is hereby given in accordance with § 9-6.14:7.1 of the Code of Virginia that the Virginia State Board of Medicine intends to adopt regulations entitled: **VR 465-03-1. Physical Therapy** and repeal existing regulations. The purpose of this action is to establish the requirements governing the practice of physical therapy.

Statutory Authority: § 54-291 of the Code of Virginia.

Written comments may be submitted until April 29, 1988, to Hilary H. Connor, M.D., Executive Director, 1601 Rolling Hills Drive, Surry Building, Richmond, Va. 23229-5005.

Contact: Eugenia K. Dorson, Board Administrator, Board of Medicine, 1601 Rolling Hills Dr., Surry Bldg., 2nd Fl., Richmond, Va. 23229-5005, telephone (804) 662-9925

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April 20, 1988 - 1:30 p.m. - Public Hearing
Department of Health Regulatory Boards, 1601 Rolling Hills Drive, Surry Building, Board Room 1, Richmond, Virginia

Notice is hereby given in accordance with § 9-6.14:7.1 of the Code of Virginia that the Virginia State Board of Medicine intends to adopt regulations entitled: **VR**

465-05-1. Physician Assistants. and repeal existing regulations. The purpose of this action is to establish the requirements governing the practice of physician's assistants in the Commonwealth.

Statutory Authority: § 54-291 of the Code of Virginia.

Written comments may be submitted until April 29, 1988, to Hilary H. Connor, M.D., Executive Director, Board of Medicine, 1601 Rolling Hills Drive, Surry Building, Richmond, Va. 23229-5005.

Contact: Eugenia K. Dorson, Board Administrator, Board of Medicine, 1601 Rolling Hills Dr., Surry Building, 2nd Fl., Richmond, Va. 23229-5005, telephone (804) 662-9925

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April 20, 1988 - 2:30 p.m. - Public Hearing
Department of Health Regulatory Boards, 1601 Rolling Hills Drive, Surry Building, 2nd Floor, Board Room 1, Richmond, Virginia

Notice is hereby given in accordance with § 9-6.14:7.1 of the Code of Virginia that the Virginia State Board of Medicine intends to adopt regulations entitled: **VR 465-06-1. Correctional Health Assistants** and repeal existing regulations entitled **Physicians Assistants - Category II.** The purpose of this action is to establish requirements for the practice of Correctional Health Assistants employed in correctional institutions.

Statutory Authority: § 54-291 of the Code of Virginia.

Written comments may be submitted until April 29, 1988, to Hilary H. Connor, M.D., Executive Director, Board of Medicine, Surry Building, Richmond, Va. 23229-5005.

Contact: Eugenia K. Dorson, Board Administrator, Board of Medicine, 1601 Rolling Hills Dr., Surry Bldg., 2nd Fl., Richmond, Va. 23229-5005, telephone (804) 662-9925

Chiropractic Examination Committee

April 21, 1988 - 12:30 p.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 June, 1988 exam.

Informal Conference Committee

April 12, 1988 - 10 a.m. - Open Meeting
Department of Health Regulatory Boards, 1601 Rolling Hills Drive, Surry Building, Board Room 1, 2nd Floor, Richmond, Virginia. ☐

April 22, 1988 - 9 a.m. - Open Meeting

Calendar of Events

Patrick Henry Inn and Conference Center, York and Page Streets, Route 60 East, Williamsburg, Virginia. ☒

April 27, 1988 - 9 a.m. - Open Meeting
Radisson Hotel Lynchburg, 601 Main Street, Lynchburg, 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 Floor, Richmond, Va. 23229-5005, telephone (804) 662-9925

STATE MENTAL HEALTH, MENTAL RETARDATION AND SUBSTANCE ABUSE SERVICES BOARD

† **April 27, 1988 - 9:30 a.m. - Open Meeting**
Fairfax-Falls Church Community Services Board, Vienna, Virginia. ☒

A regular monthly meeting. The agenda will be published on April 20 and may be obtained by calling Jane Helfrich.

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

DEPARTMENT OF MENTAL HEALTH, MENTAL RETARDATION AND SUBSTANCE ABUSE SERVICES

April 11, 1988 - 10 a.m. - Open Meeting
James Monroe Building 101 North 14th Street, Conference Room C and D, Richmond, Virginia. ☒ (Interpreter for deaf provided if requested)

April 11, 1988 - 10 a.m. - Open Meeting
Roanoke City Hall, Municipal Building, 215 Church Avenue, Room 450, Roanoke, Virginia. ☒ (Interpreter for deaf provided if requested)

April 11, 1988 - 10 a.m. - Open Meeting
Norfolk Public School Building, 800 East City Hall Avenue, Room 202, 12th Floor Board Room, Norfolk, Virginia. ☒ (Interpreter for deaf provided if requested)

April 11, 1988 - 10 a.m. - Open Meeting
Oakton Corporate Center, 10461 White Granite Drive, Mental Retardation Programs, Fairfax-Falls Church CSB, Suite 300, 3rd Floor Training Room, Oakton, Virginia. ☒ (Interpreter for deaf provided if requested)

Notice is hereby given in accordance with this agency's public participation guidelines that the

Department of Mental Health, Mental Retardation and Substance Abuse Services acting as the lead agency administering Part H (EHA) early intervention services to infants and toddlers with handicaps (Public Law 99-457) intends to conduct public hearings for the purpose of presenting the State Early Intervention Grant Application. Interested parties are asked to give their comments and suggestions. Copies of the grant may be obtained by contacting Michael Fehl, Ed.D., at the Department of Mental Health, Mental Retardation and Substance Abuse Services.

Written comments will be accepted until April 15, 1988.

Contact: Michael Fehl, Ed. D., Department of Mental Health, Mental Retardation and Substance Abuse Services, P. O. Box 1797, Richmond, Va. 23214, telephone (804) 786-3710

DEPARTMENT OF MENTAL HEALTH, MENTAL RETARDATION AND SUBSTANCE ABUSE SERVICES; UNIVERSITY OF VIRGINIA INSTITUTE OF LAW, PSYCHIATRY AND PUBLIC POLICY, DIVISION OF CONTINUING EDUCATION, OFFICE OF CONTINUING LEGAL EDUCATION AND OFFICE OF CONTINUING MEDICAL EDUCATION

May 19, 1988 - 8:30 a.m. - Open Meeting
May 20, 1988 - 8:30 a.m. - Open Meeting
Williamsburg Hilton, Colonial Williamsburg, Virginia. ☒

Eleventh Annual Symposium on Mental Health and the Law

An annual symposium addressing issues related to mental health and the law. Nine hours in Category 1 CME, .9 CEU and 9 CLE credits applied for.

Contact: Lynn Daidone, Administrator, Institute of Law, Psychiatry and Public Policy, Box 100, Blue Ridge Hospital, Charlottesville, Va. 22901, telephone (804) 924-5435

PROTECTION AND ADVOCACY FOR THE MENTALLY ILL ADVISORY BOARD

April 29, 1988 - 10 a.m. - Open Meeting
James Monroe Building, 101 North 14th Street, 18th Floor Conference Room, Richmond, Virginia. ☒ (Interpreter for deaf provided if requested)

A regularly scheduled meeting.

Contact: Barbara Hoban, PA/MI Program Manager, Department for Rights of the Disabled, James Monroe Bldg., 101 N. 14th St., 17th Fl., Richmond, Va. 23219, telephone (804) 225-2042, toll-free 1-800-552-3962, SCATS 225-2042, 225-2042/TDD or 1-800-552-3962/TDD ☎

VIRGINIA STATE BOARD OF NURSING

† April 13, 1988 - 10 a.m. - Open Meeting
The Arlington Hospital, Hazel Conference Center, 1701 North George Mason Drive, Administrative Conference Room, Arlington, Virginia. ☒ (Interpreter for deaf provided if requested)

A formal hearing will be held to inquire into allegations that certain laws and regulations governing the practice of nursing in Virginia may have been violated regarding:

Marian Betz, R.N.

† April 20, 1988 - 10 a.m. - Open Meeting
Koger Building, 8001 Franklin Farms Drive, Suite 124, Richmond, Virginia. ☒ (Interpreter for deaf provided if requested)

Formal hearings will be held to inquire into allegations that certain laws and regulations governing the practice of nursing in Virginia may have been violated regarding:

10 a.m. - Barbara Morollo, R.N.
1 p.m. - Leslie Burchenal, R.N.

† April 21, 1988 - 9 a.m. - Open Meeting
Holiday Inn-Fanny's, 6531 West Broad Street, Conference Room C, Richmond, Virginia. ☒ (Interpreter for deaf provided if requested)

Three formal hearings will be held to inquire into allegations that certain laws and regulations governing the practice of nursing in Virginia may have been violated regarding:

9 a.m. - Ruth S. Lee, L.P.N.
11 a.m. - Jacqueline M. Spencer, R.N., L.P.N.
1:30 p.m. - Mary F. Runion, L.P.N.

Informal Conference Committee

April 12, 1988 - 8:30 a.m. - Open Meeting
April 28, 1988 - 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, toll-free 1-800-533-1560 or SCATS 662-9909

COMMITTEE OF THE JOINT BOARDS OF NURSING AND MEDICINE

April 14, 1988 - 1:30 p.m. - Open Meeting
Department of Social Services, Blair Building, 8007 Discovery Drive, Conference Room A, 2nd Floor, Richmond, Virginia. ☒ (Interpreter for deaf provided if requested)

A regular meeting to consider matters related to the regulation of nurse practitioners in the Commonwealth.

Contact: Corinne F. Dorsey, R.N., Executive Director, 1601 Rolling Hills Dr., Richmond, Va. 23229, telephone (804) 662-9909, toll-free 1-800-533-1560 or SCATS 662-9909

VIRGINIA BOARD OF OPTOMETRY

May 1, 1988 - 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 proposed amendments increase the fees charged to optometrists for licensure and examination.

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

Written comments may be submitted until May 1, 1988.

Contact: Moira C. Lux, Executive Director, Board of Optometry, 1601 Rolling Hills Dr., Richmond, Va. 23229, telephone (804) 662-9910

BOARD OF COMMISSIONERS TO EXAMINE PILOTS

April 13, 1988 - 10 a.m. - Open Meeting
Hasler and Company, 121 Tazwell Street, Norfolk, Virginia

A regular quarterly business meeting.

Contact: David E. Dick, 3600 W. Broad St., Richmond, Va. 23230, telephone (804) 367-8531 or William L. Taylor, 3329 Shore Drive, Virginia Beach, Va. 23451, telephone (804) 496-0995

VIRGINIA BOARD OF PROFESSIONAL COUNSELORS

April 13, 1988 - 11 a.m. - Open Meeting
Department of Health Regulatory Boards, 1601 Rolling Hills Drive, Richmond, Virginia. ☒

Informal conferences.

April 15, 1988 - 9 a.m. - Open Meeting

Calendar of Events

Department of Health Regulatory Boards, 1601 Rolling Hills Drive, Richmond, Virginia. ☒

A meeting to (i) conduct general board business; (ii) make policies, (iii) respond to board correspondence, and (iv) conduct regulatory review.

Contact: Joyce D. Williams, Administrative Assistant, 1601 Rolling Hills Dr., Richmond, Va. 23229, telephone (804) 662-9912

VIRGINIA BOARD OF PSYCHOLOGY

† April 28, 1988 - 9 a.m. - Open Meeting
Department of Health Regulatory Boards, 1601 Rolling Hills Drive, Richmond, Virginia. ☒

A meeting to conduct general board business.

Contact: Stephanie A. Sivert, Executive Director, or Phyllis Henderson, Administrative Assistant, 1601 Rolling Hills Dr., Richmond, Va. 23229-5005, telephone (804) 662-9913

VIRGINIA REAL ESTATE BOARD

April 12, 1988 - 10 a.m. - Open Meeting
Travelers Building, 3600 West Broad Street, Conference Room 1, 5th Floor, Richmond, Virginia. ☒

The board will meet to conduct a formal administrative hearing: Virginia Real Estate Board v. Frank L. Compton.

Contact: Sylvia W. Bryant, Hearings Coordinator, Department of Commerce, 3600 W. Broad St., Richmond, Va. 23230, telephone (804) 367-8524

† April 20, 1988 - 9 a.m. - Open Meeting
† April 21, 1988 - 9 a.m. - Open Meeting
Travelers Building, 3600 West Broad Street, Conference Room 1, 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). The board meeting will begin at 9 a.m. on April 20, 1988, and will continue on April 21, 1988, beginning at 9 a.m. if it is deemed necessary in order to complete agenda items.

Contact: Joan L. White, Assistant Director, Department of Commerce, 3600 W. Broad St., Richmond, Va. 23230, telephone (804) 367-8552, toll-free 1-800-552-3016 or SCATS 367-8552

BOARD OF REHABILITATIVE SERVICES

† April 29, 1988 - 9:30 a.m. - Open Meeting
Department of Rehabilitative Services, 4901 Fitzhugh Avenue, Richmond, Virginia. ☒ (Interpreter for deaf provided if requested)

A meeting to (i) review committee reports on legislative and financial matters, (ii) develop fiscal and programmatic policies affecting the department and Woodrow Wilson Rehabilitation Center, and (iii) conduct the regular business of the board.

Finance Committee and Program Committee

† April 28, 1988 - 1 p.m. - Open Meeting
Department of Rehabilitative Services, 4901 Fitzhugh Avenue, Richmond, Virginia. ☒ (Interpreter for deaf provided if requested)

The committee will meet jointly to develop fiscal and programmatic policies for consideration of the board. It will review and comment on the department's preparation of the FY 1989 budget.

Legislation and Analysis Committee

† April 28, 1988 - 1 p.m. - Open Meeting
Department of Rehabilitative Services 4901 Fitzhugh Avenue, Richmond, Virginia. ☒ (Interpreter for deaf provided if requested)

A meeting to review legislative activity impacting the department and Woodrow Wilson Rehabilitation Center and develop policy recommendations to be considered by the board at its regular meeting.

Contact: James L. Hunter, Board Administrator, Department of Rehabilitative Services, 4901 Fitzhugh Ave., Richmond, Va. 23230, telephone (804) 367-6446, toll-free 1-800-552-5019, SCATS 367-6446 or 367-0280/TDD ☎

BOARD FOR RIGHTS OF THE DISABLED

† April 20, 1988 - 2 p.m. - Open Meeting
James Monroe Building, 101 North 14th Street, 1st Floor, Conference Rooms C and D, Richmond, Virginia. ☒ (Interpreter for deaf provided if requested)

A quarterly meeting to review current, ongoing and completed projects of the board and its six committees.

Education Committee

† April 20, 1988 - 10 a.m. - Open Meeting
James Monroe Building, 101 North 14th Street, 18th Floor Small Conference Room, Richmond, Virginia. ☒ (Interpreter for deaf provided if requested)

A quarterly meeting to review projects, completed and ongoing.

Employment Committee

† April 20, 1988 - 10 a.m. - Open Meeting
James Monroe Building, 101 North 14th Street, 1st Floor, Conference Room B, Richmond, Virginia. ☒ (Interpreter for deaf provided if requested)

A quarterly meeting to review committee's projects, completed and ongoing.

Health Committee

† April 20, 1988 - 10 a.m. - Open Meeting
James Monroe Building, 101 North 14th Street, 16th Floor, Budget Conference Room, Richmond, Virginia. ☒ (Interpreter for deaf provided if requested)

A quarterly meeting to review completed and ongoing projects.

Housing Committee

† April 20, 1988 - 10 a.m. - Open Meeting
James Monroe Building, 101 North 14th Street, 17th Floor, Fire Prevention Conference Room, Richmond, Virginia. ☒ (Interpreter for deaf provided if requested)

A quarterly meeting to review completed and ongoing projects.

Planning Committee

† April 19, 1988 - 2 p.m. - Open Meeting
Department for the Visually Handicapped, 397 Azalea Avenue, Large Conference Room, Richmond, Virginia. ☒ (Interpreter for deaf provided if requested)

A quarterly meeting to review ongoing projects.

Steering Committee

† April 20, 1988 - noon - Open Meeting
James Monroe Building, 101 North 14th Street, 1st Floor, Conference Room B, Richmond, Virginia. ☒ (Interpreter for deaf provided if requested)

A quarterly meeting to review the ongoing and completed projects of the six board committees.

Transportation Committee

† April 20, 1988 - 10 a.m. - Open Meeting
James Monroe Building, 101 North 14th Street, 23rd Floor, Education Conference Room - Orange, Richmond, Virginia. ☒ (Interpreter for deaf provided if requested)

A quarterly meeting to review ongoing and completed projects.

Contact: Sarah A. Liddle, Board Administrator, James Monroe Bldg., 101 N. 14th St., 17th Fl., Richmond, VA 23219, telephone (804) 225-2042, toll-free 1-800-552-3962, SCATS 225-2042 or 1-800-552-3962/TDD ☎

DEPARTMENT OF SOCIAL SERVICES (BOARD OF)

† June 22, 1988 - 9 a.m. - Public Hearing
Blair Building, 8007 Discovery Drive, Conference Rooms A and B, Richmond, Virginia

Notice is hereby given in accordance with § 9-6.14.7. of the Code of Virginia that the Department of Social Services intends to amend regulations entitled: V. 615-08-1. Virginia Fuel Assistance Program. The purpose of the proposed amendment is to assist low income households with the cost of energy needs.

STATEMENT

Subject and Substance: The amendments to the program are as follows:

In the fuel assistance component:

1. Any alien, other than a Cuban or Haitian entrant (one who is an aged, blind or disabled individual, who has obtained the status of an alien lawfully admitted for temporary residence is ineligible for a period of five years from the date such status was obtained.
2. Liquid resources for a household which does not contain a member who is 60 years of age or older or disabled, cannot exceed \$2,000.
3. Total local administrative expenditures for the implementation of the Fuel Assistance Program shall not be reimbursed in excess of 7.0% of the program grant allocation.

Basis: Section 63.1-25 of the Code of Virginia provides the statutory basis for the promulgation of regulations relative to the Fuel Assistance Program.

Purpose: The purpose of each amendment is as follows:

1. To comply with federal mandates cited in the Low Income Home Energy Assistance Act of 1981, Title XXVI of Public Law 97-35, Immigration Reform and Control Act of 1986, Public Law 99-603.
2. Increasing the maximum amount for liquid resources will bring the fuel assistance resource limit in line with Food Stamp Program limits which were increased in August, 1987.
3. A reduction in the allowable reimbursable percentage coupled with other measures should result in decreased local costs to administer the Fuel Assistance Program.

Calendar of Events

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

Written comments may be submitted until June 10, 1988.

Contact: Charlene H. Chapman, Supervisor, Energy and Emergency Assistance, Division of Benefit Programs, 8007 Discovery Dr., Richmond, Va. 23229-8699, telephone (804) 662-9050 or toll-free 1-800-552-7091

VIRGINIA SOIL AND WATER CONSERVATION BOARD

† May 19, 1988 - 9 a.m. - Open Meeting
203 Governor Street, Room 200, Richmond, Virginia

A regular bi-monthly business meeting.

Contact: Donald L. Wells, 203 Governor St., Suite 206, Richmond, Va. 23219, telephone (804) 786-4356

SUSSEX COUNTY LOCAL EMERGENCY PLANNING COMMITTEE

† May 10, 1988 - 7 p.m. - Open Meeting
Sussex Courthouse, School Board Room, Sussex, Virginia

A meeting to identify possible toxic waste problem areas and to continue work on the local county plan.

Contact: C. Taylor Everett, Chairman, P. O. Box 189, Waverly, Va. 23890, telephone (804) 834-2160

COMMONWEALTH TRANSPORTATION BOARD

† April 21, 1988 - 10 a.m. - Open Meeting
Holiday Inn, Route 29, Culpeper, 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

DEPARTMENT OF TRANSPORTATION

April 11, 1988 - 10 a.m. - Public Hearing
Culpeper District Office, Route 15, 0.5 mile south of Route 3, Culpeper, Virginia. ☒ (Interpreter for deaf provided if requested)

April 12, 1988 - 10 a.m. - Public Hearing
Salem District Office, Harrison Avenue north of Main Street and east of Route 311 in Salem, Virginia. ☒

(Interpreter for deaf provided if requested)

April 22, 1988 - 1:30 p.m. - Public Hearing
Fairfax City Hall, 10455 Armstrong Street, Room 305, Council Chambers, Fairfax, Virginia. ☒ (Interpreter for deaf provided if requested)

Public hearings to receive comments on highway allocations for the coming year and on updating the six-year improvement program for the interstate, primary, and urban systems.

Contact: Albert W. Coates, Jr., Assistant Commissioner, Department of Transportation, 1401 E. Broad St., Richmond, Va., telephone (804) 786-9950

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May 3, 1988 - 7 p.m. - Public Hearing
Virginia Department of Transportation Auditorium, 1401 East Broad Street, Richmond, Virginia

May 4, 1988 - 7 p.m. - Public Hearing
Lake Ridge High School (Suffolk District), Virginia

May 5, 1988 - 7 p.m. - Public Hearing
Salem Virginia Department of Transportation District Office, Salem, Virginia

May 10, 1988 - 4 p.m. - Public Hearing
Garfield High School, Northern Virginia

Notice is hereby given in accordance with § 9-6.14:7.1 of the Code of Virginia that the Department of Transportation intends to adopt regulations entitled: **VR 385-01-07. Virginia Department of Transportation Noise Abatement Policy.** The proposed regulation establishes consistent criteria for providing noise abatement on all proposed highway projects in the Commonwealth.

Statutory Authority: § 33.1-12 of the Code of Virginia

Written comments may be submitted until May 10, 1988.

Contact: A. C. Anday, Coordinator, Air, Noise and Energy Section, Department of Transportation, 1401 E. Broad St., 11th Fl., Richmond, Va. 23219, telephone (804) 786-6556 or SCATS 786-6556

VIRGINIA RESOURCES AUTHORITY

† April 12, 1988 - 10 a.m. - Open Meeting
The Mutual Building, 909 East Main Street, 12th Floor Conference Room, Richmond, Virginia

A meeting to (i) approve minutes of the meeting of March 8, 1988; (ii) review the authority's operations for the prior months; and (iii) consider other matters and take other actions as they may deem appropriate.

The planned agenda of the meeting will be available at the offices of the authority one week prior to the date of the meeting.

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

BOARD FOR THE VISUALLY HANDICAPPED

† May 4, 1988 - 11 a.m. - Open Meeting
Administrative Headquarters, 397 Azalea Avenue, Richmond, Virginia. ☒

A bi-monthly meeting to review policy and procedures of the Virginia Department for the Visually Handicapped. The board reviews and approves the department's budget, executive agreement, and operating plan.

Contact: Barbara G. Tyson, Acting Executive Secretary Senior, 397 Azalea Ave., Richmond, Va. 23227, telephone (804) 371-3145, toll-free 1-800-622-2155, SCATS 371-3145 or 371-3140/TDD ☎

DEPARTMENT FOR THE VISUALLY HANDICAPPED

Advisory Committee on Services

April 23, 1988 - 10:30 a.m. - Open Meeting
Administrative Headquarters, 397 Azalea Avenue, Richmond, Virginia. ☒ (Interpreter for deaf provided if requested)

A quarterly meeting to advise the department on matters related to services for blind and visually handicapped citizens of the Commonwealth.

Contact: Diane E. Allen, Executive Secretary Senior, 397 Azalea Ave., Richmond, Va. 23227, telephone (804) 371-3145, toll-free 1-800-622-2155, SCATS 371-3145 or 371-3140/TDD ☎

STATE WATER CONTROL BOARD

April 26, 1988 - 7 p.m. - Public Hearing
Isle of Wight Courthouse, Highway 258, Board of Supervisors Room, Isle of Wight, Virginia

A public hearing to receive comments on the proposed NPDES Permit to the Catholic Community of Smithfield, the issuance or denial of the permit, the effect of the discharges on water quality or beneficial uses of state waters, and the socio-economic effect of the proposal including its relationship to shellfish.

June 27, 1988 - 9 a.m. - Open Meeting
June 28, 1988 - 9 a.m. - Open Meeting
General Assembly Building, Capitol Square, Senate Room

B, Richmond, Virginia. ☒

A regular quarterly meeting.

Contact: Doneva A. Dalton, State Water Control Board, P. O. Box 11143, Richmond, Va. 23230, telephone (804) 367-6829

BOARD FOR THE CERTIFICATION OF WATER AND WASTEWATER WORKS OPERATORS

† April 22, 1988 - 9 a.m. - Open Meeting
Travelers Building, 3600 West Broad Street, 5th Floor, Richmond, Virginia. ☒

An open board meeting to conduct regulatory review.

Contact: Geralde W. Morgan, Assistant Director, Department of Commerce, 3600 W. Broad St., Richmond, Va. 23230-4917, telephone (804) 367-8534, toll-free 1-800-552-3016 or SCATS 367-8534

THE COLLEGE OF WILLIAM AND MARY

Board of Visitors

April 21, 1988 - 3 p.m. - Open Meeting
April 22, 1988 - 8 a.m. - Open Meeting
Campus Center, Jamestown Road, Williamsburg, Virginia

A regularly scheduled meeting to (i) approve the budgets and fees of the college and Richard Bland College; (ii) receive reports from several committees of the board, and (iii) act on those resolutions that are presented by the administrations of William and Mary and Richard Bland College.

An informational release will be available four days prior to the board meeting for those individuals or organizations who request it.

Contact: Office of University Relations, James Blair Hall, Room 308, College of William and Mary, Williamsburg, Va. 23185, telephone (804) 253-4226

COUNCIL ON THE STATUS OF WOMEN

† May 13, 1988 - 10 a.m. - Open Meeting
† May 14, 1988 - 10 a.m. - Open Meeting
Airfield Conference Center, Southeast 4-H Educational Center, Wakefield, Virginia

A planning meeting for the next biennium for standing committees and the council. An agenda may be obtained from the council office on May 1.

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

Calendar of Events

662-9200 or SCATS 662-9200

LEGISLATIVE

VIRGINIA CODE COMMISSION

† April 18, 1988 - 11 a.m. - Open Meeting
General Assembly Building, Capitol Square, 6th Floor
Conference, Richmond, Virginia. ☒

An organizational meeting. Planning for the revision of
Title 46.1 (Motor Vehicles).

Contact: Joan W. Smith, Virginia Code Commission, P. O.
Box 3-AG, Richmond, Va. 23208, telephone (804) 786-3591

VIRGINIA STATE CRIME COMMISSION

† April 19, 1988 - 2 p.m. - Open Meeting
General Assembly Building, Capitol Square, Senate Room
A, Richmond, Virginia. ☒

The purpose of meeting will be for commission
members to review and approve the 1987 Annual
Report for publication and distribution; also to review
the 1988 legislative actions and discuss any other
concerns of members.

Contact: Robert E. Colvin, Executive Director, P. O. Box
3-AG, General Assembly Building, Room 915, Richmond,
Va. 23208, telephone (804) 225-4534

CHRONOLOGICAL LIST

OPEN MEETINGS

April 11

Air Pollution Control Board, State
† Children's Facilities, Interdepartmental Council on
Rate-Setting for
Funeral Directors and Embalmers, Virginia Board of
Mental Health, Mental Retardation and Substance
Abuse Services, Department of

April 12

Farmworkers Board, Governor's Migrant and Seasonal
Medicine, Virginia State Board of
- Informal Conference Committee
Nursing, Virginia State Board of
- Informal Conference Committee
Real Estate Board, Virginia
† Virginia Resources Authority

April 13

Bedford County Local Emergency Planning Committee
Corrections, State Board of

† Nursing, Virginia State Board of
Pilots, Board of Commissioners to Examine
Professional Counselors, Virginia Board of

April 14

Architects, Professional Engineers, Land Surveyors and
Certified Landscape Architects, State Board of
- Virginia State Board of Land Surveyors
† Child Day-Care Council
† Commerce, Board of
Emergency Planning Committee for the City of
Martinsville and Henry County, Local
† Fairfax County - Town of Vienna; City of Fairfax -
Town of Herndon, Local Emergency Planning
Committee of
Health Regulatory Boards, Council on
† - By-Laws Committee
- Compliance and Disciplinary Committee
Nursing and Medicine, Committee of the Joint Boards
of

April 15

Conservation and Historic Resources, Department of
- Falls of the James Advisory Committee
† Coordinating Prevention, Virginia Council on
Dentistry, Virginia Board of
Professional Counselors, Virginia Board of

April 16

Dentistry, Virginia Board of

April 17

Dentistry, Virginia Board of

April 18

† Accountancy, State Board of
† Code Commission, Virginia
Health Regulatory Boards, Council on
† - Committee to Study Allied Health
Recommendations
† - Legislative Committee

April 19

† Accountancy, State Board of
Alcoholic Beverage Control Board
Conservation and Historic Resources, Department of
- Virginia Historic Landmarks Board
† Crime Commission, Virginia State
Health Regulatory Boards, Council on
† - Executive Committee
† - Public Information Committee
† - Regulatory Evaluation and Research Committee
† Housing Development Authority, Virginia
† Rights of the Disabled, Board for
- Planning Committee

April 20

† Nursing, Virginia State Board of
† Real Estate Board, Virginia
† Rights of the Disabled, Board for
- Education Committee

Calendar of Events

- Employment Committee
- Health Committee
- Housing Committee
- Steering Committee
- Transportation Committee

April 21

- † Chesterfield County, Local Emergency Planning Committee of
- † Danville Local Emergency Planning Committee
- † Farmers' Market Board, Virginia
- † Fire Services Board, Virginia
 - Education Training Committee
 - Fire Prevention and Control Committee
 - Legislative Committee
- † Henrico County Local Emergency Planning Committee
- Medicine, Virginia State Board of
 - Chiropractic Examination Committee
- † Nursing, Virginia State Board of
- † Real Estate Board, Virginia
- † Transportation Board, Commonwealth
- William and Mary, The College of
 - Board of Visitors

April 22

- † Building Code Technical Review Board, State
- † Fire Services Board, Virginia
- † Human Rights Committee, State
- † Labor and Industry, Department of
 - Apprenticeship Council
- Medicine, Virginia State Board of
 - Informal Conference Committee
- † Water and Wastewater Works Operators, Board for the Certification of
- William and Mary, The College of
 - Board of Visitors

April 23

- Visually Handicapped, Department for the
 - Advisory Committee on Services

April 25

- † Cosmetology, Virginia Board of
- † Job Training Coordinating Council, Governor's

April 26

- † Education, State Board of Library Board
- † Medicaid and Medicare, Governor's Advisory Board on

April 27

- Bedford County Local Emergency Planning Committee
- † Conservation and Historic Resources, Department of
 - Division of Soil and Water Conservation
- † Education, State Board of
- † Health Services Cost Review Council, Virginia
- Medicine, Virginia State Board of
 - Informal Conference Committee
- † Mental Health, Mental Retardation and Substance

Abuse Services Board, State

April 28

- † Education, State Board of Nursing, Virginia State Board of
 - Informal Conference Committee
- † Psychology, Virginia Board of
- † Rehabilitative Services, Board of
 - Finance Committee and Program Committee
 - Legislation and Analysis Committee

April 29

- † Chesapeake Bay Commission
- Mentally Ill Advisory Board, Protection and Advocacy for the
- † Rehabilitative Services, Board of

May 3

- Auctioneers Board
- Hopewell Industrial Safety Council
- Marine Resources Commission

May 4

- † Visually Handicapped, Board for the

May 5

- † Chesterfield County, Local Emergency Planning Committee of

May 9

- † Health Policy Office, Virginia Commonwealth University; Office of the Secretary of Human Resources, Commonwealth of Virginia

May 10

- † Health Policy Office, Virginia Commonwealth University; Office of the Secretary of Human Resources, Commonwealth of Virginia
- † Medical Assistance Services, Board of
- † Sussex County Local Emergency Planning Committee

May 11

- † Indians, Council on

May 12

- Emergency Planning for the City of Martinsville and Henry County, Local
- † Public Records Advisory Council

May 13

- Children's Residential Facilities, Interdepartmental Licensure and Certification of
 - Coordinating Committee
- † Women, Council on the Status

May 14

- † Women, Council on the Status

May 16

- Agricultural Council, Virginia

Calendar of Events

- May 17**
Funeral Directors and Embalmers, Virginia Board of Local Government, Commission on
- May 19**
† Chesterfield County, Local Emergency Planning Committee of Mental Health, Mental Retardation and Substance Abuse Services, Department of; University of Virginia Institute of Law, Psychiatry and Public Policy, Division of Continuing Education, Office of Continuing Legal Education and Office of Continuing Medical Education
† Soil and Water Conservation Board, Virginia
- May 20**
Conservation and Historic Resources, Department of - Falls of the James Advisory Committee
Mental Health, Mental Retardation and Substance Abuse Services, Department of; University of Virginia Institute of Law, Psychiatry and Public Policy, Division of Continuing Education, Office of Continuing Legal Education and Office of Continuing Medical Education
- May 26**
† Education, State Board of
- May 27**
† Education, State Board of
- June 2**
† Chesterfield County, Local Emergency Planning Committee of
- June 10**
Children's Residential Facilities, Interdepartmental Licensure and Certification of - Coordinating Committee
- June 22**
† Education, State Board of
- June 23**
† Education, State Board of
- June 27**
Water Control Board, State
- June 28**
Water Control Board, State
- April 18**
Labor and Industry, Department of
- April 20**
Medicine, Virginia State Board of
- April 21**
† Fire Services Board, Virginia
- April 22**
Transportation, Department of
- April 26**
Water Control Board, State
- May 2**
Health, State Board of
- May 3**
Marine Resources Commission - Habitat Management Division
Transportation, Department of
- May 4**
Transportation, Department of
- May 5**
Transportation, Department of
- May 10**
Transportation, Department of
- June 22**
† Social Services, Department of
- June 28**
† Corrections, Department of
- July 7**
† Corrections, Department of
- July 13**
† Corrections, Department of

PUBLIC HEARINGS

- April 11**
Transportation, Department of
- April 12**
Transportation, Department of